

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Executive Committee
August 5, 2010**

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 3:00 p.m., Thursday, August 5, 2010. Executive Committee members in attendance were Dr. Carol Gunn, Chair; Dr. Lynwood Givens, Secretary; and Mr. Charles Engelman, Member-at-Large. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. Kenny Bryant, Mrs. Tiffany Burks, Mr. Shawn Hessing, Mr. Sam Sanchez, Ms. Jane Spears, and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; Mr. Kyle Owen, 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; Mr. Mike Dye, Director of Information Systems; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Shawn Conner, Student Government Association Vice President. Representing the news media were Ms. Brittany Norman, editor of *The Wichitan*, and Ms. Ann Work, reporter for the *Times Record News*.

Chair Gunn called the meeting to order at 3:00 p.m.

Reading and Approval of Minutes

10-141. The minutes of the Executive Committee meeting May 13, 2010, were approved as presented.

Wichita Fall Museum of Art at Midwestern State University Advisory Board of Directors

10-142. Dr. Gunn presented Dr. Rogers' recommendation of individuals to serve on the museum board, pending modification of the museum board's by-laws:

Public Members (2010-2013)

Lynn Moran (Reappointment)
Alice West (Reappointment)
Rosie Wilson (Reappointment)

MSU Member (2010-2011)

Elizabeth Yarosz-Ash

Dr. Rogers reported that the university recently received a \$50,000 planning grant to support the museum. These funds will be used to hire an architect to work with Bundy, Young, Sims, and Potter to do design work for the museum. He added that university funds have been allocated to upgrade the galleries and address safety issues. Ms. Spears, Chair of the Museum Advisory Board, reported that museum membership numbers are increasing and many exciting things are planned. The Greek Fortnight will begin in April and will kick off the museum's capital campaign.

Mr. Engelman moved approval of the appointments to the museum board as presented. Dr. Givens seconded the motion and it was approved.

Control and Efficiency Upgrade

10-143. Dr. Gunn reported that the administration was prepared to make recommendations concerning a campus control and efficiency upgrade project. This project is estimated to cost \$2.83 million and the university has the opportunity to apply for a low-interest loan through the State Energy Conservation Office (SECO). Dr. Rogers noted that the administration previously discussed the project with the board and that he was satisfied that the project should be pursued at this time.

Mr. Owen reviewed a power point presentation regarding the project (see Attachment 1). Mr. Owen noted that the university is currently losing \$250,000 in energy costs each year due to inefficiencies. Currently, the university utilizes three different control systems for heating and cooling campus buildings. Unfortunately, the systems do not communicate together. When the demand for chilled water in a building is met, the control system cannot tell the tunnel system to slow the pumping of chilled water. He stated that it would be in the university's best interest to have one system to control campus energy. Mr. Owen noted that the second part of the project dealt with the air conditioning and heating coils in Pierce Hall and Killingsworth Hall. These coils have water flowing through them at all times, regardless of whether it is needed. The third part of the project is the re-lamping of light fixtures on three floors of McCullough-Trigg Hall. The fourth part of the project is replacing the steam system which, in addition to the control system, is a high cost item. The current system runs with steam 365 days a year even though there is not much demand for steam during the summer months. Through this project, two low volume, quick response boilers would be purchased. The final item would provide for the repair of un-insulated areas and failed components within the steam system. Dr. Rogers added his impression that even if the university was unable to achieve an energy savings through the project, it would be necessary because of the age of some of the university's heating and cooling systems.

Mr. Owen explained the LoanSTAR loan program that is offered through the State Energy Conservation Office (SECO). The program offers loans at a rate of three percent and requires a 10 year payback. While the estimated cost of the program is \$2.82 million and the initial savings estimate is \$250,000, Mr. Owen noted that

additional savings were likely to be seen through improved controls, which would allow the university to comply with the 10 year payback. He added that repayment of the loan would not begin until after the construction is completed.

Mr. Owen noted that the university must compete for the loan and approval of this board item would put the university in the best possible position. The administration requested (1) approval of the project and (2) authorization to pursue funding through SECO. Mr. Owen stated that if the board approves this item, the administration would issue an RFQ for an energy design consultant, complete the required Energy Assessment Report, and have the required application ready for submission to SECO during the next award cycle. Dr. Rogers added that the cost of obtaining the Energy Assessment Report was \$18,000, which would be paid from plant funds. Mr. Sandoval added that regardless of the outcome of the loan application, an Energy Assessment Report is needed.

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

Mr. Hessing asked what would be the next step if funding were not received through the SECO program. Dr. Rogers responded that the project would have to be broken into smaller parts and gradually addressed as funds were available.

Mr. Engelman asked Mr. Owen if the recommendations were based on the Energy Systems Associates, Inc. study that was completed in December, 2009. Mr. Owen responded that they were. Mr. Engelman stated that the university's system is quite complex and he encouraged the administration to study the recommendations carefully to be certain the funds are spent wisely. Mr. Owen added that SECO requires a verification of energy savings and that meters would have to be in place throughout the campus as part of the verification process.

There being no further discussion, the motion was approved.

Legislative Appropriations Request (LAR)

10-144. Dr. Gunn reported that the university must submit its Legislative Appropriations Request (LAR) for funding every two years. She noted that the majority of the document is comprised of historical and budget data. Dr. Rogers' Administrator's Statement (see Attachment 2), which outlined the current status of the university as well as the university's request for funds, was presented for approval.

Dr. Rogers reported that a base budget would be presented to the legislature in January based on the requests submitted by all state agencies. He noted that with the state facing an estimated \$18 billion shortfall, the likelihood of exceptional items being approved is small. However, in the event funds become available, it is important that MSU's needs are presented.

- 1) Regional Nurses Training Simulation Center (\$950,000) – originally funded through a \$1.27 million Nursing Innovation Grant from THECB in 2004, the current simulation center is located in the old General Hospital building. This facility will soon be unavailable for use and the simulation center must be relocated. These funds would be utilized for new equipment and operating expenses.
- 2) Autism Support Program (\$230,000) – MSU received special item funding in the current biennium for this program which provides support for high performing autistic students. The administration determined it was prudent to request continued funding for the program. Dr. Rogers added that if funding is not received from the state, it is likely that the students who receive the services will be charged additional fees so that the program can continue.
- 3) Tuition Revenue Bond for Library-College of Education-Student Academic Services Project (\$60 million) – while funding is not likely, it is important to identify the university's priority need, which is construction of a new library facility and the renovation of the current Moffett Building to house the College of Education and various student academic services offices.

Dr. Rogers noted that the university has been asked to identify an additional five percent reduction and a ten percent reduction in appropriated funds for the next biennium. These reductions would be above the five percent that is currently being returned. He reported that he would soon appoint committees to recommend possible reductions. He stated that he would report on the planned reductions at upcoming board meetings.

Dr. Givens moved approval of the Administrator's Statement and exceptional item requests as presented. Mr. Engelman seconded the motion and it was approved.

Deliberations about Real Property

10-145. Dr. Gunn reported that this item was removed from the committee agenda and would be discussed during the Friday board meeting.

Adjournment

There being no further business, the Executive Committee discussion concluded at 3:44 p.m.

Reviewed for submission:



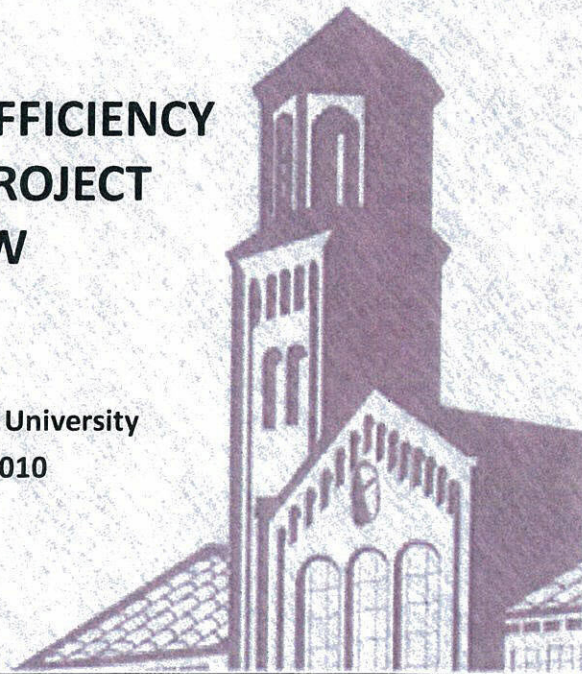
Carol Carlson Gunn, Chair
Midwestern State University
Board of Regents Executive Committee

ATTACHMENTS:

1. Control and Efficiency Upgrade Project Presentation
2. Legislative Appropriations Request Information and Administrator's Statement

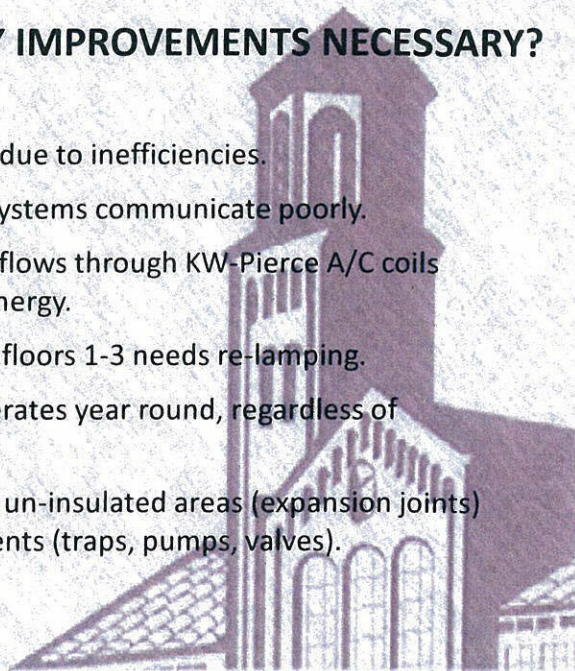
CONTROLS & EFFICIENCY UPGRADE PROJECT REVIEW

Midwestern State University
August 5, 2010



WHY ARE ENERGY IMPROVEMENTS NECESSARY?

- Losing ~\$250k/yr due to inefficiencies.
- Multiple control systems communicate poorly.
- Water continually flows through KW-Pierce A/C coils when off; wastes energy.
- McCullough-Trigg floors 1-3 needs re-lamping.
- Steam system operates year round, regardless of demand.
- Steam system has un-insulated areas (expansion joints) and failed components (traps, pumps, valves).



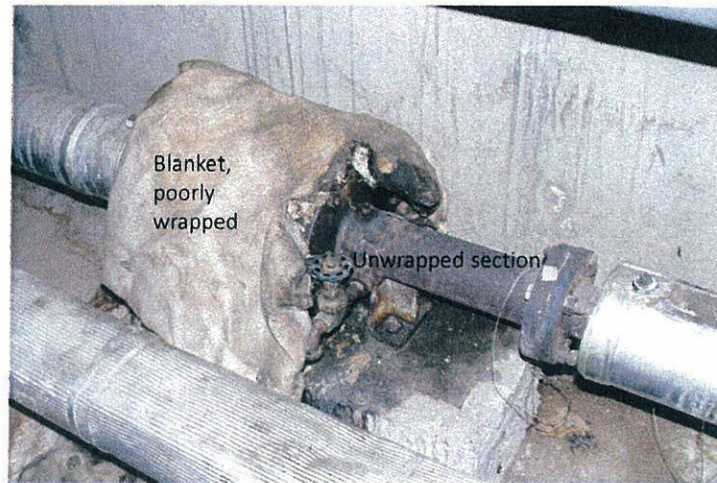
TYPICAL LEAKY STEAM TRAP



RESULTS OF POOR CONDENSATE PUMP

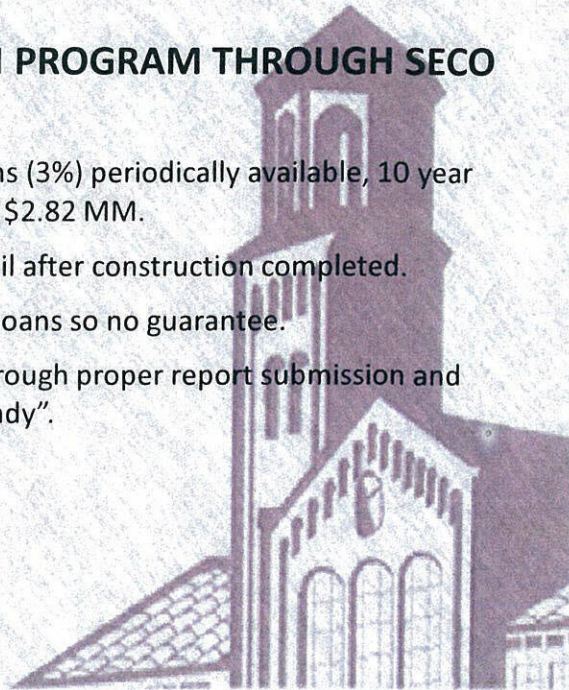


UNINSULATED STEAM LINE EXPANSION JOINTS



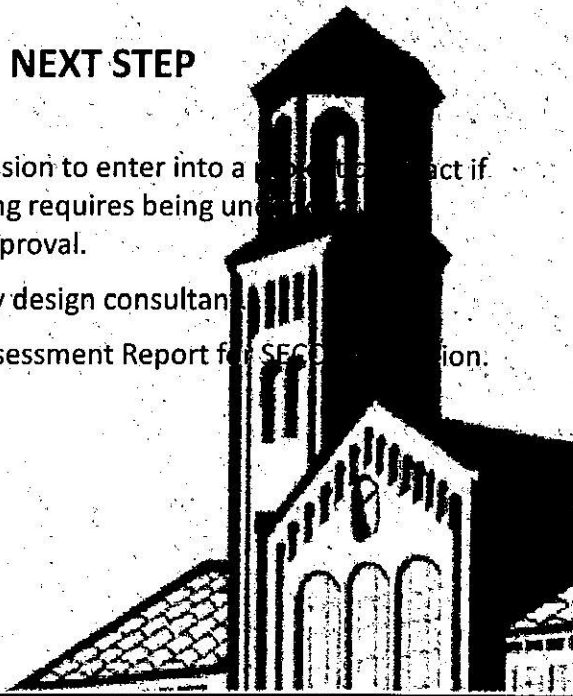
LoanSTAR LOAN PROGRAM THROUGH SECO

- Low interest loans (3%) periodically available, 10 year payback; need is \$2.82 MM.
- Do not repay until after construction completed.
- Competition for loans so no guarantee.
- Improve odds through proper report submission and being "shovel ready".



NEXT STEP

- BOR to grant permission to enter into a contract if selected; SECO timing requires being under contract within 75 days of approval.
- Issue RFQ for energy design consultant.
- Generate Energy Assessment Report for SECO Commission.



Legislative Appropriations Request (LAR)

The Legislative Appropriations Request (LAR) is the statutorily required process used by state agencies to request funding for the upcoming biennium, which are fiscal years 2012 and 2013. Higher education institutions are funded primarily through formulas, and therefore are not allowed to request formula type expenditure dollars. Only non-formula items (i.e. staff group insurance, tuition revenue bond retirement, etc), special items (i.e. Small Business Development Center and institutional enhancement), and exceptional items are requested for the biennium. The bulk of the required document includes historical and budgeted revenues and expenditures for years 2009, 2010, and 2011.

Some examples of the LAR data to be included:

- Local educational and general revenue
- Local educational and general expenses
- Exceptional item requests
- Special item requests including the Small Business Development Center
- Group insurance data elements
- Computation of OASI
- Current and local fund balances
- Utility expenditures
- Tuition revenue bond issuance history

Exceptional items being requested for 2012 and 2013 include funding for the Regional Nurses Training Simulation Center and the Autism Support Program. Also included is a request for tuition revenue bond authorization for the construction and renovation of facilities to house the library, the West College of Education, and student academic services.

Midwestern State University
Administrator's Statement
Legislative Appropriations Request Fiscal Years 2012 and 2013

Midwestern State University (MSU) continues to take steps necessary to be a leading public liberal arts university with a fine state, regional, and even national reputation. MSU offers a broad range of academic programs at the bachelor's and master's levels. The resources of the institution include a beautiful and functional physical plant, modern computer hardware and software, modern equipment in science and engineering laboratories, and an exceptional teaching faculty who are committed to high academic standards. The university's major goal is to create an institutional environment of the best private colleges at the modest cost of a state institution. MSU draws its student body from 148 counties in Texas, 42 states in the U. S., and 50 different countries throughout the world. The university's student-teacher ratio is 19 to 1. This ratio compares very favorably with the best institutions in Texas and the nation.

The hiring of highly qualified faculty from major institutions throughout the United States and the dropping of the student-teacher ratio from a high of 24 to 1 to the current 19 to 1 has been made possible by tuition increases that are small enough to keep Midwestern State University affordable but large enough to provide a high quality university experience.

Of Midwestern State University's 6,343 students, 65% are between the ages of 17 and 24 years. The population of the North Central Texas region remains flat (since 1960) and the number of college age students has dropped. However, Midwestern State is attracting an increasing number of students from the larger metropolitan areas of Texas. This demographic shift has encouraged a clear focusing of the university's mission as a high quality public liberal arts university with three professional colleges (Education, Business Administration, and Health Sciences).

The MSU faculty pursue academic excellence by remaining current in their fields and setting high levels of performance standards for students. Additionally, productive scholarship is pursued by the faculty through research, writing, and artistic presentations and productions. It is the philosophy of the faculty that their artistic and research efforts are best used as teaching tools to create outstanding graduates at the bachelor's and master's levels.

As President of Midwestern State University, and as one who has taught at this university for over 35 years, I am very proud of the new faculty that have been hired to replace numerous faculty who were hired well over 30 years ago. Midwestern State University

has expanded its outreach to bring in capable senior administrators to ensure the future of the institution. As part of the hiring process the university's faculty, administration, and Board of Regents have shown the best judgment in, not only seeking out the best prepared faculty, staff, and administrators, but determining their qualification beyond academic credentials. The university requires that all new faculty, staff, and administrators undergo criminal background checks prior to being hired.

In order to decrease the number of required developmental courses and to increase the university's retention and graduation rates, the university's admissions standards were raised in the fall of 2006. The immediate result of the increase was a decline of approximately 300 freshmen students compared to previous fall semesters. Since the fall of 2007, enrollment has grown every semester. In the fall of 2009, MSU experienced the largest increase in its freshman class in its history. In the spring of 2010, MSU set a new spring semester enrollment record for the university. Current early registration and freshmen acceptances for fall 2010 indicate another 300 student increase in university enrollment. This increase comes from a growing freshman class and greater retention. As a result of these improved statistics, the university has, again, raised its admissions standards to new levels. These new admissions standards will begin with the fall 2011 semester. It is anticipated that these admissions standards will increase the university's graduation rate which is considered to be our most important goal. These efforts directly address the success portion of the state's *Closing the Gaps* plan. In addition to these efforts to increase four-year and six-year graduation rates, the university is in the process of hiring three more professionally trained and experienced advisors to add to the university's Academic Support Center. The Academic Support Center provides tutoring, supplemental instruction in high-risk courses, at-risk student success courses, orientation courses, and advises students with no declared major, as well as all student athletes.

An increasingly capable student body, an expanding and well prepared faculty, and a superior physical plant has led MSU to seek special accreditation for all academic programs that have discipline-specific accrediting bodies. The university has recently been accredited by the Association for the Advancement of Collegiate Schools of Business International (AACSB International) and ABET, Inc. (formerly Accreditation Board for Engineering and Technology, Inc.).

In order to meet the demands of changing enrollment demographics of Midwestern State University and the growing demands from the State of Texas for graduates in high need science, technology, engineering, and mathematics (STEM) fields, the university has engaged in a major project that will enhance the curriculum and improve the academic standing of the university and the university's physical plant for the long-term future. In 2003, Midwestern State University was approved by the Texas Higher Education Coordinating Board (THECB) to offer its first engineering program. The new program in mechanical engineering has been established almost totally with private gifts from regional foundations and individuals. Consequently, the university established a

one house is used as a university guest house, the new director of athletics will live in one of the homes for a short time, and the remaining houses are occupied by students. Ms. Haywood asked if the Biology House was occupied by students. Dr. Farrell responded that it was.

Review and Acceptance of Financial Report

08-15. The administration recommended the July, 2007, Financial Report for acceptance. Mr. Sandoval stated that this report is consistent with previous financial reports. He noted that while revenue was down slightly, expenditures were also reduced. Mr. Lalani thanked the administration for its efforts to limit expenditures to meet the shortfall in revenue.

Mr. Malone moved the acceptance of this report as presented. Mr. Wible seconded the motion and it was approved.

FY 2006-2007 Items \$50,000 & Under Approved by President

08-16. Mr. Lalani reported that in accordance with board policy, President Rogers authorized increases to the budget of \$50,000 and under for the 2006-2007 fiscal year as presented in the agenda document. The administration recommended the budget changes for ratification.

Dr. Rogers noted that the first transfer was necessary to cover a deficit balance, which was caused by the increased cost of laboratory supplies. The second item was a small expenditure for student government travel and basketball playoff game tickets for students.

Salary/Title/Position Change in 2006-2007 Budget Approved per Board Authorization

08-17. A salary change approved by the President was presented for ratification. Dr. Rogers noted that this represented a stipend paid to Mr. Don Henschel, Professor of Theatre, for his work on the Fantasy of Lights display. He added that the funding for this stipend comes from Fantasy of Lights funds.

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

Salary/Title/Position Changes in 2007-2008 Budget Approved per Board Authorization

08-18. Salary, title, and position changes approved by the President were presented for ratification. The justification was presented in the agenda document.

Mr. Wible moved the ratification of these items as presented. Ms. Gough seconded the motion and it was approved.

Operating Budget 2007-2008 Follow-Up

08-19. Mr. Lalani noted that following approval of the Operating Budget at the August board meeting, minor salary/title/position changes were approved by the President and were presented for approval as shown in the agenda document. He noted a number of title changes and other monetary changes which resulted in a reduction in the budget by \$45,570.

clinical scenarios in which simulators can be programmed to replicate changing patient conditions and supervise learners' responses to the scenario. Scenario-based patient simulation can either be used to teach new content or to evaluate participants' competency in a particular clinical situation. THECB grant funding ended August 2007. However, the partners have continued to fund the operation of RSC.

The building which currently houses the RSC is scheduled for demolition in one year. The university has identified a facility near the campus that would provide additional space for expanded programs and services. Plans are underway to purchase this facility with gift or local funds. The expanded RSC would provide space for training of allied health students at MSU and Vernon College, as well as provide competency validation for staff of health care organizations in the north central Texas region.

Funding to support this program during the biennium would assist in the operation, expansion, and relocation of the RSC. It is anticipated that continued exceptional item funding will not be necessary in future years as a business model will be in place by the end of the biennium to support the continued operation of the RSC.

Midwestern State University's Autism Support Program (\$181,000)

Midwestern State University's residential autism support program began in the fall of 2008 with three academically capable students. These students resided in MSU's Initium House, a home owned by the university and used specifically for this purpose. During the spring 2010 semester three resident students, one semi-independent student, and one nonresidential student were enrolled. The students will continue in the program in the fall of 2010.

This program is quite unique in that it provides a comprehensive transition-to-college, residential program with continued support after movement to general housing. While the program can only directly serve a small number of students, it is hoped that the program will serve as a model for other universities.

MSU has continued to offer the program services and support for these high performing autistic students at no additional cost because of the approximate \$200,000 received from the Texas Legislature in 2009 through Federal American Recovery and Reinvestment Act (ARRA) funds. Should these funds not be continued, a special service fee will likely be assessed to each program participant. Additionally, some of the services may have to be limited.

Tuition-Revenue Bond for Library-College of Education-Student Academic Services Project (\$59 million)

In addition to these special item requests, Midwestern State University wishes to enter through this Legislative Appropriation Request, its statement of need of a tuition revenue bond in order to construct a new campus library. The administration, faculty, and Board of Regents of MSU are fully cognizant of the state's, nation's, and the world's deepening financial crisis. It is fully recognized by all that the State of Texas is in no way exempt from a declining financial situation and that funds are short. However, in the circumstance that some tuition revenue bonds are approved, Midwestern State University believes that it can soundly justify the need for a modern library for its student body that will exceed 6,500 students. Midwestern State University's current library was constructed in 1963-1964 shortly after Midwestern State became a state supported institution. The library was increased in size in 1986. However, the structure that currently holds Moffett Library is large but extremely antiquated. In fact, architects and engineers doubt that the building could be successfully converted to a modern library structure that should house individual and group study areas, wireless computer access to databases, and many other amenities found in modern campus libraries. It is believed that a modest sized, but well planned building with approximately 60,000 sq. ft. of usable space would accommodate Midwestern State University's library needs for the long term. Additionally, the current Moffett Library building, which exceeds 100,000 sq. ft. in assignable space, could be readily modified into a building that would house much needed modern space for the university's College of Education and a multitude of administrative offices that are now crowded into the south end of Hardin Administration Building. These offices include Financial Aid, Registrar, Admissions, School Relations, Testing, and other important academic student service offices. Additionally the university could use a modernized Moffett Library Building for its growing Honors Program and an Information Technology facility. The construction of a new library and the renovation of the Moffett Library Building would bring the Midwestern State University campus to a level of modernity and efficiency that should last for generations of students. These current needs are critical and this process will eventually need to be completed. Midwestern State University respectfully asks the consideration of approval for a tuition revenue bond of \$59 million for the project.

Effects of Budget Reductions

The Board of Regents and administration of Midwestern State University have successfully planned a five percent reduction in the 2010-2011 general revenue appropriation. These cuts were made largely through a hiring freeze, some FTE personnel layoffs in both staff and faculty, the delaying of deferred capital projects, and some appropriations transferred from state funds to designated tuition and fees. Additionally, only essential travel by both faculty and staff has been approved and the university has taken significant steps to more efficiently utilize power and reduce costs of utilities. Anticipating an additional five percent reduction in the state general revenue appropriation for the 2012-2013 biennium would diminish the positive steps that the university has made.

An additional five to ten percent reduction will require another review of all academic programs to examine the need to reduce or eliminate some academic programs. The university has reduced or deferred some administrative and staff position hires, cut back on maintenance, operations, travel, and deferred capital construction projects as well. The university would need to increase faculty workloads which would increase class sizes and would negatively impact the significant steps that have been made to improve the quality of instruction and student retention.

The administration is currently involved in a long term financial planning effort that will streamline the teaching of all of its existing programs. Every academic program will be analyzed to ensure that a curriculum has not been inflated with unnecessary courses. Additionally, every position on campus from staff to senior administration is being analyzed to determine how critical these positions are to the university. Through such an analysis it is anticipated that a major portion of a five percent reduction could be accomplished. Reductions in travel other than that that is essential for the operation of the university and its academic programs will continue. Finally the university's increase in enrollment will be managed through existing capacity. Consequently, some transfer of funds between general revenue and local designated funds without a significant increase in tuition will be accomplished. It is not possible, nor is it desirable that the students of MSU bear the burden of balancing the university's budget.

Should it be necessary to decrease the 2012-2013 general revenue appropriation an additional five percent, the model described in the paragraph above, will be used but expanded. Should revenue reductions of this magnitude become effective, it will be necessary for Midwestern State University to use planned faculty or staff reductions in order to complete a total ten percent reduction. Additionally more deferred maintenance projects will be pushed into the future until the state's economy improves and further reductions become unnecessary.

As President of Midwestern State University, I thank the Board of Regents, the faculty, the staff, and the benefactors who have been involved in the development of this university. Additionally, I want to thank the State of Texas for the underlying support that provides a high quality education for the people of Texas through Midwestern State University.

Jesse W. Rogers
President

Midwestern State University Board of Regents

Board Members	Term Expiration Date	Hometown
Carol Carlson Gunn, Chair	2012	Graford
F. Lynwood Givens, Secretary	2012	Plano
Michael Bernhardt	2016	Wichita Falls
J. Kenneth Bryant	2016	Wichita Falls
Tiffany Dawn Burks	2016	Grand Prairie
Charles E. Engelman	2014	Wichita Falls
Shawn G. Hessing	2014	Fort Worth
Samuel M. Sanchez	2012	Keller
Jane W. Spears	2014	Wichita Falls
David Reyna, Student Regent	2011	Wichita Falls

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Finance and Audit Committee
August 5, 2010**

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 3:44 p.m., Thursday, August 5, 2010. 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 Mr. Mike Bernhardt, Mr. Kenny Bryant, Mrs. Tiffany Burks, Dr. Carol Gunn, Mr. Sam Sanchez, and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; Mr. Kyle Owen, 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; Mr. Mike Dye, Director of Information Systems; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Shawn Conner, Student Government Association Vice President. Representing the news media were Ms. Brittany Norman, editor of *The Wichitan*, and Ms. Ann Work, reporter for the *Times Record News*.

Chairman Hessing called the meeting to order at 3:44 p.m.

Reading and Approval of Minutes

10-146. The minutes of the Finance and Audit Committee meeting May 13, 2010, were approved as presented.

Status Report on Reduction in Appropriations for the 2010-11 Biennium

10-147. Mr. Hessing reported that the administration presented a plan in February regarding the university's required reduction of state appropriations. A copy of an updated status report was presented to the board as a point of information (see Attachment 1). Dr. Rogers noted that the plan was made up of anticipated new revenues, new expenditures, and savings. He reported that actual revenues were higher than anticipated and expenditures and savings were very close to what was estimated. He added that \$487,000 would be returned to the state, with the excess carried forward and included in the \$1.2 million that must be returned in 2010-2011.

Office Testing and Prometric Testing Lab. Recommended title and salary changes that would result from this change were presented in the agenda document. Dr. Rogers noted that the increased costs would be paid from MSU Testing Center revenue.

- C. It was recommended that the Office of Student Activities and Orientation and the Office of Student Development be combined into one office which would be named Office of Student Development and Orientation. This would be accomplished with no additional full-time equivalent positions and no additional funds. Recommended title and salary changes that would result from this change were shown in the agenda document.

Dr. Gunn moved approval of these changes as presented. Mr. Lalani seconded the motion and it was approved.

MSU Policies and Procedures Manual Changes

08-31. The following changes to the *MSU Policies and Procedures Manual* were recommended for approval as presented.

- A. Policy 2.338, University Boards, Councils & Committees - 504/ADA Grievance Committee, University Data Standards/Security Committee, and University Assessment Committee – personnel changes were recommended to these committees to provide better representation of the campus.
- B. Policy 2.338, University Boards, Councils & Committees – NEW - Teaching and Learning Resource Center Committee – it was recommended that this new committee be added to the standing committees of the university.
- C. Policy 3.120 – Tenure and Promotion Policy – this item was deleted from the agenda.
- D. Policy 3.338 – Service Pin Awards – it was recommended that this policy be changed to allow part-time, benefit-eligible employees to be awarded service pins.
- E. Policy 3.349 – Employee Background Checks – Dr. Rogers noted that existing university policy allows the administration to determine which positions will be considered as security sensitive. He indicated that following a recent review and discussion with the MSU Faculty Senate and Academic Council, it was agreed that all benefit-eligible positions, staff and faculty, would be considered as security sensitive, and individuals would be subject to a criminal background check at the time they are hired or internally promoted. Minor changes to the written policy were proposed for approval.

Mr. Lalani moved approval of these policy changes as presented. Ms. Farris seconded the motion and it was approved.

Adjournment

There being no further business, the Personnel and Curriculum Committee discussion concluded at 3:45 p.m.

The administration further recommended continued authorization for the President, Vice President for Administration and Finance, and Controller or their designees to purchase and sell investment instruments in accordance with the Texas Public Funds Investment Act and the Board of Regents' Investment Policy, and perform all other normal banking transactions. It was noted that investment transactions may be authorized by verbal orders but must also be approved in writing by the President or the Vice President for Administration and Finance.

The administration finally recommended the board continue to authorize the President, Vice President for Administration and Finance, and Provost to sign appropriate personnel retirement documents.

Mr. Spears moved approval of these recommendations as presented. Mr. Engelman seconded the motion and it was approved.

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

10-152. Mr. Hessing noted that the list of budget changes was presented in the agenda document for review and ratification. Dr. Rogers noted that Student Center Fees were utilized for lighting control work in the Clark Student Center. Additionally, Unallocated Student Service Fees were used to provide various opportunities for MSU students, including leadership conferences, study trips, and participation in tournaments and competitions.

Dr. Givens moved the board ratify these budget changes as presented. Ms. Spears seconded the motion and it was approved.

Salary/Title/Position Changes in 2009-2010 Budget

10-153. Mr. Hessing asked Dr. Rogers to comment on the items presented in the agenda document for ratification. Dr. Rogers noted that the new position in the business office was approved in December, but was not filled until April. The remaining items on the list were positions filled at salaries lower than what was budgeted.

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

Operating Budget for Fiscal Year 2011

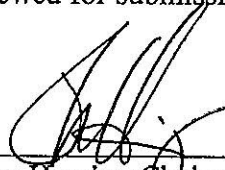
10-154. Mr. Hessing reported that since the operating budget for the 2010-2011 fiscal year was approved by the board in May, a number of changes had been necessary. A summary of the recommended changes was presented as shown in Attachment 2. Mr. Sandoval noted that when the budget was approved, the administration had yet to be notified of employee and retiree health insurance rates for the upcoming year. Dr. Rogers stated that the cost of the additional academic counselor position was funded through the new Academic Support Fee. He added that the women's soccer program had not had an assistant coach in the past and the position was needed. He noted that two positions were eliminated in the information systems area through reorganization.

Ms. Spears moved approval of these items as presented. Mr. Engelman seconded the motion and it was approved.

Adjournment

The Finance and Audit Committee discussion concluded at 4:15 p.m.

Reviewed for submission:



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

ATTACHMENTS:

1. Appropriations Reduction Plan – Status Report
2. Summary of FY 2011 Budget Changes

Midwestern State University
5% Reduction Status Report
August 5, 2010

	Board Approved Plan Estimated Feb. 2010	Projected at July 25, 2010 Variance
Revenue Changes for FY 2010		
Enrollment increase (additional tuition and fees)	\$1,330,040	\$1,405,614
New state authorized tuition waivers	-145,000	-145,000
Incentive funds (received less than budgeted)	-161,400	-161,400
Subtotal	<u>\$1,023,640</u>	<u>\$1,099,214</u>
		<u>\$75,574</u>
New Expenditures in FY 2010:		
Budget changes approved by Board of Regents 11/09 (1% salary increase, DCOBA new positions, deferred maintenance)	-448,500	-448,500
Budget changes approved by Board of Regents 11/09 - salary changes & student leadership funding		-9,324
Budget changes approved by Board of Regents 02/10 - faculty evaluation tool & salary changes		-10,000
Budget changes approved by Board of Regents 5/10 - salary changes		-32,670
Budget changes presented for board ratification - 8/10		10,984
Salary changes presented for board ratification - 8/10		-19,319
Unbudgeted adjunct and summer faculty salaries		-118,673
Unbudgeted staff equity adjustments (1/2 year)		5,675
Secretary position/Writing Proficiency (ratified by board 11/09)	-200,000	-106,455
Subtotal	<u>-30,250</u>	in above BOR action
	<u>-15,600</u>	in above BOR action
	<u>-\$694,350</u>	<u>-\$728,282</u>
Expenditure Savings in FY 2010		<u>-\$33,932</u>
Faculty and staff salaries (through attrition and not filling vacant positions)	170,000	169,584
Small Business Development Center (5% reduction)	5,430	5,430
Maintenance & operation/travel (2 1/2% reduction)	75,000	54,279
Subtotal	<u>\$250,430</u>	<u>\$229,293</u>
		<u>-\$21,137</u>
FY 2010 Changes	<u>\$579,720</u>	<u>\$600,225</u>
		<u>\$20,505</u>

The administration intends to return \$486,139 to the state in FY 10

Midwestern State University
Summary of Proposed FY 2011 Budget Changes

	Budget <u>Adjustment</u>
Two positions added (women's soccer assistant and academic counselor)	\$82,689
Two positions eliminated 9/30/10	-69,185
Positions not being filled in FY 10	-257,969
Salary adjustments and changes	77,104
Sundance Court M&O reduction to offset insurance increase	-1,000
Employee health insurance increase - budgeted at 5%. Actual 7.25%	95,151
Retiree health insurance increase - budgeted at 5%. Actual 7.25%	21,992
Increase Shuttle Services account	13,754
Christ Academy utilities and basic maintenance	30,000
McCullough Hall - IT component for project	31,000
Instructional Reserve - PhD's received	<u>14,620</u>
 Total Increase in Budget	 <u><u>\$38,156</u></u>

Total Budget for FY 2011 ~ \$92,769,369

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Investment Committee
August 5, 2010**

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 4:15 p.m., Thursday, August 5, 2010. Investment Committee members in attendance were Mr. Charles Engelman, Chairman; Mr. Mike Bernhardt; Mr. Kenny Bryant, and Mr. Shawn Hessing. Other regents attending the meeting were Mrs. Tiffany Burks, Dr. Lynwood Givens, Dr. Carol Gunn, Mr. Sam Sanchez, Ms. Jane Spears, and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; Mr. Kyle Owen, 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; Mr. Mike Dye, Director of Information Systems; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Shawn Conner, Student Government Association Vice President. Representing the news media was Ms. Brittany Norman, editor of *The Wichitan*.

Chairman Engelman called the meeting to order at 4:15 p.m.

Reading and Approval of Minutes

10-155. The minutes of the Investment Committee meeting May 13, 2010, were approved as presented.

Investment Management Services/Redwine Estate

10-156. Mr. Engelman reported that the board previously determined that an investment management firm should be hired to manage the Redwine Funds. An RFP was advertised and at the May meeting the board authorized the board chair to work with the administration in selecting the investment firm or firms to manage the Redwine Funds, in consultation with the Investment Committee chair and the Finance and Audit Committee chair. Thirty five proposals were received and nine firms were selected for telephone interviews. Mr. Engelman reported that the decision was made to invest the funds with three firms: Fisher Investments, Luther King Capital Management, and J. P. Morgan Chase Investments. He added that approximately \$3.08 million would be distributed to each of these firms to invest. Mr. Sandoval added that the RFP requested information from the firms regarding financial viability, historical performance, and investment strategies.

Mr. Bryant asked what percentage of funds would go into alternative investments and what was included in the category of alternative investments. Mr. Engelman responded that alternative investments could include real estate, commodities, partnerships, and private equities. Mr. Sandoval noted that the recommended policy would limit alternative investments to 30 per cent. Mr. Hessing added that there was also language in the proposed policy about reviewing the portfolio no less than quarterly to be certain there is appropriate monitoring by the board and the administration. He added that while the university would like to receive a positive return on the funds, security and soundness of the funds are key considerations.

Mr. Sanchez asked if there was a benchmark the committee was looking to achieve with these investments. Mr. Engelman noted that he was looking at 10 per cent, which would provide a return of three to four per cent to be used for scholarships, another four per cent to address inflation, and an additional return for fund growth. These three firms were selected because they represented diverse investment strategies. Mr. Hessing added that the firms would have to be monitored over a three to five year period and the firms would not be expected to all produce 10 per cent each year. Mr. Engelman added that a 10 per cent return over a five to ten year period would be acceptable.

Dr. Givens asked if the RFP addressed the \$9 million portfolio or a \$3 million portfolio. Mr. Sandoval responded that the RFP was open-ended and the nine firms that were interviewed understood that they could receive all or a portion of the funds. Mr. Bryant asked where the firms were located. Mr. Engelman responded that two are in Fort Worth and one is based in San Francisco. Mr. Hessing added that all three firms manage in excess of \$10 billion. Mr. Engelman stated that these are sophisticated investors with the ability and knowledge to do what is necessary in the long run.

This item was presented as a point of information only.

Review and Acceptance of Investment Report

10-157. The third quarter 2010 investment report was previously distributed to the board and was presented for acceptance. Mr. Hessing moved acceptance of this report as presented. Mr. Bernhardt seconded the motion and it was approved.

Approval of Brokers/Dealers, Investment Vehicles, and Asset Holding Accounts

10-158. The administration recommended continuation of the approved list of brokers/dealers, investment vehicles, and asset holding accounts for fiscal year 2011. Mr. Sandoval noted that the proposed brokers/dealers have filed certifications acknowledging the university's investment policy as required.

Brokers/Dealers

First Southwest Company, Austin
JP Morgan Securities, Inc., Houston
LF Rothschild/RBC Dain
Morgan Keegan & Company, Inc., Houston
Vining-Sparks, IBG, Austin
Wells Fargo, Dallas

Other Investment Vehicles/Overnight Cash Pools

Citibank
JP Morgan Chase High Balance Savings
LOGIC, Dallas
Texpool, Austin

Asset Holding Accounts

JP Morgan Chase
Merrill-Lynch, Wichita Falls

Mr. Hessing moved approval of this list as presented. Mr. Bryant seconded the motion and it was approved.

Investment Policy

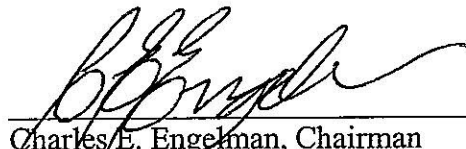
10-159. Mr. Engelman presented the institution's investment policies for approval as shown in Attachment 1. He noted that the recommended action would divide the current policy into two policies: Policy 4.182, Investment Policy – Operating Funds, and a new policy, Investment Policy – Endowment Funds. He noted that the policy was discussed as part of a previous item. Mr. Hessing stated that the committee would like to continually monitor the policy language to be certain it is timely and meaningful, particularly in a changing marketplace. He asked the regents to study the document and inform the committee of concerns that should be discussed in November.

Mr. Bernhardt moved approval of these policy changes as recommended. Mr. Hessing seconded the motion and it was approved.

Adjournment

The Investment Committee discussion concluded at 4:52 p.m.

Reviewed for submission:



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

ATTACHMENT:

1. Proposed Investment Policies

4.182 INVESTMENT POLICY – OPERATING FUNDS

Date Adopted/Most Recent Revision: 11/06/2009

A. Purpose

The purpose of this investment policy is to establish cash management and investment guidelines for the investment and protection of university operating funds in order to ensure that the university's investments are duly authorized, properly managed, and adequately protected. This policy is intended to:

1. Establish prudent investment procedures.
2. Assure that investment assets are adequately safeguarded.
3. Assure that adequate accounts and records are maintained which reflect investment position and results.
4. Assure that a system of good internal controls is maintained.

This policy provides investment guidelines for all operating funds invested by Midwestern State University to ensure compliance with university standards, the Public Funds Investment Act (Tx Govt Code 2256), and all other state and federal laws.

B. Investment Objectives

1. Safety of Principal:

Each investment transaction shall seek to reduce the likelihood of capital losses, whether from security defaults or erosion of market value.

2. Liquidity:

The investment portfolio shall remain sufficiently flexible to enable the university to meet all operating requirements which may be reasonably anticipated in any funds.

3. Public Trust:

In managing the investment portfolio, officials shall avoid any transaction that might impair public confidence in the university. Investments shall be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived. No security shall be purchased that has either a limited or nonexistent secondary market.

4. Rate of Return:

The investment portfolio shall be designed with the purpose of regularly exceeding the average return of three month U.S. Treasury bills and the State of Texas Treasury yield. The investment program shall seek returns above this threshold, consistent with the overall investment policy and other investment objectives.

C. Investment Fund Administration

1. Investment Responsibility

Investment responsibilities are delegated by the Midwestern State University Board of Regents to the President and the Vice President for Administration and Finance. Each member of the Board shall attend at least one (1) training session relating to the person's responsibilities under the Public Funds Investment Act within six (6) months after taking office. The university's chief financial officer and controller shall attend at least one (1) training session relating to that person's responsibilities within six (6)

months after assuming duties and shall attend a training session not less than once in a two (2) year period and prepare a report to the Board of Regents on such training. This training must include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act (Tx Govt Code 2256.007).

2. Day-to-Day Supervision

The Controller shall be responsible for the daily supervision and implementation of the investment program and shall be authorized to purchase, sell and invest university funds in accordance with the Public Funds Investment Act and this investment policy, with approval of the President or the Vice President for Administration and Finance.

3. Record Keeping

Transaction and accounting records shall be complete and prepared on a timely basis with consideration at all times to the adequacy of an audit trail. Internal controls will assure responsible separation of duties and diminish the real and prospective burden on individual employees.

4. Custody

Custody of investment assets shall be in compliance with applicable laws and arranged to provide as much security, trading speed, and flexibility as possible.

D. Investment Strategy - Short-term Operating Funds

1. The daily cash position will be monitored by the Controller to ensure that non-interest bearing cash is minimized. The collection time of all dividend and interest payments will be accelerated to the extent possible. The university will maintain a minimum of \$1,000,000 available in overnight funds which will be kept in Texpool, Logic, or repurchase agreements. Should balances fall below this amount for any reason they will be replenished at the earliest opportunity from the first available cash receipts.
2. Overnight or short-term (thirty [30] days) funds shall be invested through a competitive bid or offer process as follows:
 - a. Banks in the local area are to be contacted by telephone to obtain their current certificate of deposit rates.
 - b. An unaffiliated investment broker is to be contacted to obtain statewide Texas banks' certificate of deposit rates.
 - c. Texpool or LOGIC, or other Board-approved cash investment pools are to be contacted to obtain current overnight rates.
 - d. Funds shall be placed based on the best rate quoted.
3. Transactions to purchase or sell securities shall be entered into on the basis of "best execution," which normally means best realized net price for the security. Settlement of all transactions except investment pool funds must be on a delivery versus payment basis.
4. The goal of the university will be that the portfolio shall be adequately diversified at all times in accordance with these investment guidelines. Specific investment ranges and investment policy limitations are as follows:

	Minimum	Maximum
U.S. Treasury Obligations	0%	100%
Federal Agency Obligations	0%	90%
Federal Agency Mortgage-Backed	0%	25%
Municipal Obligations	0%	50%
Certifications of Deposit (Insured)	0%	20%
Purchase Agreements (Collateralized)	0%	20%
Mutual Funds	0%	15%
Approved Investment Pools	0%	50%

5. The university's pooled investment fund is comprised primarily of operating funds, and fund balance equity that carries forward from year to year. At the beginning of each fiscal year, the Controller and Vice President for Administration and Finance will analyze current operating cash needs as well as any cash requirements for capital projects that will occur within the next two (2) years. This analysis will include a two (2) year time line which clearly identifies any known cash requirements and the approximate month in which the cash must be available. Once an analysis of project needs has been assembled, an analysis of current economic conditions and interest rate levels and projections from third party outside sources should be reviewed. Investment maturities are to be structured in such a way as to maintain a liquid or currently maturing balance for all operating funds budgeted for expenditure during the fiscal year. If interest rates are rising or anticipated to increase these funds may be kept in short-term investment pools such as TEXPOOL. If interest rates are falling or are projected to fall, these funds should be invested to match projected cash needs as determined. Funds in excess of operating funds may be invested, preferably by staggering maturities, for longer than a year.
6. Bond proceeds are to be invested separately and apart from the university's pooled investment fund and maturities are to be structured in such a way as to provide sufficient cash to meet construction expenditures.
7. **Endowment funds are to be invested in accordance with the university's separate Investment Policy – Endowment Funds.**
8. Investments donated to the university for a particular purpose or for a specific use as specified by the donor may be held in investments other than those identified as authorized investments in this policy. Such investments shall be held apart from the university's pooled investment fund. Those investments shall be subject to all other requirements of this policy.
9. The investment staff shall be responsible for following the "prudent person" standard which shall be applied in the management of the portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

E. Endowment Funds – Long-Term Investments

- ~~—Midwestern State University will manage its endowments in accordance with appropriate endowment management principles indicated below.~~
- ~~1. The university's financial goal for the investment of endowment funds is to preserve the inflation-adjusted purchasing power of principal and income after accounting for endowment spending.~~
 - ~~2. The university's overall investment policies are consistent with endowment management principles embodied in the Uniform Management of Institutional Funds Act (Texas Property Code, Chapter 163).~~
 - ~~3. The endowment principles used will focus on long-term growth of the endowment principal, while maintaining the purchasing power of the funds over time.~~
 - ~~4. The university will delegate the management of assets to outside parties. Such will allow access to the investment expertise of professional asset management firms.~~
 - ~~5. The Vice-President for Administration and Finance and/or the University Controller will coordinate with the professional asset management firm to ensure flexibility in cash disbursements in accordance with the university's needs.~~
 - ~~6. It is the practice of Midwestern State University to re-invest part of the earned endowment income to the principal endowment corpus. MSU will work with the professional investment management firm, ensuring growth of the endowment principal while satisfying the university's needs as specified by individual fund donors.~~
 - ~~7. The university will report on investment performance to the Board of Regents on a quarterly basis. Periodic reporting of investment performance will ensure that management and the members of the Board of Regents have information necessary to monitor investment manager performance effectively.~~
 - ~~8. The university recognizes that although donor-directed investment strategies may restrict investment options within the endowment portfolio, the investments will adhere to donor intent.~~
 - ~~9. The allowable range and target asset allocation for the endowment fund is:~~

	Minimum	Maximum
Equities Securities	0%	60%
Fixed-Income Securities	0%	100%
Cash or Cash Equivalents	0%	10%

F. Investment Brokers/Dealers

1. The Board of Regents and the President may hire independent investment advisors or investment managers to assist university personnel in the execution of their investment responsibilities. All routine investments will be purchased or sold utilizing an established list of qualified firms. The Board of Regents shall annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the university. Qualified firms must be regulated by the Securities Exchange Commission and be members of the National Association of Securities Dealers, Inc.
2. A written copy of this investment policy shall be presented to any person offering to engage in an investment transaction with the university. The qualified representative of the business organization shall execute a written instrument substantially to the effect that the business organization has:

- a. Received and reviewed this investment policy; and
- b. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the university and the organization that are not authorized by the university's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the university's entire portfolio or requires an interpretation of subjective investment standards.
- c. The investment officer may not acquire or otherwise obtain any authorized investment described in this investment policy from a person who has not delivered the written instrument to the university as described above.
- d. Nothing in this section relieves the university of the responsibility of monitoring the investments made by the university to determine that they are in compliance with this investment policy.

G. Investment Ethics

Officers and investment staff involved in the investment process shall refrain from personal business activity, as defined by the Public Funds Investment Act (Tx Govt Code 2256.005), that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. A member of the Board shall not direct nor participate in the decision to purchase or sell securities of a firm with which such member is significantly affiliated. Securities will not be purchased from or sold to a member of the Board. All investment staff must report any affiliation with another firm or organization to the President and the Internal Auditor. On an annual basis the staff will report the nature and extent of any investments in or business transacted with such firms.

H. Investment Guidelines

Funds must be invested at all times in strict compliance with the Public Funds Investment Act (Tx Govt Code 2256) and other applicable laws.

1. Authorized Investments. Authorized investments include the following.

- a. Obligations of the United States or its agencies and instrumentalities.
- b. Direct obligations of the State of Texas or its agencies and instrumentalities.
- c. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.
- d. Other obligations, the principal of an interest on which are unconditionally guaranteed or insured by the State of Texas or United States.
- e. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.
- f. Certificates of deposit issued by state and national banks domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or collaterally secured by those obligations as listed above in a. - e.
- g. Certificates of deposit issued by a savings bank domiciled in this state that are guaranteed or insured by the Federal Savings and Loan Insurance Corporation or its successor, or collaterally secured by those obligations as listed above in a. - e.
- h. Fully collateralized repurchase agreements having a defined termination date, secured by obligations described in a. above, and the securities are pledged to the

university, held in the university's name and deposited at the time the investment is made with the university or with a third party selected and approved by the university, and is placed through a primary government securities dealer as defined by the Federal Reserve, or a financial institution doing business in this state. Repurchase agreement means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described in a. above, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. This term includes a direct security repurchase agreement and a reverse security repurchase agreement. The term of any reverse security repurchase agreement may not exceed ninety (90) days after the date the reverse security repurchase agreement is delivered. Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

- i. Prime domestic bankers' acceptances with a stated maturity of two-hundred-seventy (270) days or less from the date of issuance and will be liquidated in full at maturity, are eligible for collateral for borrowing from a Federal Reserve Bank, and are accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1, P-1, or the equivalent by at least one nationally recognized credit agency and is fully secured by an irrevocable letter of credit issued by a bank.
- j. Commercial paper with a stated maturity of two-hundred-seventy (270) days or less from the date of its issuance that is rated not less than A-1, P-1, or the equivalent by at least two (2) nationally recognized rating agencies, or is rated at least A-1, P-1, or the equivalent by at least one (1) nationally recognized credit agency and is fully secured by an irrevocable letter of credit issued by a bank.
- k. SEC-registered, no-load money market mutual funds and no-load mutual funds as described in and limited by the Public Funds Investment Act (Tx Govt Code 2256.014).
- l. Guaranteed Investment contracts for bond proceeds as described in the Public Funds Investment Act (Tx Govt Code 2256.015)
- m. Investment Pools as described in the Public Funds Investment Act (Tx Govt Code 2256.016).
- n. Corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

2. Unauthorized Investments

Effective September 1, 1995, in compliance with the Public Funds Investment Act (Tx Govt Code 2256.009b), the following are not authorized investments:

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (interest-only).
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (principal only).
- c. Collateralized Mortgage obligations that have a stated final maturity date of greater than ten (10) years.

- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

I. Performance Measurement

The investment performance of the funds will be measured by an unaffiliated organization with recognized expertise in this field, and compared against the stated performance goals. Measurement will occur at least monthly and will be used to evaluate the results on investment holdings. Reports will be prepared in compliance with generally accepted accounting principles and will describe in detail the investment position of the university and will include, by individual investment, the book value, market value, accrued interest, maturity dates, any purchases, sales, gains or losses and the fund or pooled account for which each individual investment was acquired. Reports shall be distributed to the President, the Vice President for Administration and Finance, and the Internal Auditor. The Board of Regents shall receive the report no less than quarterly. The reports to the Board of Regents must be prepared and signed by the investment staff of the university and certified as to the portfolio's compliance with these policies and the Public funds Investment Act (Tx Govt Code 2256.023).

J. Interest Rate Risk Measurement

The university will measure on a quarterly basis the interest rate risk of its securities. The university will monitor and be aware of the overall interest rate and market value risk it is taking

NEW POLICY – Investment Policy – Endowment Funds

A. Purpose

The purpose of this investment policy is to establish cash management and investment guidelines for the investment and protection of university endowment funds in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Texas Property Code Chapter 163. Endowment funds include, but are not limited to, gifts of property, stock, and real assets that have been donated to the university to provide funding for scholarships, professorships, and other uses as specified by the donors.

This policy applies to all individual and quasi-endowment funds held by Midwestern State University. Funds functioning as endowments (often referred to as quasi-endowments) are used to account for resources that the governing board, rather than the donor, has determined are to be retained and managed like an endowment. Principal and income of these funds may be utilized at the discretion of the governing board.

The endowment funds may be invested as authorized by this policy and, for short periods of time, be placed in authorized university depositories for the processing of receivables and disbursements.

B. Investment Objectives

This policy is designed to fulfill the following objectives:

1. provide security of invested principal;
2. provide for appreciation of principal;
3. provide a continuing and dependable cash payout within market constraints;
4. provide for planned liquidity for anticipated cash flow purposes;
5. manage market risks;
6. maximize overall total return within the established risk constraints; and
7. provide for diversification of investment assets.

The long term objective of an endowment is to preserve the intergenerational equity of the endowment while providing an appropriate current spending policy. All endowment funds will be managed by the "prudent person standard."

Endowment funds should be invested to provide funding for scholarships, fellowships, professorships, and other uses as specified by donors or the Board of Regents. Income must be sufficient to provide an adequate cash stream to support the programs for which the endowments were created. In addition, the corpus of the endowment accounts should appreciate over time, exclusive of growth derived from donations, to ensure preservation of purchasing power, and also to satisfy the need for future growth in payouts.

Endowment funds will be invested to meet these objectives, by maximizing total return consistent with an appropriate level of risk and subject to generation of adequate current income. Additionally, the investments shall be diversified to provide reasonable assurance

that investment in a single security, a class of securities, or market sector will not have an excessive impact on the funds.

C. Investment Fund Administration

1. Investment Officers

Investment responsibilities are delegated by the Midwestern State University Board of Regents to the president and the vice president for administration and finance. Investment officers, as designated by the board, are responsible for all investment management decisions and activities of the endowment funds.

Each investment officer must attend ten hours of investment training within twelve months of assuming the position and attend ten hours within each succeeding two-year period.

Each investment officer shall disclose any personal or business relationship with any business organization engaging in an investment transaction with the university. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the university shall file a statement disclosing that relationship. The disclosure shall be filed with the president and the board. No investment officer of the university may accept anything of value in connection with investment transactions. All soft dollar transactions are strictly prohibited.

No investment officer may engage in an investment transaction except as provided under terms of this policy.

2. Investment Committee

The Investment Committee's responsibilities are to:

- a. assist in the development and implementation of investment policies, objectives, and guidelines;
- b. prepare an asset allocation analysis and recommend an asset allocation strategy with respect to the endowment's objectives;
- c. review investment managers, including search, selection, and recommendation to the investment officers and/or MSU Board of Regents;
- d. review performance evaluation reports, and
- e. review contracts and fees for both current and proposed investment managers.

3. Day-to-Day Supervision and Record Keeping

The controller shall be responsible for the daily supervision and implementation of the investment program under the direction of the vice president for administration and finance.

D. Standard of Care

The "prudent person standard" shall be the standard used in all investment functions and shall be applied in the context of individual transactions as well as management of the overall portfolio. Accordingly, all investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, emphasizing the probable safety of their capital as well as the expected income to be derived.

All investments shall be consistent with the board's approved Investment Policy – Endowment Funds. Investment officers shall not be held personally liable for a specific security's credit risk or market value change as long as actions were in accordance with this policy and procedures, unexpected deviations were reported to the president in a timely manner, and all appropriate actions were taken to control adverse developments.

E. Investment Strategies

The endowment performance objective is to grow the market value of assets net of inflation, spending, and expenses, over a full market cycle (generally defined as a three to five year period) without undue exposure to risk. The endowment is particularly risk-adverse to the probability of not meeting the total return goal. Liquidity must be considered and sufficient to meet the spending needs and expenses.

The total return goal can be achieved while assuming acceptable risk levels commensurate with "market volatility". To achieve the total return goal, the endowment's assets will be invested to generate appreciation and/or dividend and interest income.

Because the portfolio is expected to endure into perpetuity, and because inflation is a key component in the performance objective, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but it is a residual to the investment process and used to meet short-term liquidity needs. Other asset classes are included to provide diversification and incremental total return.

The cash payout requirement for endowment funds is significant and continuous. The target distribution will be between four and five percent.

The portfolio shall be diversified to diminish risks associated with particular securities, market sectors, or industries with an excessive impact on the funds.

The university shall pursue an active portfolio management strategy for endowment funds. The investment officers and investment managers will regularly monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions. Quarterly reviews of performance shall be made by the investment officers.

Strategic Asset Allocation Parameters (maximums) are as follows:

- | | |
|----------------------------|-----|
| • U.S. and Global Equities | 70% |
| • Alternative Assets* | 30% |
| • Fixed Income and Cash | 40% |

*No more than 20% in any one class of alternative assets. The administration will monitor the level of alternative investments to maintain a target level of 30% or less of all endowment fund investments.

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Personnel and Curriculum Committee
August 5, 2010**

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 5:34 p.m., Thursday, August 5, 2010. Personnel and Curriculum Committee members in attendance were Dr. Lynwood Givens, Chairman; Mrs. Tiffany Burks, Mr. Sam Sanchez, and Ms. Jane Spears. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. Kenny Bryant, Mr. Charles Engelman, Dr. Carol Gunn, Mr. Shawn Hessing, and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; 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. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations.

Chairman Givens called the meeting to order at 5:34 p.m.

Reading and Approval of Minutes

10-160. The minutes of the Personnel and Curriculum Committee meeting May 13, 2010, were approved as presented.

Faculty Senate Report

10-161. Ms. Ann Medford, MSU Faculty Senate Chair, reported that the Faculty Senate does not meet during the summer and the first meeting of the academic year is scheduled for August 19. She added that her term as chair of the Faculty Senate was coming to an end and expressed appreciation to the board for the work they do on behalf of the faculty and students of Midwestern State University. She stated that she was proud of the shared governance on the MSU campus and that she was proud to be a part of the faculty. She indicated that the current Faculty Senate Executive Committee would remain intact and that she would serve as parliamentarian during the upcoming year. Dr. Givens expressed appreciation to Ms. Medford for her report and for the work she has done during the last two years as chair of the Faculty Senate.

Staff Senate Report

10-162. Mr. Chris Gore, Chairman of the MSU Staff Senate, presented the following information.

A. The Staff Senate hosted a Summer Sizzler refreshment break for the entire campus community during the summer.

B. Staff Senate Executive Officers for the coming year are as follows:

Chairman	Chris Gore
Vice Chair	Treva Clifton
Secretary/Treasurer	Pam Midgett
Parliamentarian	Linda Knox

C. New senators will take office in September and an orientation session was recently held.

D. The Staff Senate Scholarship Committee will award two scholarships for the fall 2010 semester from funds raised by the Staff Senate for MSU employees completing their degrees on campus.

Enrollment Reports – Summer 2010

10-163. The summer 2010 enrollment reports were presented as a point of information as shown in Attachment 1. Dr. Clark reported that the overall enrollment increase was 4.2 percent in headcount and semester credit hour production. He added that early registration for the fall is up significantly over the same time in 2009.

Small Class Reports – Summer 2010

10-164. The summer 2010 small class reports were presented as a point of information as shown in Attachment 2.

Beginning and Last Day Enrollment Reports, Spring 2010 Semester

10-165. Dr. Givens noted that this report was previously distributed to the board for their information and review. Dr. White reported that the course completion rate was higher than she had seen at other universities.

Review of Personnel Reports for FY 09-10 Budget

10-166. Personnel changes in April, May, and June, 2010 were presented for information of the board. Mr. Sanchez asked why the new police chief was not listed in the report. Dr. Farrell responded that his information would appear in the next quarterly report.

August 2010 Graduating Class

10-167. The administration recommended approval of the list of candidates for August 2010 graduation as presented in the agenda document. Dr. Givens reported that the list includes 194 candidates which compares to 202 students in 2009. Mr. Sanchez moved approval of the list as presented. Ms. Burks seconded the motion and it was approved.

University Organizational Chart

10-168. A proposed modified organizational chart was presented as shown in Attachment 3. Dr. Rogers outlined the significant proposed changes.

- A. The title of "Provost" will change to "Provost and Vice President for Academic Affairs," which is more consistent with titles at other universities.
- B. The title "Graduate Studies" will change to "Graduate School" to better reflect the changes and growth in the university's graduate program and offerings.
- C. The areas reporting to the Vice President for University Advancement and Student Affairs are slightly modified. A new office of Major Gifts and Planned Giving has been added to this area, but the position is not filled or funded at this time.
- D. The areas reporting to the Associate Vice President for Student Affairs are reorganized.

Ms. Spears moved approval of the organizational chart as presented. Ms. Burks seconded the motion. Dr. Givens noted that he appreciated that the chart is clear and understandable. There being no further discussion the motion was approved.

Executive Session

Dr. Gunn announced that the board would go into executive session at 5:55 p.m. to discuss Item 10-169 (Emeritus Status for Retiring Faculty) and Item 10-170 (Tenure) as allowed by Texas Government Code Chapter 551, Section 551.074, Personnel Matters. Board members, Dr. Rogers, Dr. Clark, Mr. Lee, Mr. Spencer, and Ms. Barrow remained for the discussion.

Open Session

At 6:05 p.m. the executive session concluded with an announcement by Dr. Gunn that the only items discussed were the items announced and no votes were taken.

Emeritus Status for Retiring Faculty

10-169. Ms. Burks recommended that the following individual be granted emeritus status.

Dr. Evans Lansing Smith – Professor of English – 20 years

Mr. Sanchez seconded the motion and it was approved.

Tenure

10-170. Mr. Sanchez recommended the following individuals be granted tenure in accordance with Policy 2.335:

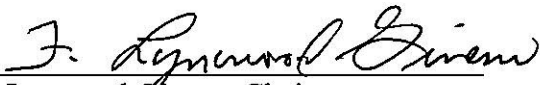
David Rankin, Ph.D.
Alisa White, Ph.D.

English
Mass Communication

Adjournment

There being no further business, the Personnel and Curriculum Committee discussion concluded at 6:07 p.m.

Reviewed for submission:


F. Lynwood Givens, Chair
Midwestern State University
Board of Regents Personnel & Curriculum Committee

ATTACHMENTS:

1. Enrollment Reports – Summer 2010
2. Small Class Reports – Summer 2010
3. Proposed Organizational Chart

Enrollment Reports**Summer I 2010**

	2009	2010
Beginning Freshmen	20	15
Re-enrolling Freshmen	191	192
Sophomore	333	390
Junior	551	559
Senior	987	960
Graduate/Post-Baccalaureate	<u>380</u>	<u>376</u>
TOTAL	2,462	2,492

Summer II 2010

	2009	2010
Beginning Freshmen	8	6
Re-Enrolling Freshmen	113	101
Sophomore	213	305
Junior	352	390
Senior	755	776
Graduate/Post-Baccalaureate	<u>210</u>	<u>218</u>
TOTAL	1,651	1,796

Enrollment **+4.25%****Semester Credit Hours** **+4.2%**

Midwestern State University

Small Classes - Summer 2010

Summer I 2010

Term	College	Subject	Course Section	Instructor	Description	Enrollment	Notes
201030	BA	MGMT	4033 301	Mike Patterson	Quantitative Methods	9	
201030	ED	COUN	2023 301	Su Hua Huang	Human Development	8	
201030	ED	COUN	5203 380	Tiffany Stewart	Intro to Counseling	4	
201030	ED	ECED	3173 301	Su Hua Huang	ESL Methods & Materials	9	
201030	ED	EDBE	3213 301	David Barbosa	Bilingual & Multicultural Educ	8	
201030	ED	EDBE	4323 301	Linda Prieto	Read & Lang Arts Bilingual Ed	8	
201030	ED	READ	4213 301	Daphney Curry	Methods Tchg Rdg & Lang Arts	9	
201030	HH	CRJU	3923 X30	Mark Stallo	Criminal Intelligence	7	
201030	HH	KNES	1983 301	Leslie Carroll	Anatomcl Assess Human Movement	7	
201030	HH	KNES	1983 31A	Leslie Carroll	Anatomcl Assess Human Movement	7	
201030	HH	NURS	5374 X32	Regina Howard	Family Nurs Prac III Clinical	3	
201030	HH	NURS	3313 X30	Robin Lockhart	Pharmacology in Nurs Practice	9	
201030	HH	RESP	4803 X30	Annette Medford	Internship in Resp Care	8	
201030	HM	ENGL	5523 301	David Rankin	Intro to Linguistics	4	
201030	HM	ENGL	3723 301	Peter Fields	Special Topics in Literature	8	
201030	HM	ENGL	2113 303	Susan Button	Composition Skills	8	
201030	SM	ENSC	4103 301	Pamela Stephens	Internship	1	
201030	SM	MATH	4933 301	Patrick Mitchell	Topics	8	

Small Classes: organized classes having enrollments below the established minima of ten students for undergraduate classes and five students for graduate classes on the 15th day of summer classes (excluding courses identified as independent study, lecture, thesis, practicum, apprenticeship, internship, etc.)

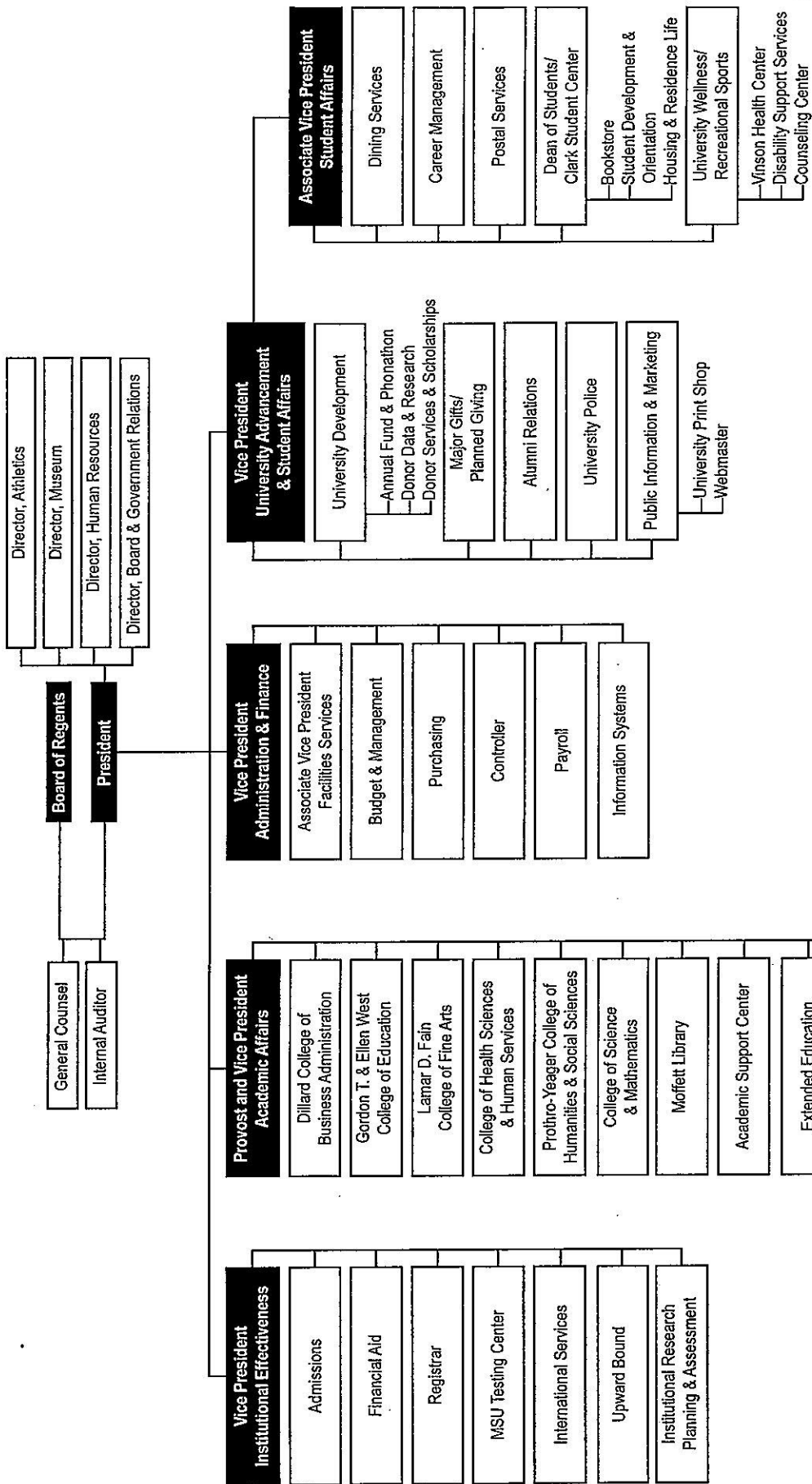
Midwestern State University
Small Classes - Summer 2010

Summer II 2010

Term	College	Subject	Course Section	Instructor	Description	Enrollment	Notes
201040	BA	FINC	3633 401	Qian Li	Financial Analysis	3	
201040	BA	MIS	4663 401	John Vowell	Spec Topics in Mgmt Info Sys	9	
201040	ED	EDLE	5673 401	Martha Burger	Leadership in School Change	4	
201040	ED	READ	4273 470	Sandra Camp	Content Reading	9	
201040	FA	MUSC	4813 401	Susan Harvey	Foundations of Music I	9	
201040	HH	CRJU	3223 X41	Jack Bragg	Terrorism	9	
201040	HH	CRJU	3123 X40	Mark Stallo	Theories of Crime Analysis	9	
201040	HH	HSAD	4006 B40	Kim Robinson	Public Health-Interntl Perspc	9	
201040	HH	RESP	3413 41B	Jennifer Gresham	Intro to Respiratory Care	6	1 of three labs for RESP3413-401 which has 18 students
201040	HH	RESP	3413 41A	Patrick Helton	Intro to Respiratory Care	6	1 of three labs for RESP3413-401 which has 18 students
201040	HH	RESP	3413 41C	Tammy Kurszewski	Intro to Respiratory Care	6	1 of three labs for RESP3413-401 which has 18 students
201040	HM	ENGL	3723 401	Jared Willden	Special Topics in Literature	7	
201040	HM	ENGL	4883 401	Robert Johnson	Twentieth Century English Lit	9	Dual Listed: Actual enrollment 3
201040	HM	ENGL	5883 401	Robert Johnson	Twentieth Century English Lit	9	Dual Listed: Actual enrollment 6
201040	SM	CHEM	1241 401	Randal Hallford	General Chemistry Lab	9	CHEM1241 has 17 enrolled. This is the only Chemistry lab.
201040	SM	ENSC	4103 401	Pamela Stephens	Internship	2	
201040	SM	GNSC	3104 401	Margaret Hammer	Concepts of Science	8	
201040	SM	GNSC	3104 41A	Margaret Hammer	Concepts of Science	8	
201040	SM	MATH	0003 401	Sandra Belcher	Beginning Algebra	9	
201040	SM	PHYS	1244 41B	Richard Fleming	General Physics	5	1 of two labs for PHYS1244-401 which as 21 students enrolled

Small Classes: organized classes having enrollments below the established minima of ten students for undergraduate classes and five students for graduate classes on the 15th day of summer classes (excluding courses identified as independent study, lecture, thesis, practicum, apprenticeship, internship, etc.)

University Organization Chart



**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Student Services Committee
August 5, 2010**

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 5:02 p.m., Thursday, August 5, 2010. Student Services Committee members in attendance were Mr. Charles Engelman, Chairman; Mrs. Tiffany Burks; Dr. Lynwood Givens; and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. Kenny Bryant, Dr. Carol Gunn, Mr. Shawn Hessing, Ms. Jane Spears, and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; 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. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the student body was Mr. Shawn Conner, Student Government Association Vice President.

Chairman Engelman called the meeting to order at 5:02 p.m.

Reading and Approval of Minutes

10-171. The minutes of the Student Services Committee meeting May 13, 2010, were approved as presented.

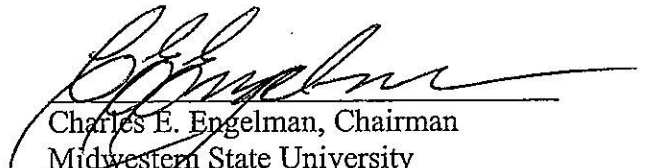
Student Government Report

10-172. Mr. Engelman reported that the Student Government President Chris Stolarzyk was in Minnesota and introduced Shawn Conner, SGA Vice President, who presented the report. Mr. Conner reported that he is a junior management major and has loved his MSU experience. He thanked the board for their work to ensure the quality of the institution. He reported that the SGA officers are planning for the year and will meet with past SGA officers to ensure continuity.

Adjournment

The Student Services Committee discussion concluded at 5:05 p.m.

Reviewed for submission:



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

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**University Development Committee
August 5, 2010**

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 5:05 p.m., Thursday, August 5, 2010. University Development Committee members in attendance were Ms. Jane Spears, Chair; Mr. Mike Bernhardt; Mr. Kenny Bryant; and Mrs. Tiffany Burks. Other regents attending the meeting were Mr. Charles Engelman, Dr. Lynwood Givens, Dr. Carol Gunn, Mr. Shawn Hessing, Mr. Sam Sanchez, and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; 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. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations.

Chair Spears called the meeting to order at 5:05 p.m.

Reading and Approval of Minutes

10-173. The minutes of the University Development Committee meeting May 13, 2010, were approved as presented.

Summary of Financial Support 9/1/09- 7/9/10

10-174. This report was presented in the agenda document as a point of information only. Ms. Spears noted a few of the gifts received since the last board meeting.

- A. A gift of \$100,000 was received from Al Guinn for the softball field clubhouse, which will include a covered practice area, lockers, a meeting room, showers, and an office.
- B. A grant of \$40,000 was received from the Robert A. Welch Foundation to support chemistry department research and student stipends.
- C. Funds have been added to the Harvey Art Endowment as follows:
 - 1) \$50,000 from the Vin and Caren Prothro Foundation

- 2) \$25,000 from Caren Prothro, and
- 3) \$25,000 from Tuck and Ralph Harvey.

Income from the Harvey Endowment supports the art gallery and the art department.


Dr. Farrell commented that while giving on the national level has declined, he was pleased that the MSU alumni giving goal of \$325,000 for 2009-2010 will be achieved. MSU is ranked fourth in the state of Texas among public institutions of higher education in terms of alumni giving.

Ms. Spears reminded board members that a list of recent donors was distributed in the board folders. She encouraged each board member to write these individuals.

Adjournment

The University Development Committee discussion concluded at 5:09 p.m.

Reviewed for submission:



Jane Spears, Chair
Midwestern State University
Board of Regents University Development Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Athletics Committee
August 5, 2010**

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 5:09 p.m., Thursday, August 5, 2010. Athletics Committee members in attendance were Mr. Kenny Bryant, Chairman; Mr. Mike Bernhardt, Mr. Shawn Hessing, and Mr. Sam Sanchez. Other regents attending the meeting were Mrs. Tiffany Burks, Mr. Charles Engelman, Dr. Lynwood Givens, Dr. Carol Gunn, Ms. Jane Spears, and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; Mr. Charlie Carr, Director of Athletics; Mr. Grant McCasland, MSU Men's Basketball Coach; 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. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations.

Chairman Bryant called the meeting to order at 5:09 p.m.

Reading and Approval of Minutes

10-175. The minutes of the Athletics Committee meeting May 13, 2010, were approved as presented.

Athletics Status Report

10-176. Mr. Bryant expressed his appreciation to Mr. Carr for his efforts on behalf of MSU athletics and commended him for a job well done. Mr. Carr presented information concerning the athletics program.

- A. Five Oklahoma schools are leaving the Lone Star Conference after the upcoming year. While this will create some scheduling challenges, it will streamline the conference and MSU rivalries with other Texas schools will continue.
- B. The football welcome back dinner is scheduled for August 22 with former Dallas Cowboy Randy White as the keynote speaker.

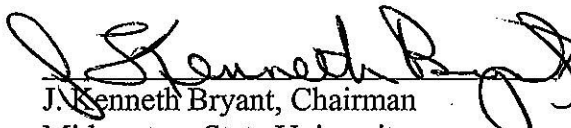
- C. A one-day Life Skills Retreat will be held August 28 for the 300 student athletes. Students will hear presentations regarding life choices, careers, money management, time management, and leadership

Mr. Carr then introduced Grant McCasland, men's basketball coach. Mr. McCasland thanked the administration and the board for their support of the program. He indicated that he was excited about the upcoming season. He stated that the signees would be announced in the next week and that they would include Division I and junior college transfers, as well as players just out of high school. He noted that the Wichita Falls community support has been outstanding and expressed appreciation for the opportunity to visit with the board.

Adjournment

There being no further business, the Athletics Committee discussion concluded at 5:34 p.m.

Reviewed for submission:


J. Kenneth Bryant, Chairman
Midwestern State University
Board of Regents Athletics Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Committee of the Whole
August 5, 2010**

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, August 5, 2010. Regents in attendance were Dr. Carol Gunn, Chair; Dr. Lynwood Givens, Secretary; Mr. Mike Bernhardt; Mr. Kenny Bryant; Mrs. Tiffany Burks; Mr. Charles Engelman; Mr. Shawn Hessing; Mr. Sam Sanchez; Ms. Jane Spears; and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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 Dr. Keith Lamb, Associate Vice President for Student Affairs; Mr. Kyle Owen, 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; Mr. Mike Dye, Director of Information Systems; Ms. Cassie Slaybaugh, Director of Institutional Research, Planning, and Assessment; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media were Ms. Brittany Norman, editor of *The Wichitan*, and Ms. Ann Work, reporter for the *Times Record News*.

Chair Gunn called the meeting to order at 1:33 p.m. and Ms. Gaynor introduced the guests.

Opening Comments

Dr. Gunn welcomed everyone to the meeting and particularly welcomed new student regent David Reyna and new university provost Dr. Alisa White to their first board meeting. Dr. Gunn asked Dr. White and Mr. Reyna to introduce themselves to the board. Dr. White indicated that her field is mass communication and her Ph.D. is from the University of Tennessee in Knoxville. She noted that she has been in Texas since 1998 and learned about Midwestern through her work at other universities. She added that she has appreciated the community feeling on campus and the fact that the university is interested in performance and success in the classroom, as well as in the lives of the students.

Mr. Reyna reported that he is originally from Fort Worth. He graduated from MSU in 2007 with a degree in political science and is currently working on an MBA. He stated that he was honored to represent the student body and that he looked forward to working with the regents and the administration during the coming year.

Public Comment

Dr. Gunn 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. She noted that no one signed up to speak during this time.

Resolutions

10-139. Resolutions of appreciation were presented for retiring student regent Lenny Benton and for Dr. Karen Rogers. Dr. Gunn noted that the resolution for Dr. Rogers was prompted by Dr. Givens' comment during the February board meeting expressing the board's appreciation for all that Dr. Rogers does for the board and the university. Dr. Gunn added that this resolution was intended to formally express the board's appreciation to Dr. Karen Rogers and to thank her for her efforts as First Lady, as a faculty member, and as an individual. The recommended resolutions are shown as Attachment 1.

Mr. Bernhardt moved approval of these resolutions as presented. Ms. Spears seconded the motion and it was approved.

Dr. Rogers noted that Karen would be deeply honored and very surprised with this action. He added that she is committed to Midwestern State University and that he appreciated the board's recognition of her contributions to the university.

Campus Tour

10-140. The regents then toured various university facilities. Joining the board on the tour were Dr. Rogers, Dr. White, Mr. Sandoval, Dr. Farrell, Dr. Clark, Dr. Lamb, Mr. Owen, Ms. Medford, Mr. Dye, Ms. Gaynor, Ms. Ashlock, Ms. Barrow, Ms. Norman, and Ms. Work.

Ligon Coliseum

The group first visited the D. L. Ligon Coliseum. Mr. Charlie Carr, Director of Athletics, introduced members of the athletics staff, including Bill Maskill, Head Football Coach; Scott Linn, new Tennis Coach; Kyle Williams, Associate Director of Athletics; Kurt Portman, Executive Associate Director of Athletics/Director of Compliance; Bill Powers, Assistant Athletic Director for Marketing, Promotions, and Public Relations; Trey Reed, Sports Information Director; Christina Feldman, Assistant Director of Athletics for Business Affairs and Facilities; and Sheri Mummert, Administrative Assistant.

Mr. Carr stated that a major portion of Phase I of the Ligon Project went to infrastructure, ADA compliance, and fire safety issues. He added that the overall project was completed under budget. The group moved to Stockton Court, where Mr. Carr pointed out the new floor seating, as well as the hand rails in the upper level seating area. He noted that a wheelchair seating area is now available on the floor. The number of overall seats in the Coliseum was reduced by 1,000 to meet fire code and safety requirements.

The tour then moved to the new football locker rooms. Mr. Carr indicated that there are 120 lockers and the facility is as fine as can be found at any level. Coach Maskill expressed appreciation to the board for their support of the project. He indicated that athletic facilities help sell the program to parents and students. The locker room included new showers, as well as a meeting and study area.

The group walked through the new strength and conditioning room, which was the university's wellness center prior to the opening of the Redwine Center. Mr. Carr added that the facility is also used as a classroom as needed.

Sundance Court

The tour continued at the newest housing facility, Sundance Court, which opened in August 2009 and houses 276 students. Mr. Michael Mills, Director of Housing, joined the group and provided a brief tour. He noted that housing is overbooked by 70 students and his office stopped accepting housing applications in July. The guests toured one of the two bedroom apartments. Mr. Mills noted that on-campus housing provides housing for 1,370 students.

Fain Instrumental Music Hall

The group then toured the new Fain Instrumental Music Hall and was met by Dr. Larry Archambo, Professor of Music. Dr. Rogers reported that the \$2.36 million project also was completed under budget. Dr. Archambo stated that he and the music faculty were proud of this facility and very appreciative to the board for their support of the project. He also expressed appreciation to Martha Fain and the Fain Foundation for their support. This facility will serve as a rehearsal hall and also includes three faculty offices, a piano lab, a computer lab, and storage areas for instruments, uniforms, and music. Dr. Rogers added that a formal building dedication would be held in October.

Driving Tour

While returning to the Hardin Building, Dr. Rogers pointed out various campus buildings.

- Christ Academy – free play areas on the property are now available for students. As funds become available, the facility will be upgraded to accommodate the music program and other areas.
- Marchman Hall – this building is currently used for storage and will eventually be razed. Dr. Rogers added that this space could possibly be used for a new police facility.
- Vinson Health Center is currently being used by the Counseling Center, but could eventually be razed.

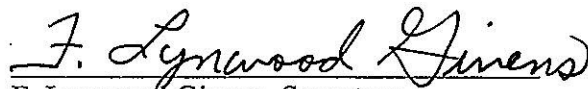
The group returned to the J. S. Bridwell Board Room at 2:52 p.m. and the meeting was recessed until 2:59 p.m.

Dr. Gunn thanked Dr. Rogers for the informative tour. Dr. Rogers stated that he was pleased to show the board the progress that is being made on the campus. He thanked the regents for their support as the university continues to move forward.

Adjournment

There being no further business, the meeting adjourned at 3:00 p.m.

Reviewed for submission:


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

ATTACHMENT

1. Resolutions Honoring Lenny Benton and Karen Rogers

MIDWESTERN STATE UNIVERSITY

RESOLUTION OF APPRECIATION

August 5, 2010

WHEREAS, Leonard “Lenny” Benton was appointed by Texas Governor Rick Perry to serve as MSU Student Regent, the highest position to which a student can be appointed while enrolled in Texas public higher education, and

WHEREAS, Lenny served in this position with distinction from June 1, 2009 until May 31, 2010, and

WHEREAS, he represented the students of Midwestern State University in discussions regarding key issues in higher education, provided input in decisions affecting the future of the university, and actively participated in meetings with fellow student regents throughout the state,

NOW THEREFORE BE IT RESOLVED that the members of the Board of Regents and President of Midwestern State University hereby express their most sincere appreciation to Lenny Benton for his service, and

BE IT FURTHER RESOLVED that this Resolution be made a part of the permanent minutes of this Board and that a copy be presented to Mr. Benton as a token of the university’s gratitude and appreciation.

Carol Carlson Gunn

Carol Carlson Gunn, Chair

F. Lynwood Givens

F. Lynwood Givens, Secretary

Michael Bernhardt

Michael Bernhardt

J. Kenneth Bryant

J. Kenneth Bryant

Tiffany Burks

Tiffany Burks

Charles E. Engelman

Charles E. Engelman

Shawn Hessing

Shawn Hessing

Samuel M. Sanchez

Samuel M. Sanchez

Jane W. Spears

Jane W. Spears

David Reyna

David Reyna, Student Regent

Jesse W. Rogers

Jesse W. Rogers, President



Midwestern State University
RESOLUTION OF APPRECIATION

August 5, 2010

WHEREAS, Dr. Karen Rogers has served as First Lady of Midwestern State University since November, 2001, providing exceptional support and assistance to President Jesse Rogers, and

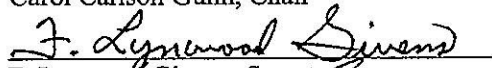
WHEREAS, in addition to her role as First Lady, she continues to serve the university as director of the Spectrum Program, a summer learning experience for academically talented high school students, and as Associate Professor of English, having served on the MSU faculty for more than 30 years, and

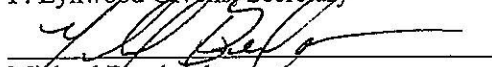
WHEREAS, she works tirelessly on behalf of the university, is committed to excellence in higher education, and always has the best interest of the university at the forefront of her thoughts and actions,


NOW THEREFORE BE IT RESOLVED that the Board of Regents of Midwestern State University hereby express their sincere gratitude to Karen Rogers for her dedication and commitment to Midwestern State University, and

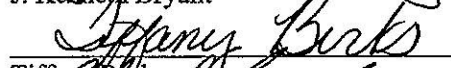
BE IT FURTHER RESOLVED that this Resolution be made a part of the permanent minutes of this Board and a copy be presented to Dr. Karen Rogers as a token of the Board's heartfelt appreciation.

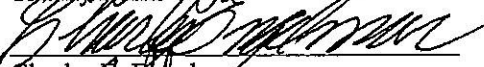

Carol Carlson Gunn, Chair


F. Lynwood Givens, Secretary



Michael Bernhardt


J. Kenneth Bryant



Tiffany Burks


Charles F. Engelman


Shawn G. Hessing


Samuel M. Sanchez


Jane W. Spears


David Reyna, Student Regent



**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY**

August 6, 2010

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, August 6, 2010. Regents in attendance were Dr. Carol Carlson Gunn, Chair; Dr. Lynwood Givens, Secretary; Mr. Mike Bernhardt; Mr. Kenny Bryant; Mrs. Tiffany Burks; Mr. Charles Engelman; Mr. Shawn Hessing; Mr. Sam Sanchez; Ms. Jane Spears; and Student Regent David Reyna.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Alisa White, 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. Keith Lamb, Associate Vice President for Student Affairs; Mr. Kyle Owen, 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; Ms. Treva Clifton, Vice Chair of the MSU Staff Senate; Ms. Julie Gaynor, Public Information and Marketing Assistant; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Ann Work, reporter for the *Times Record News*.

Chair Gunn called the meeting to order at 9:04 a.m. Dr. Clark presented the invocation and Ms. Gaynor introduced the guests.

Public Comment

Dr. Gunn 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. She noted that no one signed up to speak during this time.

Reading and Approval of Minutes

10-177 & 178. Minutes of the regular Board of Regents meetings May 13 and 14, 2010, were presented for approval. Ms. Barrow noted that minor changes were made to pages five and nine of the May 14 minutes (see Attachment 1). The minutes were approved as corrected.

Executive Committee Report

Dr. Gunn noted the item presented at the Executive Committee Meeting for committee approval only and the item that was removed from the agenda without discussion. Information concerning these items can be found in the minutes of the Executive Committee meeting held August 5, 2010.

Item Presented for Committee Approval Only

10-141. Committee Minutes, 5/13/10 – approved by Committee as presented.

Item Removed from Agenda

10-145. Deliberations about Real Property

Executive Committee Consent Agenda

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

10-142. Wichita Falls Museum of Art at Midwestern State University Advisory Board of Directors – approved the following appointments to the Museum Board, pending modification of the Museum Board's By-laws:

Public Members (2010-2013)

Lynn Moran (Reappointment)

Alice West (Reappointment)

Rosie Wilson (Reappointment)

MSU Member (2010-2011)

Elizabeth Yarosz-Ash

10-143. Control and Efficiency Upgrade – approved the project as presented at an estimated cost of \$2.83 million and authorized the administration to pursue loan funding through the State Energy Conservation Office.

10-144. Legislative Appropriations Request (LAR) – approved the LAR Administrator's Statement, the exceptional item requests for funding for the Regional Nurses Training Simulation Center and the Autism Support Program, and a tuition revenue bond request for the construction and renovation of facilities to house the library, the West College of Education, and student academic services.

Dr. Gunn asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Engelman moved approval of the Consent Agenda as presented. Ms. Spears seconded the motion and it was approved.

Finance and Audit Committee Report

Mr. Hessing noted the items presented at the Finance and Audit Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Finance and Audit Committee meeting held August 5, 2010.

Item Presented for Committee Approval Only

10-146. Committee Minutes, 5/13/10 – approved by Committee as presented.

Item Presented for Information Only

10-147. Status Report on Reduction in Appropriations for the 2010-11 Biennium

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.

- 10-148. Review and Acceptance of Financial Reports – accepted the April, May, and June, 2010, Financial Reports.
- 10-149. Financial Disclosure Statements - accepted the 2009 Financial Disclosure Statements for the President, the Vice President for Administration and Finance, and the Controller.
- 10-150. Internal Audit Plan -2010-2011 – approved the plan as presented.
- 10-151. University Accounts – authorized the individuals to sign on university bank accounts, purchase and sell investment instruments, perform normal banking transactions, and sign appropriate personnel retirement documents as presented.
- 10-152. FY 2009-2010 Items \$50,000 & Under Approved by President – ratified changes as presented.
- 10-153. Salary/Title/Position Changes in 2009-2010 Budget Approved per Board Authorization – ratified the changes as presented.
- 10-154. Operating Budget for Fiscal Year 2011 – approved the changes to the operating budget as presented.

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

Investment Committee Report

Mr. Engelman noted the items presented at the Investment Committee Meeting for committee approval only. Information concerning these items can be found in the minutes of the Investment Committee meeting held August 5, 2010.

Item Presented for Committee Approval Only

- 10-155. Committee Minutes, 5/13/10 – approved by Committee as presented.

Item Presented for Information Only

- 10-156. Investment Management Services/Redwine Estate

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.

- 10-157. Review and Acceptance of Investment Report – accepted the third quarter 2010 Investment Report.

10-158. Approval of Brokers/Dealers, Investment Vehicles, and Asset Holding Accounts – approved the lists as presented.

10-159. Investment Policy – approved revisions to Policy 4.182 (Investment Policy – Operating Funds) and approved a new Investment Policy – Endowment Funds as presented.

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

Personnel and Curriculum Committee Report

Dr. Givens 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 August 5, 2010.

Item Presented for Committee Approval Only

10-160. Committee Minutes, 5/13/10 – approved by Committee as presented.

Items Presented for Information Only

10-161. Faculty Report

10-162. Staff Report

10-163. Enrollment Reports – Summer 2010

10-164. Small Class Report – Summer 2010

10-165. Beginning and Last Day Enrollment Reports, Spring 2010 Semester

10-166. Review of Personnel Reports for FY 09-10 Budget

Personnel and Curriculum Committee Consent Agenda

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

10-167. August 2010 Graduating Class – approved the list of candidates for graduation.

10-169. Emeritus Status for Retiring Faculty – approved emeritus status for Dr. Evans Lansing Smith, Professor of English, following 20 years of service to the university.

10-170. Faculty Tenure – approved granting tenure to the following faculty:

David Rankin, Ph.D.
Alisa White, Ph.D.

English
Mass Communication

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

University Organizational Chart

10-168. Dr. Gunn noted that following the committee meeting it was discovered that the proposed organizational chart contained an error. Specifically, there was not a direct reporting line between the Board of Regents and the President. Dr. Gunn moved approval of the corrected chart (see Attachment 1.) Mr. Hessing seconded the motion and it was approved.

Student Services Committee Report

Mr. Engelman 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 August 5, 2010.

Item Presented for Committee Approval Only

10-171. Committee Minutes, 5/13/10 – approved by Committee as presented.

Item Presented for Information Only

10-172. Student Government Report

University Development Committee Report

Ms. Spears 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 August 5, 2010.

Item Presented for Committee Approval Only

10-173. Committee Minutes, 5/13/10 – approved by Committee as presented.

Item Presented for Information Only

10-174. Summary of Financial Support 9/1/09-7/9/10

Athletics Committee Report

Mr. Bryant 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 August 5, 2010.

Item Presented for Committee Approval Only

10-175. Committee Minutes, 5/13/10 – approved by Committee as presented.

Item Presented for Information Only

10-176. Athletics Status Report

Other Business

Board of Regents Meeting Dates – 2010-2011

10-179. Dr. Gunn presented the proposed dates for the 2010-2011 quarterly Board of Regents meetings. She noted that the date for the November meeting differed from what was originally recommended in the printed agenda.

November 4 and 5, 2010
February 10 and 11, 2011
May 12 and 13, 2011
August 4 and 5, 2011

These proposed meeting dates were approved as presented.

Nominating Committee Report – Vice Chairman Position

10-180. Ms. Spears, on behalf of the Nominating Committee, recommended the election of Shawn Hessing as Vice Chairman of the Board of Regents. Mr. Engelman seconded the motion and it was approved. Dr. Gunn thanked Ms. Spears, Dr. Givens, and Mr. Engelman for their service on the Nominating Committee and congratulated Mr. Hessing on his election.

President's Report and Discussion

10-181. Dr. Rogers presented the following information.

- A. College Readiness Standards – the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA) have worked to develop Texas College and Career Readiness Standards as required by House Bill 1 of the Third Called Special Session of the 79th Texas Legislature. Standards were developed in the areas of English/language arts, mathematics, science, and social studies (<http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>). These standards specify what students graduating from high school must know and be able to do to succeed in entry-level courses at postsecondary institutions in Texas. Dr. Rogers encouraged board members to look at the standards in the disciplines in which they are familiar. He stated that better prepared high school graduates will result in better retention and graduation rates at higher education institutions. He added that a key factor in the success of this program is whether the state has enough high school teachers who are prepared to teach at the required level.

Dr. Rogers reported that the university is getting ready to begin a new cycle of strategic planning. He noted that the plan will likely contain special goals and objectives for MSU to prepare more and better-prepared secondary teachers. He stated that universities must do everything possible to encourage the best students to become high school teachers. Dr. Rogers added that Dr. White would lead the strategic planning effort.

- B. Enrollment Projections – Dr. Rogers reported that the state and nation must continue to focus on education. He noted that the most recent study by THECB that followed a ninth grade cohort through six years following the time they should have

graduated from high school found that only 13% of the cohort had earned a certificate, an associate degree, or a baccalaureate degree during that time. He stated that today's college-going culture looks at a university education as some socializing, some work, and some college. He indicated that students need to be encouraged to take more than 12 hours each semester and to graduate in four years. He stated that MSU has moved to requiring a 15 semester credit hour load for students who receive a competitive academic scholarship. Dr. Rogers noted that the nation has experienced increased enrollment as a result of the economic downturn. He added that this could be a permanent change in college enrollment as people recognize the importance of earning a college degree. He added that projections concerning MSU enrollment will be included in the upcoming strategic planning process.

- C. Admission by Review -- MSU increased its admissions standards in the fall 2006 and experienced a significant drop in enrollment when several hundred freshmen who did not meet the new standards were denied admission. Following that initial enrollment decline, the numbers increased and surpassed the level of enrollment prior to 2006. Last year the Board of Regents authorized another increase in admission standards for the fall 2011.

Dr. Clark noted that under the current admissions requirements students can be admitted through Advised (Conditional) Admission. These students are monitored closely and restrictions are placed on class load. When the new admissions standards were approved, the Advised Admission program was eliminated and replaced by an admission by review process for those students who do not meet the criteria for admission. Every student who does not meet the admission criteria will go to the Admissions Committee that is made up of faculty, admissions staff, a professional counselor, and Academic Support Center staff. The committee will determine whether a student should be admitted and will determine what limitations and monitoring will be necessary for each student through the Academic Support Center. Additionally, a formal bridge program will be established during the summer 2011 for those students who are not admitted. Ms. Burks asked if certain criteria had been established for the bridge program. Dr. Clark responded that the criteria have not yet been developed.

Dr. Clark reported that THECB has established uniform admissions standards for colleges and universities that include minimum test scores for ACT/SAT. These standards also allow consideration of 18 factors in determining admission, including whether the student would be the first generation of his family to attend or graduate from an institution of higher education, the student's participation in community or extracurricular activities, the student's commitment to a particular field of study, and others. These areas will be considered by the Admission Committee for those students who do not meet the stated admissions requirements.

Mr. Sanchez asked if there would be a cap on the number of students admitted by review. Dr. Rogers responded that a cap would not be in place at this time, but the numbers would be closely monitored. Mr. Sanchez asked about MSU's enrollment capacity. Dr. Rogers responded that this is an issue that will be considered during the strategic planning process.

Ms. Spears commented that she liked the idea of every student who applies to MSU being individually reviewed. She added that it would be wonderful if each applicant could be talked to and not simply communicated with by mail. Dr. Rogers indicated that every applicant is reviewed individually.

Recess

The board meeting recessed at 10:18 a.m.

Executive Session

Dr. Gunn announced that the board would go into executive session at 10:25 a.m. to discuss item 10-182 (Deliberations About Real Property), as allowed by Texas Government Code Chapter 551, Section 551.072, Real Property. Board members, Dr. Rogers, Dr. White, Mr. Sandoval, Dr. Clark, Dr. Farrell, Mr. Owen, Mr. Lee, Mr. Spencer, and Ms. Barrow remained for the discussion.

Open Session

At 11:54 a.m. the executive session concluded with an announcement by Dr. Gunn that the only item discussed was the item announced and no votes were taken.

Deliberations About Real Property

10-182. Dr. Gunn presented the administration's request that the board authorize the following:

- 1) the purchase of the building and property located at 917 Midwestern Parkway, with the price not to exceed the independent appraised value of the property, subject to approval by the Texas Higher Education Coordinating Board;
- 2) an allocation of funds not to exceed \$150,000 to make the facility ready to house the Regional Nurses Training Simulation Center; and
- 3) the Board Chair to sign necessary documents to finalize this transaction.

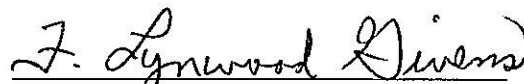
Dr. Gunn added that funding for the purchase and renovation would come from Designated Reserves, with the understanding that funds would be returned to reserves as they are received from anticipated private donations and usage fees.

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

Adjournment

There being no further business, the meeting was adjourned at 11:56 a.m. The next regularly scheduled meetings of the Board of Regents will be Thursday and Friday, November 4 and 5, 2010.

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 August 6, 2010.


F. Lynwood Givens, Secretary

ATTACHMENTS:

1. Corrected Pages – May 14, 2010 Board Minutes
2. MSU Organizational Chart

10-126. Faculty Tenure – approved granting tenure to the following faculty:

Guy Bernard, Ph.D.	Mathematics
Jeffrey Hood, Ph.D.	Mathematics
Michelle Knox, Ph.D.	Mathematics
Adam Lei, Ph.D.	Finance
Dana Mills, M.D.	Biology
James Owen, Ph.D.	Economics
Terry Patton, Ph.D.	Accounting
Catherine Prose, MFA	Art
John Schreiber, Ed.D.	Education and Reading
Roy Vogtsberger, Ph.D.	Biology

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

Investment Committee Report

Mr. Engelman noted the items presented at the Investment Committee Meeting for committee approval only. Information concerning these items can be found in the minutes of the Investment Committee meeting held May 13, 2010.

Item Presented for Committee Approval Only

10-109. Committee Minutes, 2/11/10 – approved by Committee as presented.

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.

10-110. Review and Acceptance of Investment Report – accepted the second quarter 2010 Investment Report.

10-111. Investment Management Services/Redwine Estate – authorized the board chair to work with the administration in selecting an investment firm to manage the Redwine funds, in consultation with the Chairman of the Investment Committee and the Chairman of the Finance and Audit Committee.

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

Student Services Committee Report

Mr. Engelman 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 May 13, 2010.

The committee has identified a couple of new candidates who will be invited to campus. Mr. Sanchez asked if the administration had identified issues such as money or facilities that have detracted from the attractiveness of the position. Dr. Farrell indicated that poor facilities have certainly been an issue. He added that Dr. Rogers has elevated the need for new facilities to a higher priority.

E. Summary of Academic Year – Dr. Rogers noted that while it is difficult to choose highlights for an academic year, he wanted to mention a few of the accomplishments.

1. Sundance Court, a beautiful new residence hall, opened at the beginning of the academic year.
2. Fall 2009 enrollment increased by 250 students over the previous year. While an increase was anticipated, this large number was outstanding.
3. Spring 2010 enrollment also increased over the previous year and set a record for spring enrollment at MSU.
4. The Dillard College of Business Administration was accredited by the Association to Advance Collegiate Schools of Business ("AACSB International"). Less than five percent of the world's business schools have earned accreditation from this body.
5. Eight of MSU's twelve athletics teams qualified for post-season play.

Dr. Rogers distributed a report regarding research and sponsored programs at MSU (see Attachment 1). He noted that he was very proud of the research done by MSU faculty and students.

Recess

The board meeting recessed at 10:18 a.m.

Executive Session

Dr. Gunn announced that the board would go into executive session at 10:30 a.m. to discuss item 10-137 (Deliberations About Real Property), as allowed by Texas Government Code Chapter 551, Section 551.072, Real Property. Board members, Dr. Rogers, Dr. Farrell, Mr. Lee, Mr. Spencer, and Ms. Barrow remained for the discussion.

Open Session

At 11:44 a.m. the executive session concluded with an announcement by Dr. Gunn that the only item discussed was the item announced and no votes were taken.

Deliberations About Real Property

10-137. No action was taken regarding this item.

Adjournment

There being no further business, the meeting was adjourned at 11:45 a.m. The next regularly scheduled meetings of the Board of Regents will be Thursday and Friday, August 5 and 6, 2010.

Midwestern State University Organization Chart

