

Midwestern State University Board of Regents Meetings



February 14 and 15, 2013

Midwestern State University

Board of Regents Meetings

Schedule

Thursday, February 14, 2013

1:30 p.m. Board of Regents Meeting
 Committee of the Whole
 Executive Committee
 Finance Committee
 : Audit, Compliance, and Management Review Committee
 Academic and Student Affairs Committee

Friday, February 15, 2013

9:00 a.m. Board of Regents Meeting

MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS

Shawn G. Hessing, Chairman
Michael Bernhardt, Vice Chairman
J. Kenneth Bryant, Secretary
Tiffany D. Burks
Jane W. Carnes
Charles E. Engelman
F. Lynwood Givens, Ph.D.
Jeff Gregg
Samuel M. Sanchez
Holly Allsup, Student Regent

Midwestern State University Administration

Dr. Jesse W. Rogers, President

Ms. Debbie Barrow, Director, Board and Government Relations

Dr. Francine Carraro, Director, Museum

Mr. Barry Macha, General Counsel

Mr. David Spencer, Internal Auditor

Ms. Dianne Weakley, Director, Human Resources

Dr. Betty H. Stewart, Provost and Vice President for Academic Affairs

Dr. Matthew Capps, Dean, Gordon T. and Ellen West College of Education

Ms. Naoma Clark, Director, Academic Success Center

Dr. Ron Fischli, Dean, Lamar D. Fain College of Fine Arts

Ms. Darla English, Registrar

Dr. James Johnston, Interim Dean, College of Health Sciences and Human Services

Dr. Clara Latham, University Librarian

Dr. Lynn Little, Dean, College of Science and Mathematics

Dr. Pam Morgan, Associate Vice President for Outreach and Engagement

Dr. Jane Owen, Interim Dean, Graduate School

Dr. Terry Patton, Dean, Dillard College of Business Administration

Dr. Michael Vandehey, Director, Honors Program

Dr. Samuel E. Watson, III, Dean, Prothro-Yeager College of Humanities and Social Sciences

Dr. Larry Williams, Director, International Programs

Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance

Ms. Gail Ferguson, Controller

Ms. Valarie Maxwell, Director, Budget and Management

Mr. Kyle Owen, Associate Vice President for Facilities Services

Ms. Kathy Rice, Director, Payroll

Mr. Stephen Shelley, Director, Purchasing

Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management

Dr. Randy Glean, Director, International Services

Ms. Barbara Merkle, Director, Admissions

Mr. Dail Neely, Dean of Students and Director of Clark Student Center

Ms. Kathy Pennartz, Director, Student Financial Aid

Mr. Dan Williams, Chief, University Police

Mr. Matthew Park, Associate Vice President for Student Affairs

Ms. Cammie Dean, Director of Student Development and Orientation

Dr. Joey Greenwood, Director of Recreational Sports/Wellness Center

Ms. Debra Higginbotham, Director, Disability Support Services

Dr. Pam Midgett, Director, Counseling Center

Dr. Michael Mills, Director, Housing and Dining Services

Mr. Dirk Welch, Director, Career Management Center and Testing Services

Dr. Robert E. Clark, Vice President for Administration and Institutional Effectiveness

Mr. Randy Kirkpatrick, Interim Chief Information Officer

Mr. Mark McClendon, Director, Institutional Research and Assessment

Dr. Howard Farrell, Vice President for University Advancement and Public Affairs
Ms. Julie Gaynor, Director, Marketing and Public Information
Ms. Leslee Ponder, Director, Alumni Relations
Mr. Steve Shipp, Director, University Development

Mr. Charlie Carr, Director of Athletics

Mr. Frank Bourgeois, Strength and Conditioning Coach
Mr. Doug Elder, Head Men's Soccer Coach
Ms. Christina Feldman, Assistant Director of Athletics/Business Affairs and Facilities
Ms. Venera Flores-Stafford, Associate Director of Athletics/Senior Woman
Administrator/Head Volleyball Coach
Mr. Nelson Haggerty, Head Men's Basketball Coach
Ms. Noel Johnson, Head Women's Basketball Coach
Mr. Scott Linn, Head Tennis Coach
Mr. Bill Maskill, Head Football Coach
Mr. Kurt Portmann, Executive Associate Director of Athletics
Mr. Bill Powers, Assistant Athletic Director for Marketing, Promotions, and Public Relations
Mr. Jeff Ray, Head Golf Coach and Coordinator, Champs Life Skills Program
Mr. Trey Reed, Sports Information Director
Mr. Koby Styles, Head Women's Cross Country and Track Coach
Mr. Brady Tigert, Head Softball Coach
Mr. Jeff Trimble, Head Women's Soccer Coach
Mr. Kyle Williams, Associate Director of Athletics, Development

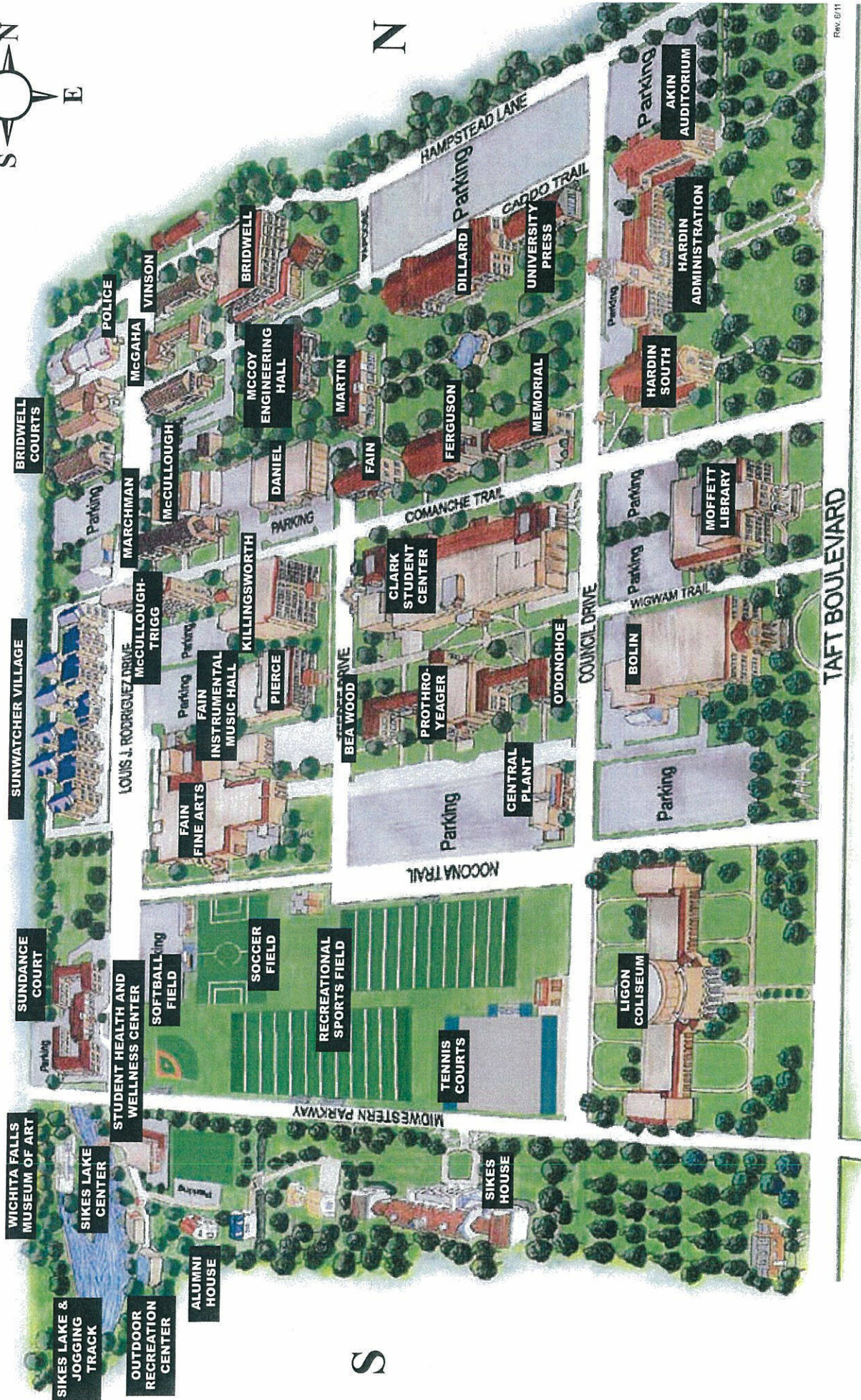
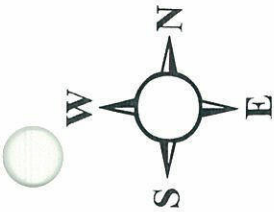
Dr. James Owen, Chairman, MSU Faculty Senate

Mr. Dirk Welch, Chairman, MSU Staff Senate

Mr. Anthony Gallina, President, MSU Student Government Association

Midwestern State University

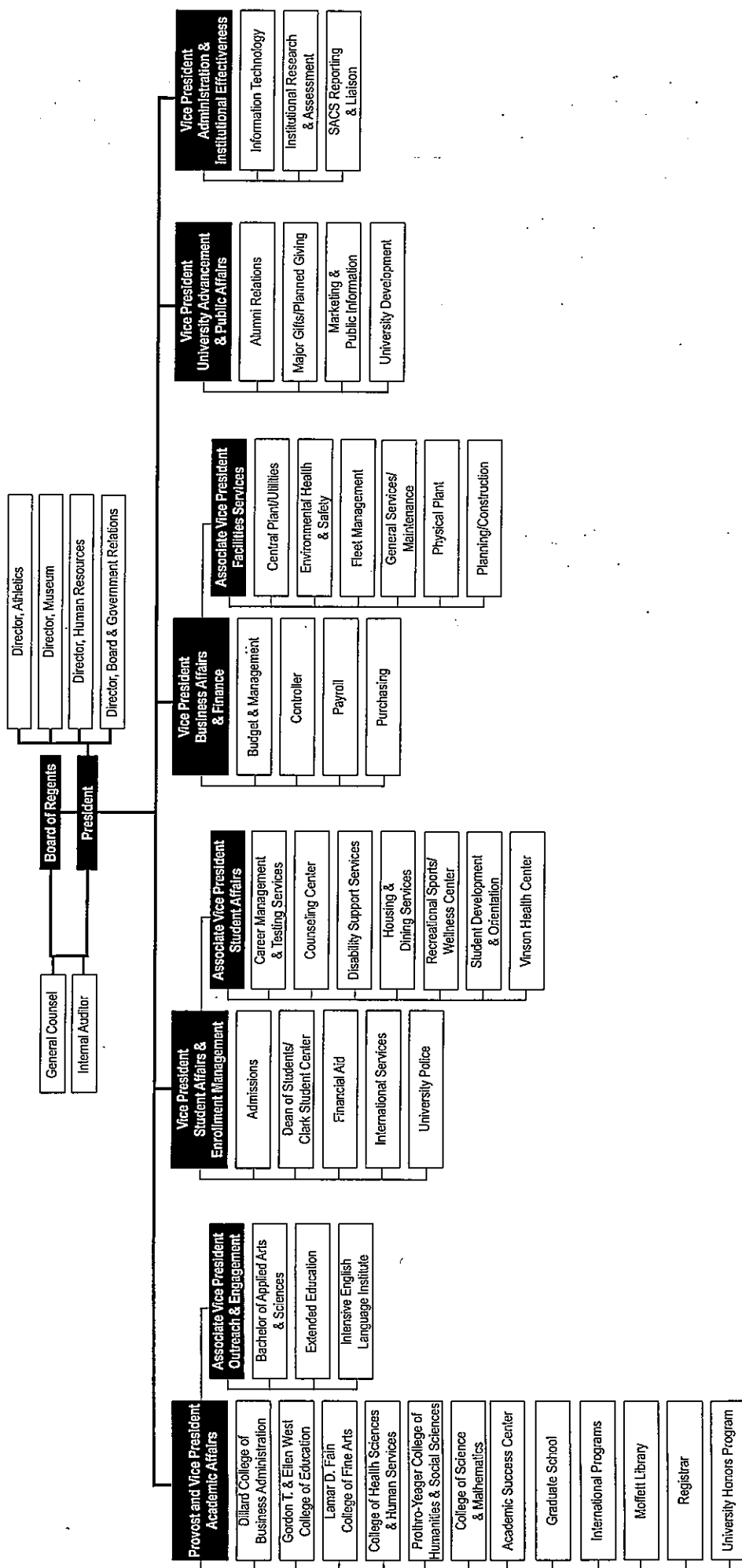
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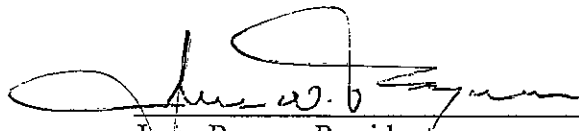
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Midwestern State University Organization Chart

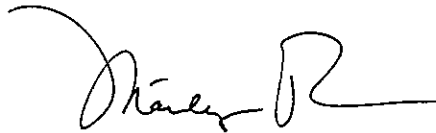


Financial Certification

We certify that financial transactions included in this report are correct to the best of our knowledge, and we further certify that funds to cover allocations listed in this report are available subject to realization of estimated income as budgeted.



Jesse Rogers, President



Marilyn Fowlé, Vice President for
Business Affairs and Finance

January 30, 2013
Date

COMMITTEE OF THE WHOLE

Board of Regents Meeting
February 14, 2013.
1:30 p.m.

Meeting Location: MSU Campus – 3410 Taft Boulevard
Hardin Administration Building
J. S. Bridwell Board Room

The Board of Regents of Midwestern State University may deliberate and take action regarding any item on this agenda. This meeting will be continuous in that the Board reserves the right to take any agenda item out of the order or sequence that is listed below. The Board reserves the right to discuss any properly posted items in Executive Session whenever legally justified in accordance with the Texas Government Code Chapter 551.

Call to Order

Introduction of Visitors

Opening Comments

Public Comment

A public comment period will be provided in accordance with MSU Policy 2.22.

Discussion of Higher Education Issues

13-48. The Board of Regents will have an opportunity to discuss current issues in higher education to include national trends, online education, governance, and funding challenges, specifically exemptions and waivers.

Southern Association of Colleges and Schools (SACS) Accreditation Process Update

13-49. Information will be presented concerning the SACS accreditation process.

Executive Session

13-50. The Board of Regents will convene in Executive Session as necessary to consider the following matters permissible under Chapter 551 of the Texas Government Code as necessary, including:

- A. Consult with and seek the legal advice of its attorney about pending or contemplated litigation or a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with chapter 551 of the Texas Government Code.
- B. Deliberations about Real Property – to deliberate the purchase, exchange, lease, or value of real property;
- C. Deliberations Regarding Gifts and Donations; and
- D. Personnel Matters – to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee.

EXECUTIVE COMMITTEE

Executive Committee

Membership

Shawn Hessing, Chairman
Mike Bernhardt, Vice Chairman
Kenny Bryant, Secretary
Jane Carnes, Member-At-Large

Reading and Approval of Minutes

13-51. The minutes of the Executive Committee meeting November 15, 2012, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 13-51.

Campus Master Plan and Construction Update

13-52. Information regarding current construction projects will be presented as shown in Attachment 13-52. Additional information will be presented regarding the campus master plan and recommendations will be made as necessary.

McCoy Expansion Construction Project

13-53. The administration will request authorization to issue a contract to the Construction Manager at Risk, M&F Litteken, for the construction phase of the McCoy Expansion at a cost not to exceed \$1,282,000. Additionally, the administration will request that the total project cost be increased from \$1,600,000 to \$1,665,000. The source of funds for this increase would be gift funds and funds remaining in the original McCoy Building project account.

Museum ADA and Deferred Maintenance Project

13-54. During the 2011-2012 year, the university received gifts of \$250,000 from each of the following foundations: Fain Foundation, J. S. Bridwell Foundation, and Bryant Edwards Foundation. These and several other smaller contributions were designated for the renovation of the Wichita Falls Museum of Art at Midwestern State University and funds on hand for the project total \$755,440. A number of deferred maintenance and ADA issues must be addressed. These include the installation of an ADA accessible ramp to the main entrance, ADA upgrades to restrooms, replacement of air conditioning units and humidifiers for better air quality, roof repairs, replacement of obsolete lighting fixtures, and the replacement of entrance doors and hardware throughout the facility so that they are ADA compliant. The project would also include renovation of Gallery 5, improved exterior and interior lighting, and green space development outside the southeast corner of the building. The design will be generated by Bundy, Young, Sims, and Potter as previously approved by the Board of Regents. The administration will request authorization to proceed with this project as presented.

Drought Alternative Water Well Project

13-55. The administration will request authorization for the design and construction of equipment for the recovery, storage, and distribution of well water to irrigate the two sand-based practice fields. The cost for the design and installation will not exceed \$75,000 and will be funded from utility savings in FY13 and FY14 achieved by not having to purchase the water from the City of Wichita Falls.

Research Laboratory Project – Dalquest Desert Research Station

13-56. Information was previously presented to the Board of Regents regarding the need for a facility at the Dalquest Desert Research Station in West Texas. This project was also included in the Campus Master Plan. University donors have contributed funds for this purpose and the administration is ready to proceed with the project. The administration will request authorization to proceed with this project, at a total cost of \$363,207, which is the amount of private funds available. The design process would begin immediately with the project ready to be bid in March. Construction would begin in the summer 2013 and conclude in the late spring 2014.

Naming of University Facilities

13-57. In accordance with university policy the administration may make recommendations concerning naming opportunities on the Midwestern State University campus or property.

EXECUTIVE COMMITTEE
ATTACHMENT

Projects Status

ID	Task Name	Start	Finish	2013	2014
1	Dalquest Water Well	Mon 7/2/12	Fri 1/4/13	J A S O N D J F M A M J J A S O N D	J J
2	Estimated completion date per 8-9-12 BOR meeting	Fri 11/30/12	Fri 11/30/12	100%	
3				11/30	
4	Demolish Old Band Hall & Biology House	Tue 9/4/12	Wed 10/31/12	100%	
5	Estimated completion date per 8-9-12 BOR meeting	Mon 12/31/12	Mon 12/31/12	12/31	
6					
7	Parking - Old Band Hall / Resurface McCoy lot (+51 spaces)	Mon 9/3/12	Fri 6/28/13		
8	Design	Mon 9/3/12	Fri 9/28/12	100%	
9	Bid	Mon 10/1/12	Fri 11/16/12	100%	
10	Construction-Biology	Mon 11/19/12	Fri 2/8/13	85%	
11	Construction-Band Hall	Mon 1/14/13	Fri 4/19/13	20%	
12	Construction-Prothro-Yeager	Mon 4/1/13	Fri 6/7/13	0%	
13	Estimated completion date per 8-9-12 BOR meeting	Fri 6/28/13	Fri 6/28/13	6/28	
14					
15	McCoy Engineering Hall Addition	Wed 8/1/12	Fri 5/30/14		
16	Design	Wed 8/1/12	Fri 11/30/12	100%	
17	Bid	Mon 12/3/12	Thu 2/28/13	90%	
18	Construction	Fri 3/1/13	Tue 4/1/14		
19	Estimated completion date per 8-9-12 BOR meeting	Fri 5/30/14	Fri 5/30/14	5/30	
20					
21	Dalquest Desert Research Center	Mon 2/18/13	Wed 5/21/14		
22	Design	Mon 2/18/13	Fri 4/19/13		
23	Bid	Mon 4/22/13	Fri 6/21/13		
24	Construction	Mon 6/24/13	Wed 5/21/14		
25					
26	Museum Renovation	Fri 2/15/13	Fri 8/2/13		
27	Design	Fri 2/15/13	Fri 3/22/13		
28	Bid	Mon 3/25/13	Fri 4/26/13		
29	Abatement	Mon 3/25/13	Fri 4/26/13		
30	Construction	Mon 4/29/13	Fri 8/2/13		
31					
32	POTENTIAL FUTURE PROJECTS:				
33	Bolin Science Hall Project				
34	Christ Academy Renovation				
35	Demolish Marchman, Vinson, McGaha				
36	Create Green Space - Vinson / McGaha				
37	Demolish Police Station				
38	Complete Parking at Old Police Station (+36 spaces)				
39	Academic Classroom/Athletic Admin Bldg				
40	Demolish Hampstead House				
41	Parking - Hampstead Blvd (+105)				
42	New Student Housing, Housing Offices, & Food Service Addition				

Status of Board-Approved Construction Projects

Project	BOR Project Approval Date	Architect/Engineering Firm Approved	BOR Approved Project Budget	Encumbered/Spent Dollars	Additional Projected Costs	Total Project Cost	Over/Under Budget
Dalquest Water Well	Not req'd	N/A	\$42,500	\$36,793	\$0	\$36,793	\$5,707
Demolish Old Band Hall & Biology House	5/11/2012	N/A	\$160,000	\$112,868	\$0	\$112,868	\$47,132
Parking lot - Old Band Hall / resurface McCoy; Biology / UPD	5/11/2012	7/11/2012 Proven Cornerstone Engineering Local/HUB Vendor	\$730,000	\$535,751	\$13,949	\$549,700	\$180,300
McCoy Engineering Hall Addition	5/11/2012	5/10/2012 Harper Perkins Architects Local/HUB Vendor	\$1,600,000	\$153,538	\$1,511,462	\$1,665,000	(\$65,000) *
Dalquest Research Station	*		\$363,207	\$2,906	\$360,301	\$363,207	\$0
Museum Renovation	*		\$755,440	\$0	\$755,440	\$755,440	\$0
Christ Academy/Counseling Center	5/11/2012	7/11/2012 Harper Perkins Architects Local/HUB Vendor	\$2,000,000	ON HOLD			

FINANCE COMMITTEE

Finance Committee

Membership

Mike Bernhardt, Chairman

Jane Carnes

Charles Engelman

Jeff Gregg

Reading and Approval of Minutes

13-58. The minutes of the Finance Committee meeting November 15, 2012, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 13-58.

Summary of Financial Support 9/1/12-1/17/13

13-59. This report is shown as Attachment 13-59 and will be presented as information only.

Review and Acceptance of Financial Reports

13-60. The administration will recommend the FY 2012 Annual Financial Report and the September, October, November, and December, 2012, Financial Reports for acceptance. These reports were previously distributed to the board.

Investment Report

13-61. The administration will recommend the first quarter FY 2013 investment report for acceptance. This report was previously distributed to the board.

FY 2012-2013 Item \$50,000 & Under

13-62. In accordance with Board policy, the president authorized the following increase to the current budget. The administration will recommend ratification of this budget change.

From Account:

To Account:

<u>Number</u>	<u>Title</u>	<u>Number</u>	<u>Title</u>	<u>Purpose</u>	<u>Amount</u>
26000 23260	Unallocated Student Service Fees	24826 4820	Cheerleaders	2013 National Collegiate Cheerleading Championships & Cheer travel to football playoffs.	\$25,509.54
Total					\$25,509.54

Review of Personnel Reports and Salary/Title/Position Changes in 2012-2013 Budget

13-63. The reports of personnel changes in October, November, and December, 2012 will be presented for information as shown in Attachment 13-63. Additionally, salary and position changes approved by the president will be presented for ratification as shown below.

<u>Current Position</u>	<u>Action</u>	<u>Funding Source</u>	<u>Annual Budget Increase (Decrease)</u>	<u>Net Current FY Actual Cost(Savings)</u>
Medical Office Manager, Vinson	Director of Student Medical Services changed to manager position		\$ -7,512	\$ -13,512
Medical Director, Vinson Health	Physician and Director positions combined.		0	0
Publications Specialist, Marketing & Public Information	Secretary I changed to specialist position.	Salary savings	13,812	12,661
Assistant Director, Marketing & Public Information	Additional temporary 1.0 FTE. Position to terminate 2-28-13.	Salary savings	16,667	16,667
Assistant Athletic Director/Sports Information	Title change from Sports Information Director		0	0
Four staff positions	Positions filled below budgeted amount		-9,899	-20,375
Total			\$ 13,068	\$ 4,559

Faculty Positions – Summer 2013

13-63A. A recent gift to the College of Health Sciences and Human Services has provided funds necessary to hire faculty and expand course offerings in nursing and respiratory care beginning in the summer, 2013. The administration will recommend the addition of two 11-month nursing faculty positions and one 11-month respiratory care faculty position, each at an annual salary of \$100,000, including benefits, beginning in the summer, 2013.

Additional Redwine Estate Distribution

13-64. Midwestern State University has received the final distribution of funds from the Bruce Redwine Estate. The administration will recommend the immediate use of a portion of these funds to assist with expanded enrollment management efforts (see Attachment 13-64).

Budget Planning

13-65. Information will be presented concerning budget planning for 2013-2014. Recommendations will be made as necessary.

FINANCE COMMITTEE
ATTACHMENTS

Summary of the Personnel Position Status Reports for 9/1/12 – 12/31/12

September 2012 Changed Instructor to Program Coordinator, IELI
Net position change: 0 (-1 Regular Faculty; +1 Professional Non-Faculty)
Ratified by Board of Regents, 11/16/12

Changed Coordinator to Secretary II, Continuing Education
Net position change: 0 (-1 Professional Non-Faculty; +1 Clerical and Secretarial)
Ratified by Board of Regents, 11/16/12

October 2012 Changed Director of Medical Services to Medical Office Manager, Vinson Health Center
Net position change: 0 (-1 Executive; +1 Professional Non-Faculty)
Presented for Ratification by Board of Regents, 2/15/13

Changed Secretary I to Publications Specialist, Marketing and Public Information
Net position change: 0 (-1 Clerical and Secretarial; +1 Professional Non-Faculty)
Presented for Ratification by Board of Regents, 2/15/13

November 2012 New Position (Temporary) – Assistant Director, Marketing and Public Information
Net position change: +1 (Professional Non-Faculty)
Presented for Ratification by Board of Regents, 2/15/13

Total net new positions as of 12/31/12 = +1.00

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
October 31, 2012

POSITIONS	APPROVED BUDGET			POSITIONS			ADDED (DELETED)		TOTAL POSITIONS		SALARY (SAVED)		FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT POSITIONS	
	FTE	AMOUNT		FTE	AMOUNT		FTE	AMOUNT	FTE	AMOUNT	ADDED		FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
EXEC, ADMIN & MANAGERIAL	46.50	4,355,175		(1.00)	(55,512)		45.50	4,299,663	45.50	4,299,663	17,356		44.59	4,261,507	0.91	55,512	45.50	4,317,019
REGULAR FACULTY	242.21	14,689,690		(1.00)	(41,236)		241.21	14,648,454	241.21	14,648,454	950		228.71	14,475,929	12.50	173,475	241.21	14,649,404
PROFESSIONAL NON-FACULTY	129.09	5,341,662		2.00	92,580		131.09	5,434,242	131.09	5,434,242	8,172		128.09	5,352,498	3.00	89,916	131.09	5,442,414
CLERICAL AND SECRETARIAL	100.21	2,287,548		0.00	1,056		100.21	2,288,604	100.21	2,288,604	(10,063)		93.21	2,148,331	7.00	130,210	100.21	2,278,541
TECH & PARAPROFESSIONAL	22.00	983,904					22.00	983,904	22.00	983,904	(72)		22.00	983,832	0.00	0	22.00	983,832
SKILLED CRAFT	33.00	1,098,766					33.00	1,098,766	33.00	1,098,766			33.00	1,098,766			33.00	1,098,766
SERVICE & MAINTENANCE	66.00	1,317,217					66.00	1,317,217	66.00	1,317,217	(1,080)		61.00	1,248,889	5.00	67,248	66.00	1,316,137
POLICE	14.00	480,637					14.00	480,637	14.00	480,637			14.00	480,637			14.00	480,637
GRAND TOTALS	653.01	30,554,599		0.00	(3,112)		653.01	30,551,487	653.01	30,551,487	15,263		624.60	30,050,389	28.41	516,361	653.01	30,566,750

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
November 30, 2012

POSITIONS	APPROVED BUDGET			POSITIONS			SALARY (SAVED)	FILLED POSITIONS			VACANT POSITIONS			TOTAL CURRENT POSITIONS		
	9/1/2012 FTE	AMOUNT	ADDED (DELETED) FTE	ADDED (DELETED) FTE	AMOUNT	ADDED (DELETED) FTE		AMOUNT	FTE	AMOUNT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	AMOUNT
EXEC, ADMIN & MANAGERIAL	46.50	4,355,175	(1.00)	(55,512)	4,299,663	17,356	44.59	4,261,507	0.91	55,512	45.50	4,317,019				
REGULAR FACULTY	242.21	14,689,690	(1.00)	(41,236)	14,648,454	950	228.71	14,475,929	12.50	173,475	241.21	14,649,404				
PROFESSIONAL NON-FACULTY	129.09	5,341,662	3.00	142,580	5,484,242	8,172	129.09	5,402,498	3.00	89,916	132.09	5,492,414				
CLERICAL AND SECRETARIAL	100.21	2,287,548	0.00	1,056	2,288,604	(10,063)	93.21	2,148,331	7.00	130,210	100.21	2,278,541				
TECH & PARAPROFESSIONAL	22.00	983,904			983,904	(72)	22.00	983,832	0.00	0	22.00	983,832				
SKILLED CRAFT	33.00	1,098,766			1,098,766		33.00	1,098,766			33.00	1,098,766				
SERVICE & MAINTENANCE	66.00	1,317,217			1,317,217	(1,080)	61.00	1,248,889	5.00	67,248	66.00	1,316,137				
POLICE	14.00	480,637			480,637		14.00	480,637			14.00	480,637				
GRAND TOTALS	653.01	30,554,599	1.00	46,888	30,601,487	15,263	625.60	30,100,389	28.41	516,361	654.01	30,616,750				

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
December 31, 2012

POSITIONS	APPROVED BUDGET			POSITIONS			SALARY		TOTAL POSITIONS			FILLED POSITIONS			VACANT POSITIONS			TOTAL CURRENT		
	9/1/2012	FTE	AMOUNT	ADDED	FTE	AMOUNT	(SAVED)	ADDED	FTE	AMOUNT		FTE	AMOUNT		FTE	AMOUNT		FTE	AMOUNT	
EXEC, ADMIN & MANAGERIAL	46.50		4,355,175	(1.00)	(55,512)		17,356		45.50	4,299,663		44.50	4,218,547		1.00	98,472		45.50	4,317,019	
REGULAR FACULTY	242.21		14,689,690	(1.00)	(41,236)		950		241.21	14,648,454		227.71	14,385,211		13.50	264,193		241.21	14,649,404	
PROFESSIONAL NON-FACULTY	129.09		5,341,662	3.00	142,580		7,324		132.09	5,484,242		128.09	5,374,870		4.00	116,696		132.09	5,491,566	
CLERICAL AND SECRETARIAL	100.21		2,287,548	0.00	1,056		(10,744)		100.21	2,288,604		89.67	2,067,439		10.54	210,421		100.21	2,277,860	
TECH & PARAPROFESSIONAL	22.00		983,904				(72)		22.00	983,904		22.00	983,832		0.00	0		22.00	983,832	
SKILLED CRAFT	33.00		1,098,766						33.00	1,098,766		33.00	1,098,766					33.00	1,098,766	
SERVICE & MAINTENANCE	66.00		1,317,217				(1,080)		66.00	1,317,217		61.00	1,230,769		5.00	85,368		66.00	1,316,137	
POLICE	14.00		480,637						14.00	480,637		14.00	480,637					14.00	480,637	
GRAND TOTALS	653.01		30,554,599	1.00	46,888		13,734		654.01	30,601,487		619.97	29,840,071		34.04	775,150		654.01	30,615,221	

Midwestern State University Reporting of Personnel Changes
Fiscal Year 2012-2013
October-December

I. ENTERING EMPLOYEES

1. Shane Black – Custodian, Facilities Services – 10/01/12
2. Ashley Lindsey – Publications Specialist, Marketing and Public Information – 10/01/12
3. Ronnie Wherry – Custodian, Facilities Services – 10/01/12
4. Kristan Neeb - Secretary II, Regional Simulation Center – 10/08/12
5. Daikeaira Starks – Custodian, Housing – 10/08/12
6. Tiffany Kosse – Medical Office Manager , Vinson Health Center – 10/15/12
7. Arminda Moreno – Custodian, Facilities Services – 10/15/12
8. Carla Bolin – Assistant Director, Marketing and Public Information – 11/01/12
9. Jadine Buckley – University Nurse, RN, Vinson Health Center – 11/05/12
10. Suzanne Bachmann-Hansen – Secretary II, Radiologic Science – 11/13/12
11. Shontesa Jones – Coordinator, Multicultural Affairs, Student Development and Orientation – 12/01/12
12. Kristin Carpenter – Financial Aid Processor/Counselor – 12/17/12

II. EXITING EMPLOYEES

1. Cindy Crosley – Financial Aid Specialist II, Financial Aid – 10/14/12
2. Devah Scholl – Assistant to Dean, Graduate School – 10/15/12
3. LaDonna Cowley – Administrative Assistant, Housing - 10/19/12
4. Joan Everson – Medical Office Coordinator, Vinson Health Center – 10/26/12
5. Sarah Copeland – Administrative Assistant, Academic Success Center – 11/02/12
6. Ronnie Edwards – Custodian, Facilities Services – 11/15/12
7. Kristan Neeb – Secretary II, Regional Simulation Center – 11/30/12
8. Leslie Gonzales – Custodian, Housing – 12/05/12
9. Daikeaira Starks – Custodian, Housing – 12/05/12
10. April Taack – Assistant to the Registrar – 12/19/12
11. John Schreiber – Assistant Professor, Education – 12/21/12
12. Michel Dye – Chief Information Officer, Information Technology – 12/31/12
13. Dana Tisdale – Secretary I, Nursing – 12/31/12
14. Connie Richardson – Assistant Professor, Mathematics – 12/31/12

III. RETIRING EMPLOYEES

1. Mary Ann Coe - Professor, Education – 12/31/12

Enrollment Enhancement – Funding Proposal

1. Ellucian Recruiter – Student Recruitment Software \$196,000

This computer program will help streamline the admissions process at Midwestern State University. The product works well with the university's student information system (Banner) and will assist the Admissions Office with the complex tasks of procuring matriculated students. In part, Recruiter will help MSU reach best-fit students with personalized messages, track and analyze recruiting efforts, and provide detailed analytics, event registration and management system, and a campus visit scheduler. This price includes implementation and training.

2. Expanded Communication Campaign \$110,800

The administration continues to see positive results from its aggressive direct marketing campaign, which began in the fall. These additional funds are necessary to extend contacts to an additional 40,000 prospective students. The funds requested include design, printing, and mailing costs. In addition, the requested funds allow for design, production, printing, and mailing of a ten piece information campaign for admitted students, highlighting the many benefits of attending MSU.

3. Welcome Center and Hardin South Hallway Refresh \$125,000

Funds are needed to create an attractive Welcome Center for prospective students in the Hardin southeast entry foyer. This will create a more comfortable and attractive area for prospective and current students, family members, and visitors.

4. Additional Consultations \$22,000

The university's current contract with Noel-Levitz calls for four visits by a recruiting consultant. Given MSU's enrollment concerns, the administration utilized three visits in the fall and one remains. The expertise offered has been quite valuable and the administration would like to utilize the consultant's services for two additional visits during the current year.

Total Funds Requested **\$453,800**

AUDIT, COMPLIANCE, AND
MANAGEMENT REVIEW
COMMITTEE

Audit, Compliance, and Management Review Committee

Membership

Sam Sanchez, Chairman

Tiffany Burks

Charles Engelman

Jeff Gregg

Reading and Approval of Minutes

13-66. The minutes of the Audit, Compliance, and Management Review Committee meeting November 15, 2012, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 13-66.

Audit Activities

13-67. The committee will receive information concerning university audit activities.

Contract Management Activities and Contract Authorization

13-68. The committee will receive information concerning contract management and review activities. Additionally two agreements will be presented as indicated below.

- A. The administration will request authorization to renew an interlocal cooperation agreement with the City of Wichita Falls for bus service for the MSU campus (see Attachment 13-68A).
- B. The administration will request authorization of a Master Service Contract between the Harris County Department of Education and Midwestern State University (see Attachment 13-68B). This interlocal and cooperative purchasing program contract will enable MSU to join other college and universities, counties, and municipalities to gain purchasing power with shared service solutions from Choice Partners, the purchasing cooperative of the Harris County Department of Education. Examples of legal and competitively bid best value project management services include program/construction management.

AUDIT, COMPLIANCE, AND
MANAGEMENT REVIEW
COMMITTEE ATTACHMENTS

**INTERLOCAL AGREEMENT BETWEEN
MIDWESTERN STATE UNIVERSITY AND THE CITY OF WICHITA
FALLS FOR TRANSIT SYSTEM ROUTE AND REIMBURSEMENT**

Under the authority of the TEX. GOV'T. CODE Chapter 791, this Interlocal Agreement is made and entered into by and between Midwestern State University (MSU), an agency and coeducational institution of higher education organized under the laws of the State of Texas, and the City of Wichita Falls (CITY), a Texas municipal corporation.

Whereas, MSU and the CITY desire to enter into a long term commitment to meet the mobility needs of the MSU community to the mutual benefit of MSU and the CITY;

Whereas, the CITY will develop a dedicated transportation route that will run along the following roadway boundaries within the CITY:

- 1) Taft Boulevard to
- 2) Southwest Parkway to
- 3) Maplewood Avenue to
- 4) Midwestern Parkway to
- 5) MSU Campus

Whereas, MSU will pay for the CITY's local match cost of establishing this new route, and the City will allow all MSU students and employees to use all CITY FallsRide scheduled routes, free of charge;

Whereas, the CITY will obtain and retain benefits accruing from the new route arising from sources other than MSU students and employees, and

Whereas, both parties find and agree that the consideration described in this agreement is in an amount based on cost recovery that fairly compensates the CITY for the governmental services or functions performed under the contract, and each party paying for the performance of governmental functions or services is making those payments from current revenues available to the paying party.

NOW, THEREFORE, in consideration of the mutual covenants and promises made by the parties hereto, it is agreed as follows:

I. CITY Duties

- 1) CITY will provide a FallsRide bus route, open to the general public, utilizing equipment furnished by CITY and operated in a manner consistent with the performance standards here, which will include:
 - A. bus service from Taft Boulevard to Southwest Parkway to Maplewood Avenue to Midwestern Parkway to MSU Campus (Service)
 - B. CITY will provide Service Monday through Friday
 - C. Service will begin at 7:15 a.m. and conclude at 10:00 p.m.
 - D. Service is calculated on a 45-week schedule
 - E. Service will be on 15 minute headways from 7:15 a.m. to 10:00 a.m.
 - F. Service will be on 20 minute headways from 10:00 a.m. to 10:00 p.m.
 - G. CITY agrees to extend Service from 10:00 p.m. through midnight for MSU, upon request, for ten prearranged dates that will be certified by MSU. CITY must be given at least 10 days' notice of such request for

extended Service by MSU. If CITY is requested to provide extended Service for more than 10 dates, MSU will reimburse CITY for local matching requirements for labor and fuel costs associated with providing said extended transportation services.

H. CITY will provide drivers, fuel, vehicle maintenance, supervisory and management services, and all other goods and services needed to provide the transportation services described herein.

- 2) CITY will not provide Service for this route on the following dates/days:
 - A. Observed CITY holidays (New Years, Memorial Day, July 4th, Labor Day, Thanksgiving, Friday after Thanksgiving, Christmas)
 - B. Saturdays and Sundays
 - C. December 12, 2011 to January 6, 2012
 - D. March 12, 2012 to March 16, 2012
 - E. May 14, 2012 to May 18, 2012
 - F. August 6, 2012 to August 10, 2012
 - G. Days when MSU classes are cancelled by MSU
 - H. Weather days as identified by CITY
- 3) CITY agrees to perform all services in compliance with all applicable federal, state and local laws, regulations, and ordinances and establish and monitor performance standards for the service. CITY will monitor bus service access and the bus route for individuals with disabilities to ensure that the bus route is fully compliant with ADA regulations and meets the needs of individuals with disabilities. CITY will provide a qualified and trained driver for each bus who is duly registered and/or licensed under all applicable federal, state and local laws, regulations, and ordinances.
- 4) CITY will provide federal and state compliant bus shelters and bus stops, as the CITY determines necessary to serve MSU student and employee demand. CITY will only install federal and state compliant bus shelters or bus stops on MSU's property in a manner and location as approved by MSU.
- 5) CITY will provide 35-foot buses with a seated/standing capacity of 50 people. These vehicles will meet all state and federal safety inspection requirements. The vehicles will be equipped with air-conditioning, heating, wheelchair access, and destination signs. The vehicles will be maintained in a quality manner to assure delivery of a safe, reliable, on time and clean service for the passenger.
- 6) CITY will maintain records or documentation of the following:
 - A. Number of passenger trips operated.
 - B. Number of passenger complaints received.
 - C. Number of vehicle and passenger accidents.
 - D. The estimated number of trips operating on schedule (within 0-5 minutes).

CITY agrees to cooperate with the properly designated MSU official charged with inspecting and auditing said records and documentation.

Records of CITY'S costs, reimbursable expenses pertaining to the project and payments will be available to MSU or its authorized representative during business hours and will be retained for four (4) years after final payment or abandonment of the project, unless MSU otherwise instructs CITY in writing.

- 7) CITY will provide invoices to MSU for the CITY's local match consideration for future service periods by July 1st of each calendar year.
- 8) CITY will have an appropriate criminal background screening performed on all individuals and will determine on a case-by-case basis whether each individual assigned to operate a bus is qualified to provide the services.
- 9) With the exception of the MSU Campus, the CITY will not route buses off of public right-of-way.
- 10) CITY will allow all MSU students and employees who possess their own current MSU identification card to use all of the scheduled CITY FallsRide service routes free of charge for the duration of this agreement. MSU students and employees who fail to show MSU identification, will be charged fares indicated in the FallsRide route booklet.
- 11) MSU students and employees will adhere to the Riding Rules published in the Wichita Falls Transit System route booklet. Failure to adhere to these rules, which apply to all Wichita Falls Transit System passengers, may result in the MSU student and/or employee not being allowed to ride the bus.

II. MSU Duties

- 1) MSU will provide orientation to potential and current students and employees concerning the proposed route service.
- 2) MSU will provide readily available information, such as schedules and route books, to MSU students and employees who may want to use the service.
- 3) For and in consideration of CITY furnishing such buses and bus service as set forth above, MSU will reimburse the CITY for the CITY's local match obligation by October 1, 2011 for services provided during the term of this agreement. CITY's obligation to perform these services for the remainder of the term of this agreement shall be conditioned on receipt of the aforementioned local match obligation, and failure to meet this requirement may result in the immediate suspension of the services identified in this agreement. For the first annual term of this agreement, MSU and the CITY agree that the consideration will be \$36,886.85, based on the attached spreadsheet.
- 4) MSU will assist the CITY in any off-campus issues regarding transit operations in student housing areas.
- 5) MSU will assist the CITY in any type of customer service issues regarding student concerns on the CITY's FallsRide route system.
- 6) MSU will provide shelter options located on the MSU Campus for the bus operator and passengers in the event inclement weather creates a safety concern.

III. Joint Duties

- 1) Calculations for local match will be made using the City's entry level driver hourly rate and the CITY's cost of diesel fuel budgeted in the upcoming CITY fiscal year for the proposed service.

- 2) Calculations on the CITY's local match considerations as required by the Federal Transit Administration will be included with the invoice in order to provide documentation to MSU.
- 3) CITY in conjunction with MSU will periodically conduct an operational and customer satisfaction survey for all services and programs offered to MSU students and employees.
- 4) The parties shall designate Dennis Burket, CITY Public Transit Administrator, and Keith Lamb, MSU Associate Vice President for Student Affairs, as the primary contact persons for all matters relating to this agreement and services provided.
- 5) The parties shall commit to cooperative processes that will make the agreement successful.
 - A. The dispute resolution process provided for in Chapter 2260, Texas Government Code, shall be used by MSU and CITY to attempt to resolve any claim for breach of contract.
 - B. If the parties are unable to resolve their disputes under Section 12.21.1.1, the contested case process provided in subchapter C of Chapter 2260 is the CITY's sole and exclusive process for seeking a remedy for any and all of the CITY's claims for breach of this Agreement by MSU.
 - C. Compliance with the contested case process provided in subchapter C of Chapter 2260 is a required prerequisite to seeking consent to sue from the Legislature under Chapter 107, Texas Civil Practices and Remedies Code. The parties hereto specifically agree that (i) neither the execution of this Agreement by MSU nor any other conduct, action or inaction of any representative of MSU relating to this Agreement constitutes or is intended to constitute a waiver of MSU's or the state's sovereign immunity to suit and (ii) MSU has not waived its right to seek redress in the courts.
 - D. The CITY retains its right to terminate the services described herein if MSU fails to pay the CITY in accordance with this agreement.
 - E. The maximum liability of the CITY pursuant to this agreement shall be the amount of consideration described in Section II.3. Also, neither party shall be liable for:
 - (1) consequential or similar damages;
 - (2) exemplary damages;
 - (3) any damages based on an unjust enrichment theory;
 - (4) attorney's fees; or
 - (5) home office overhead.
- 6) The parties shall meet annually to review services provided in this agreement.
- 7) The parties agree that CITY is not providing to MSU a charter service as defined by Federal transit law.

- 8) The parties agree that each PARTY shall bear its own liability and provide for its own legal representation concerning any claim, demand, expense, or cause of action whatsoever against it or the PARTIES arising out of the performance of this agreement. Under no circumstances shall MSU have any liability for any of the acts or omissions of the CITY in the performance of the CITY's obligations under this Agreement or shall the CITY have any liability for any of the acts or omissions of MSU in the performance of MSU's obligations under this Agreement.

IV. Term

This agreement will become effective August 15, 2011 and will remain in effect until August 3, 2012, unless otherwise amended by mutual agreement or terminated by any party by written notice of at least 90 days in advance of the cancellation or August 3, 2012, whichever comes first. The payment will be prorated for any remaining time left should this agreement be terminated before August 3, 2012. Unless terminated by either party prior to its renewal, this agreement will renew automatically for subsequent annual terms on August 3rd of each year, beginning in 2012. Notwithstanding, MSU shall be authorized to terminate this agreement in 2012 or subsequent years within 30 days after the CITY has informed MSU of the CITY's calculation of MSU's reimbursement obligation.

V. General Conditions

- 1) Both parties warrant that (a) the services performed by each of them are necessary and authorized for activities that are properly within their statutory functions and programs; (b) they have the authority to contract for the services; (c) they have all necessary power and have received all necessary approvals to execute and deliver this agreement; and (d) the representatives signing this agreement on their behalf have authority from their respective governing bodies to sign this agreement.
- 2) There are not intended beneficiaries of this agreement other than the parties named herein. No person other than the parties to this agreement shall have the right to enforce any term hereof.
- 3) The operation by the CITY under this Agreement shall be performed in compliance with all the applicable ordinances of the City of Wichita Falls, laws of the State of Texas and the laws of the United States. This Agreement shall be binding on the parties hereto, their successors and assigns. The CITY may not assign this Agreement without prior written consent of MSU. This agreement and any incorporated documents shall be governed by and construed in accordance with the laws of the State of Texas. The exclusive venue of any suit brought concerning the agreement and any incorporated documents is fixed in any court of competent jurisdiction in Wichita County, Texas.
- 4) This agreement is not intended to create and does not create a partnership or joint venture between MSU and the CITY.
- 5) Notwithstanding any provision of this Agreement to the contrary, the CITY shall be an independent contractor in all matters relating to this Agreement. The CITY will not bind or attempt to bind MSU to any agreement or contract. The CITY and its employees or agents shall not be deemed or construed to be the employees or agents of MSU for any purposes whatsoever. The CITY agrees that it shall have complete responsibility in the area of employment law and relations regarding its own employees, contractors, and agents,

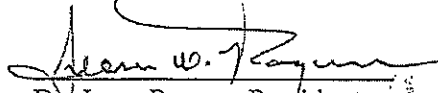
including but not limited to: wrongful discharge lawsuits, unemployment issues, workers' compensation, employment taxes, and reimbursement due to losses in these areas. Consistent therewith, the CITY agrees that it shall make its own arrangements to provide CITY employees with all necessary employee benefits, including unemployment and workers' compensation benefits, and MSU is, in no way, a party to such arrangements. Regarding CITY employees, the CITY shall have the sole authority to hire, fire, transfer, train, evaluate, discipline, pay and assign work.

- 6) Either party may suspend this Agreement at any time because of war, declaration of a state of national emergency, acts of God or public enemy, strike, work stoppage or slow down, or other cause beyond the control of such party, by giving the other party written notice of suspension and the reason for same. MSU shall be obligated only to pay for services actually provided under this Agreement. Payments to be made and services to be rendered under this Agreement shall not become due during a period of suspension. MSU may secure the services herein contemplated from another source during the period in which CITY suspends performance under this Agreement.
- 7) This Agreement and any attachments, exhibits or addenda contain the entire agreement between the parties and supersede any prior understanding or written or oral agreements between the parties concerning the subject matter herein. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless reduced to writing and signed by authorized representatives of the parties.
- 8) In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 9) No delay or omission in exercising any right accruing upon a default in performance of this Agreement will impair any right or be construed to be a waiver of any right. A waiver of any default under this Agreement will not be construed to be a waiver of any subsequent default under this Agreement.
- 10) This agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted assigns and successors.
- 11) Except for MSU's obligation (if any) to pay the CITY certain fees and expenses, MSU will have no liability to the CITY or to anyone claiming through or under the CITY by reason of the execution or performance of this agreement. Notwithstanding any duty or obligation of MSU to the CITY or to anyone claiming through or under the CITY, no present or future affiliated enterprise, subcontractor, agent, officer, director, employee, representative, attorney or Regent of MSU, or anyone claiming under MSU has or will have any personal liability to the CITY or to anyone claiming through or under the CITY by reason of the execution or performance of this Agreement.

IN WITNESS WHEREOF, executed this 12th day of September, 2011.

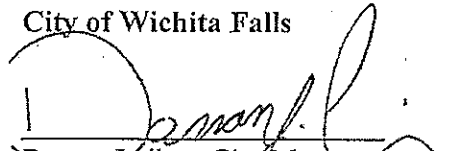
Midwestern State University

By:


Dr. Jesse Rogers, President

City of Wichita Falls

By:


Barron Leiker, City Manager

<u>Operating Expenditure</u>	<u>Rate</u>	<u>Hours</u> <u>Per Day</u>	<u>Service</u> <u>Days</u>	<u>Total</u>	<u>City's</u> <u>Share</u>	<u>FTA</u> <u>Share</u>
Salary	\$11.28	16	225	\$40,608.00	\$20,304.00	\$20,304.00
	\$16.92	1	225	\$3,807.00	\$1,903.50	\$1,903.50
<u>Capital Expenditure</u>	<u>Rate</u>	<u>Life</u>				
Bus Replacement	\$334,536.00	12		\$27,878.00	\$5,575.60	\$22,302.40
<u>Preventive Maintenance</u>	<u>Rate</u>	<u>Miles</u>	<u>Service</u> <u>Days</u>	<u>Miles</u> <u>Per Gallon</u>		
Fuel	\$3.31	175	225	5	\$26,066.25	\$5,213.25
Repairs/Maintenance	\$0.428	175	225		\$16,852.50	\$3,370.50
<u>Administrative</u>						
Miscellaneous					\$2,600.00	\$520.00
						\$2,080.00
Grand Total:					\$36,886.85	\$80,924.90

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 271, Subchapter F of the Texas Local Government Code, this Interlocal and Cooperative Purchasing Program Contract ("Contract") is made and entered into by and between the Harris County Department of Education ("HCDE"), located in Houston, Texas, and Midwestern State University ("UNIVERSITY"), located in Wichita Falls, Texas, for the purpose of providing services.

Preamble

HCDE is a local governmental entity established to promote education in Harris County, Texas and is also duly authorized to provide programs and services in the State of Texas. Both HCDE and UNIVERSITY desire to set forth, in writing, the terms and conditions of their agreement.

General Terms and Conditions

In consideration of the mutual covenants and conditions contained in this Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

- I. **Term.** This Contract is effective from the date of the last signature and shall automatically renew unless either party gives thirty (30) days prior written notice of non-renewal. This Contract may be terminated by either party with or without cause with thirty (30) days written notice. See other means of terminating the contract in Article 11, below. Any such notice shall be sent according to Article 8.
2. **Agreement.** The terms of this Contract shall apply and will be considered a part of any Addendum for programs and services delivered by HCDE. This Contract and the attached and incorporated Addendum, purchase orders, or exhibits, if any, contain the entire agreement of the parties and there are no representations, agreements, arrangements, or undertakings, oral or written, between the parties to this Contract other than those set forth in this Contract and duly executed in writing.
3. **Purpose and Scope of Work.**
 - A. **HCDE agrees to:**
 - Provide University with subsequent independent contracts and/or descriptive offerings of each of the programs and services that HCDE offers through its respective divisions.
 - Provide services upon the submission of independent contracts or purchase orders within the HCDE divisions.
 - Conduct, as a minimum, an annual audit or survey, as appropriate, for each of the programs.
 - B. **UNIVERSITY agrees to:**
 - Participate in any or all of the services that HCDE has to offer.
 - Submit purchase order(s) or independent contract(s) for each of the programs it wishes to purchase and/or collaborate.
 - Agree to follow the terms and conditions of each independent contract or purchase orders for each of the programs.
 - Assign the appropriate person to act as representative to each respective program delivered.

4. As is. HCDE makes this Contract available to HCDE participating entities "as is" and are under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Contract for the benefit of UNIVERSITY.
5. Assignment. Neither this Contract nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.
6. Conflict of Interest. During the Term of HCDE's service to UNIVERSITY, UNIVERSITY, its personnel and agents, shall not, directly or indirectly, whether for UNIVERSITY's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.
7. Contract Amendment. This Contract may be amended only by the mutual agreement of all parties in writing to be attached to and incorporated into this Contract.
8. Notice. Any notice provided under the terms of this Contract by either party to the other shall be in writing and shall be sent by **certified mail, return receipt requested.** Notice to shall be sufficient if made or addressed as follows:

Harris County Department of Education Attn: John E. Sawyer, Ed.D. County School Superintendent 6300 Irvington Blvd. Houston, Texas 77022 713-694-6300	Midwestern State University Attn: Stephen Shelley Director of Purchasing 3410 Taft Blvd. Wichita Falls, Texas 76308 940-397-4110 Email:stephen.shelley@mwsu.edu
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9. Relation of Parties. It is the intention of the parties that UNIVERSITY is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and UNIVERSITY or HCDE and any of UNIVERSITY'S agents.
10. Non-Exclusivity of Services. Nothing in this Contract may be construed to imply that HCDE has exclusive right to provide UNIVERSITY these services. During the Term of Contract, UNIVERSITY reserves the right to use all available resources to procure other professional services as needed and, in doing so, will not violate any rights of HCDE.
11. Termination. This Contract may be terminated prior to the expiration of the Term hereof as follows:
 - By UNIVERSITY upon 30 days notice if the work/service is not provided in a satisfactory and proper manner after a remedy has been reported and discussed;
 - By mutual written agreement of the parties, upon thirty (30) days prior notice; or
 - By either party immediately if the other party commits a material breach any of the terms of this Contract and no remedial action can be agreed upon by the parties.

12. Master Contract. This Contract can be utilized as the Master Contract. The general terms and conditions in this Contract will serve to outline the working relationship between HCDE and the UNIVERSITY. Both parties agree to allow the UNIVERSITY to use any or all of the following programs and/or services with no charge from HCDE: Choice Partners Cooperative (CPC), Drug Testing Services and Fuel Cooperative. The UNIVERSITY agrees to adhere to the terms and conditions set forth for the programs and/or services as contracted under these programs. All other programs and/or services provided by HCDE requiring a fee will need an addendum to the approved Master Interlocal Contract. The specific terms and conditions of the addendum will govern that individual contract. In the case of a conflict between the Master Contract and any addendum, the provisions of the addendum will govern.
13. Severability. In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Contract shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
14. Governing Law and Venue. This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Contract shall be in Harris County, Texas.
15. Authorization. Each party acknowledges that the governing body of each party to the Contract has authorized this Contract.
16. Benefit for Signatory Parties Only. Neither this Contract, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.

In witness whereof, HCDE and UNIVERSITY have executed this Contract to be effective on the date specified in Article 1. Term above:

Midwestern State University
Name of University

Harris County Department of Education

Authorized Signature

John E. Sawyer, Ed.D

Printed Name

County School Superintendent

Title

Date

Date

ACADEMIC AND STUDENT
AFFAIRS COMMITTEE

Academic and Student Affairs Committee

Membership

Lynwood Givens, Chairman
Kenny Bryant
Tiffany Burks
Sam Sanchez

Reading and Approval of Minutes

13-69. The minutes of the Academic and Student Affairs Committee meeting November 15, 2012, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 13-69.

Faculty Report

13-70. A report will be presented by a representative of the MSU Faculty Senate.

Staff Report

13-71. A report will be presented by a representative of the MSU Staff Senate.

Student Government Report

13-72. A report will be presented by a representative of MSU Student Government.

Enrollment Report – Spring 2013

13-73. The spring enrollment report will be presented for information of the board.

Athletics Report

13-74. Information will be provided concerning athletics at Midwestern State University.

Lone Star Conference

13-75. As requested in November, the Board of Regents will receive information and have an opportunity to discuss the Lone Star Conference. Information concerning the conference is shown in Attachment 13-75.

Women's Track Program - Scholarships

13-76. The women's track program was added to MSU's sports offerings in the fall 2011 without approval of funding for specific track scholarships. The board subsequently authorized the offering of four women's track scholarships beginning with the fall 2012 semester. These scholarships are offered in addition to the six cross country scholarships. The administration will request authorization to increase scholarship offerings by 2.6 scholarships, the maximum allowed per NCAA rule.

Housing and Dining Service Rates

13-77. Proposed housing and dining service rates for 2013-2014 will be recommended for approval as shown in Attachment 13-77.

ACADEMIC AND STUDENT
AFFAIRS COMMITTEE
ATTACHMENTS

Lone Star Conference Makeup
2013-2014

	Maximum Scholarships allowed by NCAA	Midwestern State University	Cameron University	Texas Women's University	West Texas A&M University	Angelo State University	Eastern New Mexico University	Tarleton State University	Texas A&M Commerce University	Texas A&M Kingsville University	# of Schools Offering Sport
Men's Sports											
Basketball	10	X	X		X	X	X	X	X	X	8
Cross Country	12.6*		X		X	X	X	X	X	X	7
Football	36	X			X	X	X	X	X	X	7
Baseball	9		X		X	X	X	X		X	6
	*Combined with CC										
Track					X	X	X	X	X	X	6
Golf	3.6	X	X					X	X		4
Soccer	9	X					X				2
Tennis	4.5	X	X								2
Women's Sports											
Basketball	10	X	X	X	X	X	X	X	X	X	9
Volleyball	8	X	X	X	X	X	X	X	X	X	9
Cross Country	12.6*	X			X	X	X	X	X	X	7
Golf	5.4	X	X		X	X		X	X	X	7
	*Combined with CC										
Track		X			X	X	X	X	X	X	7
Soccer	9.9	X		X	X	X	X		X		6
Softball	7.2	X	X	X	X	X				X	6
Tennis	6	X	X				X	X		X	5
Gymnastics	6			X							1
Equestrian	15				X						1
# of Sports Offered per Institution		13	10	5	13	12	12	12	11	12	

Proposed Housing and Dining Service Rates

	<u>2012-2013 Rate</u>	<u>2013-2014 Rate</u>	<u>% Change</u>
Pierce & Killingsworth Halls			
Semi Private	\$ 1,675.00	\$ 1,760.00	5.07%
Private	\$ 2,165.00	\$ 2,195.00	1.39%
McCullough-Trigg Hall			
Semi Private	\$ 1,825.00	\$ 1,895.00	3.84%
Private	\$ 2,250.00	\$ 2,295.00	2.00%
Semi Private (Summer Only)	\$ 650.00	\$ 650.00	0.00%
Private (Summer Only)	\$ 775.00	\$ 775.00	0.00%
Bridwell Courts			
Efficiency (Monthly)	\$ 600.00	\$ 600.00	0.00%
One Bedroom (Monthly)	\$ 650.00	\$ 650.00	0.00%
Two Bedroom (Monthly)	\$ 775.00	\$ 775.00	0.00%
Private Room (if available, per semester)	\$ 2,075.00	\$ 2,075.00	0.00%
Private Room (Summer, If Available)	\$ 775.00	\$ 775.00	0.00%
Sunwatcher Village (per month)			
4 bedroom/12 month	\$ 520.00	\$ 520.00	0.00%
4 bedroom/9 month	\$ 620.00	\$ 620.00	0.00%
2 bedroom/12 month	\$ 610.00	\$ 610.00	0.00%
2 bedroom/9 month	\$ 710.00	\$ 710.00	0.00%
Sundance Court (per month)			
4 bedroom/12 month	\$ 550.00	\$ 550.00	0.00%
4 bedroom/9 month	\$ 650.00	\$ 650.00	0.00%
2 bedroom/12 month	\$ 640.00	\$ 640.00	0.00%
2 bedroom/9 month	\$ 720.00	\$ 720.00	0.00%
Temporary Guest Fee (per night)	\$ 25.00	\$ 25.00	0.00%
Linens Fee (per set)	\$ 9.00	\$ 9.00	0.00%
Board Rates (after tax)			
19 Meal Plan	\$ 1,500.00	\$ 1,530.00	2.00%
14 Meal Plan	\$ 1,435.00	\$ 1,465.00	2.09%
10 Meal Plan	\$ 1,325.00	\$ 1,355.00	2.26%
Summer 10 Meal Plan	\$ 293.00	\$ 300.00	2.39%
Summer Conference (per meal, before tax)			
Breakfast	\$ 5.25	\$ 5.40	2.86%
Lunch	\$ 6.28	\$ 6.45	2.71%
Dinner	\$ 7.31	\$ 7.50	2.60%
Cash Price (per meal, before tax)			
Breakfast	\$ 6.28	\$ 6.65	5.89%
Lunch	\$ 7.21	\$ 7.60	5.41%
Dinner	\$ 8.14	\$ 8.30	1.97%
Commuter Plans (before tax)			
25 Meal Block	\$ 154.50	\$ 162.00	4.85%
100 Meal Block (no expiration date)	\$ 721.00	\$ 735.00	1.94%

BOARD OF REGENTS
MEETING AGENDA

Board of Regents Meeting Agenda
February 15, 2013
9:00 a.m.

Meeting Location: MSU Campus – 3410 Taft Boulevard
Hardin Administration Building
J. S. Bridwell Board Room

The Board of Regents of Midwestern State University may deliberate and take action regarding any item on this agenda. This meeting will be continuous in that the Board reserves the right to take any agenda item out of the order or sequence that is listed below. The Board reserves the right to discuss any properly posted items in Executive Session whenever legally justified in accordance with the Texas Government Code Chapter 551.

Call to Order

Introduction of Visitors

Opening Comments

Public Comment Period

A public comment period concerning agenda items will be provided in accordance with the Board of Regents By-Laws, MSU Policy 2.22.

Reading and Approval of Minutes

13-78. Minutes of the regular Board of Regents meeting November 15, 2012, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 13-78.

Reading and Approval of Minutes

13-79. Minutes of the regular Board of Regents meeting November 16, 2012, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 13-79.

Reading and Approval of Minutes

13-80. Minutes of the Special Board of Regents meeting December 18, 2012, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 13-80.

Executive Committee Consent Agenda, Items and Report

Finance Committee Consent Agenda, Items and Report

Audit, Compliance, and Management Review Committee Consent Agenda, Items and Report

Academic and Student Affairs Committee Consent Agenda, Items and Report

Nominating Committee for Board Officers for the 2013-2014/2014-2015 Biennium

13-81. Mr. Hessing will appoint a special Nominating Committee to make recommendations at the May meeting concerning the election of a Chair, Vice Chair, Secretary, and Member-at-Large of the Executive Committee of the Board of Regents for the upcoming biennium.

President's Report and Discussion

13-82. Information will be presented to the board concerning various university matters, including:

- A. Legislative Update
- B. MSU Marketing/Branding Presentation

University President's Annual Performance/Compensation and Contract Review

13-83. The board will conduct the president's annual performance, compensation, and contract review.

Executive Session

13-84. The Board of Regents will convene in Executive Session as necessary to consider the following matters permissible under Chapter 551 of the Texas Government Code as necessary, including:

- A. Consult with and seek the legal advice of its attorney about pending or contemplated litigation or a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with chapter 551 of the Texas Government Code.
- B. Deliberations about Real Property – to deliberate the purchase, exchange, lease, or value of real property;
- C. Deliberations Regarding Gifts and Donations; and
- D. Personnel Matters – to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee.

Closing Comments

Adjournment

MINUTES

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Executive Committee
November 15, 2012**

The Executive Committee of the Board of Regents, Midwestern State University, met in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:18 p.m., Thursday, November 15, 2012. Executive Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; and Mrs. Jane Carnes, Member-at-Large. Other regents attending the meeting were Mr. Charles Engelman, Dr. Lynwood Givens, Mr. Jeff Gregg, Mr. Sam Sanchez, and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Mr. Matthew Park, Associate Vice President for Student Affairs; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Sara Webb, Business Manager for Facilities Services; Mr. Steve Shelley, Director of Purchasing; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting were Dr. David Carlston, Assistant Professor of Psychology, and Dr. George Diekhoff, Chair and Professor of Psychology. Representing the student body were Mr. Anthony Gallina, Student Government Association (SGA) president, and Mr. Jeremy Sailor, SGA Observer. Representing the news media was Ms. Ann Work, *Times Record News*.

Chairman Hessing called the meeting to order at 2:18 p.m.

Reading and Approval of Minutes

13-05. The minutes of the Executive Committee meeting August 9, 2012 were approved by the committee as presented.

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

13-06. Mr. Hessing reported that the Board of Regents is required to approve the membership of the Museum Advisory Board of Directors. Dr. Rogers noted that this is a community

advisory board that advises the museum director. He recommended the following individuals to serve:

Jane Carnes (2012-2015 Reappointment)
Margaret Cummings (2012-2015)
Tom B. Medders, III (2012-2015)
Greg Merkle (2012-2015 Reappointment)
Lola Pitzer (2012-2013 Reappointment)

Mr. Bernhardt moved approval of these appointments as presented. Mr. Bryant seconded the motion and it was approved with Mrs. Carnes abstaining from the vote.

Construction Manager at Risk – McCoy Expansion and Christ Academy Remodel

13-07. Mr. Hessing noted that the administration reviewed fourteen proposals for a Construction Manager at Risk (CMAR) contractor to construct the McCoy Expansion and the Christ Academy-Counseling projects and was prepared to recommend M&F Litteken for both projects. He noted that upon further discussion, the administration would like to push the Christ Academy forward to a later time.

Dr. Rogers noted that the Christ Academy project was originally proposed in two phases. However, Dr. Fowlé and Mr. Owen determined that the university would save project funding by doing the project in one phase. For this reason, and since this would not delay the completion date of the overall project, the administration recommended withdrawing this portion of the project at this time.

Mr. Bryant moved approval to award the contract for construction management of the McCoy Expansion to M&F Litteken and that Phase I of the Christ Academy Remodel be pushed forward until a later time. Mrs. Carnes seconded the motion and it was approved.

Parking Lot Project

13-08. Mr. Hessing noted that the old Band Hall and Biology House have been razed. Competitive bids were received for the construction of parking lots in these locations as well as the correction of the entrances to the Prothro-Yeager lot. The administration requested authorization to enter into a contract with Duke Construction at a value not to exceed \$550,000, including a contingency amount. Mr. Hessing added that Duke Construction was recommended based on their price and their successful history of similar projects in the local area. He added that the value of this contract would result in the project's total being less than the original budget estimate of \$730,000.

Mrs. Carnes moved approval of this item as presented. Mr. Bernhardt seconded the motion and it was approved.

Electrical Utility Contract

13-09. Mr. Hessing reported that this item dealt with the university's purchase of electricity. He stated that university policy requires board approval of a contract that exceeds \$500,000 for the purchase of electricity not purchased through the Texas General Land Office's

(GLO) state energy marketing program. The administration requested that the board authorize the president to sign a contract with an electricity provider on behalf of the university, if the contract has a yearly value of up to \$2 million for as many as five years, if the overall contract value is no higher than one provided by the Texas GLO. Mr. Hessing added that such authorization would ensure the administration can make a timely decision when negotiating the best rate for the institution.

Dr. Fowlé reported that recent bid pricing would provide substantial savings over GLO pricing. She added that when bids are received the administration has an hour window of time in which to execute the contract. She added that this authorization was requested to enable the administration to act quickly should favorable bids be received.

Ms. Sara Webb, Business Manager for Facilities Services, reported that the university's current contract is 6.1 cents per kilowatt hour (KWH) and current pricing is near five cents per KWH. Dr. Fowlé added that a 20% savings in electrical costs would be significant for the university. Mr. Hessing asked about the annual cost of electricity for the university. Dr. Fowlé responded that the cost is approximately \$2.5 million. Mr. Sanchez asked about the term of the contract. Ms. Webb responded that the administration is looking at pricing for 24-60 months and that the longer term prices are generally higher.

Mr. Bernhardt moved approval of this item and Mr. Bryant seconded the motion.

Dr. Givens asked when the university's electricity contract was last negotiated. Ms. Webb responded that the current contract was signed in January, 2009. It was a 53 month contract through the GLO and it expires in May, 2013. Mr. Engelman asked if the contract and pricing could be confirmed now rather than waiting until May. He indicated that pricing would likely be lower in the winter months. Dr. Fowlé responded that it was possible and that the administration's intent was to lock in pricing as soon as possible.

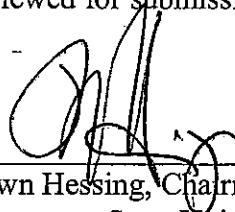
Dr. Givens indicated that he did not understand the urgent need for the decision. He asked if the administration had adequate data regarding pricing in the last months and projections for the future. Mr. Owen responded that Ms. Webb had closely followed the pricing during the last eight months and pricing had slowly risen during the last two months. Mr. Hessing asked if the administration might have signed a contract at a low rate had this authorization been in effect two months ago. Mr. Owen responded that the administration would have likely executed a contract six weeks ago if this authorization had been in place.

There being no further discussion, the motion was approved. Mr. Hessing asked Dr. Rogers to inform the board when a contract was finalized.

Adjournment

The Executive Committee discussion concluded at 2:38 p.m.

Reviewed for submission:

A handwritten signature in black ink, appearing to read 'Shawn Hessing', is written over a horizontal line.

Shawn Hessing, Chairman
Midwestern State University
Board of Regents Executive Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Finance Committee
November 15, 2012**

The Finance Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:38 p.m., Thursday, November 15, 2012. Committee members in attendance were Mr. Mike Bernhardt, Chairman; Mrs. Jane Carnes; Mr. Charles Engelman; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Kenny Bryant, Dr. Lynwood Givens, Mr. Shawn Hessing, Mr. Sam Sanchez, and Student Regent Holly Allsup. Mrs. Tiffany Burks joined the meeting via teleconference during the presentation of Item 13-17.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Mr. Matthew Park, Associate Vice President for Student Affairs; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Mr. Steve Shelley, Director of Purchasing; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting were Dr. David Carlston, Assistant Professor of Psychology, and Dr. George Diekhoff, Chair and Professor of Psychology. Representing the student body were Mr. Anthony Gallina, Student Government Association (SGA) president, and Mr. Jeremy Sailor, SGA Observer. Representing the news media was Ms. Ann Work, *Times Record News*.

Chairman Bernhardt called the meeting to order at 2:38 p.m.

Reading and Approval of Minutes

13-10. The minutes of the Finance Committee meeting August 9, 2012, were approved as presented.

Summaries of Financial Support 9/1/11 – 8/31/12 and 9/1/12 – 10/19/12

13-11. Mr. Bernhardt noted that the reports were presented in the agenda and asked Mrs. Carnes to highlight some of the major gifts received since the last board meeting. Mrs. Carnes presented the following information.

- A. Funding of \$199,491 for the athletics field lighting upgrade was received from the City of Wichita Falls – 4B Board.
- B. A distribution from the Mont “Tex” Davis estate in the amount of \$109,610 was received. These funds will be invested by the MSU Foundation and earnings will support the West College of Education.
- C. A gift of \$240,000 was received from Kay Dillard and the Dillard Family Foundation to support salaries in the Dillard College of Business Administration.
- D. Mr. and Mrs. Robert Gunn and Mr. David Kimbell, Sr. each contributed \$50,000 for the Dalquest Research Station Construction.
- E. The West Foundation continued its support of the West College of Education with a grant of \$142,500. The Foundation’s gifts to the university total more than \$5.7 million.
- F. Financial support for MSU during the 2011-2012 year totaled \$13.5 million, the second highest giving total in the university’s history.

Mrs. Carnes encouraged regents to write thank you notes to as many of the donors as possible. She thanked the regents for their efforts in writing thank you notes and asked if there might be a better way to ensure that each of the donors receives a card. It was suggested that future lists be divided among regents.

Mr. Bernhardt acknowledged a gift of \$375,000 from Peyton and Jane Carnes to support the expansion of the MSU engineering program. Dr. Rogers noted his appreciation to the university’s donors for their commitment and support of excellence at Midwestern State University.

Redwine Quasi-Endowment Fund Report – FY 2012

- 13-12. Mr. Bernhardt reported that the yearly report of income and expenditures for the Redwine Quasi-Endowment Fund for FY 2012 was presented in the agenda. The majority of expenditures were for Honors Program Scholarships. This item was presented as a point of information only.

Financial Reports

- 13-13. Mr. Bernhardt stated that the administration had recommended acceptance of the July, 2012 Financial Report. He asked Dr. Fowlé to comment on this report and also provide preliminary information regarding the August 2012 end of year report. Dr. Fowlé reported that revenue remained flat despite the enrollment decline. The university reduced expenses and ended the year by contributing \$400,000 to the university’s carry forward balances. Net assets for the year increased by \$6 million, primarily owing to the increase in gifts. She added that the Annual Financial Report would be finalized and mailed to the board in the next few weeks.

Mr. Gregg moved acceptance of the July financial report as presented. Mr. Engelman seconded the motion and it was approved. -

Investment Report

13-14. Mr. Bernhardt stated that the administration recommend the fourth quarter 2012 investment report for acceptance. He asked Dr. Fowlé to comment on this report. Dr. Fowlé reported that returns on the invested cash balances at year-end totaled 1.2%. She noted that the investment of these funds is restricted by the Public Funds Investment Act. She added that the Redwine Quasi-Endowment Fund is invested separately. She stated that Mr. David Dowler of Luther King Investments would meet with the board Friday to discuss the investment of the Redwine Fund.

Mrs. Carnes moved the board accept the investment reports as presented. Mr. Gregg seconded the motion and it was approved.

Investment Policies

13-15. Mr. Bernhardt reported that the Texas Public Funds Investment Act requires that the Board of Regents review and approve the institution's investment policies each year. He stated that Dr. Fowlé recently participated in required training and reviewed the university's policies against standard requirements. The compliance checklist and recommended policy changes were shown in the agenda. Dr. Fowlé stated that the Public Funds Investment Act relates only to the investment policy for cash investments and not to the policy related to endowments. She noted that after comparing the university's cash investment policy to the compliance checklist, she identified areas in the university's policy that required updating. Dr. Fowlé reviewed the proposed policy changes that were highlighted in the agenda.

Mrs. Carnes moved approval of the policy changes as presented. Mr. Gregg seconded the motion.

Mr. Engelman noted that the Investment Policy – Endowment Funds mentions the board Investment Committee and asked if that should be changed since there is no longer an Investment Committee. Ms. Barrow responded that this reference should have been changed to Finance Committee when the committee structure was changed. She reported that the policy would be changed accordingly.

Mr. Gregg asked who the university investment officers were. Dr. Fowlé responded that she and Gail Ferguson were the investment officers.

There being no further discussion the motion was approved.

Approval of Addition of Asset Holding Account

13-16. The administration recommended the addition of Charles Schwab to the approved Asset Holding Account companies for MSU. Dr. Fowlé reported that the university's investment management firm recommended this change. She noted that this change would result in a cost savings to the university.

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

FY 2012-2013 Items \$50,000 & Under

13-17. Mr. Bernhardt noted that two budget changes were presented for ratification and asked Dr. Rogers to comment on these items. Dr. Rogers noted that the administration had saved funds in the Technology Fee account to meet these types of needs. Dr. Rogers asked Dr. Lamb to present information regarding the freshmen retention program software. Dr. Lamb noted that while the university has had an early alert system to identify students with academic difficulties, this is the first sophisticated program the university has utilized to assist with student retention. He stated that the program begins with inputting pre-college characteristics of entering freshmen into the system. The freshmen are then surveyed after six weeks of school. The program pairs the pre-college characteristics with the survey data and predicts the likelihood of students not persisting at the institution. Students identified as high risk receive personalized attention and are given additional resources to help them succeed at the institution.

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

Mr. Sanchez asked how the administration encouraged freshmen to participate in the survey. Mr. Park responded that faculty in the freshmen English classes and the College Connections classes encouraged participation, developed course related assignments, and gave extra credit for participation. Additionally, an information campaign was held in Killingsworth and Pierce Halls and individual e-mail messages were sent to the students. Mr. Sanchez asked if the administration planned to compare pre-college characteristics and the grades students earned. Dr. Lamb responded that eventually the program would be available to faculty to use and that it could be linked to grades.

There being no further discussion the motion was approved.

Review of Personnel Reports and Salary/Title/Position Changes in 2011-2012 and 2012-2013 Budgets

13-18& 13-19. Mr. Bernhardt noted that reports were included in the agenda attachments and items for ratification were presented in the agenda. Mr. Gregg moved the board ratify these changes as presented. Mrs. Carnes seconded the motion and it was approved.

Testing Fees

13-20. Mr. Bernhardt noted that the administration had recommended approval of testing fees for Score It Now and Correspondence tests as shown in the agenda. Dr. Lamb stated that the administration is analyzing all testing fees and would like for the Testing Center to eventually be self-sustaining. He reported that Score It Now is an alternative GRE analytical writing test. The fee for correspondence work is charged when a student needs a correspondence test proctor.

Mr. Gregg moved approval of this item as presented. Mrs. Carnes seconded the motion and it was approved.

Recess

The meeting recessed 3:10 p.m. and reconvened at 3:24 p.m.

Review and Acceptance Voluntary Separation Program

13-21. Mr. Bernhardt noted that the administration was recommending approval of a one-time only Voluntary Separation Program (VSP) for faculty and staff who meet specific criteria. He added that the administration also recommended the removal of MSU Policy 3.141. He asked Dr. Rogers and Dr. Fowlé to provide information regarding these recommendations.

Dr. Rogers reported that a number of institutions in the state had used this type of program at the beginning of the current biennium. He stated that individuals who choose to take the VSP may or may not be replaced. Dr. Fowlé noted the updated explanation of the program as shown in Attachment 1. She stated that this is a voluntary separation program and not a retirement program. She added that if an individual chooses to take the VSP, they can retire if they choose or they can move on to another job elsewhere. Individuals will be required to make their decision during the spring and will separate from the university no later than August 31, 2013. They will then be paid 50% of their annual salary on October 1, 2013. She noted that these individuals cannot be reemployed by the institution on a full-time basis for two years, although they can return on a part-time basis. Dr. Fowlé reported that 69 employees are eligible for the VSP and the salaries of these individuals total \$5.1 million. She added that if the board approved dropping the program requirement to the rule of 78, an additional 15 employees would be eligible with salaries totaling an additional \$780,000.

Dr. Fowlé presented an example of an employee who earns \$100,000 per year and chooses to take the VSP. This individual would be paid \$50,000 on October 31, 2013. The remaining \$50,000 could be used to hire a replacement for this individual, if necessary. She added that it was hoped that 25% of the individual's salary could be saved in FY 2014. In FY 2015 the university would likely see additional savings because the 50% salary payment would not be made. Dr. Fowlé reported that her previous institution offered the VSP and had similar employee numbers. Forty employees took advantage of the program and the institution saved approximately \$1 million over the course of two years.

Mr. Gregg moved approval of this item as presented. Mrs. Carnes seconded the motion.

Mr. Gregg stated that he had seen programs such as this on the school district level and that they generally provided a good outcome for the district and the employees. He asked if the board should consider setting a limit on the number of employees who can take part in the program each year. Dr. Fowlé responded that this was a one-time only offer. She added that 22 staff members and 47 faculty are eligible for the program. Dr. Stewart noted that while there might be a strain on academic programs during the first year, the

administration would work to fill the necessary positions as quickly as possible. Mr. Hessing asked Dr. Stewart if she felt confident that any vacated positions could be filled adequately and that the academic environment of the university would not be disrupted. Dr. Stewart responded that she did, based on the information available at this time.

Mr. Hessing asked if the administration had expectations for the program. Dr. Fowlé responded that the administration anticipated approximately 25% of the eligible employees would choose to participate. If that were the case, and 18-20 took the VSP, the salary total for those individuals would be approximately \$1-1.5 million and the payout in October would total \$500,000-750,000. She indicated that this is the model she is using in developing projections for future budgets.

Mr. Engelman asked if the primary purpose of the program was to save money for the university. Dr. Fowlé responded that the program would save the institution money, give employees an opportunity to voluntarily separate from the university, and result in a reduction in force. The program may also give the university an opportunity to reorganize in certain areas. Mr. Engelman noted that in the personnel report for the quarter, 27 employees left the institution and 34 individuals were hired. Dr. Fowlé noted that those numbers likely included unfilled positions at year end. She added that as positions become vacant the administration reviews each of them very carefully and delays hiring as much as possible to affect savings. Dr. Rogers noted that the State Auditor recently released an audit of the change in Full-Time Employees (FTEs) at state institutions. The audit reported MSU's FTEs decreased by 13% at the end of the last fiscal year. He stated that this reduction was achieved by not filling positions and through attrition.

Mr. Sanchez asked if there were particular colleges that would be hit harder than others with this program. Dr. Rogers stated that those that have expressed interest are scattered throughout the university. He added that the program has not been officially approved or offered and the administration will not have specific answers until the spring. Dr. Rogers added that the administration would work closely with the deans to ensure that the academic programs were not negatively affected.

Mr. Hessing stated that the institution must continue looking for ways to reduce costs and increase income. This program is one opportunity to reduce costs over time. Mr. Bernhardt asked if this program should be offered yearly or biannually. Dr. Stewart responded that IRS regulations limit the number of times and frequency of offering such a program.

Dr. Givens noted that while the university could possibly save \$500,000 over a two year period, the brunt of responsibility for filling positions and maintaining quality education would fall on the provost. He asked Dr. Stewart if she supported this plan. Dr. Stewart responded that she did.

There being no further discussion, the motion was approved.

College Instructional Enhancement Fees

13-22. Mr. Bernhardt reported that the university currently charges course fees that vary, dependent on the course. He noted that Dr. Fowlé studied current course fee charges and uses and recommended changing to a single College Instructional Enhancement Fee beginning with the spring 2013 semester.

Dr. Rogers reported that statute allows the institution to collect course fees by discipline. The statute also restricts the use of the fees to specific instructional costs. Following Dr. Fowlé's review, the administration agreed that an Instructional Enhancement Fee would be easier to monitor and would provide maintenance and operation funds for the various academic departments. Dr. Rogers referred to the table presented in the agenda document outlining the proposed fee. He noted that some of the fees would be lowered and some would be raised, but that the overall charge to students would remain constant. He added that he had visited with the Student Senate about this change and they understood it would be revenue neutral.

Dr. Fowle stated that there were three advantages to this format: 1) the new fee would not have statutory limitations and the funds could be used for anything related to instructional enhancement; 2) the direct relationship between the fees collected and the allocation to each college would be evident; and 3) a large build up of reserves could be avoided.

Mrs. Carnes moved approval of this item as presented. Mr. Engelman seconded the motion and it was approved.

Budget Discussion

13-23. Mr. Bernhardt reported that the drop in enrollment caused a shortfall in anticipated income for the current operating budget. The budget plan for FY 13 was presented as shown as Attachment 2. He asked Dr. Rogers and Dr. Fowlé to explain these items.

Dr. Rogers noted that the university had reduced its operating budget owing to continuing state budget reductions and the increase of unfunded mandates by slowing down on hiring position replacements, not filling positions, delaying deferred maintenance, and identifying other operational savings. However, the latest enrollment declines require additional long-term planning. He reported that during the last biennium the state cut \$1 billion out of the funding for the 38 public senior institutions. This resulted in a \$3 million reduction in funding for MSU in each of the last two years. The legislature also approved a legacy provision to the Hazlewood Act, which reduced the amount of tuition and fees paid to MSU by \$800,000. He added that the state has passed various other unfunded mandates through tuition and fee exemptions and rewards that cost MSU \$1.5 million each year. Additionally, changes in the Pell grant program by the Department of Education resulted in MSU's loss of \$700,000 in tuition and fees during the summer, 2012. This amount will likely increase in the future. With the loss of \$1.8 million in income due to the enrollment decline, the university's funding has been reduced by approximately \$7 million each year. The university's original budget included plans for the various funding declines; however, the large decline in enrollment was not included in the budget plan. He noted that because of the increase in the number of applications

and housing reservations, the decline in enrollment was not anticipated. He noted that similar changing enrollment patterns were experienced throughout the state of Texas. He noted that Dr. Fowlé would review the budget plan. He added that a more extensive plan would likely be presented in February, to include a plan for increasing faculty and staff compensation.

Dr. Fowlé reviewed the budget plan as shown in Attachment 2. She reported that the budget plan indicated the need for \$1.8 million in the current fiscal year and outlined proposed budget changes to address this shortfall.

- Summer School Pay Modification Target - \$500,000 – Dr. Fowlé noted that the administration had been working with the Faculty Senate and that Dr. Rogers would expand on this item.
- Course Fee Balances - \$500,000 – Dr. Fowlé noted that during discussion of the College Instructional Enhancement Fee she mentioned that changing to this new fee would prevent the buildup of Course Fee balances. Currently, these balances total \$900,000. The administration proposed that a portion of these balances be used to balance the current year budget.
- Swap E&G to HEAF - \$200,000 – the administration proposes using HEAF funds to pay for allowable items that would previously have been paid from E&G funds.
- Swap Designated Expenses to Restricted Funds - \$250,000 – the administration proposes using some of the buildup of restricted funds in various areas to fund certain operating expenses.
- Delay Hiring for Additional Salary Savings - \$200,000 – the administration plans to find additional salary savings through keeping vacant positions open longer and not filling positions when possible.
- No One-Time 2% for Higher-Paid Administrators - \$50,000 – the administration proposes that any employee earning an annual salary in excess of \$100,000, with the exception of faculty and two special case administrators, would not receive the 2% one-time salary compensation. Dr. Rogers added that the current budget included a 2% one-time supplemental pay for all employees.
- Use of Budgeted Savings Carry forward - \$188,478 – Dr. Fowlé noted that during the discussion of financial statements she mentioned adding \$400,000 to the university's carry forward balance. She stated that the board previously approved the expenditure of these funds and that unexpended funds have been placed in a carry forward account that now totals \$1 million. The administration recommended utilizing \$188,478 of these funds to balance the current year budget.

Mr. Bernhardt asked for a motion to approve the FY13 Budget Plan as presented with approval for additional adjustments as necessary to maintain fiscal stability. Mr. Gregg moved approval and Mr. Engelman seconded the motion.

Mr. Hessing noted that he had talked with Dr. Fowlé about the FY 2014 budget. He indicated that she anticipates additional declines in revenue. He added that additional planning would be necessary to address future budget shortfalls.

Dr. Rogers reported on the summer school pay modification item. He stated that there are several factors involved. He noted that summer school revenue will continue to decline owing to students no longer receiving summer Pell grants. He added that MSU's summer school costs have gradually increased over the past four years and this needs to be corrected. He reported that Dr. Stewart is reviewing the summer course offerings and enrollment trends to ensure the appropriate courses are being offered. She will continue working with the deans and departments heads on this matter. He added that the administration would like to change the university's summer compensation for faculty. Currently, a full load for one summer semester is two courses or six hours. He noted that four hour courses are prorated accordingly. He reported that a faculty committee was formed to work on the compensation issue. Traditionally, MSU faculty have earned 1/12 of their nine-month salary per summer course. Faculty would receive 1/6 of their nine-month salary for teaching two summer courses. Therefore, a faculty member teaching two courses, which is a full load in the summer, would be paid the same monthly salary for six weeks of work as they receive during the academic year. Dr. Rogers stated that the administration was recommending that compensation for summer teaching be reduced and that any savings achieved be used to increase nine-month faculty salaries. He noted that the administration has looked at a number of models and that compensation varies among Texas higher education institutions. The faculty committee that was formed at the request of the Faculty Senate recommended that compensation be reduced from 1/12 per summer course to 1/14 per summer course, and that the amount for one course be capped at \$6,000. Additionally, the faculty committee recommended that new faculty be paid a set amount per course in the summer, rather than tying the amount to their nine-month salary. This would ultimately reduce the cost of summer school. The administration estimates that this plan would save approximately \$250,000 in the 2013 summer. A reduction in the number of summer courses by an average of four courses per college would recover an additional \$250,000. This savings of \$500,000 in FY 13 would be used to balance the current year's budget. The \$500,000 would then be available in FY 14 and could be used to increase faculty salaries. The administration proposed putting an additional \$500,000 into faculty salaries in each of the next three years. Dr. Rogers reported that some faculty who teach in the summer will realize a loss of income; however, there will be gains for faculty salaries in FY 14. He added that the administration had not yet determined the amount that would be paid to new, incoming faculty, but noted that it would likely be determined by rank.

Dr. Rogers reported that he met with the Faculty Senate earlier in the week to describe these recommendations. During the discussion it was agreed that this change in compensation would be reviewed in the spring of 2016 to determine the overall results of

the changes made. He noted that the goal is to save money in the summer and to increase MSU faculty's nine-month compensation. -

Dr. Givens stated that he did not feel comfortable about withholding the 2% supplement from the higher paid administrators. He noted that while there may be administrators that are overpaid, a commitment was made and he did not feel comfortable going back on this commitment to a select group of employees only. Dr. Givens indicated that \$50,000 was a small amount of savings to achieve by breaking a commitment. Dr. Rogers noted that several individuals, including three of the deans and some of the vice presidents, had volunteered to forego receiving the 2% supplement. Dr. Givens stated that he understood the goodwill of people wanting to volunteer to forego the pay, but questioned whether they may have felt pressured to do so. He further questioned giving the supplement to faculty who make more than \$100,000 but not giving the supplement to administrators. He stated that if an inequity in pay is the issue, the matter should be addressed on an individual basis. Mr. Gregg indicated his agreement that the board made a commitment to employees that should be fulfilled.

Mrs. Carnes asked if there might be bad feelings from individuals who did not volunteer to forego receiving the 2% supplement. Dr. Rogers responded that there may be some. He added that if the board chooses to give the 2% to these individuals, another \$50,000 reduction would have to be made in the budget. Mr. Hessing added that any time a business goes through difficult financial situations and hard decisions are made, there will likely be hurt feelings. Mr. Gregg stated that funds are available in the carry forward reserve to cover the \$50,000. Mr. Sanchez indicated his agreement that the commitment should be upheld if the funds are available. Mr. Hessing stated that the FY 14 and FY 15 budgets will likely be more difficult and it is possible that pulling \$50,000 from the carry forward balances could make a difference in the future. Mr. Bernhardt added his understanding that MSU's funding from the state during the next biennium could be reduced further.

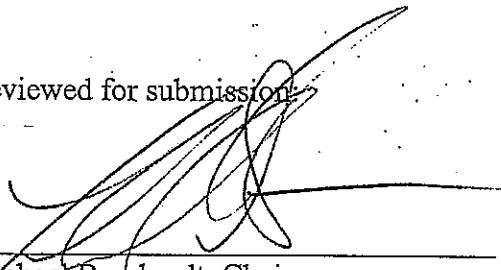
It was agreed that this item would be tabled until Friday's meeting.

Mr. Bernhardt thanked Dr. Fowlé for her efforts. He stated his commitment as Finance Committee chair to work to bring pay raises to employees as soon as funding stabilizes. Mr. Hessing indicated his agreement and added his commitment to the students to keep tuition and fee increases to a minimum. Mr. Bernhardt noted that the administration and board was depending on the deans of each college to look at their budget shortfalls and recommend to the administration any action to address budget needs. He also asked Dr. Rogers to look at his staff for cost saving opportunities.

Adjournment

The Finance Committee discussion concluded at 4:29 p.m.

Reviewed for submission



Michael Bernhardt, Chairman
Midwestern State University
Board of Regents Finance Committee

ATTACHMENTS:

1. Voluntary Separation Program Explanation – REVISED
2. Budget Plan FY 2013

**Midwestern State University
Voluntary Separation Program
(proposed to Board of Regents, November 2012 – Revised Copy)**

Midwestern State University is presenting a one-time only Voluntary Separation Program (VSP) for faculty and staff who meet specific criteria. Those who choose to separate voluntarily will receive 50% of their 2012-2013 budgeted base salary in a lump sum, less applicable taxes.

To be eligible for the program, employees must meet each of the following criteria: (1) have been employed continuously (without a break in service) by Midwestern State for a minimum 10 years; (2) hold a full-time, benefits-eligible position; (3) meet the State's Rule of 80. To determine if they meet the Rule of 80, employees should add their age as of August 31, 2013, to the total number of years in which they have been employed by the State of Texas (includes employment at MSU and any other State of Texas institution or agency—verification required). If the two numbers total 80 or more, the Rule of 80 has been satisfied. In case that the university does not receive enough participation, consideration will be made to lower the number to 78.

In choosing to participate in the Voluntary Separation Program, employees agree to leave the institution voluntarily. Those who separate in this manner may (1) retire formally and take steps necessary to receive their accrued ORP or TRS retirement benefits or (2) seek employment elsewhere. The responsibility for determining if employees are eligible to receive ORP or TRS benefits shall rest solely with the employees. Those considering retirement should consult their financial advisors and the Human Resources Department to determine their eligibility to receive retirement benefits.

Employees who choose to participate in the VSP may not be rehired in a full-time, benefits eligible position at Midwestern State for a period of three years. Temporary and part-time employment is allowed at the discretion of the university's administration. Tenured faculty participating in the program relinquish their tenure status upon separation.

Employees who choose to participate in the program must formalize their separation from the university in writing by April 1, 2013. Termination must occur between May 31, 2013 and August 31, 2013. Those initiating voluntary separation will receive a supplemental payment on October 1, 2013, representing 50% of their 2012-2013 base-budgeted salary. The basis of the calculation is limited solely to participants' 2012-2013 base-budgeted salaries and shall not include any one-time bonus payments, overload pay, stipends, longevity pay, hazardous duty pay, summer school salary, or other miscellaneous payments. For full-time staff, the amount of the payment will equal six months of pay, less applicable taxes. For faculty employed on a nine-months' contract, the supplemental payment will equal 4.5 months of their nine-months' contracted salary, less all applicable taxes. No retirement plan deductions or matching contributions to TRS or ORP will be deducted from the supplemental payment. Benefits for those participating in the program will terminate on the last day of the month of separation.

Employees participating in the program who have not exhausted all their accrued vacation time may (1) use their vacation time before separation from the university or (2) receive an additional payment equal to their accrued time. Employees may use vacation time through the date of their formal separation from the university. (Faculty on nine-months' contracts do not accrue vacation time.)

The program will be announced and information distributed to university employees in January 2013. Those qualifying for the program will be notified by the Department of Human Resources. The deadline by which such employees must choose to participate in the program is March 1, 2013. By that date, employees must have informed their supervisor and Human Resources personnel in writing of their intent. Once employees declare their intention to separate, a formal agreement between the university and each employee will be written. Employees must sign the agreement no later than April 1, 2013. Once signed, the agreement is irrevocable.

Employees who do not inform The Department of Human Resources of their intent to participate in the program in the manner specified above forfeit their opportunity to participate in the program.

Budget Plan for FY13

As of November 14, 2012

Revenue Shortfall

E&G	<u>FY2013</u>
Designated tuition	-\$1,156,450
Total Shortfall	<u>-559,096</u>
	<u>-1,715,546</u>

Miscellaneous non-budgeted expenses	<u>-172,932</u>
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Total Needed	<u><u>-\$1,888,478</u></u>
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Proposed Budget Changes

Summer School pay modifications target	\$500,000
Course Fee balances	500,000
Swap E&G to HEAF	200,000
Swap designated expenses to restricted funds	250,000
Delay hiring for additional salary savings	200,000
No one-time 2% for higher-paid administrators	50,000
Use of Budgeted Savings Carryforward	<u>188,478</u>
Total Changes	<u>\$1,888,478</u>

Net balance	0
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Budgeted Savings Carryforward Funds	\$1,000,000	\$811,522
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**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Audit, Compliance, and Management Review Committee
November 15, 2012**

The Audit, Compliance, and Management Review Committee of 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 4:29 p.m., Thursday, November 15, 2012. Committee members in attendance were Mr. Sam Sanchez, Chairman; Mrs. Tiffany Burks (via teleconference); Mr. Charles Engelman; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Mike Bernhardt; Mr. Kenny Bryant; Mrs. Jane Carnes; Dr. Lynwood Givens; Mr. Shawn Hessing, and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Mr. Matthew Park, Associate Vice President for Student Affairs; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Mr. Steve Shelley, Director of Purchasing; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting was Dr. David Carlston, Assistant Professor of Psychology. Representing the student body were Mr. Anthony Gallina, Student Government Association (SGA) president, and Mr. Jeremy Sailor, SGA Observer. Representing the news media was Ms. Ann Work, *Times Record News*.

Chairman Sanchez called the meeting to order at 4:29 p.m.

Reading and Approval of Minutes

13-24. The minutes of the Audit, Compliance, and Management Review Committee meeting August 9, 2012, were approved as presented.

Historically Underutilized Business (HUB) Year-End Report – FY 2012

13-25. Mr. Sanchez noted that the committee previously discussed MSU's use of HUB vendors and a copy of the year-end utilization report was presented in the agenda. Dr. Fowlé pointed out the state HUB goals for the different commodity classes and indicated that in every instance MSU exceeded the state goal. She complimented Mr. Shelley and his staff for their efforts in this regard. This item was presented as a point of information only.

Report on Audit Activities

13-26. Mr. David Spencer, Internal Auditor, reported that his current activities are primarily directed toward the Southern Association of Colleges and Schools (SACS) audit. He stated that this is a joint project with the State Auditor's Office and it is a requirement for MSU's affirmation of accreditation. He stated that his portion of the work would be complete within the next two months and that the final report from the State Auditor should be released in February. Mr. Spencer indicated that Dr. Rogers previously mentioned the state of full-time equivalent state employees and noted the 13% reduction that was reported for MSU. He noted that the majority of the reduction was in staff employees. He added that the three other independent institutions in Texas were reported to have FTE increases of approximately 2%. Mr. Sanchez noted that this item was presented as a point of information only.

Report on Contract Activities

13-27. Mr. Sanchez noted that in August the board approved new contract policies and new contract administration procedures. Additionally, the regents were recently sent a copy of a proposed Interlocal Cooperation Agreement between MSU and the City of Wichita Falls for police services (see Attachment 1). He asked Mr. Macha to provide information regarding these items.

Mr. Macha reported that following policy approval in August the contract procedures were finalized and implemented. As reported in August, contract administration software is being utilized and more than 244 contracts have been reviewed, finalized, and monitored since the August meeting.

Mr. Macha presented the Interlocal Cooperation Agreement for police services. He noted that the agreement was modeled after a similar agreement between the University of Texas at Dallas and the Richardson Police Department. He stated that following approval by the Board of Regents the agreement would be reviewed and approved by the City Council.

Mr. Gregg moved approval of this agreement as presented. Mr. Charles seconded the motion.

Mr. Sanchez stated that he met with Chief Williams before the meeting and was pleased to learn the department was able to get upgrades in radio technology and communication equipment. He asked Mr. Macha who would be in charge if the city police came on campus. Mr. Macha responded that it generally depended on the situation. If local police come on campus to perform an arrest they will notify the MSU Chief of Police of their presence. If the local SWAT team was dispatched to campus, the city would maintain ultimate control of the team, but they would work in conjunction with the university police department.

The motion was approved.

Status of Construction Projects

13-28. The report of major construction projects was shown in the agenda and an update on other projects was presented as shown in Attachment 2. Mr. Owen noted that much of the information in the major construction report was covered earlier in the afternoon. He reported that the drilling of the Dalquest Research Site water well was complete and water was found in the first hole that was drilled. Mr. Owen then reviewed the update of smaller construction projects. He noted that the campus security lighting project is a new HEAF project this year and will add 23 light posts throughout campus to improve security. The EPA consortium project is a proactive stance on the part of the university administration to improve waste management of chemicals used on campus. Mr. Owen reported that in preparation for Stage 3 drought restrictions the university has investigated the wells on the athletic fields and will attempt to harvest some of the water from the wells to supplement the athletic field irrigation next spring and summer. Dr. Rogers noted that all of these smaller projects were budgeted under the category of deferred maintenance.

Mr. Bryant asked for an update on the administrations' contact with the City of Wichita Falls regarding the use of recycled water. Mr. Owen responded that his understanding was that funds were not available for the city to build the pumping station because funds were needed for the new airport terminal. Dr. Rogers added that the reusable water was not far away but the pumping station was needed for the university to have access.

Mr. Sanchez asked if the board could receive an update on the Master Plan at the February board meeting. Mr. Owen responded that the report included in the agenda was intended to be an update on the plan. Mr. Hessing asked that the report be expanded and show the status of all of the projects that were originally included in the plan. He also asked that the new report include information regarding funds allocated and expended.

MSU Policies and Procedures Manual Changes

13-29. Mr. Sanchez noted that during the committee's discussion of policies in August the committee asked the administration to ensure the university had appropriate policies in place related to recognizing, preventing, and reporting child abuse on campus. He reported that a new policy and a revised policy 4.169 were presented in the agenda for consideration.

Mr. Macha presented the proposed new policy regarding Protecting Minor Children on Campus. He commended Ms. Dianne Weakley, Director of Human Resources, on her work drafting this policy. Mr. Macha noted that this policy mirrored the policies that were approved for the *MSU Student Handbook* in August. He added that the requirement for employee training was included in both policies.

Mr. Gregg moved approval of these policy changes as presented. Mr. Engelman seconded the motion.

Mrs. Carnes asked why the administration was recommending that liability insurance no longer be required. Dr. Lamb responded that the university now purchases a group policy

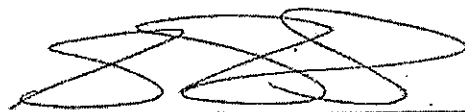
that covers every summer camp on campus and it is no longer required that organizations have individual coverage. Mrs. Burks asked if the training would be in-house or would be outsourced. Ms. Weakley responded that the administration began requiring this training of summer camp workers following the last legislative session. She indicated that the training is offered online.

There being no further discussion, the motion was approved.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 4:55 p.m.

Reviewed for submission:



Samuel M. Sanchez, Chairman
Midwestern State University
Board of Regents Audit, Compliance, and
Management Review Committee

ATTACHMENTS:

1. WFPD/MSU Interlocal Cooperation Agreement
2. Construction Update

STATE OF TEXAS §
 § INTERLOCAL COOPERATION AGREEMENT
COUNTY OF WICHITA §

This Agreement ("Agreement") entered into by and between the City of Wichita Falls, Texas ("City"), a Texas municipal corporation, and Midwestern State University ("MSU"), a coeducational institution of higher education organized under the laws of the State of Texas and located in Wichita Falls, Wichita County, Texas.

WHEREAS, the City and MSU desire to maximize the efficiency and effectiveness of police, fire and emergency medical services; and

WHEREAS, this Interlocal Cooperation Agreement has been authorized by the governing bodies of the City and MSU; and

WHEREAS, the Interlocal Cooperation Act (Texas Government Code, Chapter 791) authorizes units of local government to contract with one or more units of local government to perform governmental functions and services; and

WHEREAS, each party required to make any payments hereunder shall do so from current available revenue; and

WHEREAS, the parties have previously entered into an Interlocal Cooperation Agreement that has been amended from time to time; and

WHEREAS, the parties desire to enter into a new Interlocal Cooperation Agreement for public safety and municipal court services;

NOW, THEREFORE, in consideration of the terms and conditions contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Term:** The term of this Agreement shall be for one (1) year beginning on the last date all parties have executed this Agreement ("Effective Date") and shall automatically renew annually on the anniversary of the Effective Date for additional one (1) year terms unless either party gives written notice of termination thirty (30) calendar days prior to the expiration of the then current term.
2. **Jurisdictional Agreements:** The City and MSU agree to exchange and provide certain governmental functions and services in the following manner:
 - A. MSU Police Department ("MSU PD") will exercise non-exclusive jurisdiction over the property depicted in **Exhibit "A"** (MSU map) attached hereto.
 - B. MSU PD's exercise of jurisdiction over the property depicted in Exhibit "A" will consist of preventative patrol, response to routine/emergency calls for service; preliminary investigation of alleged offenses, traffic enforcement, accident investigation, follow-up investigation of all confirmed offenses, and the filing of case reports with the Office of the Wichita County Criminal District Attorney, as applicable.
 - C. In accordance with Section 51.203 (Campus Peace Officers) of the Texas Education Code, the primary jurisdiction of MSU campus peace officers includes Wichita County, Texas and within such jurisdiction such officers: (1) are vested with all the powers,

privileges, and immunities of peace officers; (2) may, in accordance with Chapter 14, Texas Code of Criminal Procedure, arrest without a warrant any person who violates a law of the state; and (3) may enforce all traffic laws on streets and highways (which includes the property depicted in Exhibit "A" and those public streets within the city limits of the City of Wichita Falls which are contiguous to the MSU campus; specifically Taft Boulevard, Hampstead Lane and Midwestern Parkway).

- D. In the event MSU PD requests assistance from the Wichita Falls Police Department ("WFPD") such as SWAT (for the purpose of crowd control, barricaded suspect, hostage incidents, etc.), to assist with any incident occurring on the MSU owned property, the command of any such unit will remain with the WFPD chain of command.
- E. Service of Arrest and Search Warrants: Unless otherwise required to respond to an emergency situation, MSU and WFPD will generally attempt to comply with the following guidelines:
 - (1) WFPD officers attempting to serve felony or misdemeanor arrest warrants on MSU property will first contact the Chief of Police of the MSU PD or the appropriate designee. Service of felony and misdemeanor arrest warrants will occur outside the classroom and in the presence of a MSU PD officer.
 - (2) One or more MSU PD officers will accompany WFPD officers during the execution of all search warrants occurring on MSU property.
 - (3) MSU PD officers attempting to serve felony or misdemeanor arrest warrants within the City Limits of the City, but off MSU property, will first contact the Chief of Police of the WFPD or the appropriate designee. Service of felony and misdemeanor arrest warrants will occur in the presence of a WFPD officer.
 - (4) One or more WFPD officers will accompany MSU PD officers during the execution of all search warrants occurring within the City Limits of the City, but off MSU property.

3. Communications:

- A. The WFPD will assign to the MSU PD a radio call number to be used when authorized to communicate on WFPD radio frequency.
- B. The Communications Division of the WFPD shall serve as the primary Public Safety Answer Point ("PSAP") for 9-1-1 calls original from residential properties within the City, including MSU properties.
- C. MSU PD shall provide space and personnel for the establishment of a secondary PSAP on a twenty-four (24) hour per day, seven (7) day per week basis.
- D. The City shall be responsible for the placement of orders for all 9-1-1 equipment and services for WFPD with AT&T or other applicable telecommunications company.
- E. The City shall provide primary call and dispatch service for all Fire and Emergency Medical service calls.
- F. The City shall forward all police related calls for service originating from residential or academic properties on MSU property to the MSU secondary PSAP.

4. Court Service:

- A. The City shall provide full municipal court services including municipal court prosecution for MSU for criminal cases consisting of moving traffic offenses which are:

- (1) violations of Subchapter E of Chapter 51 of the Texas Education Code or
- (2) rules and regulations promulgated under said subchapter.

If requested by MSU, the Wichita Falls Municipal Court shall separately account for all fines, cost, bonds, or other funds pertaining to said violations.

- B. The City shall provide the municipal court prosecution services including the preparation and filing of all complaints or other documents necessary for the municipal court prosecution of any moving traffic offense which is a violation of Subchapter E of Chapter 51 of the Texas Education Code, or any rules or regulation promulgated thereunder.
- C. The Wichita Falls Municipal Court shall notify the MSU offices through a mutually agreeable procedure of any cases scheduled before the municipal court.
- D. MSU shall provide the Wichita Falls Municipal Court with certified/authenticated copies of the rules and regulations adopted by the governing board of MSU pursuant to Subchapter E of Chapter 51 of the Texas Education Code, and any amendments thereto. MSU will cooperate in providing availability of its employees for Wichita Falls Municipal Court testimony who are witnesses in cases brought pursuant to this agreement. The Wichita Falls Municipal Court will send notices for required testimony to the Chief of Police of the MSU Police Department. The Chief of Police will coordinate distribution of the notice to appear to the relevant MSU employees.
- E. MSU shall comply with the Wichita Falls Municipal Court policies and procedures for the filing of citations and/or criminal cases pertaining to moving traffic offenses which are violations of Subchapter E of Chapter 51 of the Texas Education Code or any rules or regulations promulgated thereunder.
- F. As payment for the services to be provided by City to MSU under this Agreement, MSU agrees, to the extent allowed by law, that all fines and costs assessed and collected by the Wichita Falls Municipal Court shall be forfeited to the City in payment for said services.

5. Notice:

All notices required or permitted by this Agreement shall be in writing and be deemed received when deposited in the United States mail, postage prepaid, addressed to the following or such other person or address as the parties may designate in writing or by hand-delivery or facsimile transmission to the address set forth below:

If intended for the City: Mr. Darron Leiker
 City Manager
 City of Wichita Falls
 1300 7th Street, Wichita Falls, Texas 76301

with copy to: Wichita Falls City Attorney
 1300 7th Street,
 Wichita Falls, Texas 76301

If intended for MSUPD: Chief of Police
Midwestern State University
3410 Taft Blvd.
Wichita Falls, TX 76308

With copy to: General Counsel
Midwestern State University
3410 Taft Blvd.
Wichita Falls, TX 76308

6. **Amendment:** This Agreement may be amended by the mutual agreement of the parties in writing and attached to and incorporated in this Agreement.
7. **Laws Governing:** The validity of the Agreement and any of its terms or provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in Wichita County, Texas.
8. **Enforceability:** In the event that one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.
9. **Headings:** Paragraph headings are for convenience only and are not intended to expand or restrict the scope or substance of the provisions of this Agreement.
10. **No Third Party Beneficiaries:** Nothing herein shall be construed to give any rights or benefits to anyone other than the City and MSU. Failure to comply with any of the provisions of this agreement shall not invalidate any action taken pursuant to this agreement or grant any rights to any person suspected or charged with a crime.
11. **Entire Agreement:** This Agreement embodies the complete understanding of the parties hereto, superseding all oral or written previous and contemporaneous agreements between the parties and relating to the matters in this Agreement.
12. **Authorization:** By executing this Agreement, each party represents that they have full capacity and authority to grant all rights and assume all obligations that they have granted and assumed under this Agreement, and that this Agreement has been authorized by the governing body of the respective party.
13. **Counterpart:** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

EXECUTED this _____ day of _____, 2012.

CITY OF WICHITA, TEXAS

MIDWESTERN STATE UNIVERSITY

Darron Leiker, City Manager

Jesse W. Rogers, President

ATTEST:

APPROVED AS TO FORM:

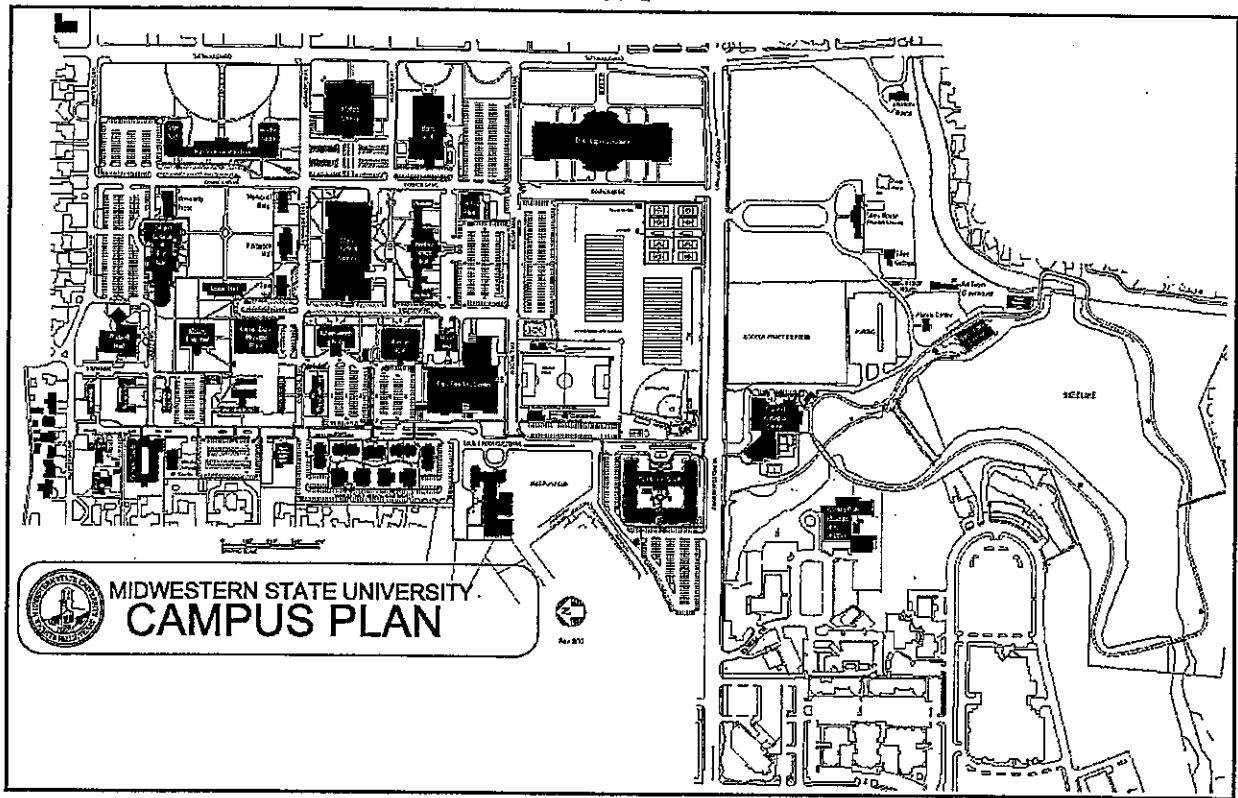
Lydia Torres, City Clerk

Barry L. Macha, General Counsel

APPROVED AS TO FORM:

Miles Risley, City Attorney

Exhibit "A"





3410 Taft Boulevard, Wichita Falls, Texas 76308-2099
Office: (940) 397-4648 Fax (940) 397-4859

Construction Projects Status Report – Item 13-28

Projects completed since August 2012 Board of Regents meeting include:

1. TEEPEE DRIVE RECONSTRUCTION (\$188k)
2. BIOLOGY HOUSE / INSTRUMENTAL MUSIC HALL DEMOLITION (\$113k)
3. CENTRAL PLANT DIESEL TANK REMOVAL (\$25k)
4. REROOFING OF FOUR SOCCER STADIUM BUILDINGS, TENNIS CENTER (\$37k)

ATHLETIC FIELD LIGHTING: - \$346k

- New lights on soccer and softball fields; City of Wichita Falls - 4B Board funds.
- Project substantially completed with training and close out documents remaining.

CAMPUS SECURITY LIGHTING PROJECT: - \$275k

- Add 23 lights to dimly lit areas of campus including around Martin, Akin, Bridwell, Bolin/Ligon parking lots, Louis J. Rodriguez Drive, east Comanche Trail near Taft Boulevard, and on the Sikes Lake spillway.
- Design 85% complete.

CHILL WATER EXPANSION JOINTS: - \$135k

- Replace rusty/missing bolts on 54 chill water system expansion joints.
- Design 95% complete.

ADDITIONAL PROJECTS <\$100k:

Projects in process scheduled for completion over the winter and spring include:

- EPA Consortium project (\$100k).
- Athletic fields electrical equipment replacement (\$72k).
- Central Plant chill water makeup tank abatement and replacement (~\$60k).
- Alternatives for Stage 3 drought restrictions (\$40k).
- Dillard 306 PC lab A/C improvements (~\$40k) during December break.
- Replacement of one failed Museum A/C unit (\$20k).
- Renovation of Kiowa in Clark Student Center (\$17k).
- Renovation of Financial Aid area to create a new office (\$10k).

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Academic and Student Affairs Committee
November 15, 2012**

The Academic and Student Affairs Committee of 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 4:55 p.m., Thursday, November 15, 2012. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman; Mr. Kenny Bryant; Mrs. Tiffany Burks; and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Mrs. Jane Carnes, Mr. Charles Engelman, Mr. Jeff Gregg, Mr. Shawn Hessing, and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Mr. Matthew Park, Associate Vice President for Student Affairs; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Mr. Steve Shelley, Director of Purchasing; Ms. Julie Gaynor, Director of Marketing and Public Information; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting was Dr. David Carlston, Assistant Professor of Psychology. Representing the student body were Mr. Anthony Gallina, Student Government Association (SGA) president, and Mr. Jeremy Sailor, SGA Observer.

Chairman Givens called the meeting to order at 4:55 p.m.

Reading and Approval of Minutes

13-30. The minutes of the Academic and Student Affairs Committee meeting August 9, 2012, were approved as presented.

Faculty Senate Report

13-31. Dr. James Owen, MSU Faculty Senate Chairman, presented information as shown in Attachment 1. Dr. Owen then noted an item not included in the written report regarding the proposed change by the administration of the number of students required to be enrolled in a summer class. He indicated that this matter was presented to the Faculty Senate earlier in the week and that he had received a number of questions about this change. He stated that he did not understand why 15 students would be necessary for a class to make. Dr. Rogers responded that he failed to mention this during the previous

budget discussion. He noted that the administration had recommended raising the required undergraduate class size in the summer from 10 students to 15 students. The requirement of five students for graduate classes would remain the same. He added that he and Dr. Stewart had received comments from faculty as well and are continuing to review the matter. He indicated that he would get back to the Senate on this matter soon.

Mr. Bryant asked Dr. Owen about the general morale of the faculty. Dr. Owen responded that, compared to previous years, faculty morale is not as good. He added that there are likely pockets of the campus where morale is better or worse than others.

Mr. Bernhardt asked Dr. Owen to elaborate on item 10 in his report regarding faculty having difficulty gaining access to library resources for research in their disciplines. Dr. Owen noted that while the Dillard College of Business Administration has outside funding that has provided resources to purchase materials, other departments, such as political science, do not have access to such funding. Faculty have expressed concern about this, particularly with the increased focus on undergraduate research.

Mr. Engelman stated that in reading *The Wichitan* and Dr. Owen's report he gathered that the Faculty Senate is very critical of not only the administration but also the Board of Regents and how the budget has been handled. Dr. Owen responded that he did not think the Senate was so much critical as they were lacking understanding of the budget situation. Mr. Engelman stated that he understood from an article in *The Wichitan* that the Senate was going to develop suggestions on modifying the budget. He indicated that he was certainly open to suggestions and asked when the Senate might have suggestions to present. Dr. Owen responded that faculty representation on the Budget Oversight Committee has increased and this is providing greater input by the faculty in the budget process. Dr. Rogers stated that the Budget Oversight Committee recently had its first meeting of the year and added that Dr. Fowlé has some excellent ideas on how to involve people in the budget process, to include budget hearings.

Mr. Sanchez asked about item seven and the hostile communication through social media. He asked if this was campus social media. Dr. Owen responded that it was not and that it was generally through Twitter and Facebook. He added that the e-mails tend to come from outside sources such as Gmail.

Dr. David Carlston asked to follow up on the comment regarding faculty morale and frustration. He noted that the vote following the presentation of the Faculty Enhancement Plan was the first time the Faculty Senate had unanimously rejected something that was proposed by the president. Dr. Carlston indicated that he would like to give some background as it relates to earlier questions regarding the withholding of the 2% supplemental pay from the higher paid administrators. He reported that early in the fall semester faculty were called to a meeting and were presented with the Faculty Enhancement Plan. During the meeting faculty were told repeatedly that owing to a "lack of foresight, error, and misjudgment" the university had a \$1.8 million budget deficit. The proposed plan at that point was to reduce summer teaching compensation significantly to a block step level amount. There was no talk at that time about

administrative cuts although the presentation was riddled with admissions of "lack of oversight, mismanagement of enrollment, and errors of judgment." Shortly thereafter the Faculty Senate rejected the proposal. As the president visited the colleges it was proposed that a faculty committee be elected or identified to work with the administration on the summer compensation issue. Dr. Carlston noted that each college did not have the opportunity to select their representative and that the committee was selected by the Faculty Senate Executive Committee. The selected committee worked with the administration and the agreed upon model was presented to the Faculty Senate on Tuesday in an unannounced Faculty Senate meeting. He stated that the committee's support of the proposal hinged on the understanding that the 2% compensation would be withheld from the higher paid administrators. The decision to withhold was based on the idea that the faculty was being asked to make concessions and that this would be a concession on the part of the administration. He indicated his understanding of the board members' concern that all university employees had been promised the 2% supplemental pay, but added that by changing summer compensation, the annual earnings of approximately three-fourths of the university's faculty would be lowered. He stated that if the 2% pay was not withheld from the administration it would have a significant negative impact on faculty morale and frustration.

Mr. Engelman stated that the lack of foresight he saw that affected the budget was the fact that fewer students enrolled than were anticipated. Dr. Carlston responded that "lack of foresight" was not his word and that it was used by Dr. Rogers in his presentation to the faculty. He stated that there is an item in the agenda regarding enrollment management and how it is being enhanced. He noted that from a faculty perspective, the institution had a vice president who was overseeing enrollment management, direct marketing to prospective students was curtailed several years ago because of budget constraints, a new vice president was added for enrollment management, and marketing and recruiting is now being outsourced to another company. He stated that he did not think there was foresight or any significant effort to fill the spots vacated by graduating students. He added that in terms of budget decisions, the Director of Admissions was not aware of the target enrollment needed to meet the current year's budget.

Dr. Given's asked who Dr. Carlston was representing and Dr. Carlston responded that he was representing himself. He stated that he had attempted to provide an accurate report of the events that had transpired during the last couple of months and to give the board his perspective on the issues. He added that he previously served on the Faculty Senate and the Executive Committee.

Mr. Gregg thanked Dr. Carlston for presenting his opinions to the board. Dr. Rogers stated that he appreciated that Dr. Carlston communicates with him in person or by name in written communications. Mr. Hessing added his appreciation to Dr. Carlston for his comments. He stated his concern that some of the things Dr. Carlston mentioned may have been misinterpreted. He noted that he had a problem with the word "mismanagement." He added that he had not seen any sign of the administration or board mismanaging the budget. Dr. Carlston responded that Dr. Rogers used the term in his presentation to the faculty and specifically stated that enrollment management was

mishandled, which caused budgetary problems. Mr. Hessing stated that "mismanagement" was likely a poor choice of words. He noted that he was also concerned with Dr. Carlston's comment about "outsourcing." He stated that the administration has hired a consulting firm to review the university's enrollment management processes and provide feedback. He indicated that he did not see this as outsourcing. Dr. Carlston responded that this may also have been a poor choice of words. He stated that it was surprising to him that a vice president position was added at the same time consultants were hired. He added that the perception of the faculty is that there has been growth of vice presidents and associate vice presidents at a time of enrollment and budget decline. Dr. Carlston stated that the faculty would appreciate a more participatory and transparent role in budgeting. Mr. Hessing asked if the changed committee process would provide such participation. Dr. Carlston responded that while presentations regarding budgets have been made to the Faculty Senate in the past, they have not received information regarding expenditures. He stated that without knowing how funds are spent, it is difficult for the faculty to accept the message that "we are all in this together," particularly when faculty salaries are being reduced while administrators are added and salaries increase. Mr. Hessing noted that everything the board deals with is a matter of public record and that faculty and staff are welcome to attend the board's meetings and listen to the discussion. He stated his commitment to involve the faculty in the budget process in a reasonable and fair way. Mr. Hessing indicated that if the faculty would like to speak with him he would be glad to meet with them. He added that he wanted to hear the faculty's suggestions as Mr. Engelman mentioned earlier. Dr. Carlston responded that the faculty would appreciate the opportunity to bring their suggestions forward. He thanked the board for the opportunity to speak.

Staff Senate Report

13-32. Mr. Dirk Welch, Staff Senate Chairman, reported on the following.

- The Senate has enjoyed special guest speakers at their fall meetings to include Dr. Rogers, Dr. Fowlé, Dr. Stewart, and Ms. Weakley. Each of these speakers presented valuable information that the senators can share with the staff.
- The Staff Senate has continued to recognize staff for a job well done through the You Make a Difference Award.
- In October the Staff Senate endorsed the Faculty Senate's resolution condemning any forms of bigotry and affirming support for the Caribbean students.
- Two scholarships will be given to staff members in the spring and applications are currently being accepted.
- The Senate is supportive of any endeavors that are made to help faculty and staff make a well informed decision regarding the Voluntary Separation Program.

Student Government Report

13-33. Mr. Anthony Gallina, SGA president, presented the following information.

- A new hydration station was recently installed in the Clark Student Center. This was an SGA project last year. He stated that 220 plastic bottles were filled in the first two weeks. He added that if this station is a success, additional stations will be installed on campus.
- The SGA is in the early stages of planning a bicycle program to allow students to park in lots that are farther from the interior of campus, ride a bicycle to class, and leave the bicycle on a rack for other students to use.
- The SGA would like to do more with the campus-wide recycling program and plan to work to get more recycling bins on campus.
- Mr. Gallina reported on plans to create a video address for the student body early in the spring semester. He noted that the video would provide information regarding current SGA activities and would be available for online viewing.

Athletics Report

13-34. Mr. Charlie Carr, Director of Athletics, noted that the campus is faced with difficult times and that difficult decisions must be made. He indicated his hope that athletics would have the opportunity to be a part of the solution. He stated that the football team would travel the next day to play in a post-season game. He indicated that they would represent the university well and bring positive recognition to the institution.

Mr. Carr reported that an open house for Ligon Coliseum was held in October, with a great turnout. He distributed a new athletics brochure and thanked Ms. Gaynor for her assistance with the brochure. He added that the brochure was mailed to 20,000 individuals and the university has received responses with donations.

Enrollment Reports – Fall 2012

13-35. The enrollment report for the fall was shown in the agenda. Dr. Lamb stated that fall enrollment was down by 4.5%. The beginning freshmen numbers stabilized compared to 2011 but are still down when compared to 2010. He reported that he was pleased with the initial direct marketing campaign that has gone to 10,000 prequalified, potential students. He indicated that the university has seen a 6% return rate, which is higher than anticipated. He added that of the 6%, approximately 2.5 % have submitted applications to the institution. He reported that given these results, another campaign will begin after Thanksgiving with mailings to an additional 50,000 potential students. Dr. Lamb noted that because of the current class sizes, particularly the small sophomore and junior classes and large senior class, even if the university grows by 150 beginning freshmen in the fall, enrollment would likely remain flat. He added that if the administration and board relies on the physical campus to grow enrollment it will take at least two years to grow back to 6,000 students.

Dr. Givens stated that he was pleased with Dr. Lamb's enrollment management plan. He noted that he found it to be broad and comprehensive.

December 2012 Graduating Class

- 13-36. The administration recommended approval of the list of candidates for December 2012 graduation as presented. Dr. Givens reported that 518 students were on the list compared with 554 in 2011.

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

MSU Student Handbook Changes

- 13-37. Changes to the *MSU Student Handbook* were recommended for approval as shown in the agenda document. Dr. Lamb reported that much of the change was a cleanup because of department name changes. The change in item one related to the university's requirement of students to live on campus. He added that the policy is based on empirical research that shows students who live on campus tend to persist at a greater rate and have higher graduation rates than students not living on campus. He stated that while a number of students live at home and commute to campus, it was important to include a geographic restriction. In item three, the current policy allows students to move off campus once they have earned 45 semester credit hours. Dr. Lamb noted that an increasing number of students earn college hours while in high school. He stated that it is important for students to live on campus for at least one and one-half years. The proposed policy change will clarify that the student must earn 45 hours after high school.

Mr. Sanchez moved approval of these changes as presented. Mrs. Burks seconded the motion.

Mr. Sanchez asked why 60 miles was recommended in item one. Dr. Lamb responded that 60 miles was a reasonable commute. Dr. Owen added that a 60 mile radius is used in research to identify the Wichita Falls market area.

There being no further discussion the motion was approved.

MSU Policies and Procedures Manual Changes

- 13-38. Changes to the *MSU Policies and Procedures Manual* were recommended for approval. Dr. Lamb noted that the new policy was necessary to reflect the reorganization of the institution which was approved in FY 2012. He indicated that the policy outlines the Student Affairs and Enrollment Management division of the university.

Mr. Bryant moved approval of the policy change as presented. Mrs. Burks seconded the motion and it was approved.

Adjournment

There being no further business, the Academic and Student Affairs Committee discussion concluded at 6:00 p.m.

Reviewed for submission:



F. Lynwood Givens, Chairman

Midwestern State University

Board of Regents Academic & Student Affairs Committee

ATTACHMENT:

1. Faculty Senate Report

**MIDWESTERN STATE UNIVERSITY****Faculty Senate****Summary of Faculty Senate Activities: August 2012 through November 2012**

1. The University budget and budget related issues continue to be the highest priority of Faculty Senate discussions. The Faculty Salary Enhancement Plan that was initially proposed was rejected by the Senate with 23 negative votes and 1 abstention, with the caveat that we recognize the university's financial situation and are willing to participate in developing alternative plans to help address financial adjustments that are necessary. The minutes of the Senate's October 2012 minutes (as well as minutes from previous meetings) are available under the employee icon on the MSU Homepage and contain several comments from faculty members as well as Senators. The Senate continues to recommend that university parking for staff members, particularly those in low pay ranges, be provided at no cost to the employee.
2. The Senate has recommended that Dr. Rebecca Dodge, Associate Professor, Geosciences be the MSU nominee for the Minnie Stevens Piper Foundation Award. She is well into completing the materials required for this nomination. The recipients will be announced sometime during spring 2013.
3. Changes required in the university core curriculum continue to be of serious concern within the Faculty Senate for several reasons. Chief among these is the adverse impact the changes have relative to our mission as the Public Liberal Arts University in Texas. Additionally, as state provided financial resources continue to decline, it appears that state supervision and mandates continue to increase without an opportunity for conversation regarding the equity of state regulation in the context of state funding reductions.
4. The Faculty Senate is exploring the possibility of inviting Mr. Munir Lalani as a guest speaker to a future Senate meeting, since he is now a member of the Texas Higher Education Coordinating Board. Core curriculum changes and other mandates are among the issues for which the Senate would like to provide input.
5. The Faculty Senate has provided nominations of faculty members from which Dr. Stewart has selected committee members to complete the scheduled review of MSU Tenure and Promotion Policies. Dr. Ruth Morrow is the Senator who is a member of this committee and the review process is now under way.
6. An ad-hoc committee of Senators has developed a survey instrument that will be reviewed by the Senate at our December meeting for possible use in conducting a Faculty Satisfaction Survey during the spring 2013 semester.
7. Faculty Senate attention during the September 2013 meeting included a focus on selected social media communications that included racial discrimination overtones and/or outright statements directed toward Caribbean students at MSU. The Senate adopted a resolution that recognizes the importance of free speech but "unequivocally condemns racism, sexism, homophobia, and all other forms of bigotry" and also affirms our solidarity with our MSU Caribbean students. The resolution also recommends that disciplinary and preventative measures be taken where appropriate.
8. At the November meeting, Dr. Keith Lamb gave a presentation regarding student enrollment at MSU, focusing on current enrollment issues and plans for student recruitment in the coming months.

9. Beginning with the meeting in September, the Senate has become aware of additional issues related to various types of communications arriving on campus that are directed to specific professors, groups, and individuals. Most recently, several Senators have received anonymous emails and direct deliveries that contain remarks that attack, berate, and/or intimidate the recipient. At the November meeting, the Senate adopted a motion that "... condemns the use of anonymous email and letters for the purpose of intimidating students, faculty, staff, and administrators of Midwestern State University." Among the reasons for this action is to distance the Senate from what might be perceived as any implied approval due to silence.

10. Some departments within MSU are experiencing difficulty gaining access to academically recognized materials needed to conduct research projects within their disciplines. With undergraduate research being the primary focus of the MSU Quality Enhancement Plan (QEP), lack of access to library resources such as these may become a significantly limiting factor with respect to student and faculty activities.

Respectfully,

Jim Owen
Faculty Senate Chair

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

November 15, 2012

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 1:30 p.m., Thursday, November 15, 2012. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt; Mr. Kenny Bryant, Secretary; Mrs. Jane Carnes; Mr. Charles Engelman; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Sam Sanchez; and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Mr. Matthew Park, Associate Vice President for Student Affairs; Mr. Charlie Carr, Director of Athletics; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Sara Webb, Business Manager for Facilities Services; Mr. Steve Shelley, Director of Purchasing; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting were Dr. David Carlston, Assistant Professor of Psychology, and Dr. George Diekhoff, Chair and Professor of Psychology. Representing the student body were Mr. Anthony Gallina, Student Government Association (SGA) president, and Mr. Jeremy Sailor, SGA Observer. Representing the news media was Ms. Ann Work, *Times Record News*.

Chairman Hessing called the meeting to order at 1:30 p.m. and Ms. Gaynor introduced the guests.

Opening Comments

Mr. Hessing welcomed everyone to the board meeting and specifically welcomed Dr. Fowlé to her first regular board meeting. He added that Regent Burks' flight was cancelled and she would join the board committee meetings by telephone later in the afternoon.

Public Comment

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

Discussion of Higher Education Issues

13-02. Mr. Hessing reported that he placed this item on the agenda for the board to have a forum to discuss various higher education issues. He mentioned that enrollment is an issue throughout the state and nation. He noted that Dr. Rogers sent the board information from the Texas Higher Education Coordinating Board (THECB) regarding preliminary 2012 higher education enrollment in Texas. This information showed that 1.55 million students were enrolled in public and private universities, community and technical colleges, and medical, dental, and health related institutions in Texas in the fall 2011. The preliminary numbers for the fall 2012 showed an increase of just over 12,000 students. He noted that there may be a number of factors for this very small increase, such as the economy, population, and the availability of jobs. Mr. Hessing stated that MSU's enrollment declined again in the fall and the board would discuss enrollment later in the meeting.

Dr. Rogers commented that since the university had a record enrollment in the fall 2010, the university has had two record graduating classes and has not replaced graduating students with additional transfer or freshmen students. The administration has focused efforts to aggressively recruit students to MSU. Dr. Rogers reported that the administration plans to add a petroleum engineering option within the mechanical engineering program, as well as a petroleum geology emphasis in the geology program. He added that there is additional student demand in the nursing, respiratory care, and radiologic science programs. He noted that an announcement would soon be made of a gift designated for the expansion of offerings in the health sciences.

Dr. Rogers reported that at a recent president's council meeting the presidents of three of MSU's sister schools reported that the on-campus enrollment at their institutions had been in decline while overall enrollment had increased through larger distance education offerings. He indicated that while he would like to see every one of MSU's students on campus, there is a growing demand for distance education. Mr. Hessing noted that his oldest daughter earned her baccalaureate degree at MSU and is now working on her master's degree through Kansas State University distance education. He added that there is a real need for these programs. Mr. Sanchez noted that a recent article in *Time* magazine discussed distance education and reported that while many people think it is the future of higher education, there are some distance education programs that offer little value. He encouraged the board and administration to be certain that whatever is offered at MSU is high quality and provides value added.

Mr. Hessing stated that in 2011 Governor Perry asked universities in Texas to offer a \$10,000 degree, including the cost of books. He reported that ten institutions in Texas now offer such programs, none include books. He stated that after reviewing these programs it appears that they either require up to 60 hours of college credit earned while in high school, junior college work, or work experience, or the students must have high college entrance exam scores, major in certain fields, meet challenging prerequisites, and qualify for scholarships. He noted that Dr. Rogers had indicated that the administration is working to develop a \$10,000 degree program that will fit Midwestern State University. He stated that he looked forward to seeing what will be developed.

Mr. Hessing asked board members if there were additional higher education issues they would like to discuss. Mr. Sanchez noted that the possibility of MSU being part of a university system warranted discussion. He indicated that while being in a system would not necessarily solve all of the university's challenges, the board should at least consider the affect being in a system could have on enrollment, athletics, funding, and other areas. Mr. Hessing noted that this topic was also on his list of matters to discuss. He stated that MSU is one of only four institutions in the state of Texas that is not in a system. He indicated that while there is currently no pressure on any institution to join a system, several systems have indicated an interest in MSU. He added that he would not be in favor of anything that would make MSU less of an institution. Mr. Sanchez indicated that if being in a system could provide additional funds and increase MSU's offerings, it is something the university should look at and consider. Mr. Engelman stated that the Wichita Falls community has a great deal of pride in Midwestern State as an independent institution. He expressed concern that local donors might not be as generous in their giving to the university if MSU was part of a system. He indicated that from a financial standpoint the university would likely lose by being in a system. Mr. Bernhardt added that schools throughout the state, regardless of whether they are in a system or not, are struggling financially. He added that he thought it was a matter the board should at least consider. Mr. Bryant stated that he would like for the board to gather the information so that they could fully consider the matter.

Mr. Hessing asked Dr. Rogers to address the financial issue of systems. Dr. Rogers reported that institutions pay a fee to be a part of a system. MSU's annual cost to be in a system would likely be approximately \$450,000. A system then would provide certain services to MSU, such as legal support, investment pooling, and purchasing advantages. MSU would not be given money for academic programs as funding from the state would continue to be received based on credit hour production. He added that there is potential political gain by being part of a system but there would not be immediate financial gain. He added that if MSU were part of a system with a large flagship university it would be possible that MSU's undergraduates could automatically qualify for graduate fellowships at the flagship in certain programs.

Mrs. Carnes asked what would happen to the MSU Board of Regents if MSU became part of a system. Dr. Rogers responded that the local board would be dissolved. Mr. Hessing added that a system such as Texas State University System has board members representing areas of the state where system institutions are located. However, that is not required. Mrs. Carnes stated that she perceived this as being similar to what happened with the banking industry whereby all of the small, independent banks were taken over by the large institutions.

Mr. Hessing noted that while there is no pressure on MSU to do anything at this time, this is an important dialogue. He stated that legislative action would be necessary to move an institution into or out of a system. At this time no one in the legislature or the governor's office has contacted the administration or board regarding MSU being in a system. He

added that all of the public institutions in the state of Texas are struggling with the same things MSU is struggling with.

Dr. Rogers stated that while he did not foresee the time when MSU would be forced into a system, he would want the administration and board to determine which system was the best fit for MSU should a change be required in the future. He noted that all of the systems operate slightly different and are structured differently. Mr. Hessing indicated the Dr. Fowlé had worked in a system environment and asked for her comments. Dr. Fowlé stated that the vice presidents and president work directly with the board at MSU while at a system there is another level of bureaucracy.

Mr. Sanchez indicated that while he was not necessarily sold on the idea of systems, he felt that as stewards of the university the board should consider all options to determine what is best for the institution. Mr. Bryant asked what the board should do to fully consider the options. Mr. Hessing indicated that the board could ask Dr. Rogers to make some contacts and gather information for the board. Dr. Givens stated that he did not want the board to ask the president to make contact with the various systems, but that he would like to see some data. He added that he did not want to give any indication that the MSU board was interested in the university going into a system. Mr. Hessing expressed his agreement and asked Dr. Rogers to provide additional information to the board regarding systems.

Mr. Sanchez stated that as the university discusses enrollment he would like to discuss the possibility of expanding athletics. He noted that if there is a groundswell of support for a new sport that could bring additional students to MSU, the board should seriously discuss the possibilities. Dr. Rogers responded that in the past people have asked why an institution would consider increasing sports offerings when higher education funding is limited. However, sports offerings attract students who would not otherwise attend the university and they also expand the university's outreach. One of the challenges is that outside funding must be raised to fund additional scholarships, travel, and supplies for new sports. However, student athletes pay tuition and fees and provide additional income for the university. As an example, he noted that 36 scholarships are awarded in football while 126 students attend the university in the hopes of making the team. These student athletes must complete 30 semester credit hours each year to be eligible the following year.

Mr. Bryant asked if there were more student athletes on the cross country team than there are scholarships. Mr. Carr responded that all of the team members are on some amount of scholarship, although the individual amounts may not be very much.

Mr. Hessing stated that the board could have a discussion of baseball in February. However, he added his concern that with all of the challenging issues the university is facing, the addition of a sport could be a distraction, although it could be something to help with enrollment. Dr. Givens asked the administration to analyze the cost of athletics and the revenue it generates. He stated that he was not convinced that the athletics program brings revenue into the university, although he was not convinced otherwise.

Dr. Rogers indicated that the administration would provide such an analysis. Mr. Sanchez added that he would like to have a report and discussion in February about the athletic conference.

Gift of Property

13-02. Mr. Hessing reported that a group of local individuals previously contributed funds to the MSU Foundation to purchase a 2.3 acre piece of property just south of the museum for the benefit of the university. The MSU Foundation, Inc. board took action to donate this land to the university and a copy of this action was shown in the agenda. He noted that the MSU board's action to accept this land was required to finalize the transfer of ownership.

Dr. Rogers expressed appreciation to the foundation for this donation. He indicated that this was the last piece of available land on Sikes Lake and it would be an important acquisition for the university in the future.

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

Executive Session

13-03. Mr. Hessing noted that discussion of items in closed session would be postponed until later in the meeting.

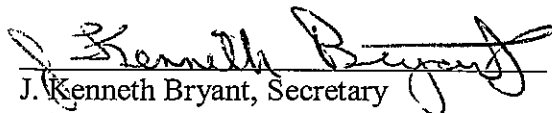
Recess

The meeting recessed at 2:18 p.m.

Adjournment

Owing to the lateness of the hour, an executive session was not held and the meeting adjourned at 6:00 p.m.

Reviewed for submission:


J. Kenneth Bryant, Secretary
Midwestern State University
Board of Regents

**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY**

November 16, 2012

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Friday, November 16, 2012. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Mrs. Tiffany Burks (via teleconference); Mrs. Jane Carnes; Mr. Charles Engelman; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Sam Sanchez; and Student Regent Holly Allsup.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Pam Morgan, Associate Vice President for Outreach and Engagement; Mr. Matthew Park, Associate Vice President for Student Affairs; Mr. David Spencer, Internal Auditor; Mr. Barry Macha, General Counsel; Ms. Dianne Weakley, Director of Human Resources; Dr. Jim Owen, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Gail Ferguson, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Faculty members attending the meeting were Dr. Laura Fidelie, Assistant Professor of Criminal Justice; Dr. Roberto Fuertes-Manjón, Professor of Spanish; Ms. Vicki Sanders, Assistant Professor of Radiologic Sciences; Dr. Beth Veale, Associate Professor of Radiologic Sciences; Dr. Nathan Jun, Assistant Professor of Philosophy; Dr. Paul Guthrie, Associate Professor of Psychology; Dr. David Carlston, Assistant Professor of Psychology; Dr. George Diekhoff, Chair and Professor of Psychology; and Dr. Frank Wyatt, Professor of Exercise Physiology. Representing the student body was Mr. Jeremy Sailor, SGA Observer. Representing the news media was Ms. Ann Work, *Times Record News*. Special guest for the first portion of the meeting was Mr. David Dowler, a Principal with Luther King Capital Management.

Chairman Hessing called the meeting to order at 9:00 a.m. and Ms. Gaynor introduced the guests.

Opening Comments

Mr. Hessing welcomed everyone to the meeting and thanked them for their participation, discussion, and action at the committee meetings Thursday. He noted that this had been a busy fall and thanked the board members for their participation in many activities, including the visit to campus by Speaker Straus, the MSU football game at Cowboy's stadium, Homecoming, the Ligon Coliseum Open House, and the President's Excellence Circle dinner.

Public Comment

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

Reading and Approval of Minutes

13-39, 40 and 41. Minutes of the Board of Regents meetings August 9, August 10, and September 18, 2012, were approved as presented.

Presentation - Luther King Capital Management (LKCM)

13-42. Mr. Hessing thanked Mr. David Dowler for traveling to Wichita Falls to discuss the Redwine Fund investments. Mr. Dowler distributed information as shown in Attachment 1. Mr. Dowler expressed appreciation for the opportunity to meet with the board and indicated he was appreciative of the responsibility for investing the Redwine Funds. Mr. Dowler noted that the firm was founded 1979 by Luther King. The first account was in Ft. Worth and that is where the home office is still located. The firm has grown over time and now serves 350 clients and manages more than \$10 billion.

Mr. Dowler reported that the country has gone through a very challenging and difficult downturn, but that the situation has gradually turned around. He stated that consumer confidence is at a five year high, while still low historically. While retail sales, automobile sales, housing, and employment rates have improved, we are still in a difficult situation, although in a better place than one year ago. He noted that there is \$2.5 trillion in cash on corporate balance sheets of the S&P 500. He stated that uncertainty is preventing these firms from spending cash and creating more jobs. While earnings have been surprisingly good this year, everyone is a bit nervous owing to the potential "fiscal cliff" and what will happen next year. Interest rates continue to be low and mortgage rates just reached a new low. He added that the energy industry is in a long-term expansion which should be good for the country and create jobs.

Mr. Dowler noted that the concerns on his list can easily trump the relatively favorable, gradual growth prospect for the economy. He stated that the "fiscal cliff" is approximately \$600 billion if all of the different measures are included. He added that while Europe has stabilized quite a bit, the forecasters are looking at very weak growth in the near future. Economic growth in China has slowed and that has implications since they are now the third largest economy in the world.

Mr. Dowler stated that as his firm looks at the markets and evaluation of the equities, they believe they are reasonably valued. He added their belief that the bond market is significantly overpriced and it is related to the Federal Reserve saying they are going to continue to buy debt to keep rates down. Reports are that they plan to keep rates down through 2015. Mr. Dowler indicated he did not think that would happen because the economy will improve and rates should improve by 2014.

Mr. Dowler reviewed the attachment and noted on Page 2 that as of October 31, market value of the Redwine Endowment was \$9,472,790. He stated that the firm had been entrusted with additional funds and they had been gradually putting the new money to work. Pages 3 and 4 report purchases for the year. Page 5 reports the use of the LKCM Fixed Income Fund to invest the institution's bond money, and Page 6 reports the sales

for the year. Page 7 reviews the equities and shows the concentration of funds in the various sectors. Mr. Dowler reported that his firm is considered a conservative manager and that they attempt to maintain a balanced portfolio. Page 8 and 9 reports the holdings within the various sectors. He noted that a great deal of the firms have name brand recognition, but added that his firm has 17 research analysts constantly working to find fast growing smaller companies. Page 11 shows the fund's top 15 holdings and presents an idea of what LKCM is trying to do for the endowment. He stated that LKCM focuses on return on shareholder's equity. He noted that the table on Page 11 reported a mean for the fund of 24 compared to the S&P 500 Index of 16. He noted that, in general, the companies the university's money is invested in are more profitable than the average S&P company. He stated that they generally do not want companies to achieve a return through a great deal of debt, and that they also look to companies that grow faster than the average company. He commented that by buying equity in superior companies and watching them carefully, theoretically there should be a good return over time.

Page 12 compares the portfolio composition of the Redwine Fund with that of the S&P 500. He noted that 3.2% of the S&P 500 is in small/medium companies; whereas Redwine Fund has 11%. Page 15 provides one way to look at performance on the fund since the first distribution was made to Luther King in November, 2010. Page 16 provided a slightly different format. The last page of the report was a snapshot summary of the LKCM Fixed Income Fund which gives the Redwine Fund representation in the bond market.

Mr. Dowler concluded his presentation by stating that the forecast is difficult and uncertain. He noted that the underlying basics of the business cycle and corporations are strong, but unless there is resolution to the "fiscal cliff" matter, the market could decline by 10-20%. He added that his firm believes that the university's 70/30 guideline for investing the fund is the right one.

Mr. Engelman noted that early in the investment process the university did not opt to participate in the alternative investments with Luther King. He asked if the university could review the paperwork and determine if such investments might be appropriated. He added that the university now has general counsel on staff and this might assist in the review process. Mr. Dowler stated that private equity investments can have merit and that his firm's counsel would be glad to work on the contract specifics with the university's counsel. Mr. Engelman asked Mr. Dowler to forward the paperwork to Dr. Fowlé for additional review.

Mr. Sanchez asked if the cash investments shown on page 10 were the funds they were holding until the funds were fully invested. Mr. Dowler responded that they were. Mr. Sanchez asked if the university was earning interest on these funds. Mr. Dowler responded that the university was earning interest, but the amount of interest is minimal.

Mr. Engelman noted that page 15 reports the initial value of the funds invested with Luther King as being \$2.3 million and he thought the amount was \$3.1 million. Mr. Dowler noted that \$2.3 million was the amount that was invested on the first day. Mr. Hessing added that the university sent an initial distribution and additional funds were transferred at a later time.

Mr. Hessing thanked Mr. Dowler for taking time to visit with the board.

Executive Committee Report

Mr. Hessing noted the item presented at the Executive Committee meeting for committee approval only. Information concerning this item may be found in the minutes of the Executive Committee meeting held November 15, 2012.

Item Presented for Committee Approval Only

13-05. Committee Minutes

Executive Committee Consent Agenda

Mr. Hessing recommended the following items approved by the Executive Committee and placed on the Consent Agenda for the board's consideration.

- 13-06. Wichita Falls Museum of Art at MSU Advisory Board of Directors - approved the appointment of individuals to serve on the advisory board as presented.
- 13-07. Construction Manager at Risk – McCoy Expansion and Christ Academy Remodel – approved awarding a contract for construction management of the McCoy Expansion to M&F Litteken, and further approved pushing the construction of Phase I of the Christ Academy Remodel forward until a later time.
- 13-08. Parking Lot Project – authorized a contract with Duke Construction at a value not to exceed \$550,000.
- 13-09. Electrical Utility Contract – authorized the president to sign a contract with an electricity provider on behalf of the university as presented.

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

Finance Committee Report

Mr. Bernhardt noted the items presented at the Finance Committee Meeting for committee approval and information only. He also noted an item not acted on by the Committee. Information concerning these items can be found in the minutes of the Finance Committee meeting held November 15, 2012.

Item Presented for Committee Approval Only

13-10. Committee Minutes

Items Presented for Information Only

- 13-11. Summaries of Financial Support
- 13-12. Redwine Quasi-Endowment Fund Report

Item Not Acted on by the Committee

13-23. Budget Discussion

Finance Committee Consent Agenda

Mr. Bernhardt recommended the following items approved by the Finance Committee and placed on the Consent Agenda for the board's consideration.

- 13-13. Financial Reports – accepted the monthly financial report for July, 2012.
- 13-14. Investment Report – accepted the fourth quarter 2012 Investment Report.
- 13-15. Investment Policies – approved the recommended changes to Policy 4.182 and asked that references to “Investment Committee” in Policy 4.196 be changed to language identifying the Board of Regents committee with investment oversight responsibility.
- 13-16. Addition of Asset Holding Account – added Charles Schwab to the list of approved Asset Holding Account companies for MSU.
- 13-17. FY 2013 Items \$50,000 & Under – ratified the budget changes as presented.
- 13-18. Personnel Reports and Changes in 2011-2012 Budget – ratified the changes as presented.
- 13-19. Personnel Reports and Changes in 2012-2013 Budget – ratified the changes as presented.
- 13-20. Testing Fees – approved testing fee increases as presented.
- 13-21. Voluntary Separation Program – approved a one-time only Voluntary Separation Program for faculty and staff who meet specific criteria as presented. Further approved deleting MSU Policy 3.141 from the *Policy Manual*.
- 13-22. College Instructional Enhancement Fees – approved restructuring current course fees to a College Instructional Enhancement Fee as presented.

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

Mr. Hessing reported that Item 13-23 was tabled during Thursday's committee meeting and that the item would be considered later in the meeting.

Audit, Compliance, and Management Review Committee Report

Mr. Sanchez noted the items presented at the Audit, Compliance, and Management Review Committee Meeting for committee approval and information only. Additional information concerning these items can be found in the minutes of the committee meeting held November 15, 2012.

Item Presented for Committee Approval Only

- 13-24. Committee Minutes

Items Presented for Information Only

13-25. Historically Underutilized Business Year-End Report – FY 2012

13-26. Audit Activities

13-28. Construction Projects

Audit, Compliance, and Management Review Committee Consent Agenda

Mr. Sanchez recommended the following items approved by the Audit, Compliance, and Management Review Committee and placed on the Consent Agenda for the board's consideration.

13-27. Contract Activities – approved an Interlocal Cooperation Agreement with the City of Wichita Falls as presented.

13-29. *MSU Policies and Procedures Manual* Changes – approved a new policy (Protection of Minor Children on Campus) and modifications to Policy 4.169 (Summer Camps and Conferences) as presented.

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

Academic and Student Affairs Committee Report

Dr. Givens noted the items presented at the Academic and Student Affairs Committee Meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held November 15, 2012.

Item Presented for Committee Approval Only

13-30. Committee Minutes

Items Presented for Information Only

13-31. Faculty Report

13-32. Staff Report

13-33. Student Government Report

13-34. Athletics Report

13-35. Enrollment Report – Fall 2012

Academic and Student Affairs Committee Consent Agenda

Dr. Givens recommended the following items that were approved by the Academic and Student Affairs Committee and placed on the Consent Agenda for the board's consideration.

13-36. December 2012 Graduating Class – approved the list of candidates for graduation.

- 13-37. *MSU Student Handbook Changes*— approved changes to the Housing Policy as presented.
- 13-38. *MSU Policies and Procedures Manual Change* — approved a new policy outlining the Student Affairs and Enrollment Management division of the university.

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

Other Business

Ad Hoc Committee for Presidential Performance and Compensation Review

- 13-43. Mr. Hessing asked Mrs. Carnes, Mr. Sanchez, and Dr. Givens to serve on this committee, with Mr. Sanchez serving as chair. He noted that this committee would present its report and any recommendations to the board in February. He asked Dr. Rogers to submit his self-evaluation to the Board of Regents at least three weeks prior to that meeting.

President's Report and Discussion

- 13-44. Dr. Rogers presented information concerning the following university matters.

- A. Southern Association of Colleges and Schools (SACS) Update – Dr. Clark reported that MSU's reaffirmation document was submitted to SACS in early September. The document has been reviewed by the off-site committee and the university should receive a report during the next few weeks. A focused report will respond to any areas of concern that are identified by the off-site committee. This focused report will be submitted in February. The Quality Enhancement Plan (QEP) proposal committee is working on the final proposal that will be submitted with the focused report. Dr. Clark stated that the reaffirmation document should be on the university's website very soon. He added that work continues on the university's Strategic Plan. He indicated that he hoped to present an update to the board in May.
- B. Texas Higher Education Coordinating Board Update – Special Items Work Group – Dr. Rogers stated that he had spoken previously to the board about the inequities that have crept into higher education funding through special or exceptional items. He noted that universities receive equitable funding through formulas. However, for many years universities have been given the option of asking for special funds for special projects. Over the years, special funding has continued for certain items, rather than lapsing when no longer needed or when the project was complete. As a result of the buildup of special items, state appropriations per full-time student equivalent ranges from \$5,000 to \$10,000. Dr. Rogers reported that he was appointed to serve on a committee to review this matter. He stated that the committee is working on recommendations that will hopefully be put in place by the legislature.
- C. Upcoming Legislative Session – Dashboard – Ms. Barrow stated that the legislative session begins January 8. She noted that the pre-filing of bills began and more than 200 bills had been filed. She indicated that she would monitor bills related to higher education during the course of the session.

Ms. Barrow reported that the chairman of the Senate Higher Education Committee will be Senator Kel Seliger of Amarillo. She noted that he met recently with higher education representatives. Additionally, Senator Tommy Williams of The Woodlands will be the new chairman of the Senate Finance Committee. She added that Senator Craig Estes is a member of this committee. Ms. Barrow reported that after Thanksgiving, she and Dr. Rogers would meet with Representative Jim Pitts, chairman of the House Appropriations Committee, and Representative Dan Branch, chairman of the House Higher Education Committee.

Ms. Barrow noted that Chairman Branch recently asked Dr. Rogers to testify before the House Higher Education Committee on the next master plan for higher education. She indicated that the Closing the Gaps master plan would conclude in 2015 and the Coordinating Board and Legislature are starting to look to the next plan.

Ms. Barrow indicated that funding would ultimately be one of the most significant issues of the session. While funding for higher education may not be reduced, MSU's funding could be adversely affected by the enrollment decline and the resulting loss of formula funding. She added that the Hazlewood Act exemption, which Dr. Rogers explained during the budget discussion, is an unfunded mandate and the higher education community has been working with legislators to hopefully find a solution.

A draft of the MSU Dashboard was distributed for the board's information. Ms. Barrow reported that during the interim Chairman Branch began asking university presidents what was on their dashboard and what were the key factors they monitored at their institution. She noted that the administration put this draft together and she thanked Mr. Mark McClendon, Director of Institutional Research, for his assistance with the process. She asked for feedback from the board and indicated that Mr. Hessing had asked that targets be set by the administration.

Mr. Hessing stated that the work Debbie and Jesse are doing in Austin is extremely important. He noted that larger institutions have large staffs of people to do what they are doing for MSU. He indicated that as he has talked to individuals at universities throughout the state he has realized the importance of their work in Austin.

Dr. Givens asked Dr. Rogers if he had any feeling about MSU's exceptional item funding request. Dr. Rogers responded that he originally had little hope for funding. However, he indicated that he was somewhat encouraged when Senator Williams mentioned that he would push for ways to increase health science graduates. Mr. Gregg stated that he knew Senator Williams and that he was pleased he was in this position.

Dr. Givens asked if Dr. Rogers was concerned that funding of Tuition Revenue Bond (TRB) debt might be reduced. Dr. Rogers responded that he did not think there was any need to worry about the state not funding TRB debt obligations. Mr. Engelman asked about the amount of MSU's TRB debt exposure. Dr. Fowlé responded that she did not have the data with her but that she would send it to the board.

Executive Session

13-45. Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Section 551.072, 551.073, and 551.073 to consider Item 13-45 (Gifts and Donations and Property) and 13-23 (Budget Discussion). The closed session was properly announced at 10:12 a.m. The Regents and Dr. Rogers remained for the full discussion. The vice presidents, Mr. Macha, Mr. Spencer, and Ms. Barry remained for the discussion of gifts and donations and property.

Open Meeting Resumes

The closed session ended at 11:17 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session. The open meeting immediately resumed.

Budget Discussion

13-23. Mr. Bernhardt moved approval of the FY13 Budget Plan as presented with approval for additional adjustments as necessary to maintain fiscal stability. Mr. Engelman seconded the motion and it was approved, with eight ayes and one nay (Mr. Sanchez).


Closing Comments

Mr. Hessing thanked the regents for their participation. He stated that graduation would be held Saturday December 15 and encouraged regent participation if possible. He added that the next regular board meetings would be held February 14 and 15, 2013.

Adjournment

There being no further business, the meeting was adjourned at 11:19 a.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting November 16, 2012.


J. Kenneth Bryant, Secretary

ATTACHMENTS:

1. Redwine Fund Investment Review
2. MSU Dashboard DRAFT

**MIDWESTERN STATE UNIVERSITY
NOVEMBER 16, 2012
LUTHER KING CAPITAL MANAGEMENT PRESENTATION**

~~I. The Firm~~

II. The Economy

A. Positives:

- Consumer Confidence
- Retail Sales (Sandy impact)
- Automobile Sales
- Housing Upturn
- Employment (modest)
- Corporate Balance Sheets and Earnings (peak?)
- Interest Rates
- Inflation
- Energy Industry

B. Concerns:

- Fiscal Cliff – numerous scenarios
- Debt Ceiling
- Europe – CRIC (repeat); LTRO; MOT
- China
- Middle East

III. Capital Markets

- Valuation
- Forecast(s)

IV. Portfolio Review

MSU - B REDWINE ENDOWMENT

INVESTMENT REVIEW

NOVEMBER 16, 2012

LUTHER KING CAPITAL MANAGEMENT

301 Commerce, Suite 1600

Fort Worth, Texas 76102

Tel: (817) 332-3235 Fax: (817) 332-4630

LUTHER KING CAPITAL MANAGEMENT

FOUNDED IN 1979

INDEPENDENT -- 100% EMPLOYEE OWNED

ASSETS UNDER MANAGEMENT (as of September 30, 2012)

<i>Institutional</i>	
Employee Benefit	\$1.3 billion
Public	0.4 billion
Foundation/Endowment	2.1 billion
Other Institutional	<u>0.7 billion</u>
<i>Total Institutional</i>	<i>\$4.5 billion</i>
<i>Taxable</i>	
Mutual Funds	\$1.7 billion
Limited Partnerships	0.8 billion
Individuals & Families	<u>3.3 billion</u>
<i>Total Taxable</i>	<i>\$5.8 billion</i>
<i>Total Assets under Management</i>	<i><u>\$10.3 billion</u></i>

RESEARCH ORIENTATION

Rigorous individual company analysis is supplemented with sector expertise and established industry contacts. Proprietary quantitative tools are also utilized to enhance the security selection process.

EQUITY CHARACTERISTICS

Primarily invest in shares of companies with sustainably high profitability levels and strong balance sheets. Companies typically are market dominant and generate significant cash flow. In addition, a portion of a portfolio is invested in shares of companies where the share price is significantly below the replacement cost of a company's assets or value of the business franchise.

FIXED INCOME CHARACTERISTICS

Value added approach focuses primarily on high quality issues. Intermediate term maturities are utilized which results in substantial price stability while maintaining significant current income stream.

PORTFOLIO CHARACTERISTICS

Blend of equity and fixed income securities is structured to generate capital appreciation and significant current income while limiting overall portfolio volatility.

INVESTMENT PROFESSIONALS

Portfolio Managers/Analysts

J. Luther King, Jr., CFA
Scot C. Hollmann, CFA
Paul W. Greenwell
David L. Dowler
Joan M. Maynard
J. Bryan King, CFA
Gary G. Walsh, CFA, CPA
Steven R. Purvis, CFA
James J. Kerrigan, CFA
Vincent G. Melashenko, CFA
James B. Orser, CFA, CPA
William M. Uhlemeyer, CFA
R. Todd Truitt, CFA
Michael C. Yeager, CFA, CPA
Mark L. Johnson, CFA
Kevin D. Prigel, CFA
David M. Lehmann, CFA
Jonathan B. Deweese, CFA
Mason D. King, CFA
Benjamin M. Cowan, CFA
Jamie A. Lavish, CFA
Andrew D. Zacharias, CFA
M. Bradley Wallace, CFA
Michael D. Bornitz, CFA, CPA
Leslie R. Keathley, CPA
Richard M. Kleberg IV
Tobin R. Calvert
Mark M. Johnson, Jr.
C. Brett Scarbrough, CPA
C. Cash Cameron

Traders

Alan D. Marshall
Vernon A. Lamb

Compliance

Jacob D. Smith
Richard W. Lenart

Accounting & Tax Officer

Gregory L. McCoy, CPA

Performance Analyst

Elisabeth J. Schrimphere

**MSU - B REDWINE ENDOWMENT
PORTFOLIO SUMMARY
OCTOBER 31, 2012**

	TOTAL COST	% PF	YIELD	MARKET VALUE	% PF	YIELD	ESTIMATED INCOME
COMMON STOCKS	\$ 4,936,458	54.5	1.9	\$ 5,325,335	56.2	1.8	\$ 95,952
MUTUAL FUNDS - BONDS	2,835,000	31.3	1.3	2,849,423	30.1	1.3	35,630
CASH EQUIVALENTS	1,293,255	14.3	0.0	1,293,255	13.7	0.0	129
TOTAL INVESTMENTS	<u>\$ 9,064,713</u>	<u>100.0</u>	<u>1.5</u>	<u>\$ 9,468,013</u>	<u>99.9</u>	<u>1.4</u>	<u>\$ 131,712</u>
ACCRUAL				4,777	0.1		
TOTAL PORTFOLIO	<u><u>\$ 9,064,713</u></u>	<u><u>100.0</u></u>	<u><u>1.5</u></u>	<u><u>\$ 9,472,790</u></u>	<u><u>100.0</u></u>	<u><u>1.4</u></u>	<u><u>\$ 131,712</u></u>

**MSU - B REDWINE ENDOWMENT
PURCHASES
JANUARY 1, 2012 - OCTOBER 31, 2012**

MONTH	SHARES	ISSUE	COST
<u>EQUITIES</u>			
01/12	200	TRIMBLE NAVIGATION LTD	\$ 9,046
02/12	600	JP MORGAN & COMPANY INC	23,148
	900	NETAPP INC	38,277
03/12	1,000	BANK OF AMERICA CORP	9,940
	1,000	COMERICA INC	33,133
	300	NETAPP INC	13,719
04/12	300	PIONEER NAT RES CO	31,511
07/12	800	ABBOTT LABORATORIES	51,184
	100	PIONEER NAT RES CO	8,597
08/12	100	ABBOTT LABORATORIES	6,593
	200	NETAPP INC	6,595
	2,300	WELLS FARGO & COMPANY	77,246
09/12	700	ABBOTT LABORATORIES	47,001
	2,000	AT&T CORPORATION	76,200
	5,000	BANK OF AMERICA CORP	42,129
	600	CABOT OIL & GAS CORP	25,450
	500	CELGENE CORP	37,185
	2,000	COMERICA INC	63,440
	900	DANAHER CORPORATION	48,943
	1,100	EMC CORPORATION	30,324
	2,000	FMC CORPORATION	112,777
	100	GOOGLE INC	69,584
	1,000	HALLIBURTON COMPANY	34,620
	300	HOME DEPOT INC	17,193
	200	INTL BUSINESS MACHINES	39,848
	300	KIMBERLY-CLARK CORPORATION	24,768
	700	MCDONALDS CORPORATION	63,949

**MSU - B REDWINE ENDOWMENT
PURCHASES**

JANUARY 1, 2012 - OCTOBER 31, 2012

MONTH	SHARES	ISSUE	COST
<u>EQUITIES</u>			
09/12	1,000	MICROSOFT CORPORATION	\$ 31,070
	2,000	PFIZER INC	48,187
	600	PIONEER NAT RES CO	62,313
	200	PROCTER & GAMBLE COMPANY	13,620
	400	ROPER INDUSTRIES INC	41,978
	3,500	SUNTRUST BANKS INC	95,087
	400	THERMO FISHER SCIENTIFIC	23,732
	1,100	TRIMBLE NAVIGATION LTD	56,114
	400	WAL-MART STORES INC	29,560
	700	WELLS FARGO & COMPANY	24,416
	900	WHIRLPOOL CORPORATION	70,663
10/12	400	ABBOTT LABORATORIES	27,776
	1,000	ALTRIA GROUP INC	33,900
	100	APPLE INC	66,454
	1,000	AT&T CORPORATION	38,410
	2,000	BANK OF AMERICA CORP	19,038
	1,000	COMERICA INC	31,878
	900	CULLEN FROST BANKERS INC	52,307
	900	E I DU PONT DE NEMOURS & CO	44,577
	150	EOG RESOURCES INC	16,754
	1,400	EXPRESS SCRIPTS HOLDING CO	91,851
	600	EXXON MOBIL CORPORATION	55,434
	500	FMC CORPORATION	28,095
	50	GOOGLE INC	37,870
	300	MCDONALDS CORPORATION	27,288
	2,500	NATIONAL FUEL GAS CO	133,788
	1,500	ORACLE CORPORATION	47,813
	500	SCHLUMBERGER LIMITED	35,730
	1,500	SUNTRUST BANKS INC	44,385
	1,100	THERMO FISHER SCIENTIFIC	67,244
	500	TRIMBLE NAVIGATION LTD	24,006
	300	WALT DISNEY COMPANY	15,354

**MSU - B REDWINE ENDOWMENT
PURCHASES
JANUARY 1, 2012 - OCTOBER 31, 2012**

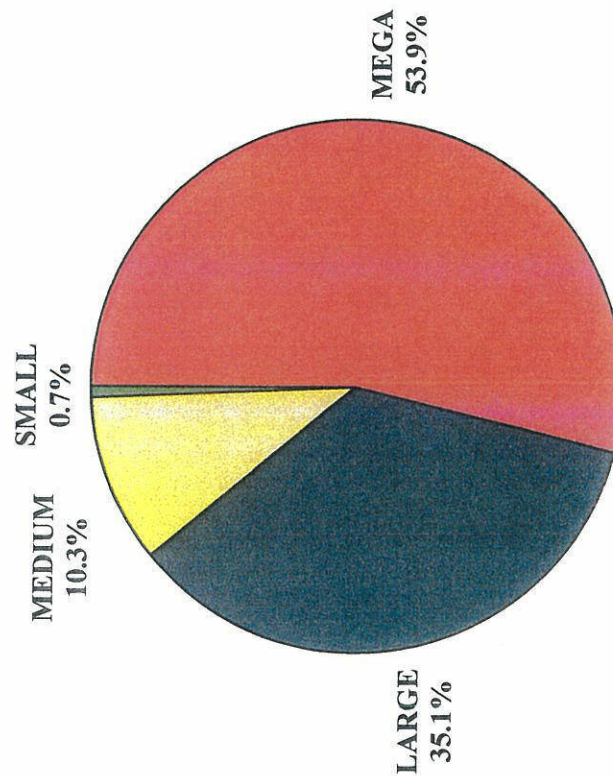
MONTH	SHARES	ISSUE	COST
		TOTAL EQUITIES	\$ 2,479,091
		<u>FIXED INCOME</u>	
09/12	175,902	LKCM FIXED INCOME FUND	\$ 2,000,000
		TOTAL FIXED INCOME	\$ 2,000,000
		TOTAL PURCHASES	<u>\$ 4,479,091</u>

**MSU - B REDWINE ENDOWMENT
SALES
JANUARY 1, 2012 - OCTOBER 31, 2012**

<u>MONTH</u>	<u>SHARES</u>	<u>ISSUE</u>	<u>COST</u>	<u>PROCEEDS</u>	<u>GAIN OR (LOSS)</u>
<u>EQUITIES</u>					
01/12	1,500	ADOBE SYSTEMS INC	\$ 46,497	\$ 47,011	\$ 513
	500	CIRRUS LOGIC INC	8,196	10,745	2,549
	300	HALLIBURTON COMPANY	10,014	11,059	1,045
03/12	9,000	BROCADE COMMUNICATIONS	51,705	50,579	(1,125)
	200	TRIMBLE NAVIGATION LTD	8,116	10,776	2,660
04/12	200	APPROACH RESOURCES INC	4,208	7,092	2,884
	200	CABOT OIL & GAS CORP	6,973	5,906	(1,067)
	500	CIRRUS LOGIC INC	8,196	11,635	3,439
	200	TRACTOR SUPPLY COMPANY	13,132	19,576	6,443
07/12	100	ALTRIA GROUP INC	2,481	3,551	1,070
	100	CELGENE CORP	5,824	6,546	722
	500	CIRRUS LOGIC INC	8,196	13,595	5,399
	500	COVIDIEN PLC	22,752	25,527	2,776
	2,200	PERKINELMER INC	54,950	53,390	(1,560)
	200	WAL-MART STORES INC	10,725	14,424	3,698
08/12	500	CIRRUS LOGIC INC	8,196	19,033	10,836
	1,500	PRUDENTIAL FINANCIAL INC	88,920	79,147	(9,772)
09/12	575	US BANCORP	14,386	19,435	5,048
TOTAL EQUITIES			\$ 373,467	\$ 409,024	\$ 35,557

MSU - B REDWINE ENDOWMENT PORTFOLIO COMPOSITION BY COMPANY SIZE OCTOBER 31, 2012

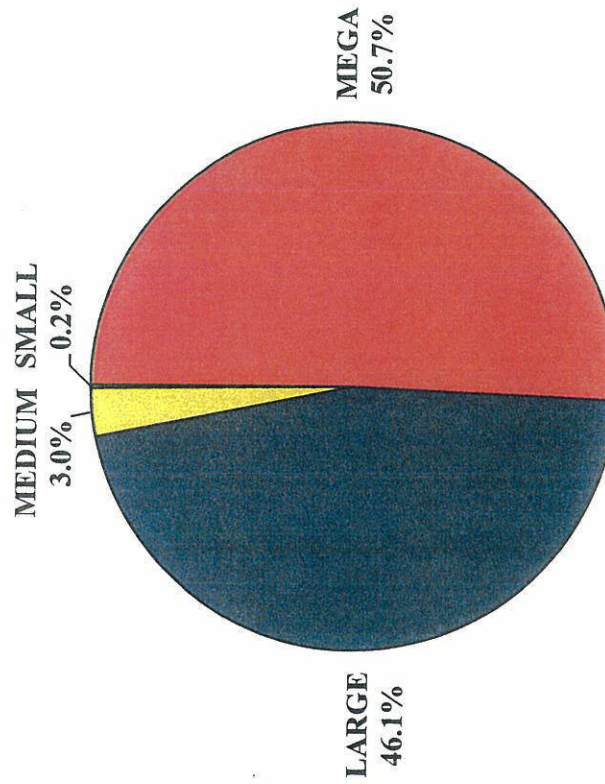
MSU - B REDWINE ENDOWMENT



MEGA CAPITALIZATION COMPANIES*
(Greater than \$6 Billion)

LARGE CAPITALIZATION COMPANIES
(Between \$6 and \$6 Billion)

STANDARD & POOR'S 500 INDEX



MEDIUM CAPITALIZATION COMPANIES
(Between \$2.5 and \$6 Billion)

SMALL CAPITALIZATION COMPANIES
(Below \$2.5 Billion)

* Mega capitalization companies are defined as the fifty largest companies in the Standard & Poor's 500 Index.

MSU - B REDWINE ENDOWMENT
EQUITY MARKET CAPITALIZATION
OCTOBER 31, 2012

ISSUE	MARKET CAPITALIZATION (MILLIONS)
APPLE INC	\$ 559,129
EXXON MOBIL CORPORATION	420,835
WAL-MART STORES INC	252,176
MICROSOFT CORPORATION	240,206
GENERAL ELECTRIC COMPANY	222,369
INTL BUSINESS MACHINES	219,806
AT&T CORPORATION	197,405
PROCTER & GAMBLE COMPANY	189,318
PFIZER INC	185,766
GOOGLE INC	180,250
WELLS FARGO & COMPANY	178,207
COCA-COLA COMPANY	166,758
JP MORGAN & COMPANY INC	158,332
ORACLE CORPORATION	149,776
AMAZON.COM INC	105,491
ABBOTT LABORATORIES	102,791
BANK OF AMERICA CORP	100,444
HOME DEPOT INC	92,527
SCHLUMBERGER LIMITED	92,306
CISCO SYSTEMS INC	90,911
WALT DISNEY COMPANY	88,135
MCDONALDS CORPORATION	87,532
ALTRIA GROUP INC	64,398
EMC CORPORATION	51,445
EXPRESS SCRIPTS HOLDING CO	49,898
COLGATE-PALMOLIVE CO	49,592
MONSANTO COMPANY	46,013
E I DU PONT DE NEMOURS & CO	41,514
DANAHER CORPORATION	35,833
KIMBERLY-CLARK CORPORATION	32,737
EOG RESOURCES INC	31,455
CELGENE CORP	31,026
HALLIBURTON COMPANY	29,965
COVIDIEN PLC	26,381
THERMO FISHER SCIENTIFIC	22,321
AIR PRODS & CHEMS INC	16,414
SUNTRUST BANKS INC	14,656
PIONEER NAT RES CO	12,999

**MSU - B REDWINE ENDOWMENT
EQUITY MARKET CAPITALIZATION
OCTOBER 31, 2012**

ISSUE	MARKET CAPITALIZATION (MILLIONS)
ROPER INDUSTRIES INC	\$ 10,678
CABOT OIL & GAS CORP	9,877
NETAPP INC	9,777
WHIRLPOOL CORPORATION	7,605
FMC CORPORATION	7,353
TRACTOR SUPPLY COMPANY	6,819
TRIMBLE NAVIGATION LTD	5,929
COMERICA INC	5,674
NATIONAL FUEL GAS CO	4,390
CULLEN FROST BANKERS INC	3,399
CIRRUS LOGIC INC	2,671
APPROACH RESOURCES INC	949
MEDIAN MARKET CAPITALIZATION	\$ 49,745

MSU - B REDWINE ENDOWMENT
PERFORMANCE SUMMARY
OCTOBER 31, 2012

CURRENT VALUE: **\$ 9,472,790**

	<u>SINCE 11/1/2010</u>	<u>SINCE 12/30/2011</u>
INITIAL VALUE	\$ 2,297,215	\$ 2,976,315
NET CAPITAL ADDED	5,982,941	6,081,650
TOTAL CAPITAL UNDER MANAGEMENT	\$ 8,280,156	\$ 9,057,965
 TOTAL RETURN ON PORTFOLIO	 16.51 %	 14.65 %
 LONG TERM GAINS/LOSSES	 \$ 17,793	 \$ 17,793
SHORT TERM GAINS/LOSSES	(99,299)	17,764
 DIVIDEND INCOME	 \$ 74,308	 \$ 32,275
INTEREST INCOME	48,983	33,260

**MSU - B REDWINE ENDOWMENT
INVESTMENT PERFORMANCE***

OCTOBER 31, 2012

	PORTFOLIO	EQUITIES ONLY	STANDARD & POOR'S 500 INDEX	FIXED INCOME ONLY	BARCLAYS CAPITAL GOV'T/CREDIT INTERMEDIATE BOND INDEX	CONSUMER PRICE INDEX
2010 (11/01/10 - 12/31/10)	4.55 %	5.72 %	6.60 %			0.2 %
2011	(2.80)	(0.98)	2.11	(0.16) **	(0.72) **	3.0
2012 (01/01/12 - 10/31/12)	14.65	19.67	14.29	5.44	3.68	2.8
SINCE INCEPTION						
(11/01/10 - 10/31/12)	16.51 %	25.28 %	24.40 %	5.28 %**	2.94 %**	6.1 %
ANNUALIZED RETURN	7.94 %	11.93 %	11.54 %			3.0 %

* INVESTMENT RESULTS ARE BEFORE FEES AND INCLUDE REALIZED AND UNREALIZED GAINS AND LOSSES AND DIVIDENDS AND INTEREST.

** THE LKCM FIXED INCOME FUND WAS PURCHASED 11/09/11; THEREFORE, THE FIXED INCOME ONLY RETURN IS FROM 11/09/11 TO PRESENT.

Fund Facts

CUSIP: 501885404
Ticker Symbol: LKFIX
Inception Date: 12/30/1997
Minimum Investment: \$2,000
Portfolio Turnover Rate* 22%

Investment Objective: The Fund seeks current income.
Managers: Joan M. Maynard, Scot C. Hollmann, CFA, Mark L. Johnson, CFA
Web: www.lkcmfunds.com
Phone: 1-800-688-LKCM

LKCM Fixed Income Fund

About The Adviser

Luther King Capital Management Corporation was founded in 1979 and provides investment management services to investment companies, employee benefit plans, endowments, foundations, pension and profit sharing plans, trusts, estates, and high net-worth individuals.

Portfolio Managers

Joan M. Maynard is the lead portfolio manager of the LKCM Fixed Income Fund and oversees the investment team responsible for the LKCM Fixed Income Fund. Ms. Maynard has been a Vice President and Portfolio Manager of Luther King Capital Management since 1991 and employed by Luther King Capital Management since 1986.

Scot C. Hollmann, CFA, is a member of the investment team responsible for the LKCM Fixed Income Fund. Mr. Hollmann has been a Vice President and Portfolio Manager of Luther King Capital Management since 1983 and Principal since 1986.

Mark L. Johnson, CFA, is a member of the investment team responsible for the LKCM Fixed Income Fund. Mr. Johnson has been a Vice President and Portfolio Manager of Luther King Capital Management since 2002.

Contact us at
1-800-688-LKCM
www.lkcmfunds.com

Performance

Returns as of 09/30/12

Returns as of 03/30/12	Expense Ratio				Average Annual Total Returns				
	Net ¹	Gross	3 Month	YTD	1YR	3YR	5YR	10YR	Since Incept 12/30/97
LKCM Fixed Income Fund	0.65%	0.72%	2.16%	5.05%	6.50%	5.27%	6.22%	4.77%	5.37%
Barclays Capital Interm. Gov/ Credit Bond Index			1.40%	3.53%	4.40%	5.18%	5.71%	4.76%	5.65%
Lipper Short Intermediate Investment Grade Index			1.85%	4.55%	5.46%	5.13%	5.04%	4.19%	4.94%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fund performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 1-800-688-LKCM. The fund imposes a 1.00% redemption fee on shares held less than 30 days, and if reflected, the fee would reduce the performance shown.

Top Ten Holdings**

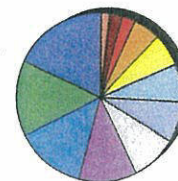
		(% of Net Assets)
Celgene Corporation	2.45%	10/15/15 2.64%
Noble Holding International Limited	3.45%	08/01/15 2.47%
Family Dollar Stores, Inc.	5.00%	02/01/21 2.34%
Range Resources Corporation	5.00%	08/15/22 2.09%
Peabody Energy Corporation	6.50%	09/15/20 1.98%
Hewlett Packard Co.	3.00%	09/15/16 1.83%
JP Morgan Chase & Co.	3.45%	03/01/16 1.81%
JP Morgan Chase & Co.	4.25%	10/15/20 1.75%
Gilead Sciences, Inc.	2.40%	12/01/14 1.64%
Time Warner Inc.	3.15%	07/15/15 1.63%

**Excludes Cash and Equivalents.

The composition of the Fund's holdings and sector weightings are subject to change and are not recommendations to buy or sell any securities.

Sector Weightings

Financials	18.1%
Energy	14.6%
Information Technology	13.3%
Health Care	11.4%
Consumer Discretionary	9.0%
Materials	7.9%
Industrials	7.2%
Consumer Staples	6.4%
Telecommunication Services	5.3%
Utilities	2.7%
U.S. Government Securities	2.5%
Cash & Equivalents	1.6%



Fixed Income Quality Distribution

(% of Net Assets as of 09/30/12)

AAA	1.0%
AA	6.5%
A	36.7%
BBB	39.9%
BB	9.7%
B	1.7%
Non-Rated	0.0%

The fixed income quality distribution uses the Standard and Poor's scale. Bond ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'C' ("junk"), which is the lowest grade.

Portfolio Composition

(% of Net Assets)

Fixed Income	95.5%
Equity	2.9%
Cash Equivalents	1.6%

*Fiscal year to date from 1/1/12 to 09/30/12.

The Funds' investment objectives, risks, charges, and expenses must be considered carefully before investing. The Funds' summary and statutory prospectuses contain this and other important information about the Funds. Please read the summary and statutory prospectuses carefully before investing. To obtain a hardcopy, please call 1-800-688-5526. Read carefully before investing.

Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities.

¹Luther King Capital Management has contractually agreed to waive all or a portion of its management fee and/or reimburse the Fund through April 30, 2013. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced. Investment performance for the last quarter is based upon the net expense ratio.

The Barclays Capital U.S. Intermediate Government/Credit Bond Index is an unmanaged market value weighted index measuring both the principal price changes of, and income provided by, the underlying universe of securities that comprise the index. The Lipper Short Intermediate Investment-Grade Debt Funds Index is an index of short intermediate investment grade mutual funds tracked by Lipper, Inc. You cannot invest directly in an index.

The Fund is distributed by Quasar Distributors, LLC.

1. Student Access	Annual Performance				Increase/Decrease	
	Base Year (2008-2009)	2010-2011	2011-2012	From Last Year	From Base Year	
1.a. Total Enrollment (Headcount)	6093	6,426	6,182	-3.80%	1.46%	
2 FTE Enrollment (based on FT +1/3 PT)	4819	5,107	4,850	-5.03%	0.64%	
1.b. Percent of Students Receiving Pell Grant	24.6%	33.8%	34.4%	1.84%	40.07%	
1.c. Number of Community College Transfer Students Enrolled	1952	2340	2307	-1.41%	18.19%	
1.d. Percentage of Hispanic students enrolled (enr/%)	561/9.2%	573/8.9%	723/11.7%	26.30%	28.80%	
1.e. Percentage of African American students enrolled (enr/%)	771/12.7%	770/12%	710/11.5%	-7.79%	-7.90%	
1.f. Online and Distance Education (courses offered per year)	367	466	518	11.16%	41.14%	
2 Online Courses Enrollment (duplicated, full year)	6421	8492	9021	6.23%	40.49%	
2. Student Success	Base Year (2008-2009)	2010-2011	2011-2012	From Last Year	From Base Year	
2.a. First Time Student Retention Rate (First year)	74.90%	71.40%	68.20%	-4.48%	-8.95%	
2.b. First Time Student Retention Rate (Second year)	61.00%	57.30%	54.20%	-5.41%	-11.15%	
2.c. Transfer Student Retention Rate (First Year)	73.10%	72.80%	69.40%	-4.67%	-5.06%	
2.d. Course Completion Rate (Fall)	94.80%	96.20%	95.20%	-1.04%	0.42%	
2.e. First Time Student Graduation Rate (Six Year)	30.60%	33.80%	31.40%	-7.10%	2.61%	
2.f. Transfer Student Graduation Rate (Four Year)	50.80%	47.40%	45.60%	-3.80%	-10.24%	
2.g. Pass Rate on Certification Exam - Education	87.60%	87.00%	89.90%	3.33%	2.63%	
2.h. Pass Rate on Certification Exam - Nursing	73.48%	82.90%	N/A	0.00%	12.82%	
2.i. Number of Degrees Awarded to At-Risk Students	814	834	851	2.04%	4.55%	
2.j. Number of Degrees Awarded in STEM Fields	91	80	82	2.50%	-9.89%	
2.k. Number of Degrees Awarded in Health Science Fields	371	378	395	4.50%	6.47%	
2.l. Total Degrees Awarded (Total)	1220	1280	1339	4.61%	9.75%	
a. Associate	43	49	40	-18.37%	-6.98%	
b. Baccalaureate	1006	1027	1066	3.80%	5.96%	
c. Master's	171	204	233	14.22%	36.26%	
3. Operational Effectiveness	Base Year (2008-2009)	2010-2011	2011-2012	From Last Year	From Base Year	
3.a. State Appropriations per FTE Student	\$4,934.68	\$4,489.61	\$4,368.39	-2.70%	-11.48%	
3.b. Total Expenditures per FTE Student	\$15,860.17	\$17,199.35	\$17,485.43	1.66%	10.25%	
3.c. Faculty/Student Ratio	19.0	18.5	17.5	-5.41%	-7.89%	
3.d. Administrative Cost Rate (as percent of operating budget)	10.33%	8.88%	9.10%	2.48%	-11.91%	
4. Competitive Resources	Base Year (2008-2009)	2010-2011	2011-2012	From Last Year	From Base Year	
4.a. Total Annual Giving (AFR reported)	\$14,010,481	\$3,923,617	\$11,943,187	204.39%	-14.76%	
4.b. Total Giving to President's Excellence Circle (ESTIMATE/not confirmed)	\$376,993	\$375,525	\$372,368	-0.84%	-1.23%	
4.c. Total Giving to Athletics (ESTIMATE/not confirmed)	\$2,049,457	\$343,820	\$676,622	96.80%	-66.99%	
4.d. Total Giving through Annual Fund (ESTIMATE/not confirmed)	\$295,730	\$352,801	\$303,472	-13.98%	2.62%	
4.e. Total Endowment (university-held, Foundation, Charitable Trust)	\$44,588,397	\$54,851,711	\$58,450,539	6.56%	31.09%	
4.f. Alumni Giving Rate (ESTIMATE/not confirmed)	8%	6%	5.50%	-8.33%	-31.25%	

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

December 18, 2012

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 10:05 a.m., Tuesday, December 18, 2012. Board members in attendance at the university were Mr. Mike Bernhardt, Vice Chairman; Mr. Charles Engelman; and Mr. Jeff Gregg. Regents attending the meeting via teleconference connection were Mr. Shawn Hessing, Chairman; Mr. Kenny Bryant, Secretary; Mrs. Tiffany Burks; and Mrs. Jane Carnes.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness; Mr. Barry Macha, General Counsel; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Julie Gaynor, Director of Marketing and Public Information; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Ann Work, *Times Record News*.

Chairman Hessing called the meeting to order at 10:05 a.m.

Public Comment

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

New Bachelor's Degree Program - Accelerated Bachelor of Science in Nursing (ACCEL-RN)

13-46. The administration proposed approval of a new Accelerated Bachelor of Science in Nursing (BSN) degree program for individuals holding non-nursing baccalaureate degrees (see Attachment 1). Dr. Rogers reported that MSU has had authority to offer the Bachelor of Science in Nursing since the late 1970's. However, this program represents a new approach to offering the courses in the BSN. He noted that approval by the Texas Higher Education Coordinating Board and the Texas Board of Nurse Examiners will be required following approval by the Board of Regents.

Dr. Stewart reported that this is a 15 month accelerated program and added that students admitted to the program will have already earned a bachelor's degree in another discipline. Students will begin the program in the summer, take a full set of classes in the fall, spring, and summer, and will complete the degree at the conclusion of the summer. Dr. Stewart added that, if approved, the program would begin in the summer, 2013, with a cohort of 30 students.

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

Mrs. Carnes asked about the profile of a student who would be interested in this program. Dr. Rogers responded that the high demand for baccalaureate prepared nurses makes nursing an attractive career field. He added that the program is designed for people who

want to change careers, work with people, and increase their income. Mr. Gregg noted that MSU has an outstanding nursing program and anything that can be done to accentuate the program will be good for the institution.

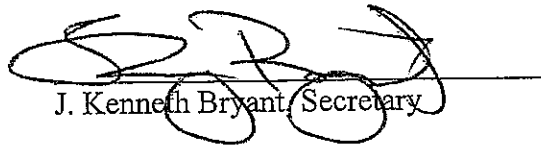
There being no further discussion, the motion was approved.

Deliberations about Real Property – 717 10th Street
13-47. This item was removed from the agenda.

Adjournment

There being no further business, the meeting was adjourned at 10:12 a.m.

I, J. Kenneth Bryant, 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 December 18, 2012.


J. Kenneth Bryant, Secretary

ATTACHMENT:

1. Accelerated Bachelor of Science in Nursing Degree Proposal

Proposal of New Bachelor of Science in Nursing Degree Program, effective Summer 2013

The MSU Wilson School of Nursing proposes the development and implementation of an accelerated second-degree pre-licensure BSN program (ACCEL-RN).

An innovative approach to nursing education is the accelerated second-degree program for non-nursing graduates. These programs build on previous learning and work experiences and transitions individuals with non-nursing undergraduate degrees to the discipline of nursing. Often called second-degree programs, these degree plans accomplish programmatic objectives in a shorter timeframe than traditional four-year programs. Courses are offered full-time in the fall, spring, and summer semesters. Successful students in these programs are often described as “bright, inquisitive, and sophisticated consumers of higher education who are actively pursuing learning opportunities” (Alternative Nursing Careers & Services, 2011).

The implementation of the ACCEL-RN Program will allow the Wilson School of Nursing to increase enrollment by gaining access to needed clinical sites during the summer months, when clinical sites are available. In addition, ACCEL-RN students will be able to access the J.S. Bridwell Regional Simulation Center during the summer months when demand from other students and partners is lower.

Using the current MSU Core Curriculum, the proposed program will require 128 of semester credit hours for completion, the same as our pre-licensure BSN program. With the implementation of the new 42-hour core, the ACCEL-RN program will require no more than 121 hours for completion.

The proposed time line for implementation of this program is as follows:

1. Approval at all levels: Nursing Faculty Organization, College Council, Academic Council, Board of Regents, Texas Board of Nursing, Texas Higher Education Coordinating Board – Fall 2012
2. Recruitment of potential students – Spring 2013
3. Analysis of student need for prerequisite courses to prepare for the nursing program – Spring 2013
4. Enroll first cohort (30 students) – Summer 2013
5. Enrollment in necessary prerequisite courses by students in the pipeline – Summer 2013, Fall 2013, Spring 2014
6. Enrollment of second cohort in ACCEL-RN program (30 students) – Summer 2014
7. Graduation of first ACCEL-RN cohort – August 2014

**BACHELOR OF SCIENCE IN NURSING
ACCEL-RN DEGREE PLAN**

BIOL 1134 Anatomy & Physiology I	4	NURS 3203 Pathophysiology	3
BIOL 1234 Anatomy & Physiology II	4	NURS 3803 Theories and Concepts: Introduction to Health Care Systems	3
BIOL 2144 Microbiology	4	NURS 3811 Health Assessment Competencies Clinical	1
CHEMISTRY (no lab required)	3	NURS 3812 Health Assessment Competencies	2
MATH	3	NURS 3813 Concepts of Pharmacology in Nursing Practice	3
ENGL 1113 Rhetoric & Composition I	3	NURS 3821 Medical Terminology	1
ENGL 1123 Rhetoric & Composition II	3	NURS 3833 Foundations in Clinical Concepts and Competencies	3
PSYC 1103 General Psychology	3	NURS 3843 Foundations in Clinical Concepts and Competencies Clinical	3
SOCL 1133 Intro to Sociology	3	NURS 3853 Concepts in Caring for the Adult Client	3
PSYC 3233 Developmental Psychology	3	NURS 3863 Concepts in Caring for the Pediatric Client	3
PE Activity course	1		3
PE Activity course	1		3
Intro to Computers/Microcomputer	3		3
Humanities	6	NURS 3882 Service Learning I	2
ECON 1333 or 2333	3	NURS 4803 Concepts in Caring for the Acutely Ill Client	3
HIST 1133 American History to 1865	3	NURS 4813 Concepts in Leadership in Nursing	3
HIST 1233 American History since 1865	3	NURS 4823 Concepts in Community Health	3
Fine Arts	3	NURS 4833 Concepts in Caring for the Childbearing Family	3
POLS 1333 American Government I	3	NURS 4842 Concepts in Clinical Reasoning and Judgment	2
POLS 1433 American Government II	3	NURS 4852 Service Learning II	2
SPCH 1133 or 1233	3	NURS 4861 Critical Competency Integration	1
		NURS 4910 Critical Competency Integration Clinical	10
TOTAL SEMESTER CREDIT HOURS: 128			

Budget for New Accelerated Second-Degree BSN Program

<i>Position</i>	<i>Base Salary</i>	<i>Fringe Benefits</i>	<i>Total</i>
11 month faculty member	\$75,000	\$28,000	\$103,000
11 month faculty member	\$75,000	\$28,000	\$103,000
12 month staff member, Secretary II	\$20,000	\$5,600	\$25,600
Adjunct faculty (as needed)	\$20,000	0	\$20,000
			\$251,600