

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Executive Committee
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 1:36 p.m., Thursday, November 5, 2009. Executive Committee members in attendance were Mr. Munir Lalani, Chairman; Dr. Carol Gunn, Vice Chair; Dr. Lynwood Givens, Secretary; and Mr. Charles Engelman, Member-at-Large. Other regents attending the meeting were Ms. Charlye Farris, Mr. Shawn Hessing, Ms. Jane Spears, Mr. Ben Wible, and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Allen Goldapp, Associate Vice President for Facilities Services; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Mr. Chris Gore, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Barbara Merkle, Director of Admissions; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President, and Mr. Quincy Bynum, SGA Observer. Representing the news media were Ms. Ann Work, reporter for the *Times Record News*, and Ms. Katie Crosby, reporter for KFDX.

Chairman Lalani called the meeting to order at 1:36 p.m.

Reading and Approval of Minutes

10-04. The minutes of the Executive Committee meeting August 6, 2009, were approved as presented.

Maintenance Plan Update – MP2 and MP4

10-05. Mr. Lalani noted that each year the administration submits to the Texas Higher Education Coordinating Board (THECB) an update of MSU's deferred maintenance needs through the MP2, and reports on completed deferred maintenance projects through the MP4. He added that the reports were shown in the agenda and were presented as a point of information only. He added that if any modifications or changes were recommended by the regents they would be forwarded to THECB.

Dr. Rogers commented that the university must address deferred maintenance in a systematic manner. Mr. Sandoval noted that the MP2 is a plan for addressing the

university's identified deferred maintenance needs during the next five years. Mr. Goldapp added that the plan can be changed as funds become available for specific projects or if there is an emergency need.

Mr. Lalani noted that the Board receives copies of the MP1, MP2, and MP4 reports. He asked about the MP3 report. Mr. Goldapp responded that the MP3 contained the same information as the MP2, but in a different format. When the reporting system was computerized, the MP3 was eliminated.

Dr. Givens asked why there was such a large variance between the \$2.1 million expended for deferred maintenance in 2009, the \$860,000 planned in 2010, and the \$2.9 million planned in 2011. Mr. Goldapp responded that the fluctuation is largely because of Phase I and Phase II of the Ligon Project. The bulk of the expenditures in 2009 were related to the Ligon Project. Dr. Givens asked why 2010 was so low in comparison. Mr. Goldapp responded that it was only because of the fluctuation in the projects planned for next year in comparison to the other years.

No action was necessary with regard to this item.

Ligon Coliseum Renovation – Phase II

10-06. Mr. Lalani noted that following the Board's discussion in August, the administration continued planning Phase II of the Ligon Coliseum Renovation project and recommended the following action:

- A. approve the project at a cost not to exceed \$6.7 million;
- B. authorize the administration to seek approval of the project from THECB;
- C. authorize the administration to submit a proposal to the Texas Public Finance Authority and the Texas Bond Review Board for 25-year bonds to fund the project, with the debt paid by the Intercollegiate Athletics Fee; and
- D. authorize the administration to secure services of a construction manager at risk through a Request for Proposal and issue contracts as necessary.

Dr. Rogers reviewed the history of the project. He stated that the project began in 2003 as a plan to renovate dressing rooms and update the facility at a cost of approximately \$12 million. Funding from the state in the amount of \$7.7 million in Tuition Revenue Bonds was approved in 2007 and received in 2008. As specific planning for the project began it became apparent that the cost of the necessary infrastructure work, including fire safety, ADA, asbestos, plumbing, and electrical projects, would leave little funding available for other renovation work. The administration identified Higher Education Assistance Funds (HEAF) and private funds that brought Phase I of the project to \$10.5 million. With the approval of the new Intercollegiate Athletics Fee, funds are available to proceed with Phase II of the project.

Mr. Goldapp reported that Phase II includes renovation of the remaining locker rooms and offices, as well as transformer and electrical upgrades, and rewiring for telephone

and fiber. He added that the public restrooms and concession stands would also be updated as part of the project.

Mr. Lalani asked for a motion to approve the project as presented. Mr. Engelman moved approval of the item and Dr. Gunn seconded the motion.

Mr. Hessing asked the administration to prepare a time phase analysis of the sources and uses of funds from the beginning of the project through the final pay off of the bonds on the project. Mr. Goldapp and Mr. Sandoval responded that they would prepare such a report.

Mr. Hessing stated that the Intercollegiate Athletics Fee was approved by the Board of Regents at \$5 per semester credit hour and noted that it could be increased to \$10 per semester credit hour at some time in the future.

Mr. Lalani indicated that he had concerns about a 25-year bond. He noted that the facility would likely need to be renovated in less than 25 years and it might present a problem for future boards and administrations. Mr. Sandoval responded that a 20-year bond would produce funds for a \$6 million project while a 25-year bond would generate \$6.7 million, depending on the market at the time the bonds are sold. Mr. Lalani asked the administration to review this matter further and determine if the project could be reduced or if outside funds could be found to make up the difference in funding. He encouraged the administration to make every effort to cut the amortization period down to close to 20 years.

Mr. Hessing asked the administration to put together a 10-year overall campus plan for capital improvement and deferred maintenance projects, with sources and uses. He noted this would help the Board of Regents understand what is planned in the future as well as sources and uses in terms of the university's debt. Dr. Given expressed his support for such a report. He indicated that he would like more predictability in projects in the future. He asked what additional items would be needed to complete the Ligon Project. Mr. Goldapp responded that Phase II addresses the majority needs of the facility. One of the items that will remain at the conclusion of Phase II is the replacement of doors and windows. He indicated his hope that HEAF would be available to address this need in the future. Dr. Givens asked what it would cost to replace the doors and windows. Mr. Goldapp responded that the cost would likely be between \$500,000 and \$750,000. Dr. Rogers added his understanding that the items remaining could be handled as part of the university's budgeting process.

There being no further discussion, the motion was approved (see Attachment 1 – signed resolutions).

Athletics Facilities/Fields Projects

10-07. Mr. Lalani noted that this was another group of projects discussed by the board in August. The administration requested authorization to proceed with the design and construction of a synthetic turf practice field, lighting for the softball and soccer fields,

and construction of a softball batting cage and locker room facility at a total cost not to exceed \$1.8 million, as outlined in the agenda. The source of funds for these projects is donor/private funds. Dr. Rogers noted that these are three separate projects and the administration would like to proceed with planning, pending receipt of funding.

Dr. Givens moved approval of this item as presented. Mr. Engelman seconded the motion.

Dr. Givens asked about the timeframe for the outside funding. Dr. Rogers responded that one significant gift has been received for one of the projects and fundraising efforts for the other projects is underway. He indicated his hope that the remaining funds necessary would be received in the next two years. Mr. Carr indicated that the softball project is the top priority and the major gift that has been received is in support of this project.

There being no further discussion, the motion was approved.

Energy Conservation Project

10-08. Mr. Lalani commented that at the August Board of Regents meeting, Mr. Goldapp discussed the Texas LoanSTAR program, which the administration would like to pursue. The administration requested authorization to seek funding and receive bids for an energy conservation project not to exceed \$5 million with a 10-year debt pay off. The project is intended to be self-funded through utility savings.

Dr. Gunn moved approval of this item as presented. Dr. Givens seconded the motion.

Mr. Goldapp explained that the Texas LoanSTAR is a revolving fund that provides funding for energy conservation projects. The program is funded through the federal government and provides loans for up to 10 years at an interest rate of 3%. Ms. Spears asked about the process and how the company utilized was selected. Mr. Goldapp responded that the university submitted an application and an engineer was sent to campus to evaluate the need. The university utilized a Request for Proposals (RFP) to select a firm for the design work and energy audit.

Mr. Engelman indicated that the university's utility costs are approximately \$6 million per year. He questioned whether the university could save the funds necessary to pay the debt if the project is \$5 million with a payback of 10 years. Mr. Lalani expressed concern with the 10 year payoff and indicated his hope that the payoff would be less than six years to justify a project based on energy savings.

Mr. Lalani indicated his understanding that the administration was seeking board approval to move forward with the application process. Mr. Sandoval added that the project would come back to the board for final approval. Mr. Goldapp reported that once the report is complete the state energy office requires a second opinion from another engineering firm to verify the calculations. He stated that the agenda item was printed prior to the engineering report being finalized and the \$5 million indicated will actually be closer to \$3.5 million. The overall project will likely include a variety of items with

paybacks from 2.2 to 9.6 years. The item with the longest payback is work on the steam system. Mr. Goldapp added that the university's steam system is quite old and needs to be replaced. The university will have to fund its repair regardless of whether or not it is included in this project.

Mr. Benton noted that energy savings are important to the students as they push for a "green" campus. He indicated that the students would support this project if it can be justified from a financial perspective.

Dr. Rogers noted that deferred maintenance projects that are not part of a major renovation project are generally funded from HEAF or general revenues. While a project such as this would not have a quick payback, it would address a critical deferred maintenance issue. Mr. Goldapp indicated that the overall project would save energy and address infrastructure issues.

Mr. Lalani thanked Mr. Goldapp and Dr. Rogers for the explanation and indicated support for the project. Mr. Hessing added that if the work is needed and the university has an opportunity to fund the project at 3% interest, it is a good opportunity.

Ms. Spears asked if there was any aspect of the project that is geared to people management rather than retrofits. Mr. Goldapp responded that as part of the energy audit the engineers are not allowed to look at operations savings.

Dr. Givens noted that the agenda item referred to "certified annual savings" and asked what that meant. Mr. Goldapp responded that certified might not be the correct word, but indicated that the annual savings numbers must be verified as accurate. He added that Texas LoanSTAR will not loan the money without appropriate verification. Mr. Hessing asked who does the verification. Mr. Goldapp stated that the engineering firm will verify and track and savings.

There being no further discussion the motion was approved.

Pierce/Killingsworth Halls Project

10-09. Mr. Lalani reported that the mechanical/HVAC systems in Pierce Hall and Killingsworth Hall must be replaced. The anticipated cost of the project is \$900,000. The administration requested authorization to secure services of a construction manager at risk through a Request for Proposal and issue contracts necessary to upgrade these mechanical systems. The recommended source of funds for the project is Housing Reserves.

Dr. Rogers noted that the campus is struggling with air quality in buildings on campus due to climate change issues. He indicated that the HVAC systems in these two residence halls were replaced in 2003 and 2004. Unfortunately they were not engineered to address the relative humidity that is now being experienced. He indicated that outside air is required to keep good air quality, but this pulls moisture into the building which causes humidity issues. University personnel have worked to correct this problem but have determined that the systems must be upgraded.

Dr. Gunn moved approval of this item as presented. Mr. Engelman seconded the motion.

Mr. Goldapp noted that the agenda document stated that the HVAC system had failed and this was probably not the word that should have been used. While the buildings were well designed in terms of delivery or makeup air, the changes necessary will address the humidity coming into the buildings.

Mr. Lalani asked about the balance held in Housing Reserves. Dr. Rogers responded that if the project is approved, the fund balance should be \$400,000 by the end of FY 2010. Mr. Hessing asked how rapidly the funds are replenished. Dr. Rogers stated that \$250,000 is generally placed into the reserve each year. Mr. Sandoval added his hope that the project would be less than \$900,000. He reported that in FY2011 the university will begin paying principle for Sundance Court and that will cause the contribution to reserves to be less than \$250,000. Mr. Lalani expressed concern that the university would have an additional housing facility while funds going to reserves would be less. Mr. Sandoval responded that the administration and board would need to review revenue and costs to determine a way to achieve a greater reserve balance.

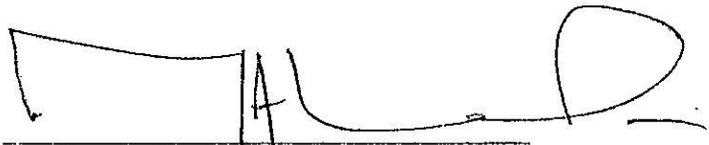
Dr. Rogers commented that MSU housing costs have been relatively low and will need to be increased. Mr. Lalani asked if there were additional housing needs that will need to be addressed from Housing Reserves in the near future. Dr. Farrell responded that the administration did not anticipate any at this time. Mr. Engelman indicated that there was a shortfall last year in housing income relative to expenditures. Mr. Sandoval noted that housing rates were increased to address this previous shortfall.

There being no further discussion the motion was approved.

Adjournment

There being no further business, the Executive Committee discussion concluded at 2:32 p.m.

Reviewed for submission:



Munir A. Lalani, Chairman
Midwestern State University
Board of Regents Executive Committee

ATTACHMENT:

1. Texas Public Finance Authority Resolutions (2) – Ligon Project Phase II

RESOLUTION AUTHORIZING A REQUEST FOR FINANCING
Midwestern State University
Ligon Coliseum Renovation Project – Phase II

WHEREAS, the Texas Public Finance Authority (the “Authority”) has the exclusive authority to act on behalf of Midwestern State University (the “University”) in the issuance of bonds pursuant to Tex. Rev. Civ. Stat., Art. 601d as amended; and

WHEREAS, the University has been authorized to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructure to be financed by the issuance of bonds or other authorized financing mechanism pursuant to Texas Education Code 55.17 in the aggregate principal amount not to exceed \$6,700,000; and

WHEREAS, the Board of Regents of Midwestern State University (the “Board of Regents”) now desires to approve and authorize financing to enable the University to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructures, and authorizes the President of the University (the “President”) or designees to submit requests for financing to the Authority from time to time to issue bonds or other authorized financing mechanism in an aggregate amount not to exceed \$6,700,000 to enable the University to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads or related infrastructures and to take other actions related thereto.

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MIDWESTERN STATE UNIVERSITY THAT:

- 1) The University is duly authorized by law pursuant to Texas Education Code, Section 57.17 to acquire, purchase, construct, improve, renovate, enlarge, or equip property building, structures, facilities, roads or related infrastructures to be financed by the issuance of bonds or other authorized financing mechanism in accordance with Texas Education Code, Chapter 55, Subsection B in the aggregate amount not to exceed \$6,700,000;
- 2) Dr. Jesse W. Rogers, President, or his designee is hereby authorized and directed to submit requests from time to time to the Authority to issue bonds or other authorized financing mechanism in an aggregate amount not to exceed \$6,700,000 in order that the University may acquire, purchase, construct, improve, renovate, enlarge, or equip property building, structures, facilities, roads or related infrastructures as these projects are specifically approved by the Board of Regents and further approved by the Texas Higher Education Coordinating Board as may be required;
- 3) The President is hereby authorized to approve, execute, and deliver of cause to be delivered those documents and such other instruments including but not limited to the financing documents required by the Authority’s rules, and to take such other actions as

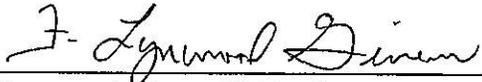
are necessary and appropriate in connections with the issuance, sale, or delivery of the bonds or other authorized financing mechanism;

- 4) Due notice of the meeting and the subject matter of this Resolution was given as required by law; and that a quorum of the Board of Regents was present at the meeting at which this resolution was considered.

Adopted by a vote of 8 yeas, and 0 nays effective as of November 5, 2009.



Munir Lalani, Chairman
Board of Regents
Midwestern State University



F. Lynwood Givens, Ph.D., Secretary
Board of Regents
Midwestern State University

**Board of Regents
Midwestern State University
Wichita Falls, Texas**

**RESOLUTION DECLARING EXPECTATION TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF FUTURE DEBT
D.L. LIGON COLISEUM RENOVATION PROJECT – PHASE II**

WHEREAS, Midwestern State University (the “University”) intends to make a capital expenditure not to exceed \$6,700,000 to renovate the D.L. Ligon Coliseum – Phase II on its campus in Wichita Falls, Texas (the “Project”), which is to be funded with proceeds of bonds to be issued by the Texas Public Finance Authority (the “Authority”) as authorized by House bill 1077, Acts of the 75th Legislature, Regular Session (1997); and

WHEREAS, the University intends to expend an amount not to exceed \$6,700,000 (the “Expenditure”) for the Project costs and intends Project expenditures to be reimbursed from proceeds of bonds to be issued by the Authority for the Project; and

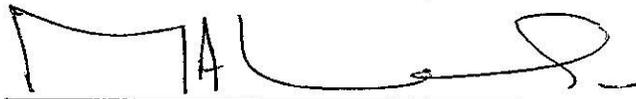
WHEREAS, under Treas. Reg. Section 1.103-19 (the “Regulation”), to fund such reimbursement with proceeds of tax-exempt obligations, the University must declare its expectation of such reimbursement before making the Expenditure; and

WHEREAS, the University and the authority desire to preserve the ability to reimburse the Expenditure with proceeds of tax-exempt obligations;

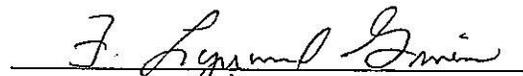
NOW, THEREFORE, THE UNIVERSITY HEREBY RESOLVES that it reasonably expects to reimburse Project expenditures with the proceeds of the bonds to be issued hereafter by the Authority, and this Resolution shall constitute a declaration of official intent under this Regulation.

BE IT FURTHER RESOLVED that a copy of this resolution be spread upon the minutes of November 5, 2009, meeting of the Board of Regents of Midwestern State University at 3410 Taft Boulevard, Wichita Falls, Texas, 76308.

Adopted by a vote of 8 yeas, 0 nays, effective November 5, 2009.



Munir Lalani, Chairman
Board of Regents
Midwestern State University



F. Lynwood Grvens, Ph.D., Secretary
Board of Regents
Midwestern State University

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Finance and Audit Committee
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:32 p.m., Thursday, November 5, 2009. Finance and Audit Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Charles Engelman; Dr. Lynwood Givens; and Ms. Jane Spears. Other regents attending the meeting were Ms. Charlye Farris, Dr. Carol Gunn, Mr. Munir Lalani, Mr. Ben Wible, and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Allen Goldapp, Associate Vice President for Facilities Services; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Mr. Chris Gore, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Barbara Merkle, Director of Admissions; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President, and Mr. Quincy Bynum, SGA Observer. Representing the news media were Ms. Ann Work, reporter for the *Times Record News*, and Ms. Katie Crosby, reporter for KFDX.

Chairman Hessing called the meeting to order at 2:32 p.m.

Reading and Approval of Minutes

10-10. The minutes of the Finance and Audit Committee meeting August 6, 2009, were approved as presented.

Review and Acceptance of Financial Report

10-11. The administration recommended the July, 2009, Financial Report for acceptance. Mr. Hessing asked Mr. Sandoval to comment on this report. Mr. Sandoval noted that the letter that accompanied the July financial report indicated a favorable position as of July 31, 2009. Additionally, Schedule 1 showed revenue totaling \$80 million and expenses of \$77.5 million. He stated that the FY 2009 budget was predicated on utilizing \$519,000 from university reserves. He reported that this amount would likely only be \$200,000 when the fiscal year is closed.

Mr. Engelman moved acceptance of the report as presented. Ms. Spears seconded the motion.

Mr. Hessing noted that the November meeting falls two weeks prior to the due date for the Annual Financial Report. He indicated that the board will receive this report in the first few weeks of December. It will also be placed on the February agenda for discussion.

There being no further discussion the motion was approved.

FY 2009-2010 Item \$50,000 & Under Approved by President

10-12. Mr. Hessing noted one budget change since the beginning of the fiscal year and asked Dr. Rogers to comment. Dr. Rogers noted that the budget was developed based on an enrollment estimate of 6,100 students. With the enrollment increase and resulting increased revenue, additional funding was approved for the student services area.

Ms. Spears moved ratification of this item as presented. Mr. Engelman seconded the motion and it was approved.

Salary/Title/Position Changes in 2008-2009 and 2009-2010 Budgets

10-13 & 10-14. Position changes approved by the president were presented for ratification as shown in the agenda document. Mr. Hessing asked Dr. Rogers to comment concerning these items.

Dr. Rogers noted that the largest budget changes shown in Item 10-13 resulted from hiring a new business college dean and provost and the resulting overlap of individuals. He pointed out that the addition of the machinist technician position was required as part of accreditation for the engineering program. With regard to Item 10-14, Dr. Rogers noted that the writing proficiency coordinator position was converted into a benefit eligible position.

Mr. Engelman moved the board ratify these changes as presented. Ms. Spears seconded the motion and it was approved.

Faculty Positions 2010-2011 Budget – Critical Faculty Needs

10-15. Mr. Hessing noted that the administration was requesting permission to initiate searches for three continuing faculty positions for the fall 2010 semester. The faculty positions are in art, psychology, and history, as presented in the agenda document.

Dr. Rogers noted that the university's strategic plan calls for the replacement of adjunct and part-time faculty with terminally qualified faculty, when appropriate and affordable. The university is now approaching the point of enrollment and programming that the number of positions to be added will be smaller in the future.

Dr. Givens moved approval of these faculty positions as presented. Ms. Spears seconded the motion.

Ms. Spears indicated that the graphic design position will fill a gap in the art curriculum and expressed her support for this addition. Dr. Rogers noted that this particular addition would add to the quality of the program. He added that the Department of History has been without a chair for a number of years and noted this is a critical need. In the area of psychology, enrollment is high and a full-time position has been needed for some time.

There being no further discussion the motion was approved.

Radiography Equipment

10-15.1. Mr. Hessing noted that this was an addition to the printed agenda. He indicated that the administration was requesting authorization to utilize Course Fee Reserves to replace equipment in two radiographic labs at a cost not to exceed \$200,000. Mr. Hessing reported that a portion of the equipment is no longer manufactured and replacement parts are no longer available. The immediate replacement of equipment is necessary to meet the needs of the students currently enrolled in the radiologic science program.

Dr. Rogers stated that these instruments were purchased over 10 years ago. Dr. Long noted that the university has four labs that are constantly used by students in this program. Two of the labs were equipped with new equipment in 2007-2008. One of the two other labs went out of service last year, leaving only three operating labs. Within the last ten days the third lab went down and left only two working labs. In order to accommodate all of the students, students are volunteering to work in the labs late at night.

Ms. Spears moved approval of this item as presented. Mr. Engelman seconded the motion.

Mr. Benton asked about the timeline for getting this equipment replaced. Dr. Long responded that the equipment could likely be installed within the next 15 days. Mr. Lalani asked if the two broken machines would be retained and the spare parts utilized if other machines need repair in the future. Dr. Long responded that salvageable parts would be saved, but added that the two newer machines and the older non-working machines were made by different manufacturers. Mr. Wible asked about the life expectancy of the two working labs. Dr. Long responded that the two newer labs were replaced in 2007-2008 following 10 years of use. He indicated that while the equipment is not guaranteed, it was reasonable to expect 8-10 years of use.

Mr. Hessing noted that Course Fee Reserves would be utilized and asked if these funds were on hand. Mr. Sandoval responded that it was. Dr. Givens asked about the size of the reserves and the replenishment rate. Mr. Sandoval indicated that the balance of Course Fee Reserves is over \$300,000. He noted that Course Fees are generally collected and allocated during the same year. He added that this is a one-time expenditure and that there was no intention to build the fund to that level again.

There being no further discussion the motion was approved.

Recommended Adjustments to Original Operating Budget FY 2010

10-16. Mr. Hessing noted that the operating budget was developed based on a fall enrollment of 6,100 students. The actual fall enrollment exceeded that number by 243 students, which provided increased revenue in the amount of \$951,915. The administration recommended the following increases to the operating budget:

A. Increase mid-year compensation adjustment by an additional 1% of annual pay	\$150,000
B. Add two secretarial positions in Dillard College to assist with accreditation	48,500
C. Add visiting professor in Dillard College for ½ year	50,000
D. Replace shortfall in Dillard College endowment income	80,000
E. Increase funding for deferred maintenance, risk management and safety projects	<u>120,000</u>

TOTAL RECOMMENDED BUDGET INCREASE **\$448,500**

Dr. Rogers reported that the administration reviewed critical university needs that could be addressed with a portion of the increased revenue. He indicated that the recommended budget changes would provide compensation for faculty and staff, address funding shortfalls in various areas of the university, and maintain funds to be placed in university reserves. In August, the board authorized funding for a mid-year salary increase totaling 2% of current salaries. This proposal would add 1% to that planned mid-year increase. Several recommended changes would add personnel and funding for the Dillard College of Business to assist with the accreditation process. Finally, funds are recommended to address critical university projects in the area of the physical plant.

Mr. Engelman moved approval of this item as presented. Ms. Spears seconded the motion.

Mr. Hessing noted a financial report from Mr. Sandoval (see Attachment 1) which summarizes the approved budget, the increased revenue, and recommended new expenditures. He expressed appreciation to Mr. Sandoval for this information.

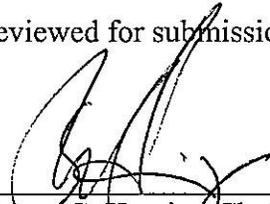
Dr. Givens noted that the budget increases include over \$250,000 in continuing costs for the university, which would indicate that future enrollment would have to be at least 6,200 students to fulfill the budget. Dr. Rogers responded that if enrollment declined, reductions in operations would have to be made. He added his hope that the investment climate and the resulting endowment performance would improve, resulting in additional funding for the university in the future. Mr. Hessing noted that since one-half of the increased revenue was returned to university reserves, this funding would be available for use in the future.

There being no further discussion, the motion was approved.

Adjournment

The Finance and Audit Committee discussion concluded at 3:02 p.m.

Reviewed for submission:



Shawn G. Hessing, Chairman
Midwestern State University
Board of Regents Finance & Audit Committee

ATTACHMENT:

1. Summary of FY 2010 Approved Budget and Recommended Changes

Midwestern State University

FY '10 Approved Budget with Other Suggested Changes for Consideration

November 5, 2009

Approved Budget - Regents/Aug'09

	Revenue 2009-10	Expenditure Requirements	Excess (Deficiency)
Educational and General	34,485,514	35,003,085	(517,571)
Designated Funds	26,214,895	25,849,513	365,382
Auxiliary Funds	5,760,461	5,602,198	158,263
Restricted Funds	15,468,665	15,468,665	0
Plant Funds	8,363,580	8,363,580	0
Total All Funds	90,293,115	90,287,041	6,074

Projected Increase in Revenue:

State Tuition	236,602		
Reduction in Incentive Funds	(161,398)		
Designated Tuition	461,178		
Student Service Fees	84,030		
Recreation Center Fees	19,195		
Technology Fees	120,670		
Library Fees	38,395		
Other Designated Funds	147,169		
New Revenue	945,841		945,841

Proposed Expenditure Changes:

(1) Mid-Year Compensation, 3% staff, 2% faculty with 1% merit	150,000		
(2) Add 2 Staff Positions to Dillard College, accreditation	48,500		
(3) Add 1/2 Faculty Position, College of Business Visiting Prof.	50,000		
(4) Replace shortfall in Dillard College Endowment Income need	80,000		
(5) Deferred maintenance, risk management & safety projects	120,000		
New Expenditure Needs	448,500		448,500

Excess of Revenue over Expenditures**503,415**

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Investment Committee
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 3:02 p.m., Thursday, November 5, 2009. Investment Committee members in attendance were Mr. Charles Engelman, Chairman; Mr. Shawn Hessing; Ms. Jane Spears; and Mr. Ben Wible. Other regents attending the meeting were Ms. Charlye Farris, Dr. Lynwood Givens, Dr. Carol Gunn, Mr. Munir Lalani, and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Allen Goldapp, Associate Vice President for Facilities Services; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Mr. Chris Gore, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Barbara Merkle, Director of Admissions; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President, and Mr. Quincy Bynum, SGA Observer. Representing the news media were Ms. Ann Work, reporter for the *Times Record News*, and Ms. Katie Crosby, reporter for KFDX.

Chairman Engelman called the meeting to order at 3:02 p.m.

Review and Acceptance of Investment Report

10-17. The administration recommended the fourth quarter 2009 Investment Report for acceptance. Mr. Engelman asked Mr. Sandoval to comment on this report. Mr. Sandoval noted that the report indicated total cash investments at book value of \$33.9 million and a return of 1.7% during the quarter. He reminded the board that university investments are very conservative, which restricts growth potential.

Mr. Hessing moved the board accept this report as presented. Ms. Spears seconded the motion.

Redwine Quasi-Endowment Fund Report

10-18. Mr. Engelman noted that in May, 2009, the Board of Regents established a quasi-endowment fund from the proceeds of the Bruce Redwine Estate and instructed that a report be presented to the board in November of each year concerning the use of these

funds during the previous fiscal year. The report concerning this fund for fiscal year 2009 was presented in the agenda document.

Dr. Rogers noted that \$15,000 of the return on those funds was utilized for Honors Scholarships. Additionally, a portion of the principle was approved to fulfill the \$500,000 match for the Priddy Foundation gift.

This item was presented as a point of information only and no action was necessary.

Investment Policy

10-19. Mr. Engelman reported that the Texas Public Funds Investment Act requires that the Board of Regents review and approve the institution's Investment Policy each year. The administration recommended changes to the policy as presented in the agenda document.

Dr. Rogers reported that the primary change in the policy was the establishing of a limit of 60% of funds that could be invested in equities. Mr. Sandoval noted that when the board originally approved the policy allowing the investment of endowment funds in equities, no specific limit was determined. Currently, university-held investments range between 50% and 85% in equities. Following review, the administration felt a more conservative approach was appropriate and thus recommended establishing a limit of 60%.

Mr. Lalani indicated his feeling that preservation of capital was critical. He added that he would like to see the university investments limited to 50% in equities. He noted that the collective wisdom of the board would prevail in setting this limit. Mr. Engelman noted that he supported the 60% limit and indicated his hope that in the future the percentage could possibly be higher. Mr. Lalani cautioned the board to be careful in this regard. He indicated that the board should establish a long-term investment strategy and be careful not to get caught up in timing the market.

Mr. Hessing asked if this recommendation was just for the university-held endowments. Dr. Rogers confirmed that it was. Dr. Givens stated that he agreed with Mr. Lalani. He added that individuals might complain about minimal earnings, but would be very upset by a loss of capital. Mr. Engelman reported that the United States has experienced 4% inflation since the 1940's and some level of inflation will likely continue. He indicated that putting money in fixed investment instruments would cause the university to lose money. Mr. Hessing indicated that he would be resistant to approving a rate higher than 60% at this time. He added his concern that the board and administration be careful not to get overly conservative.

Mr. Hessing moved approval of the policy changes as presented. Mr. Wible seconded the motion and it was approved.

Investment Management Services

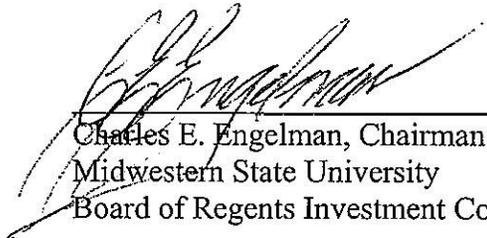
10-20. Dr. Rogers reported that the university is waiting on an opinion from the Texas Attorney General with regard to how the Redwine Funds can be invested. He indicated that until

an opinion is received, no decision can be made concerning management services for the fund. This item was thus removed from the agenda.

Adjournment

The Investment Committee discussion concluded at 3:19 p.m.

Reviewed for submission:



Charles E. Engelman, Chairman
Midwestern State University
Board of Regents Investment Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Personnel and Curriculum Committee
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 3:35 p.m., Thursday, November 5, 2009. Personnel and Curriculum Committee members in attendance were Dr. Carol Gunn, Chair; Dr. Lynwood Givens; Ms. Jane Spears; and Mr. Ben Wible. Other regents attending the meeting were Mr. Charles Engelman, Ms. Charlye Farris, Mr. Shawn Hessing, Mr. Munir Lalani, and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Allen Goldapp, Associate Vice President for Facilities Services; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Mr. Chris Gore, Chairman of the MSU Staff Senate; Ms. Barbara Merkle, Director of Admissions; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President, and Mr. Quincy Bynum, SGA Observer. Representing the news media was Ms. Ann Work, reporter for the *Times Record News*.

Chair Gunn called the meeting to order at 3:35 p.m.

Reading and Approval of Minutes

10-21. The minutes of the Personnel and Curriculum Committee meeting August 6, 2009, were approved as presented.

Faculty Report

10-22. Ms. Ann Medford, Chair of the MSU Faculty Senate, reported on various senate activities during the fall semester.

- A. Dr. Stuart McClintock was elected to serve with Ms. Medford on the Regents' Professor Committee.
- B. Dr. Long met with the Senate Executive Committee regarding changes in the Core Curriculum Committee and his plan to return to paper student evaluations of faculty because of the low return rates with the online method. He also emphasized the necessity of complying with HB 2504 which dealt with faculty syllabi and vitae being available on line.

- C. In October the Faculty Senate approved Dr. Millie Gore as the university's nominee for the Piper Faculty Award.
- D. In keeping with its sustainability initiative, the Faculty Senate instituted e-mail voting for the faculty award. The winner of the faculty award will be announced at the December graduation ceremony.
- E. Also in October, Dr. Long and Dr. Rogers addressed the Faculty Senate. Dr. Rogers discussed the increase in enrollment and revenues. Dr. Long proposed a new final exam schedule, which the Senate endorsed.
- F. Mr. Mike Dye addressed the Faculty Senate concerning a survey to determine classroom technology needs.

Mr. Lalani asked about the reaction from the students regarding the use of paper evaluations. Ms. Medford responded that the majority of the students she spoke with last year were more comfortable with paper evaluations. Ms. Spears asked if students had the option of using paper or on-line evaluations. Dr. Rogers indicated that they would not have an option and would have to use paper. Mr. Lalani indicated that moving away from technology appeared to be a step backward. Mr. Benton asked if the change to paper evaluations would occur in the fall 2009. Dr. Long responded that he and others were working to put the process in place for the fall semester.

Dr. Rogers noted that the return rate with the online evaluation system was unacceptable. Dr. Long stated that while students have the best of intentions to complete the online evaluation, once they leave the classroom it may not get done. Mr. Benton indicated that if it is not required, students do not always make it a priority.

Mr. Engelman asked if students could be required to complete the evaluation before they took the final exam. Ms. Medford responded that while faculty members know which students have completed the on-line evaluation, they cannot hold a grade if a student does not complete the form.

Staff Report

10-23. Mr. Chris Gore, Chairman of the MSU Staff Senate, reported on various senate activities during the fall semester.

- A. The Staff Senate elected new officers, including Lori Case (parliamentarian), Greg Williams (Secretary), Treva Clifton (Vice Chair), and Chris Gore continuing as chairman.
- B. Unsolicited donations have been received from current staff members for the staff scholarship program. The Senate is considering fund raising activities in the hope that two scholarships will be awarded in the fall 2010.
- C. In an effort to improve service to the staff, an online suggestion box has been created and staff members have the option of submitting questions, suggestions, and concerns directly to the Staff Senate.
- D. Ms. Dianne Weakley attended the October meeting and provided information regarding the H1N1 virus as it related to time off work.

On behalf of the staff, Mr. Gore thanked the Board of Regents for approving the item considered earlier regarding the mid-year compensation increase for employees.

Enrollment Report – Fall 2009

10-24. The fall enrollment report was presented in the agenda as a point of information only. Dr. Clark noted that fall enrollment and semester credit hours increased by over 4%. He noted that Ms. Merkle and her staff did a great job in bringing students in this fall. Ms. Merkle noted that Mustangs Rally would be held Saturday for prospective high school and transfer students. She reported that 339 students were registered to attend compared to 189 in the fall 2008. Dr. Long noted that the increase in semester credit hours was almost identical to the increase in headcount, which indicates the increase is in full-time students.

Mr. Hessing noted that the fall increase in freshmen students was only about 30 while the larger increases were in upperclassmen. Dr. Long stated that there has been a concerted effort in Texas to encourage students to enroll in community colleges and then transfer to universities.

Small Class Report – Fall 2009

10-25. The small class report for the fall 2009 semester was presented in the agenda as a point of information only. Dr. Long noted that for the purpose of reporting, undergraduate small classes have fewer than 10 students and graduate small classes have fewer than five students. He reported that of the 1,100 undergraduate courses taught in the fall, only 51, or 4.5%, were considered small classes. On the graduate level 3.1% of the offerings were small classes. He added that the undergraduate small class rate in the fall 2008 was 6%.

Review of Personnel Report for FY 09-10 Budgets

10-26 & 27. The report of personnel changes in July and August, 2009, and the report of changes in September, 2009, were presented in the agenda for information only.

December 2009 Graduating Class

10-28. The administration recommended approval of the list of candidates for December, 2009, graduation as presented in the agenda document. Dr. Gunn noted a modified page eight of the list as shown in Attachment 1. Ms. Barrow reported that 500 students were on the list as compared to 511 in 2008. Dr. Rogers announced that Dr. Belle Wheelan, President of the Southern Association of Colleges and Schools Commission on Colleges, would be guest speaker at December graduation.

Ms. Spears moved approval of the list as modified. Mr. Wible seconded the motion and it was approved.

Texas Optional Retirement Program and Voluntary Tax Sheltered Annuity 403(b) Program Plan Documents

10-29. Dr. Gunn noted that the Texas Optional Retirement Program and the Voluntary Tax Sheltered Annuity plans were adopted by Midwestern State University on January 1, 1969 and June 13, 1962 respectively. Changes in the Internal Revenue Service (IRS) regulations required institutions to draft formal written plan documents and receive governing board approval of

the documents no later than December 31, 2009. MSU's written plan documents were presented in the agenda document. The administration requested board approval and authorization for the president to sign the documents as required by the IRS.

Ms. Weakley reported that the documents follow the IRS prototype and mirror what other public institutions in Texas have developed. She added that the documents restate how the programs have been operated since they were originally adopted.

Mr. Wible moved approval of this item as presented. Ms. Spears seconded the motion and it was approved.

Approval of 2010-2011/2011-2012 Academic Calendars

10-30. The proposed academic calendars for the academic years 2010-2011 and 2011-2012 were presented for approval as shown in the agenda document. Dr. Clark noted that there was not anything unusual about the proposed calendars. He added that the calendars have been reviewed and approved by the appropriate university councils.

Dr. Givens moved approval of the calendars as presented. Ms. Spears seconded the motion and it was approved.

Admissions Standards

10-31. Dr. Gunn presented the administration's recommended changes to beginning freshmen admission standards for the fall 2011 class as shown below.

Current MSU admission criteria:

<u>Class Rank</u>	<u>SAT/ACT</u>
Top 10%	Automatic Admission by HB 588
Next 15%	870/18
2 nd Quarter	950/20
3 rd Quarter	1030/22
4 th Quarter	1110/24

Proposed criteria:

<u>Class Rank</u>	<u>SAT*/ACT*</u>
Top 10%	Automatic Admission/Texas Education Code 51.803
Next 40%	990/21
Third quartile	1070/23
Fourth quartile	1110/24

*MSU requires the writing section of the ACT/SAT entrance exams. The combined SAT is Critical Reading and Mathematics and a composite ACT score. The scores listed in our sliding scale exclude the writing score. Entrance exam scores must be received from College Board and/or ACT to access essays.

Dr. Gunn noted that the proposed criteria were developed using information from the College Board and ACT. As part of the recommendation, the current conditional/advised admission statement will no longer be included as part of the admissions standards. Students who do not meet the new criteria will be individually reviewed through MSU

Admissions. In rendering a decision, consideration will be given to high school transcripts, rigor of curriculum, writing samples, grades earned on high school transcripts, grade point average, class rank, and other factors deemed necessary to accomplish the institution's stated mission.

Dr. Rogers thanked Dr. Clark, Dr. Long, Ms. Merkle, Mr. Gore, and Ms. Slaybaugh for their work in developing this proposal. He reported that MSU admissions standards were last raised in 2006. While the university initially experienced a drop in enrollment, the number of required remedial classes has declined and retention rates have increased. He indicated his belief that the proposed changes would increase the quality of the application pool, the reputation of the university, the morale of the faculty, and graduation rates. He noted that if the new standards had been in place in the fall, 2009, 88 students would not have been admitted, although their files would have been individually reviewed by admissions.

Ms. Spears noted that she previously participated in a discussion group with mothers of graduating high school seniors. These individuals commented that if MSU's admissions standards were raised their children would be more likely to want to attend. Dr. Rogers stated that as schools are classified, this will put MSU in the category of a "competitive admission" university.

Mr. Wible moved approval of changes to admissions standards as presented. Ms. Spears seconded the motion

Mr. Wible noted that the previous admissions standards referred to HB 588 for automatic admission and the proposed standards referred to Texas Education Code 51.803. He asked about the difference in these references. Ms. Barrow responded that the original automatic admission legislation was House Bill 588. The legislation was later codified and included in the Texas Education Code. This reference should remain constant in the future. Mr. Wible asked how the top 10% is verified. Ms. Merkle responded that the information is received from and verified by the high schools. She added that some Texas schools no longer rank students beyond the top 10%. In those cases the Admissions Office will review rigor of curriculum, interest in MSU, extracurricular involvement, and other criteria in making admissions decision.

There being no further discussion the motion was approved.

Organization Change and Program Title Changes

10-32. Dr. Gunn noted that this item was outlined in the agenda and relates to the Kinesiology Program. Dr. Long stated that this is an administrative change and that there are no financial implications. Currently the Kinesiology Program is housed in the College of Health Sciences and Human Services. Since the majority of kinesiology majors pursue teacher certification and anticipate careers as high school coaches or physical education teachers, the faculty and administration believe these students would be better served by the West College of Education. Dr. Long added that the College of Health Sciences and

Human Services would retain athletics training and exercise physiology. The administration recommended the following organizational changes:

- A. A Department of Athletics Training and Exercise Physiology be formed within the College of Health Sciences and Human Services
- B. The Counseling and Special Education Program within the West College of Education be changed to the Counseling, Kinesiology, and Special Education Program.

Dr. Givens moved approval of this item as presented. Ms. Spears seconded the motion and it was approved.

Addition of Major – M.Ed. in Sport Administration; Approval of Mission Statement

10-33. Dr. Long explained that with the reorganization of the Kinesiology Program, the administration in the West College of Education proposed offering a new Master of Education in Sport Administration degree. The addition of this new major is designed for students who are interested in entering the coaching and school sports administration fields. No new faculty or facilities would be required with this addition. The administration recommended approval of this new major and approval of the mission statement for this program as presented in the agenda document.

Dr. Givens moved approval of this item as presented. Mr. Wible seconded the motion and it was approved.

MSU Policies and Procedures Manual Changes

10-34. The following changes to the *MSU Policies and Procedures Manual* were recommended for approval. The specific items were explained as shown below.

- A. Policy 2.22, Board of Regents' By-Laws – changes were recommended to reflect the Student Regent position and to identify the Texas Education Code reference concerning the MSU Board of Regents.
- B. Policy 2.31, Administration Selection Process - changes were recommended to reflect the current organizational structure within the area of university advancement and student affairs, and to clarify the search process for various administrative positions.
- C. Policy 2.337, Vice President for University Advancement and Student Affairs – changes were recommended to reflect the current organizational structure within this area of the university.
- D. Policy 2.338, University Boards, Councils & Committees – University Advancement and Student Affairs Council, Core Curriculum Committee, and University Website Committee – changes to these committees were recommended to reflect the current organizational structure and facilitate effective functioning of the committees.

- E. Policy 3.114, Faculty Performance Review – changes were recommended to provide review of graduate faculty in the annual faculty review process.
- F. Policy 3.127, Faculty Workload Policy – a change to the list of teaching load reductions was recommended to satisfy the National Association of Schools of Theatre’s standards. Additionally, a change to the Independent Study load determination was recommended to reflect a change in the colleges’ budget alignment.
- G. Policy 3.147, Graduate Faculty Requirements – changes were recommended to provide guidelines regarding the appointment of graduate faculty within a three-year cycle.
- H. Policy 3.217, Employee Leave – changes were recommended to comply with recent changes enacted by the 81st Texas Legislature, to add information regarding Employee Birthday Leave for staff employees, and to clarify the policy. Dr. Rogers noted that the birthday leave was something provided at West Texas A&M University during Dr. Long’s tenure as president. Dr. Rogers noted that this would recognize staff members for their important contributions to the university.
- I. Policy 3.340, Americans with Disabilities - changes were recommended to comply with recent changes enacted by the 81st Texas Legislature and to clarify the policy.

Ms. Spears moved approval of the policy changes as presented. Mr. Wible seconded the motion and it was approved.

Executive Session

Mr. Lalani announced that the Board of Regents would go into closed session as allowed by Texas Government Code Chapter 551, Section 551.074, Personnel Matters, to consider Item 10-34.1 (Regents’ Professor Appointment). The closed session was properly announced at 4:35 p.m. Board members, Dr. Rogers, Dr. Long, Dr. Farrell, Mr. Sandoval, Dr. Clark, Mr. Spencer, Mr. Lee, and Ms. Barrow remained for the discussion.

Open Meeting Resumes

The closed session ended at 4:43 p.m. with an announcement by Mr. Lalani that no action was taken during the Executive Session. The open meeting immediately resumed.

Regents’ Professor Appointment

10-34.1 Dr. Gunn moved that Dr. George Diekhoff, Professor and Chair of Psychology, be named Midwestern State University Regents’ Professor beginning with the 2010-2011 academic year. Dr. Givens seconded the motion.

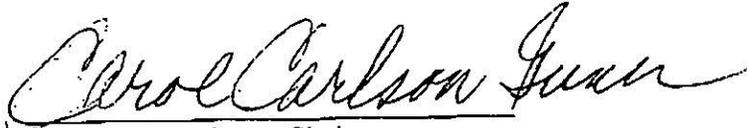
Dr. Rogers stated that Dr. Diekhoff had been on the faculty of MSU since 1977 and was named Hardin Professor in 1992. He added that Dr. Diekhoff is one of the most prolific writers and researchers at MSU.

The motion was unanimously approved.

Adjournment

There being no further business, the Personnel and Curriculum Committee discussion concluded at 4:45 p.m.

Reviewed for submission:



Carol Carlson Gunn, Chair
Midwestern State University
Board of Regents Personnel & Curriculum Committee

ATTACHMENTS:

1. Graduation List – Page Eight (REVISED)

Bachelor of Science

Sabrina Augustina Bradley
Jasmin Lara Croulet
Whitney D'layne Davis
Michael Keith Deweber
Dominique Sean Ellis
Winell Sharee Fowlks

Jimmy Charles Morris
April Leigh Perkinson
Alyssa Kaye Pitts
Alisha Ann Roach
Karrie Lyn Walker

COLLEGE OF SCIENCE AND MATHEMATICS

Bachelor of Arts

Sandra Jean Smith

Bachelor of Science

Kieran C. R. Belfon
Morgan J. Blackwell
John Chance Condron
Clayton Lee Crenshaw
Kelly Anne Erb
Aron Renee Hayes
Chance A. Henslee
Candace Verlon Hughes
Hirofumi Ishida
Seema Kiran Mankodi
Ashley Lea-Ann Mercer

Alexander Cyrus Moshtaghi
Phi Hoang Nguyen
Anthony Michael Rennhack
Kevin Eric Roberson
Christopher Lee Scott
Sherwin Shahbazian
Lindsay Leigh Shipley
Taylor Lee Slusher
Ryan Grant Woody
Miki Yamamoto

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Student Services Committee
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 4:45 p.m., Thursday, November 5, 2009. Student Services Committee members in attendance were Ms. Charlye Farris, Chair; Mr. Shawn Hessing; and Mr. Ben Wible. Other regents attending the meeting were Mr. Charles Engelman, Dr. Lynwood Givens, Dr. Carol Gunn, Mr. Munir Lalani, Ms. Jane Spears, and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President, and Mr. Quincy Bynum, SGA Observer.

Chair Farris called the meeting to order at 4:45 p.m.

Reading and Approval of Minutes

10-35. The minutes of the Student Services Committee meeting August 6, 2009, were approved as presented.

Student Government Report

10-36. Mr. KeVaughn Graham, MSU Student Government Association president, reported on the following SGA activities.

- A. The SGA has worked with the Academic Council on matters relating to the Writing Proficiency Exam. Additional practice sessions were scheduled and online materials were available.
- B. A tree planting ceremony was organized to mark the desegregation of the university. The event was well attended.
- C. The SGA website (<http://students.mwsu.edu/studentgovernment>) has been improved and includes information regarding campus activities.
- D. A major student concern during the fall semester was the H1N1 virus. The administration did a wonderful job of getting pertinent and timely information to the students.

- E. The Wellness Center has been a great addition to the campus. Students are very proud of the facility and are making use of it.
- F. Students have expressed concern and requested card access be installed in the Fine Arts Building. These individuals have indicated that fine arts students work in the building late at night and need access to the facility. However, at times doors are propped open which leads to a lack of security. He noted that additional information will be forthcoming in the future.

Ms. Farris thanked Mr. Graham for his work and his report.

Disability Support Services Annual Report

10-37. Ms. Farris noted that this report was presented in the agenda document as a point of information only. Dr. Farrell reported that a number of years ago a regent asked that this information be provided each year.

Adjournment

The Student Services Committee discussion concluded at 4:53 p.m.

Reviewed for submission:

Charlye O. Farris

Charlye O. Farris, Chair
Midwestern State University
Board of Regents Student Services Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**University Development Committee
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 4:53 p.m., Thursday, November 5, 2009. University Development Committee members in attendance were Ms. Charlye Farris, Dr. Carol Gunn, and Ms. Jane Spears. Mr. Munir Lalani reported he would chair the committee in Mr. Gustafson's absence. Other regents attending the meeting were Mr. Charles Engelman; Dr. Lynwood Givens, Mr. Shawn Hessing, Mr. Ben Wible, and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President; and Mr. Quincy Bynum, SGA Observer.

Acting Chairman Lalani called the meeting to order at 4:53 p.m.

Reading and Approval of Minutes

10-38. The minutes of the University Development Committee meeting August 6, 2009, were approved as presented.

Summaries of Financial Support 9/1/08- 8/31/09 and 9/1/09 – 10/09/09

10-39 & 40. These reports were presented in the agenda document as a point of information only. Dr. Farrell noted the following:

- A. The total of gifts and grants in FY 2009 exceeded \$14 million.
- B. Donations to the President's Excellence Circle totaled \$376,993.
- C. Distributions from the Redwine Estate continue to be received and now total \$7,621,253.

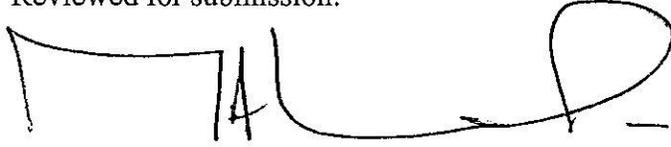
Dr. Farrell thanked individuals at the university and in the community for their contributions and support for the university's mission. He also congratulated Mr. Carr and Mr. Williams for their fund raising efforts on behalf of athletics.

Mr. Lalani indicated that thank you notes were available for regents to send to university donors as they feel appropriate.

Adjournment

The University Development Committee discussion concluded at 4:58 p.m.

Reviewed for submission:

A handwritten signature in black ink, appearing to read 'Munir A. Lalani', written over a horizontal line.

Munir A. Lalani, Acting Chairman
Midwestern State University
Board of Regents University Development Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Athletics Committee
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 4:58 p.m., Thursday, November 5, 2009. Athletics Committee members in attendance were Mr. Ben Wible, Chairman; Ms. Charlye Farris; and Mr. Shawn Hessing. Other regents attending the meeting were Mr. Charles Engelman, Dr. Lynwood Givens, Dr. Carol Gunn, Mr. Munir Lalani, Ms. Jane Spears, and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President, and Mr. Quincy Bynum, SGA Observer.

Chairman Wible called the meeting to order at 4:58 p.m.

Reading and Approval of Minutes

10-41. The minutes of the Athletics Committee meeting August 6, 2009, were approved as presented.

Athletics Status Report

10-42. Mr. Charlie Carr presented information concerning the athletics program.

- A. The Student Athlete Advisory Committee has reported they have logged over 400 hours of community service this semester.
- B. The women's soccer team is playing in the conference tournament and the men's soccer team has qualified for post-season play.
- C. The cross country team won the Lone Star Conference and qualified for NCAA regional competition.
- D. The football team will play its next game for the Lone Star Conference co-championship. MSU quarterback, Zack Eskridge, has been named to the ESPN All-Academic team.
- E. The basketball tip-off dinner is scheduled for November 10.

- F. Coach Jeff Ray is doing a great job in developing the life skills program. He has worked with the MSU Career Management Center and they have provided wonderful support for the student athletes.

Adjournment

There being no further business, the Athletics Committee discussion concluded at 5:12 p.m.

Reviewed for submission:

Ben F. Wible

Ben F. Wible, Chairman
Midwestern State University
Board of Regents Athletics Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Committee of the Whole
November 5, 2009**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 1:30 p.m., Thursday, November 5, 2009. Regents in attendance were Mr. Munir Lalani, Chairman; Dr. Carol Gunn, Vice Chair; Dr. Lynwood Givens, Secretary; Mr. Charles Engelman; Ms. Charlye Farris; Mr. Shawn Hessing; Ms. Jane Spears; Mr. Ben Wible; and Student Regent Lenny Benton. Mr. Stephen Gustafson was out of the country and could not participate in the meeting.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Allen Goldapp, Associate Vice President for Facilities Services; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; Mr. Chris Gore, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Barbara Merkle, Director of Admissions; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association were Mr. KeVaughn Graham, SGA President, and Mr. Quincy Bynum, SGA Observer. Representing the news media were Ms. Ann Work, reporter for the *Times Record News*, and Ms. Katie Crosby, reporter for KFDX.

Chairman Lalani called the meeting to order at 1:32 p.m. Dr. Farrell presented the invocation and Ms. Buss introduced the guests.

Opening Comments

Mr. Lalani welcomed everyone to the meeting and expressed appreciation for their attendance.

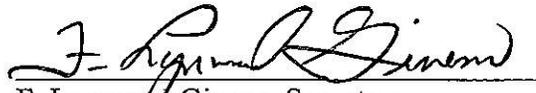
Public Comment

Mr. Lalani stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Midwestern State University Board of Regents through written and oral testimony. He noted that no one signed up to speak during this time.

Adjournment

There being no further business, the meeting adjourned at 1:37 p.m.

Reviewed for submission:

A handwritten signature in cursive script, reading "F. Lynwood Givens", written over a horizontal line.

F. Lynwood Givens, Secretary
Midwestern State University
Board of Regents

**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY**

November 6, 2009

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Friday, November 6, 2009. Regents in attendance were Mr. Munir Lalani, Chairman; Dr. Carol Gunn, Vice Chair; Dr. Lynwood Givens, Secretary; Mr. Charles Engelman; Ms. Charlye Farris; Mr. Shawn Hessing; Ms. Jane Spears; Mr. Ben Wible; and Student Regent Lenny Benton.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Russell Long, Interim Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; and Dr. Robert Clark, Vice President for Institutional Effectiveness. Other university personnel attending the meeting included Mr. Allen Goldapp, Associate Vice President for Facilities Services; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Roger Lee, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Ms. Ann Medford, Chair of the MSU Faculty Senate; and Mr. Chris Gore, Chairman of the MSU Staff Senate. Also attending the meeting were Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Barbara Merkle, Director of Admissions; Ms. Janus Buss, Director of Public Information and Marketing; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was reporter Ann Work, Wichita Falls *Times Record News*. Dr. George Diekhoff, Professor and Chair of Psychology, attended the first portion of the meeting. Dr. Raymund Paredes, Commissioner of Higher Education, Texas Higher Education Coordinating Board, also attended the meeting as a special guest.

Chairman Lalani called the meeting to order at 9:02 a.m. Dr. Farrell presented the invocation and Ms. Buss introduced the guests. Mr. Lalani expressed appreciation to the board for their participation in the committee meetings. He also welcomed Commissioner Paredes and indicated he would be appropriately introduced later in the meeting.

Public Comment

Mr. Lalani stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Midwestern State University Board of Regents through written and oral testimony. He noted that no one signed up to speak during this time.

Reading and Approval of Minutes

10-43, 44, & 45. Minutes of the regular Board of Regents meetings August 6 and 7, 2009, and the special meeting September 8, 2009 were approved as presented.

Executive Committee Report

Mr. Lalani noted the items presented at the Executive Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Executive Committee meeting held November 5, 2009.

Item Presented for Committee Approval Only

10-04. Committee Minutes, 8/6/09 – approved by Committee as presented.

Item Presented for Information Only

10-05. Maintenance Plan Update – MP2 and MP4

Executive Committee Consent Agenda

Mr. Lalani presented the items approved by the Executive Committee and placed on the Consent Agenda for consideration by the board.

10-06. Ligon Coliseum Renovation – Phase II:

- A. Approved the project at a cost not to exceed \$6.7 million
- B. Authorized the administration to seek approval of the project from the Texas Higher Education Coordinating Board
- C. Authorized the administration to submit a proposal to the Texas Public Finance Authority and the Texas Bond Review Board for 25-year amortized bonds to fund the project.
- D. Authorized the administration to secure services of a construction manager at risk through a Request for Proposal and issue contracts necessary.

10-07. Athletics Facilities/Fields Projects – authorized the administration to proceed with the design and construction of a synthetic turf practice field, lighting for the softball and soccer fields, and construction of a softball batting cage and locker room facility at a total cost not to exceed \$1.8 million, as outlined in the agenda, with the source of funds being donor/private funds.

10-08. Energy Conservation Project – authorized the administration to seek funding and receive bids for an energy conservation project not to exceed \$5 million with a 10-year debt payoff as presented.

10-09. Pierce/Killingsworth Halls Project – authorized the administration to secure services of a construction manager at risk through a Request for Proposal and issue contracts necessary to upgrade the mechanical/HVAC systems in Pierce Hall and Killingsworth Hall at a cost not to exceed \$900,000. The source of funds for the project would be Housing Reserves.

Mr. Lalani asked if there were items any member wanted to remove from the Consent Agenda. There being none, Ms. Spears seconded Mr. Lalani's motion and it was approved.

Finance and Audit Committee Report

Mr. Hessing noted the item presented at the Finance and Audit Committee Meeting for committee approval only. Information concerning this item can be found in the minutes of the Finance and Audit Committee meeting held August 6, 2009.

Item Presented for Committee Approval Only

10-10. Committee Minutes, 8/6/09 – approved by Committee as presented.

Finance and Audit Committee Consent Agenda

Mr. Hessing presented the items approved by the Finance and Audit Committee and placed on the Consent Agenda for consideration by the board.

10-11. Review and Acceptance of Financial Report – accepted the July, 2009, Financial Report as presented.

10-12. FY 2009-2010 Item \$50,000 & Under Approved by President – ratified change as presented.

10-13. Salary/Title/Position Changes in FY 08-09 Budget Approved per Board Authorization – ratified changes as presented.

10-14. Salary/Title/Position Changes in FY 09-10 Budget Approved per Board Authorization – ratified changes as presented.

10-15. Faculty Positions 2010-2011 Budget – Critical Faculty Needs – authorized the administration to initiate searches for three continuing faculty positions for the fall 2010 semester in art, psychology, and history as presented.

10-15.1. Radiography Equipment – authorized the administration to utilize Course Fee Reserves to replace equipment in two radiographic labs at a cost not to exceed \$200,000.

10-16. Recommended Adjustments to Original Operating Budget FY 2010 – approved a budget increase in the amount of \$448,500 from unanticipated enrollment income, to be used for the following:

- A. increase the planned mid-year compensation adjustment by an additional 1% of annual pay;
- B. add two secretarial positions and a visiting professor for one-half year, and replace a portion of the endowment income shortfall in Dillard College; and
- C. increase funding for deferred maintenance, risk management, and safety projects.

Mr. Lalani asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Engelman seconded Mr. Hessing's motion and it was approved.

Investment Committee Report

Mr. Engelman noted the items presented at the Investment Committee Meeting for information only. Information concerning these items can be found in the minutes of the Investment Committee meeting held November 5, 2009.

Items Presented for Information Only

10-18. Redwine Quasi-Endowment Fund Report

10-20. Investment Management Services

Investment Committee Consent Agenda

Mr. Engelman presented the items approved by the Investment Committee and placed on the Consent Agenda for consideration by the board.

10-17. Review and Acceptance of Investment Report – accepted the fourth quarter 2009 Investment Report as presented.

10-19. Investment Policy – approved changes to the MSU Investment Policy as presented.

Mr. Lalani asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Hessing seconded Mr. Engelman's motion and it was approved.

Personnel and Curriculum Committee Report

Dr. Gunn noted the items presented at the Personnel and Curriculum Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Personnel and Curriculum Committee Meeting held November 5, 2009.

Item Presented for Committee Approval Only

10-21. Committee Minutes, 8/6/09 – approved by Committee as presented.

Items Presented for Information Only

10-22. Faculty Report

10-23. Staff Report

10-24. Enrollment Report – Fall 2009

10-25. Small Class Report – Fall 2009

10-26. Review of Personnel Reports for FY 08-09 Budget

10-27. Review of Personnel Report for FY 09-10 Budget

Personnel and Curriculum Committee Consent Agenda

Dr. Gunn presented the items approved by the Personnel and Curriculum Committee and placed on the Consent Agenda for consideration by the board.

10-28. December 2009 Graduating Class – approved the list of candidates for December 2009 graduation with the provision that they meet all requirements as prescribed by the faculty and administration.

10-29. Texas Optional Retirement Program and Voluntary Tax Sheltered Annuity 403(b) Program Plan Documents – adopted these plans as presented and authorized the president to sign the documents as required by the Internal Revenue Service.

10-30. 2010-2011/2011-2012 Academic Calendars – approved the academic calendars as presented.

10-31. Admissions Standards – approved changes to beginning freshmen admission standards for the fall 2011 class as presented:

<u>Class Rank</u>	<u>SAT/ACT</u>
Top 10%	Automatic Admission/Texas Education Code 51.803
Next 40%	990/21
Third quartile	1070/23
Fourth quartile	1110/24

10-32. Organization Change and Program Title Changes – approved moving the oversight of the undergraduate teacher certification and sports management degree programs, as well as the graduate sports administration/coaching course of study to the West College of Education, and renaming departments and programs as presented.

10-33. Addition of Major – M.Ed. in Sport Administration; Approval of Mission Statement – approved the new major and mission statement as presented.

10-34. *MSU Policies and Procedures Manual* Changes – approved changes to the following policies as presented:

- A. Policy 2.22 – Board of Regents’ By-Laws
- B. Policy 2.31 – Administration Selection Process
- C. Policy 2.337 – Vice President for University Advancement and Student Affairs
- D. Policy 2.338 – University Advancement and Student Affairs Council, Core Curriculum Committee, and University Website Committee
- E. Policy 3.114 – Faculty Performance Review
- F. Policy 3.127 – Faculty Workload Policy
- G. Policy 3.147 – Graduate Faculty Requirements
- H. Policy 3.217 – Employee Leave
- I. Policy 3.340 – Americans with Disabilities

10-34.1. Regents’ Professor Appointment – approved naming Dr. George Diekhoff, Professor and Chair of Psychology, the Midwestern State University Regents’ Professor, effective September 1, 2010.

Mr. Lalani asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Engelman seconded Dr. Gunn’s motion to approve the Consent Agenda as presented. The motion was approved.

Dr. Rogers introduced Dr. George Diekhoff and reported that he holds the Master of Arts and Ph.D. in experimental psychology from Texas Christian University. He noted that Dr. Diekhoff came to MSU in 1977 shortly after receiving his doctorate. Dr. Diekhoff has served as assistant professor and associate professor, and was named full professor in 1987 and Hardin Professor in 1992. Dr. Rogers noted that Dr. Diekhoff is a gifted teacher and prolific researcher and writer. Additionally, he has high standards for his students and is always willing to serve. Dr. Diekhoff’s

scholarly presentations and publications number over 120 and his research continues. Dr. Rogers added that George and his wife Beverly have one son, Ben, who is a senior marketing major at MSU.

Dr. Diekhoff expressed his appreciation to the committee, the provost, the president, and the board for this honor. He added that he would do his best to earn the award in the coming years.

Student Services Committee Report

Ms. Farris noted the items presented at the Student Services Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Student Services Committee Meeting held November 5, 2009.

Item Presented for Committee Approval Only

10-35. Committee Minutes, 8/6/09 – approved by Committee as presented.

Items Presented for Information Only

10-36. Student Government Report

10-37. Disability Support Services Annual Report

University Development Committee Report

Mr. Lalani noted the items presented at the University Development Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the University Development Committee Meeting held November 5, 2009.

Item Presented for Committee Approval Only

10-38. Committee Minutes, 8/6/09 – approved by Committee as presented.

Items Presented for Information Only

10-39. Summary of Financial Support 9/1/08 – 8/31/09

10-40. Summary of Financial Support 9/1/09 – 10/09/09

Athletics Committee Report

Mr. Wible noted the items presented at the Athletics Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Athletics Committee Meeting held November 5, 2009.

Item Presented for Committee Approval Only

10-41. Committee Minutes, 8/6/09 – approved by Committee as presented.

Item Presented for Information Only

10-42. Athletics Status Report

Other Business

Presidential Performance and Compensation Review Committee Appointment

10-46. Mr. Lalani appointed the following individuals to serve on the Presidential Performance and Compensation Review Committee:

Dr. Lynwood Givens, Chairman
Dr. Carol Gunn
Mr. Shawn Hessing

This committee will present their report and any recommendations to the board in February, as provided by MSU Policy. Mr. Lalani asked Dr. Rogers to submit his self-evaluation to the Board of Regents at least two weeks prior to the February meeting.

President's Report and Discussion

10-47. Dr. Rogers presented information concerning the following items:

- A. Historically Underutilized Business (HUB) Report – Dr. Rogers reported that MSU was recently reported as the top state agency in the use of HUB contractors (see Attachment 1). He expressed appreciation to Mr. Sandoval, Mr. Goldapp, and all individuals involved in this process.
- B. Use of Home at 2708 Hamilton Boulevard – Dr. Rogers reported on the home that was donated to the university in early 2009. He noted that he and Mrs. Rogers had determined that the home would be an excellent place to host large university functions. To that end, the house is receiving a thorough cleaning, a few windows are being replaced, and minor work is being done in the kitchen. Dr. Rogers added his belief that the home would be an asset to the university in the future. Mr. Lalani stated his hope that this would be the first step in making this house the president's home at some point in the future. He noted that private funds would be utilized for furnishings. He added that the South Campus property and Sikes House would be needed in the future for university growth.
- C. Formula Study Update – Dr. Rogers noted that he is again serving on the Texas Higher Education Coordinating Board (THECB) Formula Advisory Committee. He stated that the Commissioner gave the committee several charges relating to formula funding. Dr. Rogers then presented information regarding two of the charges.
 1. CHARGE: To recommend the best method of moving toward a more outcomes-based funding formula that supports student success.

Dr. Rogers reported that incentive funds are currently allocated to universities based on the number of graduates. This method of outcomes-based funding is generally very popular among university presidents. Dr. Rogers noted that fifty percent of these incentive funds is distributed based on the number of students who graduate, and fifty percent is distributed based on growth of the number of graduates. The Formula Advisory Committee will likely recommend that the 50/50 split be modified because of the number of degree programs in which growth is difficult to achieve. Dr. Rogers noted that several years ago MSU put substantial resources into the nursing program and increased the number of

nursing graduates from 33 in 2002 to 189 in 2008. Additional growth in this area is unlikely and other universities have similar experiences. University presidents would support the lowering of the growth component of the funding formula.

2. CHARGE: To recommend methods of increasing cost efficiencies to be implemented.

Dr. Rogers noted that THECB is currently surveying institutions to determine cost efficiency measures that have been implemented or could be considered. He added that he was recently asked to serve on a statewide Cost Efficiencies Task Force. The group will look for ways to increase efficiency in the delivery of higher education.

Texas Higher Education Coordinating Board Discussion

10-48. Mr. Lalani thanked Dr. Raymund Paredes, Commissioner of Higher Education, Texas Higher Education Coordinating Board, for taking time out of his busy schedule to attend the meeting and address the board. Dr. Rogers introduced Dr. Paredes and noted that he was born and raised in El Paso, Texas. He attended the University of Texas at Austin where he obtained a baccalaureate degree in English. Following service in the Army for two years, he return to the University of Texas and earned the Ph.D. in American Civilization. Prior to joining THECB as Commissioner in 2004, Dr. Paredes spent most of his academic career at UCLA. Since returning to Texas, his primary focus has been on closing the educational gaps in student participation and success in Texas.

Dr. Paredes thanked the Board of Regents for inviting him to attend the meeting. He stated that MSU was fortunate to have Dr. Rogers as president. He noted that Dr. Rogers is one of the best educational leaders in the state and his opinion is greatly respected. He added his thanks to Dr. Rogers for his work with THECB on behalf of higher education in Texas.

Dr. Paredes stated that "Closing the Gaps," the higher education initiative, was established in 2000 with a completion date of 2015. He reported that there are four elements to the plan:

- A. Participation – more students in Texas pursuing education following high school
- B. Success – more students in Texas who are successful in post-secondary high school
- C. Excellence – improvement in the quality of Texas higher education institutions
- D. Research – increase in the amount of research support received by Texas higher education institutions.

Dr. Paredes stated that the two most critical goals are participation and success. With five and one-half years remaining, some areas are doing well and some are not. The state continues to lag far behind in Hispanic participation in higher education, although substantial goals have been met. In the last seven years the number of Latino students going to colleges and universities in Texas has increased by 50%. During the same time, success rates have improved by 67%. The challenge is that the Latino population constitutes 80% of the growth in Texas. Because these goals are proportionate to the population of Texas, they have been increased much more rapidly than anyone

anticipated. Significant progress has been made in absolute numbers, but the numbers are lagging behind in relation to the growth of the population.

Dr. Paredes reported that the emphasis on academic preparation in K-12 has improved as the standards and expectations for the young people of Texas have been raised. The state is promoting the idea of a college going culture in K-12. Dr. Paredes noted that this does not mean that every child in Texas should go to college; he added that a college preparatory curriculum is the best academic foundation that can be provided and it should be the basic foundation for every child that goes to school in Texas. He stated that every high school graduate should have a solid academic foundation so that they can maximize their options.

Dr. Paredes and the staff of THECB work closely with Commissioner Robert Scott of the Texas Education Agency and his staff. The college readiness of high school graduates in Texas, as measured by the American College Testing (ACT) Program, has gone up significantly in the last three years. While Texas scores are still below the national average, there is movement in the right direction.

Dr. Paredes reported that once students arrive on a university campus, administrators, faculty, and staff must do everything possible to help them succeed. He indicated that he was pleased to hear that the MSU board voted to increase admissions requirements. He added that Texas higher education is funded at a level that is less than the national average; however, the cost of producing a degree in Texas is well above the national average. He explained that one of the factors contributing to this disparity is the large number of students who are admitted to a college or university but are not prepared to do college-level work. The problem is compounded when students are not given the academic support they need to be successful. Dr. Paredes reported that over 50% of students entering higher education in Texas require some form of remedial or developmental education. Additionally, 80% of the students who require developmental education earned a B average or higher in high school. THECB and the TEA have worked to align academic expectations in high school with academic expectations in higher education. Throughout the state, faculty from colleges and universities have worked with middle school and high school faculty to determine reasonable expectations for achievement. Texas is now a national leader in developing college and career readiness standards that are the product of this collaboration.

If the college and career readiness standards are going to be met by K-12 educators, Texas higher education institutions must train highly-skilled, well-prepared teachers. This should be the highest priority in the state for higher education. The United States continues to lag behind in the effectiveness of its teachers. The highest achieving countries in the world spend much less on public education than the U.S., and have shorter school days and years. He noted that an individual from South Korea who wants to be a teacher must be in the top 5% of the university class. In Finland, the individual would need to graduate in the top 10% of the class. He noted that studies have shown that the more an institution aspires to the conventional notions of academic prestige and recognition, the less emphasis is placed on teacher training. Colleges and universities must find ways to attract the best students into the teaching profession. He stated that the longstanding reason individuals have given for not pursuing a career in teaching was the low pay. Dr. Paredes stated that this is no longer the case as highly skilled teachers can

make a good income. He gave an example of the best teachers in Houston who can now earn close to \$100,000 per year.

Dr. Paredes reported that of the first-time, full-time students who enroll in Texas higher education, 55% have graduated six years later. He indicated that this is the same rate of completion in the Texas high schools. Texas higher education must improve its graduation rate.

Dr. Paredes noted that Dr. Rogers previously mentioned the charge to the Formula Advisory Committee regarding outcomes-based funding. He indicated that the state must find ways to encourage universities to place more focus on student success. He stated that Governor Perry initiated the idea of incentive funding that President Rogers described earlier. He stated that THECB would like to follow up on the incentive funding by creating formulas that place the greatest emphasis on completed hours. During the 81st legislative session, THECB recommended a change in formula funding from the basis of attempted hours to the basis of completed hours. For a number of reasons the legislature did not consider the issue seriously. THECB will study the matter again after the Formula Advisory Committee recommendations are received.

Governor Perry has issued an Executive Order directing THECB to study cost efficiencies in higher education. Dr. Paredes noted that state officials are projecting a deficit in 2011 of between \$9 and \$15 billion, depending on how the Texas economy recovers. Texas must find ways to use its resources more efficiently. The committee will look for ways to increase the use of college and university facilities throughout the year. Low-producing academic programs will be reviewed to determine if they are viable and warranted. The committee will look at the possibility of expanding faculty teaching loads, perhaps adding one course to a faculty members' load every two years. Dr. Paredes indicated his hope that by implementing cost efficiency measures Texas can avoid the 15% pay reductions or furloughs that have occurred in California.

He noted that higher education financial aid policies will be reviewed. He indicated his belief that the Texas Grant program must be changed to include a merit component. He reported that the program is currently funded at a level of over \$1 billion and it is not producing the needed results. He suggested that priority be given to the students that have financial need and are also prepared to do college-level work. He noted that research indicates the thresholds students must reach to enhance the likelihood of success in post-secondary education. He quoted Vince Tinto, a leading authority on student success and a faculty member at Syracuse University, who stated that "access without preparation is not opportunity." The merit component of the Texas Grant program that was recommended to the Texas Legislature required students to meet two out of four criteria: graduate high school with a B average, graduate in the top one-third of the class, complete the distinguished curriculum, and meet college readiness benchmark scores on the ACT or SAT. Dr. Paredes noted that while the merit component was not adopted by the legislature, THECB plans to recommend it again during the next legislative session. He added that research shows that if students meet two out of the four criteria, graduation outcomes for Texas Grant program participants would increase by 250%.

Dr. Paredes thanked the board for the opportunity to discuss Texas higher education initiatives.

Dr. Givens stated that during the last year he has worked with a Dallas high school and has encouraged the development of a summer jobs program. He asked Dr. Parades if this was an area of interest. Dr. Parades responded that it was an area of great interest. He noted that he knew of a high school in Chicago and another in Austin that offer outstanding programs that combine academics and real-life experiences. At the Chicago school students go to class four days a week and on the fifth day they work in professional settings. They are put in an environment where they can aspire to a professional career. Not only do the students learn the culture of success, they also learn how to dress properly and how to sit for a job interview, as well as the expectations in the professional world. Dr. Parades added that any program that matches academic experience with work experience is extremely beneficial. Dr. Givens asked if there was any evidence that hard skill development in the workplace helps supplant the need for remedial courses. Dr. Parades responded that there is because it helps young people see the relevance and real-life applications for reading, math, and communication.

Dr. Rogers commented on the college readiness standards and noted that the standards are very high. He indicated his concern that there are not enough qualified secondary teachers to meet the demand. He noted that current faculty have told him that the great difference between secondary education and a university education is the ability for students to think critically and to analyze. Dr. Parades stated that Texas has made great strides in improving educational attainment in elementary and middle schools, but is experiencing a dire shortage in secondary school teachers.

Dr. Parades indicated his belief that there are a number of myths that must be challenged. He noted the myth that the brightest students do not want to teach. He stated that Teach for America has ten times as many applicants as they have available teaching slots. The UTeach program, which was established at the University of Texas at Austin, has many more students enrolled in the program than they can place in the immediate area. Another myth is that today's college graduates are only interested in high-paying jobs. Dr. Parades shared his belief that a larger number of students would be interested in becoming teachers if the profession was introduced to them at an early point in their undergraduate experience. He added that if work-study funds were used to pay the state's best undergraduate students to serve as tutors and peer counselors in high schools, those college students would experience the potential joys of teaching and more would choose teaching as a profession.

Mr. Benton stated that from his perspective as a student, he understood why it is difficult to convince the brightest university students to become teachers. He noted that many people believe the old cliché "Those who can, do; those who can't, teach." He added that the brightest students are generally ambitious, hard working, and free thinking, and those characteristics are not emphasized in the public school system where conformity is generally encouraged. Dr. Parades asked Mr. Benton if he had considered becoming a teacher. Mr. Benton responded he had not. Dr. Parades stated that the most imaginative and creative university students should be encouraged to become teachers.

Mr. Lalani thanked Dr. Paredes for sharing his thoughts with the board and for the work he does on behalf of higher education in Texas.

Adjournment

Mr. Lalani thanked the board for their attendance and participation in the meetings. He noted that graduation would be held December 11 and board members would be invited to participate. There being no further business, the meeting was adjourned at 10:24 a.m. The next regularly scheduled meetings of the Board of Regents will be Thursday and Friday, February 11 and 12, 2010.


F. Lynwood Givens, Secretary

I, F. Lynwood Givens, 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 November 6, 2009.


F. Lynwood Givens, Secretary

ATTACHMENTS:

1. Historically Underutilized Business (HUB) Report

FISCAL YEAR 2009 ANNUAL HUB REPORT
 TOP 25 AGENCIES SPENDING MORE THAN \$5 MILLION with LARGEST PERCENTAGE SPENT with HUBS

RANK	AGENCY #	AGENCY NAME	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB % of EXPENDITURES
1	735	Midwestern State University	\$ 22,475,909.95	\$ 20,244,948.62	90.07%
2	761	Texas A&M International University	\$ 6,256,037.26	\$ 3,906,352.69	62.44%
3	750	University of Texas at Tyler	\$ 19,860,528.05	\$ 10,941,524.89	55.09%
4	783	University of Houston System	\$ 13,930,342.25	\$ 7,285,720.41	52.30%
5	307	Texas Secretary of State	\$ 6,320,714.75	\$ 2,827,534.27	44.73%
6	732	Texas A&M University - Kingsville	\$ 26,707,132.05	\$ 11,781,185.29	44.11%
7	320	Texas Workforce Commission	\$ 19,949,175.94	\$ 8,201,500.94	41.11%
8	760	Texas A&M University - Corpus Christi	\$ 15,501,428.89	\$ 6,281,592.45	40.52%
9	757	Texas A&M University - West Texas	\$ 10,535,307.51	\$ 4,117,879.43	39.09%
10	530	Texas Department of Family and Protective Services	\$ 54,998,622.69	\$ 20,950,238.15	38.51%
11	717	Texas Southern University	\$ 44,288,096.22	\$ 15,568,710.42	35.15%
12	713	Tarleton State University	\$ 19,298,383.41	\$ 6,723,340.11	34.84%
13	759	University of Houston - Clear Lake	\$ 12,538,828.98	\$ 4,293,239.10	34.24%
14	715	Prairie View A&M University	\$ 32,434,927.72	\$ 10,623,406.12	32.75%
15	454	Texas Department of Insurance	\$ 10,235,272.32	\$ 3,329,876.44	32.53%
16	789	Lamar Institute of Technology - Beaumont	\$ 5,459,126.83	\$ 1,686,450.88	30.89%
17	727	Texas Transportation Institute	\$ 5,544,200.15	\$ 1,707,016.68	30.79%
18	694	Texas Youth Commission	\$ 40,474,823.97	\$ 12,422,395.44	30.69%
19	582	Texas Commission on Environmental Quality	\$ 67,584,438.81	\$ 19,722,778.43	29.18%
20	733	Texas Tech University	\$ 137,619,231.46	\$ 38,026,464.94	27.63%
21	724	University of Texas at El Paso	\$ 43,731,590.55	\$ 12,021,009.94	27.49%
22	716	Texas Engineering Extension Service	\$ 13,835,481.54	\$ 3,709,533.76	26.81%
23	103	Texas Legislative Council	\$ 7,137,203.29	\$ 1,904,531.62	26.68%
24	303	Texas Facilities Commission	\$ 102,262,859.48	\$ 27,004,538.03	26.41%
25	751	Texas A&M University - Commerce	\$ 15,233,640.27	\$ 3,998,176.02	26.25%