

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Executive Committee
February 13, 2014**

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 2:28 p.m., Thursday, February 13, 2014. Executive Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; and Ms. Jane Carnes, Member-at-Large. Other regents attending the meeting on campus were Mr. Charles Engelman, Dr. Lynwood Givens, Mr. Jeff Gregg, and Student Regent Shelby Davis. Regents attending the meeting via teleconference were Ms. Tiffany Burks and Mr. Sam Sanchez.

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; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School, and Mr. Kyle Owen, Associate Vice President for Facilities Services. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Ms. Reagan Foster, Secretary/Treasurer of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Interim Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; 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. Representing the Student Government Association (SGA) were Ms. Melody Coffey, President, and Ms. Heather Baker, Observer. Representing the news media were Ms. Ann Work, reporter for the *Times Record News*; and Ms. Mechell Dixon and Mr. Ricky Scruggs, KFDX-TV III.

Chairman Hessing called the meeting to order at 2:28 p.m.

Reading and Approval of Minutes

14-46. The minutes of the Executive Committee meeting November 7, 2013 were approved by the committee as presented.

Construction Update

14-47. Mr. Hessing reported that information regarding major construction projects and an update on smaller projects were included in the agenda document. Mr. Owen reviewed this information. There being no questions, Mr. Hessing noted that the item was presented as a point of information only.

Drought Recovery Water Plan Efforts

14-48. Mr. Hessing stated that the Sikes Lake water rights application is being reviewed by the Texas Commission on Environmental Quality (TCEQ). Additionally, a Request for Proposals (RFP) is being issued for the rental of a reverse osmosis system that would be used to filter some of the chlorides out of the university's well water. He asked Dr. Rogers if he or Mr. Owen had anything to add to this information. Dr. Rogers indicated that he was very pleased with the progress being made. Mr. Owen reported that he contacted experts regarding the use of well water, including the Texas A&M Agrilife Extension Service and two agronomists. He stated that all three expressed differing opinions regarding the best way to treat the well water. All suggestions involved chemical additions to the surfaces to reduce the effects of the salt on the soil. Following consideration of these options it was determined that renting a reverse osmosis unit for three or four months during the summer would be the best option at this time. This item was presented as a point of information only.

Campus Master Plan Update

14-49. Mr. Hessing reported that the board had a good session in January discussing the future of the university and the campus master plan. He asked Dr. Rogers to bring the board up to date on what had been happening since that meeting. Dr. Rogers agreed that the meeting in January was very productive and helped the administration set priorities for the major projects that need to be addressed. Following the January board meeting, campus master plan presentations were given to the student body, the deans, and the Faculty Senate. He stated that the presentations generated excitement and good feelings about the campus and that he did not hear any disagreement with the priorities that were being discussed. Dr. Rogers noted that the two board items following included recommendations in this regard. He added that a great deal of work remains to be done prior to the May board meeting. He stated that the administration would be working with information technology specialists, parking consultants, and other experts during the planning process. This item was presented as a point of information only.

Tuition Revenue Bond (TRB) Request

14-50. Mr. Hessing noted that one of the key items discussed during the January meeting was the need to determine the university's TRB requests for the next legislative session. He asked Dr. Rogers to provide an update on this matter and to present the administration's recommendation. Dr. Rogers stated that the administration was seeking authorization to proceed with programming and planning for the following TRB requests for the 2015 legislative session:

- A. TRB #1 – College of Health Sciences and Human Services Facilities
- B. TRB #2 – Moffett Library, Bolin Science Hall, ADA, and Deferred Maintenance Projects

Dr. Rogers reported that TRB #1 includes a number of moving parts such as what will be done with the information technology building. Additional study and programming is necessary prior to a firm plan being presented in May. Additionally, TRB #2 needs to be outlined further to determine which buildings can be addressed. Dr. Rogers reported that

with the approval of this item the administration would continue planning and would bring more specific plans and estimated costs of the projects to the board in May.

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

Mr. Hessing pointed out that the board was not being asked to approve the projects at this time. He added that this approval would authorize the administration to continue planning and to submit recommended TRB requests to the board in May.

There being no further discussion, the motion was approved.

Student Housing

14-51. Dr. Lamb reported that as the university grows housing will become increasingly important because the number of students not from this area will grow, both net and as a percentage of the student body. In the fall 2013 the university subleased 93 off-campus beds to accommodate the freshmen class. It is anticipated that 200-250 off-campus beds will be needed for the fall 2014 to accommodate the returning students and the incoming freshmen students. Dr. Lamb noted that if everything remains constant the university will require 325 additional beds in the fall 2015 and 459 beds in the fall 2016. He stated that given this information, new housing would likely be needed no later than fall 2016.

Mr. Hessing noted that the administration had requested authorization to proceed with planning for additional student housing to include the issuance of an RFP as necessary with a target of opening in the fall 2016. Mrs. Carnes moved approval of this item as presented. Mr. Bernhardt seconded the motion.

Mr. Gregg stated that in the planning meeting in January the board discussed the construction of a new residence hall and the possible reduction in available nearby parking. He noted that while the university should not be obligated to provide parking near classrooms, he felt some obligation to consider providing parking for residents near where they live. He asked that the administration be mindful of that during the planning process. Dr. Lamb indicated that he would keep that in mind.

There being no discussion the motion was approved.

Dalquest Desert Research Station

14-52. Mr. Hessing asked Dr. Rogers or Mr. Owen to provide information about this project. Dr. Rogers reported that the research station had been a difficult project owing to its location. He noted that the nearest town is two and one-half hours away, the soil is complex, and the weather is unpredictable. He reported that a contractor with experience in this area of Texas has been identified for the project. Mr. Owen added that there would be a 30% upcharge owing to the location.

The administration requested authorization to proceed with the project as outlined in the agenda and to expand the design-build contract with Antila and Bundy, Young, Sims, and

Potter (BYSP) at a total project cost not to exceed \$850,000. Dr. Rogers noted that private funds were available for the project. Mrs. Carnes asked how long it would take to complete the project. Mr. Owen responded that they hoped to complete the project in approximately 12-14 months.

Mr. Bryant moved approval of this item as presented. Mrs. Carnes seconded the motion. Mr. Hessing reported that a rendering of the structures to be built was included in each board member's folder (see Attachment 1). There being no further discussion, the motion was approved.

Wichita Falls Museum of Art at Midwestern State University – External Improvement Project

14-53. Mr. Hessing reported that The Priddy Foundation awarded \$665,000 to the university to be used for external improvements to the Museum. Board approval is required for the university to proceed with the project. He asked Dr. Rogers to provide additional information. Dr. Rogers reported that the university submitted proposals to a number of foundations to provide funding for this project. The project includes parking lots, signage, entrances, a pavilion, and a terrace. The proposal to The Priddy Foundation was for \$200,000 and they authorized \$665,000 for this project with the condition that the university provide matching funds of \$185,000. Dr. Rogers reported that he was fundraising for this amount and added that if all of the funds are not donated, Higher Education Assistance Funds (HEAF) could be used to finish the project. The total cost of the project would not exceed \$850,000.

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

Wichita Falls Museum of Art at Midwestern State University Strategic and Tactical Plan FY 14

14-54. Mr. Hessing noted that the plan was shown in the agenda and the Board's approval was required by the Museum's accrediting body. Dr. Rogers indicated his support of the approval of this document.

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

Wichita Falls Museum of Art at Midwestern State University – Ratification of Accessioned Artworks

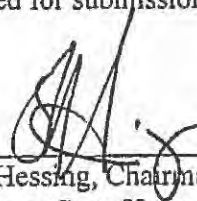
14-55. Mr. Hessing stated that ratification of accessioned artworks is another action required by the Museum's accrediting body. Dr. Rogers stated that the works of art must be acquired through gifts and that state or university funds cannot be used to purchase art. He added that the works presented were recommended for accession into the Museum's Permanent Collection.

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

Adjournment

The Executive Committee discussion concluded at 3:10 p.m.

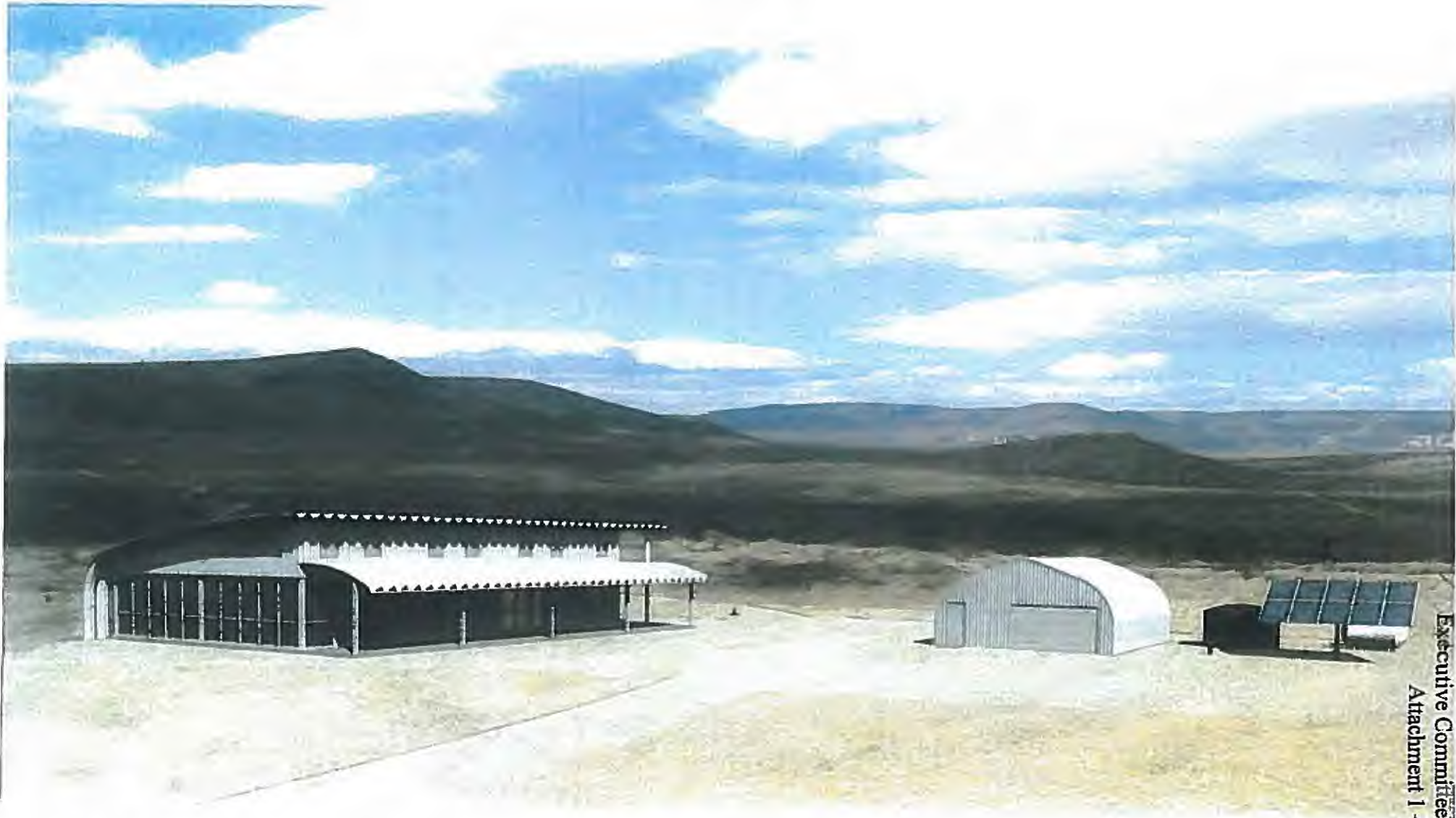
Reviewed for submission:

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

ATTACHMENT:

1. Dalquest Desert Research Station Rendering



**DALQUEST DESERT
RESEARCH STATION**

Antila + BYSP
Antila Construction
Bundy, Young, Sims & Potter, Inc.
BYSP# 14001 02.07.14

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Academic and Student Affairs Committee
February 13, 2014**

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 1:42 p.m., Thursday, February 13, 2014. Academic and Student Affairs Committee members in attendance at the university were Dr. Lynwood Givens, Chairman, and Mr. Kenny Bryant. Members attending the meeting via teleconference were Ms. Tiffany Burks and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Ms. Jane Carnes, Mr. Charles Engelman, Mr. Jeff Gregg, Mr. Shawn Hessing, and Student Regent Shelby Davis.

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; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School, and Mr. Kyle Owen, Associate Vice President for Facilities Services. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Ms. Reagan Foster, Secretary/Treasurer of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Interim Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; 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 portions of the meeting were Dr. Ruth Morrow, Dolores P. Bolin and D. Phil and Aurora S. Bolin Distinguished Chair of Piano; Mr. Bill Maskill, Head Football Coach; Ms. Delia Gonzalez, Custodian; and Ms. Mirdza Reyes, Custodian. Representing the Student Government Association (SGA) were Ms. Melody Coffey, President, and Ms. Heather Baker, Observer. Representing the news media were Ms. Ann Work, reporter for the *Times Record News*; Ms. Mechell Dixon and Mr. Ricky Scruggs, KFDX-TV III; and Ms. Lauren Roberts, *The Wichitan*.

Chairman Givens called the meeting to order at 1:42 p.m. He noted that the committee agenda would be taken slightly out of order to accommodate schedules of meeting visitors.

Faculty Report

14-57. Dr. David Carlston, Chairman of the MSU Faculty Senate, noted that Dr. Givens visited with him about having a faculty member speak to the board at each meeting. He noted that Dr. Ruth Morrow was introduced and played for the group during the Ex-Regents Luncheon held prior to this afternoon's meetings. He asked Dr. Morrow to share with the board some thoughts about her teaching and experience.

Dr. Morrow thanked the board for the opportunity to attend the meeting. She stated that it was always a pleasure for her to make music and to share with people. She noted that she practices at school so that her students hear her working on various pieces. She indicated that she strives to instill in her students the importance of lifelong learning. Dr. Morrow reported that she is researching the multi-tasking involved in playing the piano. She will travel to Madrid to present information at a humanities conference during the summer. She noted that in the past she has made presentations in Budapest, Hungary and Thessaloniki, Greece. She has also served as artist-in-residence on the island of Grenada and in Gisborne, New Zealand. Dr. Morrow noted that her other research interests include the incorporation of world music with classical music and the study of silence. She added that she has also become a labyrinth walker. She expressed appreciation to the Board of Regents for their work and dedication to Midwestern State University.

Dr. Carlston thanked Dr. Morrow for visiting with the board. He indicated that her comments were a reminder of the faculty's energy and the difference they are making with MSU students and individuals around the world.

Dr. Carlston noted that during the last meeting of the board a question was asked regarding how faculty are involved in recruiting students to MSU. He reported that during Mustang's Rally and Discover MSU events faculty are given the opportunity to visit with prospective students and their family members to talk about the MSU experience. The individual attention and the opportunity to work closely with and be known by Ph.D. faculty members is a unique opportunity. He added that faculty members are often asked to visit with potential student-athletes during weekend recruiting visits.

He reported that through the Teaching and Learning Resource Center, Dr. Deborah Garrison is developing a Celebration of Teaching Excellence in an effort to focus on and celebrate Midwestern State University as a teaching institution. He noted that Dr. Garrison is also putting together a publication that will present research that the faculty has done on teaching pedagogies. The faculty will then have an opportunity to gather for discussion. He noted that there are initiatives in place for developing faculty teaching and developing team teaching opportunities. He added that Dr. Nathan Jun and Dr. Todd Giles in the Humanities are encouraging interdisciplinary learning and have distributed a roster of research and teaching interests to the faculty. This will allow faculty to invite each other to guest lecture in their classes.

Dr. Carlston reported that the faculty is currently involved in completing the Higher Education Research Institute (HERI) Faculty Survey which is conducted through the University of California, Los Angeles (UCLA). This survey will provide information regarding pedagogical practices, faculty goals and expectations for students, and research and service activities. He noted that the information provided from this survey will assist the faculty and administration in planning faculty development opportunities.

Dr. Carlston noted that as the administration and board look to build new facilities on campus, it would be great for the faculty if there was a portion of one of the new structures that could be dedicated space for faculty development and faculty issues. He stated that such a space would further promote collaborative learning and the development of teaching.

Dr. Givens expressed appreciation to Dr. Carlston for his comments and to Dr. Morrow for taking time to visit with the board.

Reading and Approval of Minutes

14-56. The minutes of the Academic and Student Affairs Committee meeting November 7, 2013, were approved by the committee as presented.

Student Government Report

14-59. Dr. Givens noted that the report would be given by Student Government Association (SGA) President Melody Coffey. Ms. Coffey reported on the following SGA initiatives.

- a. Recycling efforts continue with 20,000 water bottles being saved through the campus hydration stations. Additionally, recycling bins are also now available in the Clark Student Center and the residence halls.
- b. SGA will join the Office of Student Development and Orientation in promoting Earth Week in April.
- c. New election procedures have been developed and were tested during the homecoming elections.
- d. The SGA is continuing to recognize faculty, staff, and senators each month. Heather Baker, SGA Observer, received the first Senator of the Month award.
- e. The Student Senate is the student opinion base for the master planning and tuition and fee discussions and they have encouraged conversation among students.

Ms. Coffey expressed appreciation to the Board of Regents for their service and their support of the students and the SGA.

Staff Report

14-58. Mr. Dirk Welch, Chairman of the MSU Staff Senate, thanked Dr. Givens and the board for the opportunity to introduce university staff members to the board during the quarterly meetings. He recognized Ms. Reagan Foster, Staff Senate Secretary-Treasurer, and asked her to present the Staff Senate report. Ms. Foster reported on the following.

- a. The Staff Senate meets once each month and receives information regarding campus issues. Dr. Garrison presented an update in December regarding the graduate school and Dr. Farrell spoke to the Staff Senate in January about university development efforts.

- b. “You Make A Difference” award recipients from Facilities Services, Delia Gonzalez and Mirdza Reyes, were introduced. Delia was commended for her positive attitude and willingness to help others. Mirdza does an outstanding job and is currently taking care of two buildings during a transition period. She, too, was commended for being nice and polite to everyone. The board expressed appreciation to these employees.

Athletics Report

14-60. Mr. Charlie Carr, Director of Athletics, introduced Bill Maskill, head football coach, and asked him to bring the board up to date on the football program.

- a. Coach Maskill reported that he’d been at MSU for 12 years. He noted that they had just completed a signing period. He added that it would be impossible to gauge the success or failure of a recruiting year until two or three years have passed. He noted that the majority of freshmen at this level will not have a great effect on the team during the first year. He stated that the freshmen that began last fall are getting ready to begin the off-season program and the coaching staff will be able to determine who will be the difference-makers in terms of attitude, effort, conditioning and competitiveness. He added that two local student-athletes, Davon Allison from Rider High School and Orlando Haymon from Vernon High School, may have an opportunity to play in 2014. He noted that they signed five offensive linemen and nine defensive linemen, including a high school player from Florida and a high school player from Colorado. The team did not sign a quarterback, although two were signed in 2013 and they are very good. Additionally, one of last season’s quarterbacks, Jake Glover, will return for the 2014 season.
- b. Coach Maskill indicated that recruiting is something that is done throughout the year. He added that after spring practice they may decide they need additional players and will look to transfers or junior college student-athletes to recruit. He reported that in 2013, 10 of 11 offensive players and eight of 11 defensive players came out of high school.
- c. Coach Maskill reported that the football locker room is a major showcase. He noted that there is not a locker room in the state that is as good. He added that the program has a better than average weight room and that planning is underway to provide better offices and meeting rooms for the football coaching staff and team.

Coach Maskill thanked the board for their support.

Enrollment Report – Spring 2014

14-61. Dr. Givens noted that a copy of the enrollment report was included in each board member’s folder (Attachment 1) and asked Dr. Lamb to comment. Dr. Lamb noted that enrollment increased .61 percent and credit hour production increased by 1.92 percent over last spring. He added that much of the credit hour increase was a result of the winter

mini-term. He added that the number of graduate students showed an increase during the spring semester.

Housing and Dining Service Rates

14-62. Dr. Givens reported that the administration's recommended housing and dining service rates for 2014-2015 were presented in the agenda and asked Dr. Lamb to comment. Dr. Lamb noted the recommended rate increase for Pierce Hall and Killingsworth Hall, which are the freshmen residence halls, by four percent for a semi-private room. He added that private rooms are rarely used owing to the full occupancy of housing facilities. McCullough-Trigg Hall is used typically for freshmen and sophomores and the recommended increase is 4.2 percent. He reminded the board that Brailsford and Dunlavey completed a market study for the university a few years ago and at the same time they reviewed the university's housing operations. At that time, they recommended that the apartment rates remain near constant and that the traditional residence hall rates be increased to narrow the gap between the two rate levels. The recommended rates continue this plan. Dr. Lamb noted that MSU's rates are very competitive and mentioned that of the 13 schools MSU is generally compared with, the proposed traditional freshmen hall rates rank MSU at 12 of 13 schools prior to factoring in increased rates by other schools in the fall of 2014. He added that apartment rates would be held at zero percent with the exception of Sunwatcher Village, which is recommended at a 1.5 percent increase. He stated that Sunwatcher Village rates would be gradually moved in the direction of the Sundance Court rates so that there would eventually be only one apartment rate.

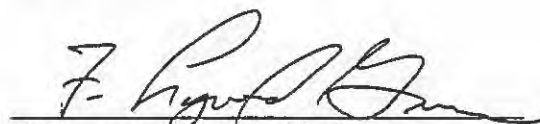
The recommended Board plans reflect a three percent or less increase. Dr. Lamb commented that the cost of food had increased and noted that the food court would be kept open later in the evenings to accommodate student demand.

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

Adjournment

There being no further business, the Academic and Student Affairs Committee discussion concluded at 2:28 p.m.

Reviewed for submission:



F. Lynwood Givens, Chairman
Midwestern State University
Board of Regents Academic & Student Affairs Committee

ATTACHMENT:

1. Enrollment Report – Spring 2014

Enrollment Report

Spring 2014

	2013	2014
New First-Time Freshmen	29	32
Re-Enrolling Freshmen	702	811
Sophomore	953	972
Junior	1,213	1,122
Senior	1,902	1,839
Graduate/Post-Baccalaureate	<u>638</u>	<u>694</u>
TOTAL	5,437	5,470
Semester Credit Hours	61,344	62,521

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Finance Committee
February 13, 2014**

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 3:20 p.m., Thursday, February 13, 2014. Committee members in attendance were Mr. Mike Bernhardt, Chairman; Ms. Jane Carnes; Mr. Charles Engelman; and Mr. Jeff Gregg. Other regents attending the meeting on campus were Mr. Kenny Bryant, Dr. Lynwood Givens, Mr. Shawn Hessing, and Student Regent Shelby Davis. Regents attending the meeting via teleconference were Ms. Tiffany Burks and Mr. Sam Sanchez.

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; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School, and Mr. Kyle Owen, Associate Vice President for Facilities Services. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Ms. Reagan Foster, Secretary/Treasurer of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Interim Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; 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. Representing the Student Government Association (SGA) was Ms. Heather Baker, Observer. Representing the news media was Ms. Ann Work, reporter for the *Times Record News*. Other individuals attending the meeting included Mr. Jeff Schultz and Ms. Linda Wilson, Senior Vice Presidents at American National Bank & Trust in Wichita Falls.

Chairman Bernhardt called the meeting to order at 3:20 p.m.

Reading and Approval of Minutes

14-63. The minutes of the Finance Committee meeting November 7, 2013, were approved by the committee as presented.

Summary of Financial Support 9/1/13 – 1/17/14

14-64. Mr. Bernhardt noted that these reports were presented in the agenda document. He asked Mrs. Carnes to highlight some of the major gifts received since the last meeting of the board. Mrs. Carnes presented the following information.

- a. Mr. Pat Bolin previously pledged up to \$750,000 over three years in matching funds to support the McCoy School of Engineering. During this quarter, the university received \$125,000 in matching funds.
- b. Mr. and Mrs. Max Vordenbaum contributed \$10,000 to the Graham and Martha Ball Boys and Girls Club Scholarship and \$100,000 for Beginning Freshman Scholarships
- c. Mr. and Mrs. Carl F. Jaedicke donated \$25,000 and Ms. Ann F. Jaedicke and Mr. Robert A. Sihler contributed an additional \$25,000 for the Mildred Snyder Jaedicke Music Scholarship. This scholarship will be awarded to Wichita County high school graduates majoring in music.
- d. Mr. Christopher T. Hunnewell contributed \$25,000 for General Student Scholarships.
- e. Mr. and Mrs. Paul Ernst donated \$20,000 in materials and labor for a Toy's Christmas Display for the MSU Burns Fantasy of Lights.
- f. Mr. and Mrs. Carroll Laing contributed \$15,000 for the Laing/Guinn Challenge to match new and lapsed donors to the Annual Fund.
- g. Mr. and Mrs. Thomas E. McCullough donated \$6,000 to the Museum of Art at Midwestern State University to assist with annual operating expenses.

Mrs. Carnes noted that a list of names and addresses of donors was in each regent's folder and regents were encouraged to write thank you notes to those assigned to them and any others they would choose.

Grant Development Services

14-65. Mr. Bernhardt reported that at the November board meeting the administration presented information regarding the university's needs in the area of grant development. At that time the board authorized the administration to move forward with contracting with an outside firm if funds could be identified for this purpose. He asked Dr. Rogers to bring the board up to date on this matter. Dr. Rogers noted that private and internal funds were identified to move forward with this program. He noted that a firm was selected and a contract signed. Dr. Stewart added that representatives from the firm would be on campus February 25 and 26 to do an organizational analysis and begin the process. Dr. Rogers stated his belief that seeking and gaining research support for faculty and students was one of the next major steps needed to improve the reputation and quality of Midwestern State University.

Review and Acceptance of Financial Report

14-66. Mr. Bernhardt presented the administration's recommendation to accept the FY 2013 Annual Financial Report (AFR) and the September, October, November, and December, 2013, Financial Report. He asked Dr. Fowlé to comment. Dr. Fowlé referred to the AFR highlights that were previously distributed (see Attachment 1). She noted that net assets grew by \$1.1 million, revenues grew by \$2 million in tuition and fees, and gifts were up approximately \$2 million. Expenses increased by approximately \$3.8 million, with a large portion of this being increased scholarships. Dr. Fowlé stated that she was comfortable with the university's position and the AFR.

Mr. Gregg moved acceptance of these reports as presented. Mr. Engelman seconded the motion and it was approved.

Investment Report

14-67. Mr. Bernhardt reported that the board should have previously received a copy of the university's first quarter investment report. He added that Mr. Jeff Schultz and Ms. Linda Wilson from American National Bank and Trust were in attendance to discuss the investment of MSU's endowment funds.

Mr. Schultz thanked the board for the opportunity to visit with them. He noted that American National Bank was very proud of its long history with the university. He indicated that he would report on where the economy is, how the university's endowment funds did during the past year, and where his firm sees the market going in the future. He reviewed a booklet of information as shown in Attachment 2. The first chart presented information for the last 53 years and showed a graph of the S&P 500, the U.S. Treasury Rate, the unemployment rate, and the Federal Funds Target Rate. Interest rates hit a high in 1981 of 15.84% and in June of 2012 hit a low of 1.65%. Mr. Schultz reported that the 10 year treasury yield is currently 2.75% while Federal Funds are at a historic low of 25 basis points. The unemployment rate stands at approximately 6.6% after reaching a high of 9.9% in the recent past. He noted the volatility that has been experienced since 2000. He reported that his firm took over the investment of the university's endowment funds in November, 2007.

The next chart showed interest rates in world markets and the following chart showed the spread between two-year and ten-year treasury notes during the last 37 years. Mr. Schultz noted that there is concern about where interest rates are headed. He stated that for interest rates to go up in 10 years the shorter term rates must increase and there are no signs that the Federal Reserve will make a change in the rate in the near future. He indicated that interest rates may start to accelerate slightly in 2015 and 2016. He added that as the university discusses debt issuance for new facilities, this is an ideal time to borrow funds. He added his expectation that the stock market should be flat to slightly up during the coming year.

The performance report page showed that at the end of 2013 the total portfolio stood at almost \$8.3 million. The funds were 5% in cash, 29% in fixed income securities, and 66% in stocks. The university's investment policy calls for a maximum of 70% in stocks.

The next page showed that the total portfolio was up 18.6% in 2013. He added that with the market being down in January, 2014, the 12 month return was less than 13%.

Mr. Engelman asked if Mr. Schultz would suggest a change in the university's investment policy to allow expanded investment in equities. Mr. Schultz responded that some of their other long-term endowments allow up to 75% in equities and will typically allow a plus or minus 5% which would put the limit up to 80%. He noted that 80% was probably too aggressive for the university but that increasing the limit to 75% would possibly make sense. He added that the decision would still have to be balanced with the concern for risk. He noted that while stocks can produce a 20% positive return they can also produce a similar negative return. Mr. Engelman stated that the university's policy also allowed Alternative Investments. He added that he wasn't certain what that would include. Mr. Schultz responded that Alternative Investments would include everything else, including long-short funds, option funds, and real estate. He stated that American National wasn't opposed to Alternative Investments but had not seen the right opportunity for Alternative Investments for MSU's funds.

Mr. Bernhardt thanked Mr. Schultz and Ms. Wilson for taking the time to visit with the board. He asked Dr. Fowlé to comment on the 1st quarter investment report. She presented information (see Attachment 3) which included an update on operating funds that had been invested with the Texas A&M University System. She noted that MSU Controller Chris Stovall compared earnings that would have been achieved if the funds had remained invested according to previous policy to earnings through investing the funds through the Texas A&M University System. She reported that the change had resulted in an increase of \$190,000 over the four month period.

Mr. Engelman moved the board accept the investment report as presented. Mr. Gregg seconded the motion and it was approved.

MSU Charitable Trust – Value Determination

- 14-67a. Mr. Bernhardt reported that this item was a properly posted addition to the agenda. He noted that the MSU Charitable Trust board met recently and approved changing the value determination date from March 1 to December 31. He commented that this change would better fit with the university's budgeting cycle. On behalf of the administration, Dr. Rogers recommended that language in four Charitable Trust fund agreements (all three Perkins funds and the museum fund) be changed as follows:

“The distribution for each school year (such school year as determined from time to time by Midwestern State University), shall be determined by multiplying the distribution percentage of the fund by the average fair market value of the fund (both principal and accrued interest) as of December 31 (or such other date that more appropriately coincides with the budgeting cycle of the university) of the three years preceding the beginning of the school year in which the distribution is made and any language to the contrary in the agreement is deleted.”

Dr. Rogers added that changing the value determination date would provide budget information to the administration in a timely manner. In this way the deans and other administrative officers would be able to make scholarship offers earlier in the year.

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

FY 2013-2014 Items \$50,000 & Under

14-68. Mr. Bernhardt noted that two budget changes were presented for ratification. Dr. Lamb reported that under Section 504 of the Rehabilitation Act of 1973 and the American's with Disabilities Act the university is required to provide certain accommodations to students with disabilities. He stated that it was difficult to budget for future needs and that an additional \$50,000 was needed for the remainder of the current year. He noted that in the current year a number of hearing impaired students are enrolled who require interpreters as well as real-time captioning services. The second request provided funds for the MSU cheerleaders to participate in the Universal Cheerleaders Association championship in Orlando, Florida. The team participated in January and finished fourth in the nation in the Small Coed Division II.

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

Review of Personnel Reports and Salary/Title/Position Changes in 2013-2014 Budget

14-69. Mr. Bernhardt noted that these reports were presented in the agenda document for review and ratification. Mrs. Carnes moved the board ratify these changes as presented. Mr. Engelman seconded the motion and it was approved.

Summer Budget 2014

14-70. Mr. Bernhardt noted that the administration had recommended an increase in the 2014 summer budget of \$300,000, with the source of funds being Voluntary Separation Program funds. Dr. Rogers reported that the deans collectively asked that the \$100,000 reduction in the summer budget that was made in 2013 be returned. Additionally, it was noted that an additional investment of funds could provide increased enrollment, which would be important as the university enters a base period for funding during the next biennium. Dr. Rogers asked Dr. Stewart to comment on the conditions that would be in place if this investment was approved. Dr. Stewart reported that the deans would notify faculty that if they were to accept additional funding certain minimum enrollment guidelines would have to be met for each of the courses offered. The 1000 and 2000 level courses must have 15 students enrolled and the 3000 and 4000 level courses would need a minimum of 10 students enrolled. A post-baccalaureate or graduate course would require a minimum of five students enrolled. Dr. Rogers stated that if the classes meet the required minima, the university will receive funding in the form of tuition and fees as well as eventual funding from the state for semester credit hour production. He noted that he felt that this was a safe investment of university funds.

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

Mr. Bernhardt stated that he had visited extensively with Dr. Rogers about this matter. He recommended adding to the motion a request that a report analyzing the success of the program be presented to the board in August. Mr. Gregg and Mr. Engelman accepted an amendment to their original motion and second. There being no further discussion the motion as amended was approved.

Reinstatement Fee

14-71. Mr. Bernhardt noted that the administration had recommended increasing the Reinstatement Fee from \$50 to \$100 effective with the fall, 2014 semester. He asked Dr. Fowlé to comment. She noted that if a student does not pay his tuition and fee bill by the 12th class day he is voided from all classes. The student then has until the 20th class day to pay the bill and be reinstated in his classes. The current Reinstatement Fee for students who do not pay by the 12th class day is \$50. Dr. Fowlé stated that students are given options that can be used to pay for tuition and fees and avoid being voided from class. These options include Emergency Loans and Installment Plans. She reported that 96 students were dropped in the spring semester and approximately 50 of those students were reinstated.

Mrs. Carnes asked if the students receive a notice that the funds are due. Dr. Fowlé responded that her office and others contact them by telephone and e-mail. She added that the list of individuals being contacted on the 11th class day totaled approximately 900 students. Business Office personnel as well as Phonathon workers help with locating these students. She noted that the administration goes to extraordinary lengths to ensure the students are contacted and have an opportunity to remain in school.

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

Mr. Bernhardt noted that following his discussion with Dr. Fowlé he thought that perhaps the Reinstatement Fee should be larger than \$100. Mr. Engelman asked if perhaps the students were confused about the cost of attending the university. Dr. Fowlé responded that prior to the due date the students are sent a bill outlining the costs. Dr. Lamb added that a cost calculator is also available online for students to use before they register. Dr. Givens stated that this sounded like more of a "procrastination fee." Dr. Fowlé responded that the students have options if they do not have adequate financial aid to cover the total cost of tuition and fees. Dr. Givens indicated that he agreed with Mr. Bernhardt and thought that perhaps the fee should be increased to \$150. He added that perhaps the fee was not large enough to serve as an incentive for students to pay on time.

Dr. Farrell stated that not all students are simply procrastinators. He noted that his office and the scholarship office see a lot of these students who are attempting to locate money so that they can stay in school. Mr. Engelman commented that he would support raising the fee if students were simply procrastinating, but that he would be concerned about

adding to the burden of students who are trying to raise funds to go to school. Mr. Bernhardt asked Ms. Davis for her perspective. Ms. Davis stated that although students are given information about the amount of their bill and payment plan options, she has observed students in line at the Business Office who are distraught because they do not have the money to pay their bill and do not understand their options. She indicated her support of increasing the fee to \$100. Dr. Rogers expressed agreement and noted that the administration would monitor the situation and determine whether the change had any effect on the numbers of students being voided and reinstated.

There being no further discussion, the motion was approved.

New Faculty Positions – FY 15

14-72. Mr. Bernhardt reported that the administration was recommending the addition of two faculty positions in FY 15. Dr. Stewart noted that the two positions would be funded by donor funds. The first position is in the McCoy School of Engineering and is a petroleum engineering faculty position. The individual hired would teach in the petroleum certificate program. The second is an accounting position in the Dillard College of Business. This person will be one of the founding faculty members for the new Center for Energy Management.

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

Budget Discussion 2014-2015/Tuition and Fee Review and Recommendations

14-73. Mr. Bernhardt noted that during the last legislative session a bill was passed that required all public universities to offer a fixed tuition plan beginning with the fall 2014. Dr. Rogers complimented Dr. Fowlé and the budget staff for their efforts. He indicated that he thought it was innovative and would encourage students to finish their education at Midwestern State University.

Dr. Fowlé reviewed the proposed tuition and fee plan as shown in Attachment 4. She explained that this was the same presentation that was made to the students. She added that the students reacted favorably to the plan. She presented information regarding the legislative intent and the assumptions the university made in determining the options being presented. She reported that the 12 consecutive semesters for new students are counted whether a student attends or not. She added that the two summer terms count as one semester. She noted that the proposal included plans for current students as well as new students. She explained that if a student uses up the number of semesters guaranteed by the plan, the new academic year 12 semester plan tuition rate would apply. She stated that the plan freezes designated tuition only, as mandated by the legislature.

Mr. Hessing asked if a new rate would be set each year for students entering in the fall and asked if this would be the only year the university would offer a nine semester and six semester plan for current students. Dr. Fowlé responded in the affirmative.

Mr. Bryant asked Dr. Fowlé to confirm what would happen to a student who finished the 12 semesters and did not graduate. Dr. Fowlé stated that a student continuing after the 12 semesters would pay tuition and fees at the new freshman rate for one year, and the following year would pay the new freshman rate for that year. Mr. Hessing asked what would happen to a student who remained at MSU to work on a master's degree. Dr. Fowlé responded that if a student graduates in four years and remains to work on a master's degree she would pay the new freshman rate. Mr. Hessing suggested that the administration review this scenario and determine if another option might be appropriate. He stated that many programs are evolving and now require a master's degree for certain certifications. He added that he would not want to penalize students in those areas of study. Dr. Fowlé responded that perhaps students wanting to continue in master's work without an interruption could be given an extra two years at the frozen rate. Mr. Bryant commented that offering a level premium for more than four years could be risky for the university and the matter would merit further review and discussion.

Mr. Bryant asked about the last tuition and fee increase at MSU. Dr. Fowlé responded that tuition and fees were not increased for the current year and the previous year's increase for total tuition and fees was 3.95%.

Dr. Fowlé reviewed the various fees that are charged to students, as shown on slide 11. State tuition is set by the legislature and is currently \$50 per semester credit hour. The Student Union/Center Fee is approved by the legislature and any change would require student, regent, and legislative approval. The Recreational Center Fee, the Student Service Fee, and the Athletics Fee can be raised by student referendum or the board can approve an increase of no more than 10%. All three fees have a cap that is established in statute. The Instructional Enhancement Fee is based on the needs of each college. Dr. Fowlé stated that the one fee that is very flexible is the University Services Fee. She noted that if the institution needed to increase revenue, this is a flexible fee that can be used for any of the university's services.

Mr. Hessing stated that he wanted to be certain that the tuition and fees charged were adequate to support the operation of the institution. He asked if there were other areas of the university, such as athletics, where additional funding is needed. Mr. Bryant added that he had been on the board for three years and tuition had increased twice. He expressed concern that a 6% cost increase might be too low. Dr. Fowlé responded that they had assumed a 2.5% inflation rate and averaged that amount over a four year period.

Mr. Hessing suggested that the administration take one more look at the proposal to be certain that adequate funding will be generated. He added that he did not want to make any changes without vetting it further with the students. He asked if it would be possible to approve the plan today, pending further study, and slightly modify a fee in May if necessary following the review. Dr. Lamb responded that from a financial aid perspective, minor tweaks of \$1 per semester credit hour or \$50 a semester would be acceptable. He noted that any larger changes would be problematic. Dr. Fowlé added that scholarships would be awarded in March and financial aid packaging would begin in

April. Mr. Hessing stated that the administration had done a great job of communicating this plan with the students and faculty and that he did not want to take away from that.

Mr. Bryant asked if it would be better to add the dollar now as opposed to tweaking the plan in May. He added that if the plan were to be changed it would not be the same plan that was presented to the students. Dr. Rogers indicated that when the plan was presented to the students they were told that this was the plan that would be recommended to the Board of Regents for consideration. Mr. Hessing stated that if the administration wanted to tweak the plan, it would be important to meet with the students again and receive their input.

Dr. Givens commented that as he looked at the cost for 15 semester credit hours for new students as shown on slide 11, designated tuition of \$1,785 is 44% of the total cost of \$4,088.24. He stated that parents and students might think that the university is saying that the cost will not increase during the next four years. He indicated concern that the message be expressed correctly. He noted that everything outside of state and designated tuition represents 38% of the total cost. He added that he was uncomfortable with the board thinking that 44% of the cost would be flat for four years and that additional revenue needed would be generated by raising the remaining 38%. He stated that the message should be clear so that everyone understands that the 44% is fixed and the remainder may change every year. Mr. Hessing indicated that he would prefer that the cost remain as constant as possible during the four years. Dr. Givens expressed support for the plan and indicated that he did not want to put out the message that the cost would never change because some fees may have to change.

Mr. Bernhardt stated that it was important to remember that the proposed plan was for students entering during the 2014-2015 school year and that new rates would likely be set for students entering in 2015-2016. He indicated that this would give the board latitude when setting rates in the future. Mr. Gregg stated his preference that the plan be approved as presented. He expressed agreement with Mr. Bernhardt in that any changes needed could be made when the rates are set for the incoming 2015-2016 class. He stated that this was a better option rather than reviewing the plan and going back to the students for additional input. Dr. Rogers expressed agreement with this course of action.

Mr. Bernhardt asked Ms. Davis for her opinion of the proposed plan. She responded that she would have preferred this type of plan as a freshman. Mr. Engelman asked if the plan would change if a student enrolled in 18 semester credit hours rather than 15. Dr. Fowlé responded that some of the fees are based on credit hours and some are flat rate fees. She noted that the cost would change based on the type and number of credit hours a student takes.

Dr. Givens commended the business affairs team for developing a well thought out plan. Dr. Fowlé expressed appreciation to Valarie Maxwell for her work and added that Dr. Lamb was also very helpful in the process.

On behalf of the administration Mr. Bernhardt presented the following recommended tuition and fee plan for FY 2015:

Tuition

- Seniors and Graduate Students Six Semester Plan – increase designated tuition from \$111.50 to \$114.00, an increase of 2.2%. This will be frozen for six semesters.
- Juniors Nine Semester Plan – increase designated tuition from \$111.50 to \$116.50, an increase of 4.5%. This will be frozen for nine semesters.
- Sophomores and New Student 12 Semester Plan – increase designated tuition from \$111.50 to \$119.00, an increase of 6.7%. This will be frozen for 12 semesters.

University Services Fee

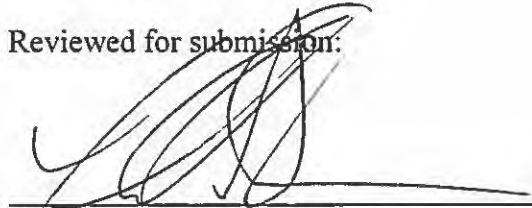
- Propose an increase for all students to a semester credit hour rate of \$54.25.
 - For Seniors and Graduate students, a 15 hour load would increase by 4.5% for all tuition and fees above current rates.
 - For Juniors, a 15 hour load would increase by 5.5% for all tuition and fees above current rates.
 - For Sophomores and new students, a 15 hour load would increase by 6.5% for all tuition and fees above current rates.

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

Adjournment

The Finance Committee discussion concluded at 5:07 p.m.

Reviewed for submission:



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

ATTACHMENT:

1. Annual Financial Report FY 13 Highlights
2. American National Bank Investment Presentation
3. Investment Pool Performance Analysis
4. Tuition and Fee Plan Power Point

**Annual Financial Report Highlights
Midwestern State University
For the Year Ended August 31, 2013**

We are enclosing the Midwestern State University Annual Financial Report (AFR), Unaudited, for the year ended August 31, 2013 for your review. The report reflects a stable financial position for the university even with the reduction in enrollment and its associated revenues. Overall operating revenues increased by \$2.6M. The largest area of increase was in net tuition and fees which grew \$2M. Non-operating revenues remained flat at \$35.2M with a change of only \$41,000 less than the previous year. Other contributions and additions provided an additional \$3.5M in funds. Operating expenses also increased by \$3.8M to \$84.9M. The change in net assets between years was a positive \$1.1M, with net assets growing from \$95.9M to \$97M.

The Annual Financial Report provides financial and non-financial data for the year ended August 31, 2013. It includes enrollment trend analyses for student headcount and related semester credit hours, an important component of calculating the institution's financial position and stability. This report included the mandatory primary schedules of financial performance, consistent with the Governmental Accounting Standards Board, as well as reporting requirements by the Texas State Comptroller.

The Annual Financial Report includes: Comparative Statement of Net Position (Exhibit I), Comparative Statement of Revenues, Expenses, and Changes in Net Assets (Exhibit II), and Statement of Cash Flows (Exhibit III). There is also management's discussion and analysis, cash flow discussion, summary of significant accounting policies, capital assets (including investments) and debt administration schedules, federal funds schedules and other financial notes.

1. Exhibit I – Comparative Net Assets or Balance Sheet

- This schedule reflects the assets that MSU owns, its obligations or liabilities and the resultant net assets or the net worth of the institution's financial position. Net assets, as previously mentioned, increased by \$2M, 2%, from the previous year. Current assets increased \$5.7M with almost \$2.7M increase in short-term investments, \$.9M in student receivables, \$.5M in pledges receivable and \$.7M in pre-paid expenses. Non-current assets decreased by \$7.4M between the years with the largest decreases in land and construction in progress (\$1.8M) and buildings and building improvements (\$4M).
- Current liabilities for the institution increased between years from \$35.1M to \$37.6M with the largest increase in accrued liabilities (\$1.1M) and deferred revenues (\$.9M). Noncurrent liabilities however decreased between years by \$5.4M with repayment of revenues bonds payable and paying off of outstanding constitutional appropriation bonds. Overall liabilities for the institution decreased \$2.9M
- Net assets are broken into several categories. The largest category, Invested in Capital Assets (net of related debt) decreased from \$50.2M to \$48.9M. This decrease is primarily due to depreciation expense. Net assets are further broken down into restricted and unrestricted. Restricted assets grew by \$1.9M due to gifts from donors for restricted purposes. Unrestricted net assets remained flat changing from \$28.2M to \$28.8M.

2. Exhibit II – Comparative Statement of Revenues, Expenses, and Changes in Net Assets (Income Statement)

- This statement breaks revenue into two categories: operating and non-operating. The State and the Governmental Accounting Standards Board require that state appropriations, HEAF appropriations, gifts and certain federal grants all be categorized

as non-operating income or capital contributions, additions to the endowment and special items. Because of this, the university shows a net operating loss of \$37.6M (operating revenue less operating expenses) before these major revenue sources are included. After these non-operating revenues are included, the institution shows an increase in net assets of \$1.1M.

- The increase of net assets of \$1.1M reflects a change from a larger increase in net assets from the previous year (\$7M). This swing was primarily due to a large amount of gifts for capital projects in the FY2012.

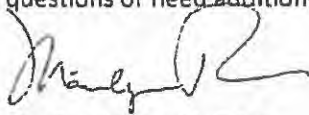
3. Exhibit III – Statement of Cash Flows

- This statement reflects the inflows and outflows of cash received and used by the university with the net result of ending cash balances. Cash flow shows how cash is being brought in and/or used in four different areas: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.
- The institution uses over \$26.9 million more in cash on operating activities than it takes in. This shortfall is offset by cash received from noncapital financing activities (primarily state appropriations, non-operating grants, and gifts). Cash is also used in capital and related financing activities. Relative to the amounts of cash moving through the institution, little net cash was made from investing activities.
- The cash flow statement shows the vulnerability of the institution to declines in state appropriations and gift funds. The amounts of cash received from state appropriations (including HEAF), gifts and capital gifts this year was over \$33.2M or almost \$3 million more than was received from students in tuition and fees.
- The other cash item to watch is the growth in the amount of scholarships. Currently scholarships paid, \$10.4M is equivalent to 34% of the amount of proceeds received from the students, \$30.5M. Last year the ratio was 29%.
- Overall cash for the institution grew from \$6.8M to \$8.0M, an increase of \$1.2M.

4. Subsequent Events

- Senate Bill 1019 passed the 83rd legislature and allowed Midwestern State University to pool its investments with another governing board. After considering several university systems in the state, the university entered into an agreement with Texas A&M University System to invest its idle cash. Investment returns are expected to grow from less than 1% to around 3% over the coming year.
- The university retired its HEAF bonds on September 13, 2013. As a result, the institution will have an additional \$1.4M each year in HEAF funds to be spent on capital projects, equipment or library materials.

For additional highlights and information on the financial status of the institution, please read the Management's Discussion and Analysis that provides narratives following each of the major schedules, and the notes to the financial statements at the end of the report. Please let me know if you have any questions or need additional information.



Marilyn M. Fowlé, Ed.D.
Vice President for Business Affairs and Finance

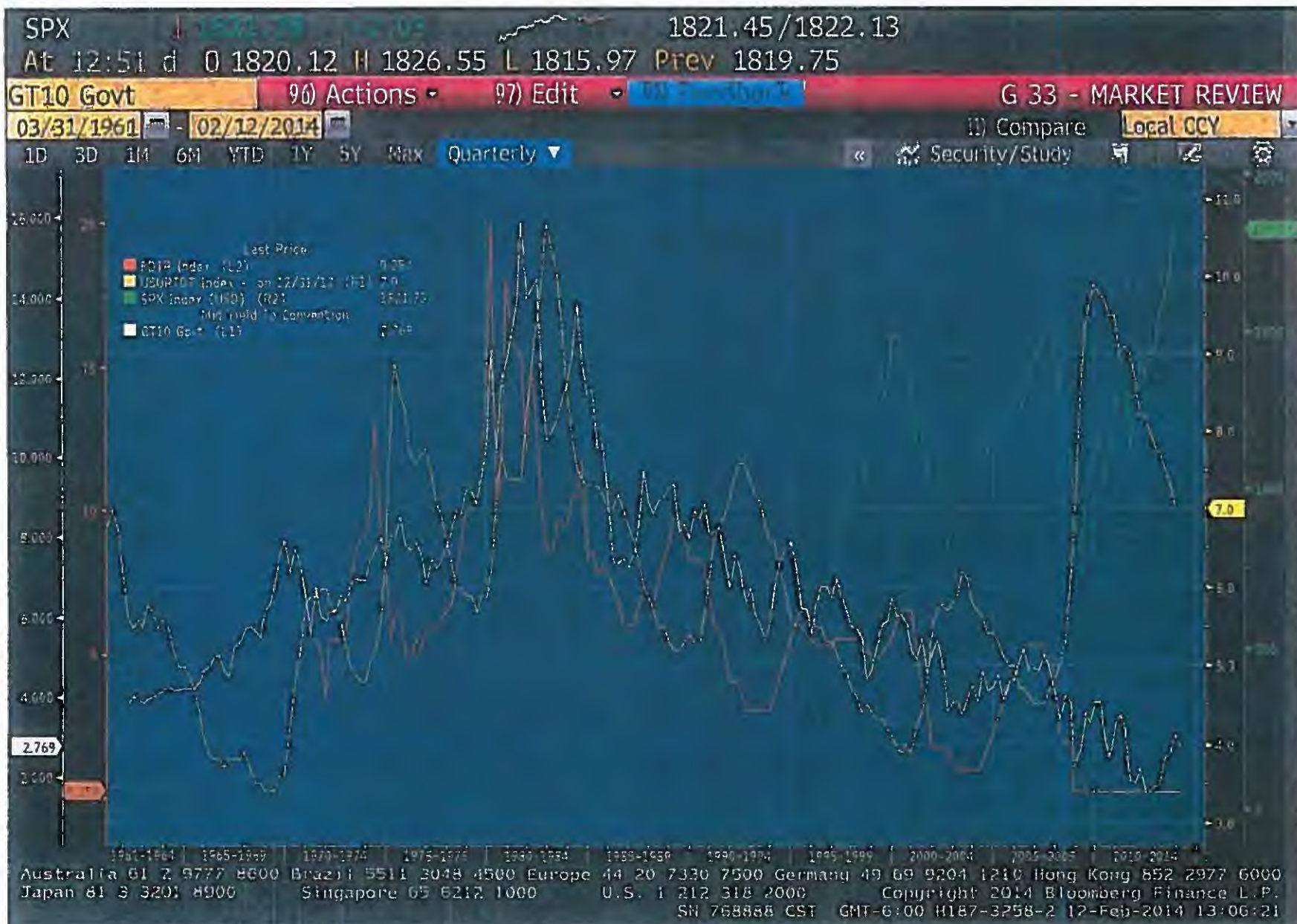


**American National
Bank & Trust**

MSU ENDOWMENT FUNDS I/M AGENCY

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FEBRUARY 13, 2014



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Reference Curve Selected: US Treasury Actives Curve

US Treasury Actives Curve 97) Actions 98) Table

Graph Curves

X-axis Tenor Y-axis Yield PCS MULT

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Curves & Relative Value



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Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2014 Bloomberg Finance L.P.
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1<Go> to View Spread, 11<Go> to Save as Index, 12<Go> to View Regression

Buy **GT10 Govt** - Sell **GT02 Govt** 96) Actions 97) Edit Spread Analysis
 Data Field **Mid Yield To** Data Field **Mid Yield To** 03/31/1977 02/12/2014 Regression Com. 120
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Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 552 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000

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**2013
Midwestern State University
Selected Items**

Top 5 Returns

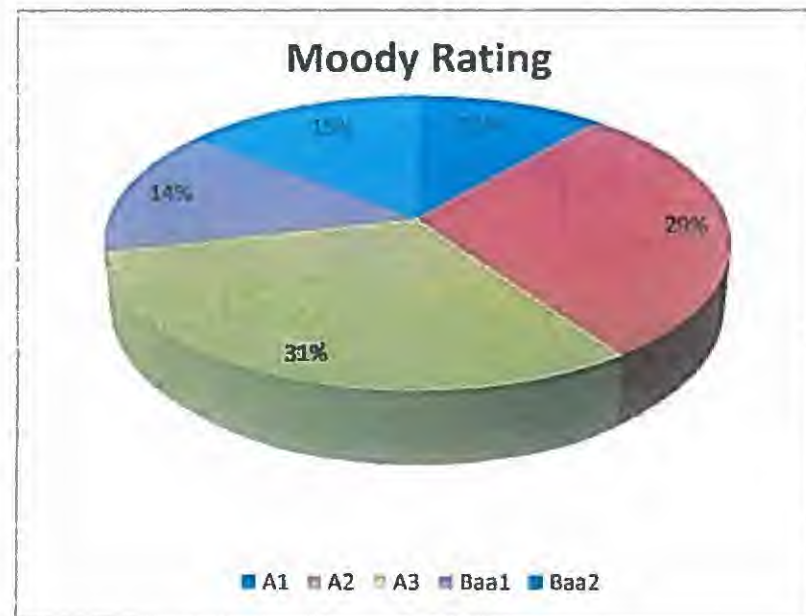
Warner Chilcott PLC	93.8%
Priceline.com Inc	87.4%
Generac Holdings Inc	69.9%
Valero Energy Corp	63.2%
AbbVie Inc	56.0%

Bottom 5 Returns

Atwood Oceanics Inc	-7.6%
Forestar Group Inc	-3.9%
Caterpillar Inc	-1.6%
American Airlines Group Inc	-0.8%
International Business Machines Corp	-0.2%

Bond Characteristics

Avg. Coupon	4.95%
Avg. Yield To Maturity	2.28%
Avg. Current Yield	4.44%
Avg. Modified Duration	3.86%
Avg. Macaulay Duration	3.93%
Value of Bonds Maturing 1-5 Years	75.00%





American National Bank & Trust

MSU ENDOW FUNDS I/M

REPORT PERIOD: 11/1/07 TO 12/31/13

Fiscal Year End: 1/31

Account 005707

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PERFORMANCE - REPORT PERIOD: 11/1/07 TO 12/31/13
MSU ENDOW FUNDS I/M

	ENDING MARKET VALUE	PORTFOLIO ALLOCATION	LAST MONTH		LAST 12 MONTHS		REPORT PERIOD ¹	
			GAIN/ LOSS	TOTAL RETURN	GAIN/ LOSS	TOTAL RETURN	GAIN/ LOSS	TOTAL RETURN
Cash	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Cash	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Money Mkts & Equivalents	409,934	4.9%	3	0.0%	17	0.0%	43,859	0.5%
Money Mkts & Equivalents	409,934	4.9%	3	0.0%	17	0.0%	43,859	0.5%
Municipal	277,551	3.3%	-5,641	-2.0%	-17,025	-5.7%	-11,494	-3.0%
Municipal Bonds	277,551	3.3%	-5,641	-2.0%	-17,025	-5.7%	-11,494	-3.0%
US Government	27,643	0.3%	511	1.9%	900	3.8%	153,795	3.7%
US Government-Mortgage			0	0.0%	0	0.0%	5,917	3.2%
US Government-Treasury			0	0.0%	0	0.0%	-20	0.0%
US Corporate	2,119,671	25.6%	-17,470	-0.8%	-7,965	-0.4%	407,840	6.6%
Taxable Bonds	2,147,315	25.9%	-16,959	-0.8%	-7,065	-0.3%	567,532	5.5%
Large Cap Equities	3,282,327	39.6%	80,540	2.5%	763,495	26.0%	1,381,832	6.1%
Mid Cap Equities	891,288	10.7%	21,569	2.4%	308,585	51.6%	302,733	3.2%
Small Cap Equities	306,989	3.7%	6,774	2.3%	114,289	69.7%	67,642	3.5%
Large Cap Core Funds			0	0.0%	0	0.0%	55,165	32.5%
Small Cap Core Funds	333,808	4.0%	8,355	2.5%	75,269	29.8%	75,269	29.8%
US Equities	4,814,412	58.0%	117,238	2.5%	1,261,639	32.9%	1,882,642	5.5%
International Equities	645,077	7.8%	11,088	1.7%	79,078	16.1%	65,690	1.1%
International Equities	645,077	7.8%	11,088	1.7%	79,078	16.1%	65,690	1.1%
TOTAL PORTFOLIO	8,294,289²	100.0%	105,729	1.3%	1,316,644	18.6%	2,548,229	6.0%
TOTAL CONTRIBUTIONS/WITHDRAWALS			LAST MONTH		LAST 12 MONTHS		REPORT PERIOD	
			-3,323		-47,123		5,746,060	

¹ Annualized Return

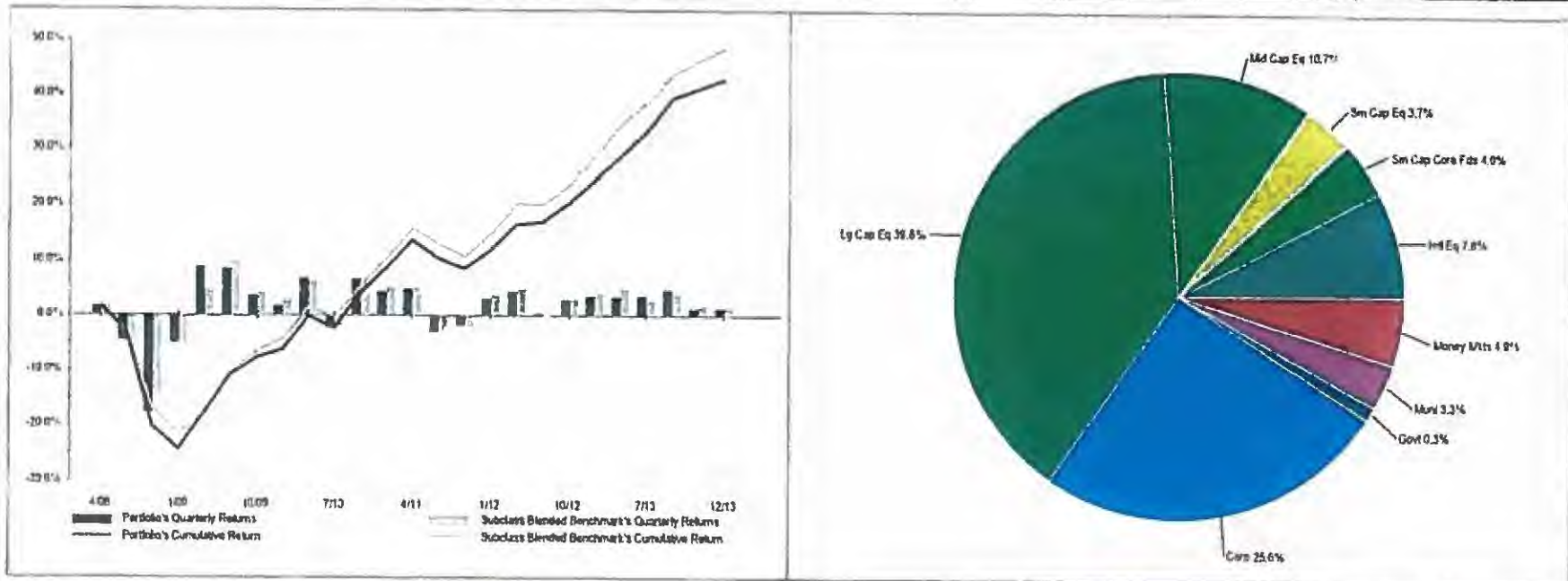
² Total Portfolio Ending Market Value includes Total Accrued Income of \$37,636.

Account 005707

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ASSET SUBCLASSES VS. BENCHMARKS - REPORT PERIOD: 11/1/07 TO 12/31/13

MSU ENDOW FUNDS I/M



ASSET SUBCLASS	BENCHMARK	PORTFOLIO ALLOCATION	LAST MONTH		LAST 12 MONTHS		REPORT PERIOD ¹	
			SUBCLASS RETURN	BENCHMARK RETURN	SUBCLASS RETURN	BENCHMARK RETURN	SUBCLASS RETURN	BENCHMARK RETURN
Cash	Not Applicable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Money Mkts & Equivalents	Lipper Money Market Index	4.9%	0.0%	0.0%	0.0%	0.0%	0.5%	0.6%
Municipal	Barclays Municipal Index	3.3%	-2.0%	-0.3%	-5.7%	-2.6%	-3.0%	-1.0%
US Government	Barclays 1-5 Year Govt Index	0.3%	1.9%	-0.4%	3.8%	-0.1%	3.7%	3.1%
US Government-Mortgage	Lipper US Govt Mort Fund Index	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	2.1%
US Government-Treasury	Barclays Treasury Index	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
US Corporate	Barclays Intern A Corp Index	25.6%	-0.8%	-0.4%	-0.4%	-0.1%	6.6%	5.2%
Large Cap Equities	Standard & Poor's 500 Stock Index	39.6%	2.5%	2.5%	26.0%	32.4%	6.1%	5.2%
Mid Cap Equities	Standard & Poor's 500 Stock Index	10.7%	2.4%	2.5%	51.6%	32.4%	3.2%	8.2%
Small Cap Equities	Standard & Poor's 500 Stock Index	3.7%	2.3%	2.5%	69.7%	32.4%	3.5%	6.2%
Large Cap Core Funds	Standard & Poor's 500 Stock Index	0.0%	0.0%	0.0%	0.0%	0.0%	32.5%	45.0%
Small Cap Core Funds	Standard & Poor's 500 Stock Index	4.0%	2.5%	2.5%	29.8%	32.4%	29.8%	32.4%
International Equities	FTSE All-World ex US Index	7.8%	1.7%	0.9%	16.1%	15.7%	1.1%	-0.3%
TOTAL PORTFOLIO	Subclass Blended Benchmark	100.0%	1.3%	1.4%	18.6%	18.5%	6.0%	6.6%
Inflation	Consumer Price Index		0.3%	0.3%	1.6%	1.6%	1.9%	1.9%
RETURNS AFTER INFLATION			1.0%	1.1%	16.7%	16.6%	4.0%	4.6%

¹ Annualized Return
Account 005707

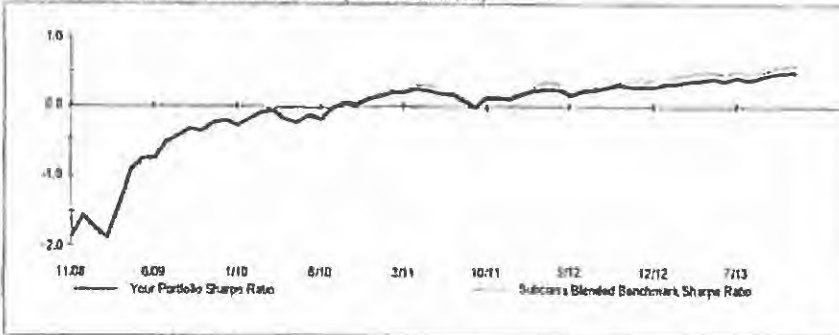
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ASSET SUBCLASS REVIEW - REPORT PERIOD: 11/1/07 TO 12/31/13
MSU ENDOW FUNDS I/M

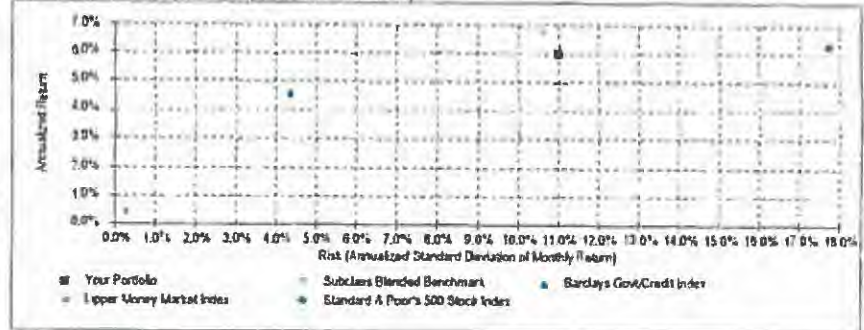
ASSET SUBCLASS/BENCHMARK	PORTFOLIO ALLOCATION	LAST 3 MONTHS	LAST 6 MONTHS	FISCAL YTD	LAST 12 MONTHS	LAST 3 YEARS ¹	LAST 5 YEARS ¹	REPORT PERIOD ¹
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Applicable		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Money Mkts & Equivalents	4.9%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.5%
Lipper Money Market Index		0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.6%
Municipal	3.3%	-1.7%	-1.5%	-5.1%	-5.7%	-3.0%	-3.0%	-3.0%
Barclays Municipal Index		0.3%	0.1%	-3.0%	-2.6%	-1.0%	-1.0%	-1.0%
US Government	0.3%	2.4%	3.3%	4.0%	3.8%	2.5%	3.0%	3.7%
Barclays 1-5 Year Govt Index		-0.1%	0.4%	0.0%	-0.1%	1.3%	1.7%	3.1%
US Government-Mortgage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	3.2%
Lipper US Govt Mort Fund Index		0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	2.1%
US Government-Treasury	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Barclays Treasury Index		0.0%	0.0%	0.0%	0.0%	1.4%	1.4%	1.4%
US Corporate	25.6%	0.0%	1.2%	-0.1%	-0.4%	4.2%	6.5%	6.6%
Barclays Intern A Corp Index		0.7%	1.9%	0.3%	-0.1%	4.5%	7.3%	5.2%
Large Cap Equities	39.6%	9.6%	12.8%	19.1%	26.0%	14.2%	17.9%	6.1%
Standard & Poor's 500 Stock Index		10.5%	16.3%	25.9%	32.4%	16.2%	17.9%	5.2%
Mid Cap Equities	10.7%	13.9%	28.5%	38.7%	51.6%	19.2%	15.4%	3.2%
Standard & Poor's 500 Stock Index		10.5%	16.3%	25.9%	32.4%	16.2%	17.9%	8.2%
Small Cap Equities	3.7%	0.8%	33.8%	58.9%	69.7%	17.3%	21.0%	3.5%
Standard & Poor's 500 Stock Index		10.5%	16.3%	25.9%	32.4%	16.2%	17.9%	6.2%
Large Cap Core Funds	0.0%	0.0%	0.0%	0.0%	0.0%	20.2%	32.5%	32.5%
Standard & Poor's 500 Stock Index		0.0%	0.0%	0.0%	0.0%	30.2%	45.0%	45.0%
Small Cap Core Funds	4.0%	8.7%	18.8%	29.6%	29.8%	29.8%	29.8%	29.8%
Standard & Poor's 500 Stock Index		10.5%	16.3%	25.9%	32.4%	32.4%	32.4%	32.4%
International Equities	7.8%	7.0%	18.1%	13.3%	16.1%	4.8%	13.9%	1.1%
FTSE All-World ex US Index		4.8%	15.5%	11.2%	15.7%	5.6%	13.6%	-0.3%
TOTAL PORTFOLIO	100.0%	6.1%	11.2%	14.7%	18.6%	10.3%	12.5%	6.0%
Subclass Blended Benchmark		6.6%	10.9%	15.2%	18.5%	10.9%	12.6%	6.6%

¹ Annualized Return
Account 005707

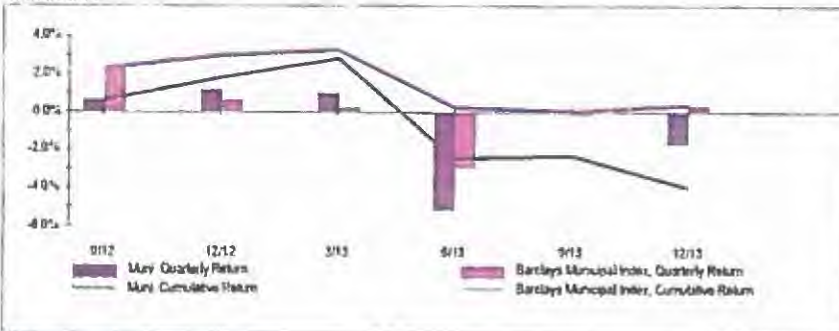
PORTFOLIO RISK-ADJUSTED RETURN (SHARPE RATIO)



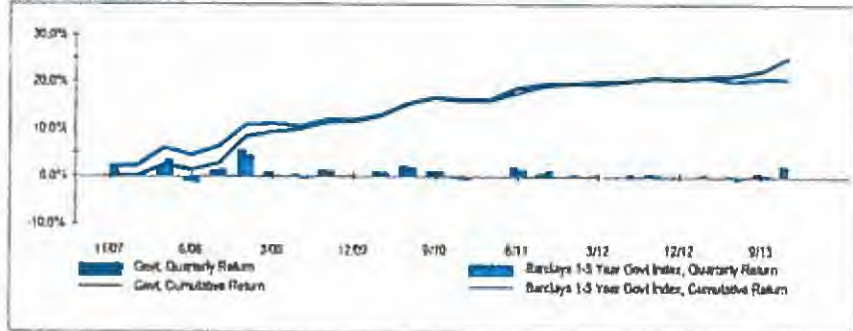
INVESTMENT EFFICIENCY (RETURN VS. RISK)



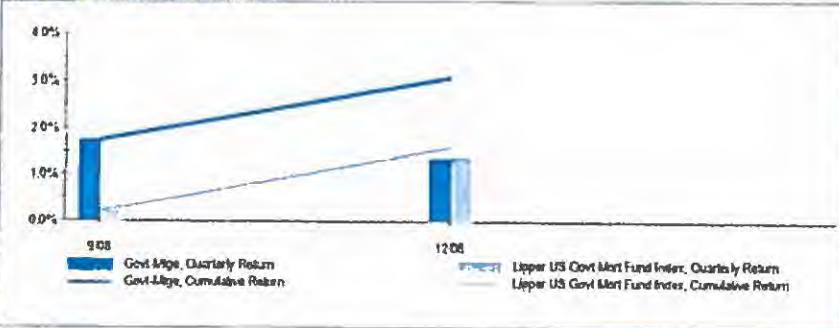
MUNICIPAL



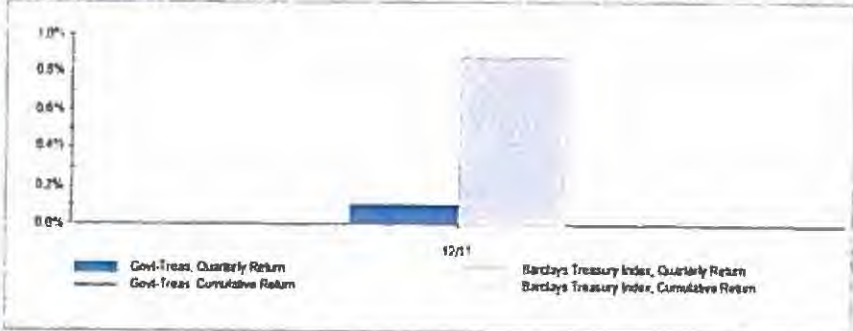
US GOVERNMENT



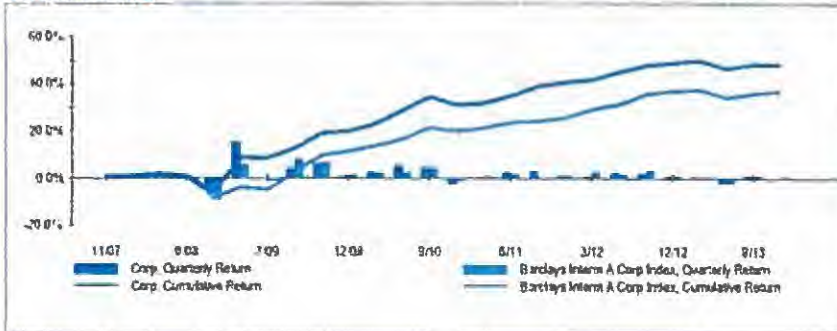
US GOVERNMENT-MORTGAGE



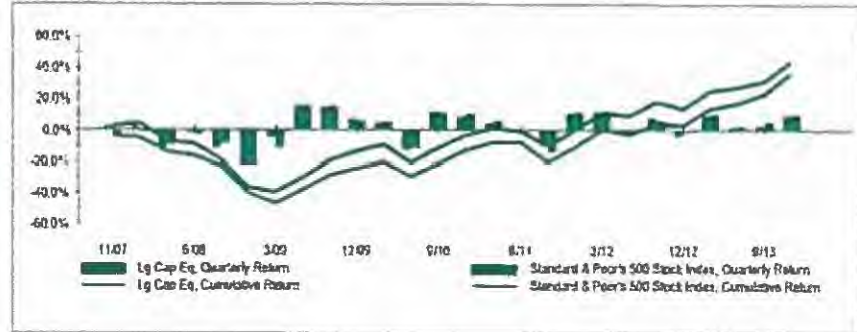
US GOVERNMENT-TREASURY



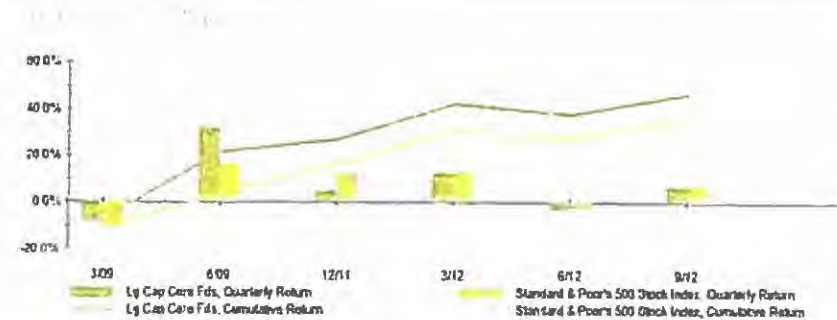
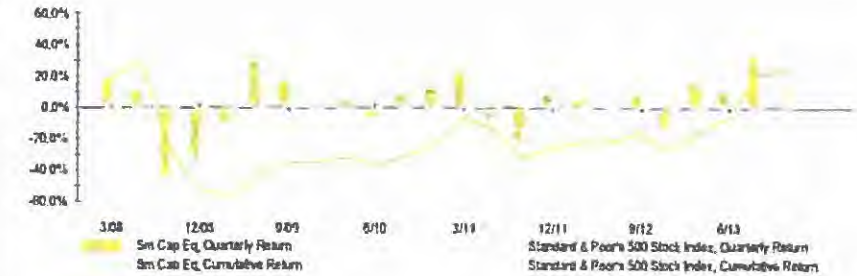
US CORPORATE



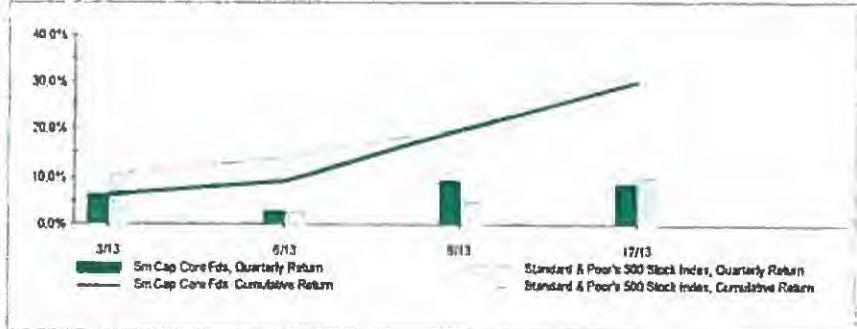
LARGE CAP EQUITIES



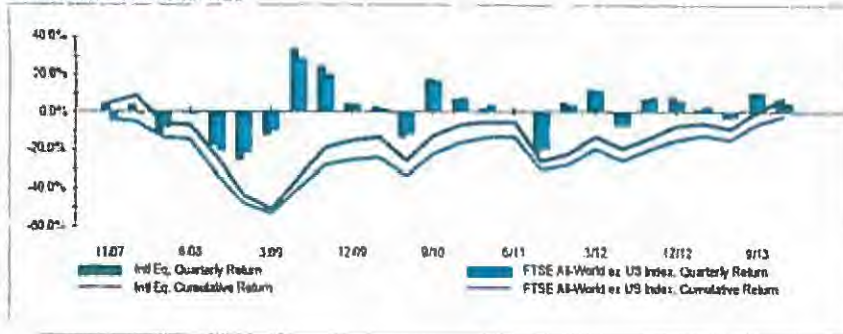
MID CAP EQUITIES



SMALL CAP CORE FUNDS



INTERNATIONAL EQUITIES



TOP 10 HOLDINGS BY ENDING MARKET VALUE

ASSET	PORTFOLIO ALLOCATION	ENDING MARKET VALUE
VANGRD ALLWRLD	6.5%	535,709
GS FST PRIME OB #464	4.9%	409,934
HALLIB 6.15% 9/15/19	4.3%	354,171
VANGUARD SM CAP	4.0%	333,808
N GRMN 5.05% 8/1/19	3.7%	304,112
DEVON 2.4% 7/15/16	3.6%	301,413
TX ST 3.191% 12/1/23	3.3%	277,551
ATMOS 4.95% 10/15/14	3.1%	260,880
CONPH 6.65% 7/15/18	2.9%	244,083
CRNING 4.25% 8/15/20	2.9%	243,343

ALL HOLDINGS BY CLASS/SUBCLASSMSU ENDOW FUNDS I/MMoney Mkts & EquivalentsMoney Mkts & Equivalents

GS FST PRIME OB #464	4.9%	409,934
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Municipal BondsMunicipal

TX ST 3.191% 12/1/23	3.3%	277,551
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Taxable BondsUS Government

FHLMC 5% 5/1/23	0.3%	27,643
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US Corporate

AT&T 5.5% 2/1/18	2.4%	201,004
ATMOS 4.95% 10/15/14	3.1%	260,880
BNSF 4.7% 10/1/19	2.5%	210,664
CONPH 6.65% 7/15/18	2.9%	244,083
CRNING 4.25% 8/15/20	2.9%	243,343
DEVON 2.4% 7/15/16	3.6%	301,413
HALLIB 6.15% 9/15/19	4.3%	354,171
N GRMN 5.05% 8/1/19	3.7%	304,112

US EquitiesLarge Cap Equities

ABBVIE INC	1.2%	99,019
AFLAC INC	1.8%	149,632
AM AIRLINES GRP	1.1%	87,365
APACHE CORP	1.6%	131,488
APPLE COMPUTER	1.4%	119,497
BERK HATHAWAY INC	2.1%	171,912

	PORTFOLIO ALLOCATION	ENDING MARKET VALUE
CF INDUSTRIES	1.4%	114,190
CHEVRON CORP	1.7%	137,401
CISCO SYS INC COM	1.2%	99,612
DIRECTV	1.6%	133,976
EMC CORP MASS	1.0%	85,133
FREEPORT COPPER	1.2%	102,464
GENERAL ELECTRIC CO	1.8%	148,284
GENWORTH FINL INC	1.2%	96,286
GOLDMAN SACHS	1.3%	106,356
GOOGLE INC	1.6%	134,485
IBM COM	1.6%	135,988
JPMORGAN CHASE & CO	1.4%	111,989
MEDTRONIC INC. COM	1.4%	117,647
ORACLE CORPORATION	1.6%	135,823
PFIZER INC	1.6%	133,547
PHILIP MORRIS	1.4%	114,931
PLUM CREEK TIMBER CO	1.2%	98,834
PROCTER & GAMBLE CO	1.5%	124,557
TARGET CORP	1.3%	108,508
US AIRWAYS GROUP	0.0%	0
VERIZON COMM INC	1.4%	116,216
WAL MART STORES INC	2.0%	167,186
<u>Mid Cap Equities</u>		
AMC NETWORKS	1.0%	82,413
ATWOOD OCEANICS	0.9%	72,610
GENERAC HOLDINGS	1.4%	117,245
HARRIS CORP DEL COM	1.3%	111,696
LABORATORY CORP AMER	1.5%	125,177
NATL OILWELL VARCO	1.3%	104,582
PRICELINE.COM INC	1.1%	92,992
UNITED RENTALS	1.0%	83,017
VALERO ENERGY CORP	1.2%	101,556
<u>Small Cap Equities</u>		
ENERGEN CORP	1.0%	85,608
FORESTAR GROUP	0.8%	70,085
GREENBRIER CO	0.8%	65,877
KODIAK O&G CORP	1.0%	85,420
<u>Small Cap Core Funds</u>		
VANGUARD SM CAP	4.0%	333,808

	PORTFOLIO ALLOCATION	ENDING MARKET VALUE
<u>MSU ENDOW FUNDS I/M (cont.)</u>		
<u>International Equities</u>		
International Equities		
ACTAVIS PLC	1.3%	109,368
VANGRD ALLWRLD	6.5%	535,709

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**
Account Number: **52 00 5707 0 08**
Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Account Cover Page

Category	Description
ACCOUNT TYPE	EXMPT AGY
ADMINISTRATOR	LINDA
ANNIVERSARY DATE	9/12/2007
INVESTMENT OFFICER	J SCHULTZ
INVESTMENT OBJECTIVE	GRW W/INC
INVESTMENT AUTHORITY	FULL
REVIEW FREQUENCY	Annual
STATE OF RESIDENCE	TX

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**
 Account Number: **52 00 5707 0 08**
 Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Asset Category	Tax Cost	% Total	Current Market Value	% Total	Estimated Annual Inc.	Yield on Market
Asset Summary						
CASH ON HAND	0.00	0.00	0.00	0.00	0.00	0.00
CASH EQUIVALENTS	781,899.09	11.24	781,899.09	9.47	78.19	0.01
FIXED INCOME SECURITIES	2,358,584.34	33.91	2,428,143.12	29.41	103,324.21	4.26
EQUITIES	3,813,134.34	54.85	5,046,354.62	61.12	92,064.28	1.82
	<u>6,953,617.77</u>	<u>100.00</u>	<u>8,258,396.83</u>	<u>100.00</u>	<u>195,466.68</u>	<u>2.37</u>

Tax Summary

TOTAL COST	8,953,617.77
NET LT GAIN/LOSS THIS YEAR	208,440.08
NET ST GAIN/LOSS THIS YEAR	51,582.36
TOTAL CASH	0.00

Investment Mix Objective

*** No Investment Mix Objectives Exist ***

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**
 Account Number: **52 00 5707 0 08**
 Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Shares or Per Value	Description of Assets	Unit Tax Cost	Tax Cost	Unit Market Value	Current Market Value	% Portfolio	Proj. Ann. Ret.	Est. Ann. Inc.	Yield on Mkt	Unrealized Gain/Loss
Asset Details										
	CASH EQUIVALENTS									
781,899.0900	MISC CASH EQUIV-TAXABLE	1.000	781,899.09	1.000	781,899.09	9.47	0.01	78.19	0.01	0.00
	GOLDMAN SACHS FST PRIME									
	OBLIGATIONS FD #484		781,899.09		781,899.09	9.47		78.19	0.01	0.00
	Total MISC CASH EQUIV-TAXABLE		781,899.09		781,899.09	9.47		78.19	0.01	0.00
	Total CASH EQUIVALENTS									
	FIXED INCOME SECURITIES									
24,424.2213	MORTGAGE BACKED SECURITIES	101.800	24,859.28	109.091	26,644.62	0.32	5.00	1,221.21	4.58	1,785.34
	FREDDIE MAC POOL #G13133									
	5.0% 05/01/2023		24,859.28		26,644.62	0.32		1,221.21	4.58	1,785.34
	Total MORTGAGE BACKED SECURITIES									
300,000.0000	MUNICIPAL BONDS & NOTES	100.000	300,000.00	98.848	290,544.00	3.52	3.19	9,573.00	3.30	-9,458.00
	TEXAS STATE PFA - MSU									
	3.191% 12/01/2023-22		300,000.00		290,544.00	3.52		9,573.00	3.29	-9,458.00
	Total MUNICIPAL BONDS & NOTES									
250,000.0000	CORPORATE BONDS & NOTES	102.400	256,100.11	102.927	257,317.50	3.12	4.95	12,375.00	4.81	1,217.39
	ATMOS ENERGY CORP									
	4.95% 10/15/2014		299,143.70	102.956	298,572.40	3.62	2.40	8,960.00	2.33	-571.30
290,000.0000	DEVON ENERGY CORP	103.200								
	2.4% 07/15/2016-16		172,203.50	113.773	199,102.75	2.41	5.50	9,825.00	4.83	26,899.25
175,000.0000	AT&T INC CORP BOND	98.400								
	5.5% 02/01/2016		231,286.00	120.244	240,488.00	2.91	6.65	13,300.00	5.53	9,222.00
200,000.0000	CONOCO PHILLIPS PETRO	115.500								
	6.65% 07/15/2018		294,945.02	112.186	302,902.20	3.67	5.05	13,635.00	4.50	7,957.18
270,000.0000	NORTHROP GRUMMAN	109.200								
	5.05% 08/01/2019		363,031.99	110.728	353,197.60	4.28	6.15	18,142.50	5.14	-9,834.39
295,000.0000	HALLIBURTON CORP	123.100								
	6.15% 08/15/2019		189,667.50	111.817	212,452.30	2.57	4.70	8,930.00	4.20	22,784.80
190,000.0000	BURLINGTON NORTH SANTA FE	99.800								
	4.7% 10/01/2019		227,367.24	109.743	248,921.75	2.90	4.25	9,582.50	3.87	19,554.51
225,000.0000	CORNING INC	101.100								
	4.25% 08/15/2020		2,033,725.06		2,110,954.50	25.57		92,630.00	4.38	77,229.44
	Total CORPORATE BONDS & NOTES		2,368,584.34		2,428,143.12	29.41		103,324.21	4.26	59,558.78
	Total FIXED INCOME SECURITIES									
	EQUITIES									
1,705.0000	COMMON STOCK	48.740	79,696.08	62.410	106,409.05	1.29	1.46	2,523.40	2.37	28,710.97
	AFLAC INC									
	COM		76,873.70	65.650	79,436.50	0.96	0.00	0.00	0.00	2,782.80
1,210.0000	AMC NETWORKS INC	63.370								

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**

Account Number: **52 00 5707 0 08**

Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Shares or Par Value	Description of Assets	Unit Tax Cost	Tax Cost	Unit Market Value	Current Market Value	% Portfolio	Proj. Ann. Rate	Est. Ann. Inc.	Yield on Mkt	Unrealized Gain/Loss
1,875.0000	ABBVIE INC	24.750	46,403.53	49,680	93,112.50	1.13	1.60	3,000.00	3.22	48,706.97
2,475.0000	AMERICAN AIRLINES GRDUP	16.730	41,406.46	35.130	86,946.75	1.05	0.00	0.00	0.00	45,540.29
1,065.0000	APACHE CORP	78.030	84,866.03	81.380	88,297.30	1.07	1.00	1,065.00	1.23	3,831.27
	COM									
213.0000	APPLE COMPUTER INC	183.620	39,111.84	535.960	114,159.48	1.36	12.20	2,588.60	2.28	75,047.64
1,360.0000	ATWOOD OCEANICS INC	55.750	75,821.83	47.220	64,219.20	0.78	0.00	0.00	0.00	-11,802.83
1,450.0000	BERKSHIRE HATHAWAY INC	82.670	119,884.75	113.610	184,734.50	2.00	0.00	0.00	0.00	44,869.75
	CL B NEW									
490.0000	CF INDUSTRIES HOLDINGS, INC	180.120	93,157.11	231.080	113,218.40	1.37	4.00	1,960.00	1.73	20,062.29
1,100.0000	CHEVRON CORP NEW	63.100	91,411.87	113.580	124,938.00	1.51	4.00	4,400.00	3.52	33,528.33
	COM									
4,441.0000	CISCO SYS INC	20.920	92,888.93	22.710	100,855.11	1.22	0.88	3,019.88	2.89	7,966.18
	COM									
1,675.0000	DIRECTV COM CL A	45.970	76,896.82	71.090	119,075.75	1.44	0.00	0.00	0.00	42,078.93
3,385.0000	E M C CORP MASS	23.800	80,568.74	24.960	84,557.30	1.02	0.40	1,354.00	1.80	3,988.56
	COM									
810.0000	ENERGEN CORP	48.220	39,058.24	73.240	59,324.40	0.72	0.80	486.00	0.82	20,285.16
3,295.0000	FORESTAR GROUP INC	21.780	71,758.48	18.960	62,473.20	0.76	0.00	0.00	0.00	-9,285.28
2,715.0000	FREEPORT COPPER AND GOLD	37.840	102,191.70	33.190	90,110.85	1.09	1.25	3,393.75	3.77	-12,080.85
	CLASS B COMMON									
1,585.0000	GENERAC HOLDINGS	38.580	81,155.82	48.000	76,080.00	0.82	0.00	0.00	0.00	14,924.18
5,249.0000	GENERAL ELEC CO	17.460	91,632.38	25.430	133,462.07	1.62	0.88	4,619.12	3.46	41,849.69
	COM									
4,925.0000	GENWORTH FINANCIAL INC	10.040	49,458.30	15.530	76,485.25	0.93	0.00	0.00	0.00	27,025.95
600.0000	GOLDMAN SACHS GROUP INC	128.810	77,283.14	164.390	98,634.00	1.19	2.20	1,320.00	1.34	21,350.68
	COM									
120.0000	GOOGLE INC	520.440	63,532.67	1180.180	142,621.60	1.73	0.00	0.00	0.00	79,288.93
	CL A									
1,316.0000	THE GREENBRIER COMPANIES INC	24.830	32,889.44	35.280	48,441.84	0.58	0.00	0.00	0.00	13,772.20
1,600.0000	HARRIS CORP DEL	47.680	76,258.00	71.300	114,080.00	1.38	1.88	2,668.00	2.36	37,824.00
	COM									
725.0000	INTERNATIONAL BUSINESS MACH	126.950	82,040.11	179.700	130,282.50	1.58	3.60	2,755.00	2.12	38,242.39
	COM									
1,915.0000	JPMORGAN CHASE & CO	37.550	71,888.28	57.430	109,976.45	1.33	1.52	2,910.80	2.65	38,080.17
	COM									
8,375.0000	KODIAK OIL & GAS CORP	8.360	53,310.93	11.350	72,356.25	0.88	0.00	0.00	0.00	18,045.32
1,170.0000	LABORATORY CORP AMER HLDGS	79.600	93,131.08	91.820	107,185.40	1.30	0.00	0.00	0.00	14,064.32
	COM NEW									
2,040.0000	MEDTRONIC INC	41.640	84,946.96	58.470	115,198.80	1.40	1.12	2,264.80	1.98	30,251.84
	COM									
1,315.0000	NATIONAL OILWELL VARCO INC	71.800	94,419.33	75.800	89,414.00	1.20	1.04	1,367.80	1.38	4,984.87
3,550.0000	ORACLE CORP	28.020	92,383.71	37.840	134,332.00	1.83	0.48	1,704.00	1.27	41,948.29
	COM									
4,380.0000	PFIZER INC	20.250	88,294.37	31.880	138,998.80	1.68	1.04	4,534.40	3.28	50,702.43
	COM									
1,305.0000	PHILIP MORRIS INTL INC	58.530	73,771.49	79.480	103,895.30	1.28	3.78	4,806.80	4.73	29,923.81
75.0000	PRICELINE.COM INC	808.450	45,933.59	1213.930	91,044.75	1.10	0.00	0.00	0.00	45,411.18

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**
 Account Number: **52 00 5707 0 08**
 Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Shares or Par Value	Description of Assets	Unit Tax Cost	Tax Cost	Unit Market Value	Current Market Value	% Portfolio	Proj. Ann. Rate	Est. Ann. Inc.	Yield on Mkt	Unrealized Gain/Loss
1,530.0000	PROCTER & GAMBLE CO	61.410	93,957.30	78.840	120,625.20	1.46	2.41	3,681.16	3.05	28,867.90
	COM									
1,715.0000	TARGET CORP	53.380	91,552.49	57.140	97,995.10	1.19	1.72	2,949.80	3.01	6,442.61
	COM									
1,065.0000	UNITED RENTALS INC	54.880	58,238.31	81.910	67,234.15	1.06	0.00	0.00	0.00	26,895.84
1,810.0000	VALERO ENERGY CORP NEW	27.630	44,483.26	47.820	78,990.20	0.93	1.00	1,810.00	2.09	32,506.94
	COM									
2,385.0000	VERIZON COMMUNICATIONS	33.980	80,310.06	47.210	111,651.65	1.35	2.12	5,013.80	4.49	31,341.59
	COM									
1,907.0000	WAL MART STORES INC	54.200	103,362.20	74.800	142,643.60	1.73	1.88	3,585.16	2.51	39,281.40
	COM									
	Total COMMON STOCK		2,925,401.13		3,979,528.00	48.20		69,761.09	1.75	1,054,126.87
	COMMON STOCK - REITS									
2,125.0000	PLUM CREEK TIMBER CO INC	40.290	85,620.81	43.150	91,693.75	1.11	1.70	3,740.00	4.08	8,072.94
	COM									
	Total COMMON STOCK - REITS		86,620.81		91,693.76	1.11		3,740.00	4.08	6,072.94
	EQUITY ETF'S									
10,560.0000	VANGUARD FTSE ALLWORLD EX-US	42.800	451,987.82	49.410	521,769.60	6.32	1.35	14,256.00	2.73	69,781.78
	COM									
3,036.0000	VANGUARD SMALL CAP	86.600	262,907.55	108.320	328,859.52	3.98	1.42	4,317.19	1.31	65,951.97
	COM									
	Total EQUITY ETF'S		714,895.37		850,629.12	10.30		18,573.19	2.18	135,733.75
	FOREIGN EQUITIES									
651.0000	ACTAVIS PLC EUROPE	133.970	87,217.03	191.250	124,503.75	1.51	0.00	0.00	0.00	37,286.72
	COM									
	Total FOREIGN EQUITIES		87,217.03		124,503.76	1.51		0.00	0.00	37,286.72
	Total EQUITIES		3,813,134.34		5,046,354.62	61.12		92,064.28	1.62	1,233,220.28
	CASH ON HAND									
	Income Cash		462,030.88		462,030.88					
	Principal Cash		-462,030.88		-462,030.88					
	Total CASH ON HAND		0.00		0.00	0.00				
	GRAND TOTALS		6,953,617.77		8,256,386.83	100.00		195,466.68	2.37	1,302,779.86

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**
 Account Number: **52 00 5707 0 08**
 Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Economic Sector	Cost Value	Current Market Value	% of Asset Type	Yield on Market	Estimated Annual Inc.
Common Stock Diversification Summary					
- Information Not Available -	714,895.37	850,629.12	17.28	2.16	18,573.19
CONSUMER DISCRETIONARY	290,856.60	387,552.10	7.87	0.76	2,949.80
CONSUMER STAPLES	271,090.99	366,964.10	7.46	3.32	12,173.14
ENERGY	483,172.29	585,539.35	11.90	1.53	8,948.60
FINANCIALS	555,582.84	710,408.20	14.43	1.48	10,494.20
HEALTH CARE	312,775.94	454,503.50	9.23	2.16	9,819.20
INDUSTRIALS	285,102.41	430,184.61	8.74	1.07	4,619.12
INFORMATION TECHNOLOGY	536,782.00	821,087.99	16.68	1.72	14,119.48
MATERIALS	195,348.81	203,330.25	4.13	2.63	5,353.75
TELECOMMUNICATION	80,310.06	111,651.65	2.27	4.49	5,013.80
	<u>3,725,917.31</u>	<u>4,921,850.87</u>	<u>100.00</u>	<u>1.87</u>	<u>92,064.28</u>

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**
 Account Number: **52 00 5707 0 08**
 Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Par Value	Description	Coupon	Maturity Date	Current Market Value	Yield on Market	Estimated Annual Inc.	Rating
Bond Maturity Schedule							
250,000.0000	ATMOS 4.95% 10/15/14	4.950%	10/15/2014	257,317.50	4.81	12,375.00	A2
290,000.0000	DEVON 2.4% 7/15/16	2.400%	07/15/2016	298,572.40	2.33	6,960.00	Baa1
175,000.0000	AT&T 5.5% 2/1/18	5.500%	02/01/2018	199,102.75	4.83	9,625.00	A3
200,000.0000	CONPH 6.65% 7/15/18	6.650%	07/15/2018	240,488.00	5.53	13,300.00	A1
270,000.0000	N GRMN 5.05% 8/1/19	5.050%	08/01/2019	302,902.20	4.50	13,635.00	Baa2
295,000.0000	HALLIB 6.15% 9/15/19	6.150%	09/15/2019	353,187.60	5.14	18,142.50	A2
190,000.0000	BNSF 4.7% 10/1/19	4.700%	10/01/2019	212,452.30	4.20	8,930.00	A3
225,000.0000	CRNING 4.25% 8/15/20	4.250%	08/15/2020	248,921.75	3.87	9,562.50	A3
24,424.2213	FHLMC 5% 5/1/23	5.000%	05/01/2023	26,644.62	4.58	1,221.21	
300,000.0000	TX ST 3.191% 12/1/23	3.191%	12/01/2023	290,544.00	3.30	9,573.00	A1
2,219,424.2213	TOTAL			2,428,143.12		103,324.21	

For the Account of: **MSU ENDOWMENT FUNDS I/M AGENCY**
 Account Number: **52 00 5707 0 08**
 Report Date: **February 12, 2014**

As Of Close	Last Pricing Date
February 11, 2014	February 11, 2014

Investment Review

Trade Date	Settlement Date	Trade Type	Security Name	Par Value	Trade Amount
Pending Trades					
02/10/2014	02/13/2014	Purchase	VERIZON COMM INC	190.0000	-8,918.60
02/10/2014	02/13/2014	Purchase	TARGET CORP	810.0000	-45,805.50
02/10/2014	02/13/2014	Purchase	VANGRD ALLWRD	1,200.0000	-68,367.40
02/10/2014	02/13/2014	Purchase	GREENBRIER CO	349.0000	-11,974.12
02/10/2014	02/13/2014	Purchase	EMC CORP MASS	1,215.0000	-30,107.70
02/10/2014	02/13/2014	Purchase	ATWOOD OCEANICS	157.0000	-7,129.29
02/10/2014	02/13/2014	Purchase	AFLAC INC	245.0000	-15,297.73
02/11/2014	02/14/2014	Purchase	GENERAL MOTORS	1,685.0000	-59,901.75
TOTAL				5,851.0000	-237,502.09

Linda S. Wilson
Senior Vice President – Trust Officer

- B.A., University of Texas
- M.A., Midwestern State University
- TBA Texas School of Trust Banking

Professional Experience

Mrs. Wilson began her banking career in 1984 as a personal trust officer with InterFirst Bank in Wichita Falls. From 1998 to 2000, Mrs. Wilson served as the City Office Manager for the Bank of America Private Client Group, the successor to InterFirst. Prior to joining InterFirst, Mrs. Wilson held public relations positions with LTV Aerospace and Methodist Hospitals in Dallas and served as Director of Resource Development for Wichita General Hospital.

Professional Activities

Mrs. Wilson is a member of the North Texas Estate Planning Council.

Other Affiliations

Mrs. Wilson is a Past-President of the Advisory Board for the Wichita Falls Museum of Art at Midwestern State University. She is a Past-President of First Step, has served on the Executive Committees of United Regional Health Care Center, Wichita Falls Symphony Orchestra and the Junior League of Wichita Falls. She is Immediate Past-President of the United Regional Foundation Board, and a Sustaining Member of the Junior League.

Jeffrey S. Schultz, CFA, CTFA
Senior Vice President – Chief Investment Officer

- ABA Graduate Trust School, Diploma 2012
- CTFA Program, 2012 and Financial Advisor, 2012
- Southwestern Graduate School of Banking, at Southern Methodist University, 2006
- Chartered Financial Analyst, 1992
- B.B.A., Texas Christian University, 1984

Professional Background

Mr. Schultz is the Chief Investment Officer for American National Bank & Trust. He is responsible for developing investment strategies, implementing equity and fixed income investment programs and monitoring overall investment performance for the Trust Department. In addition, Jeffrey monitors and manages the investment portfolio for American National Bank & Trust. Presently he is Chairman of the Trust Investment Committee, a member of the Trust Committee, as well as a member of the Bank's Asset Liability & Trust Committee. Jeffrey joined American National Bank in September 2001.

Mr. Schultz began his banking career in 1983 with Texas American Bancshares where he held various accounting and management analyst positions. In 1987, he joined the Federal Home Loan Bank of Dallas, which later became the Office of Thrift Supervision (OTS). When he left OTS, he was directing and overseeing capital market examinations for federally insured savings and loans. In 1991, Mr. Schultz went to work for the law firm of Finkelstein, Thompson and Loughran in Washington, DC as a financial analyst. While there, he assisted with the investigation and litigation of financial institutions' transactions, frauds and other financial misdeeds. In 1993, Mr. Schultz joined Sentry Management, Inc. where he helped financial institutions analyze interest rate risk exposures and implement investment programs. Prior to joining American National Bank, Mr. Schultz was with Herbert R. Smith, Incorporated, where he served as a portfolio manager and was responsible for developing investment strategies, analyzing interest rate risk positions, managing investment portfolios, and was a member of the investment committee.

Outside Interests

Jeffrey is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth. He is a past Board member and Treasurer of Child Care, Inc. and was a Director and Treasurer of Habitat for Humanity WF Board. In addition, he has served as the non-member Trustee of the First Christian Church Wichita Falls Endowment. Mr. Schultz is an Elder of First Presbyterian Church of Wichita Falls. He is also a graduate of the Southwestern Graduate School of Banking, as well as Leadership Wichita Falls, and is currently a student representative to the ABA Trust School Advisory Board in Washington, DC.

Midwestern State University
Three Month Investment Pool Performance Analysis

Actual Investment Performance:

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>
Total Pooled Investments by Month	35,455,627.45 ¹	29,695,743.18 ²	27,738,074.67 ³	36,849,733.72 ⁴
Actual investment earnings (net)	<u>55,160.77</u>	<u>50,716.96</u>	<u>50,878.49</u>	<u>122,631.01</u>
Imputed weighted average yield	1.8318%	2.0779%	2.1597%	3.9183%

Estimated Investment Performance:⁵

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>
Total Pooled Investments by Month	35,455,627.45	29,695,743.18	27,738,074.67	36,849,733.72
Estimated investment earnings (net)	<u>21,404.32</u>	<u>20,536.44</u>	<u>22,060.05</u>	<u>26,173.71</u>
Estimated weighted average yield	0.7108%	0.8414%	0.9364%	0.8363%
Basis Point Spread	1.1210%	1.2365%	1.2233%	3.0820%
Net increase in interest income (due to Texas A&M System investments)	33,756.45	30,180.52	28,818.44	96,457.30
Total Interest Income Increase (Oct - Jan)	189,212.71			

¹ Includes \$18,037,090.02 invested with Texas A&M System

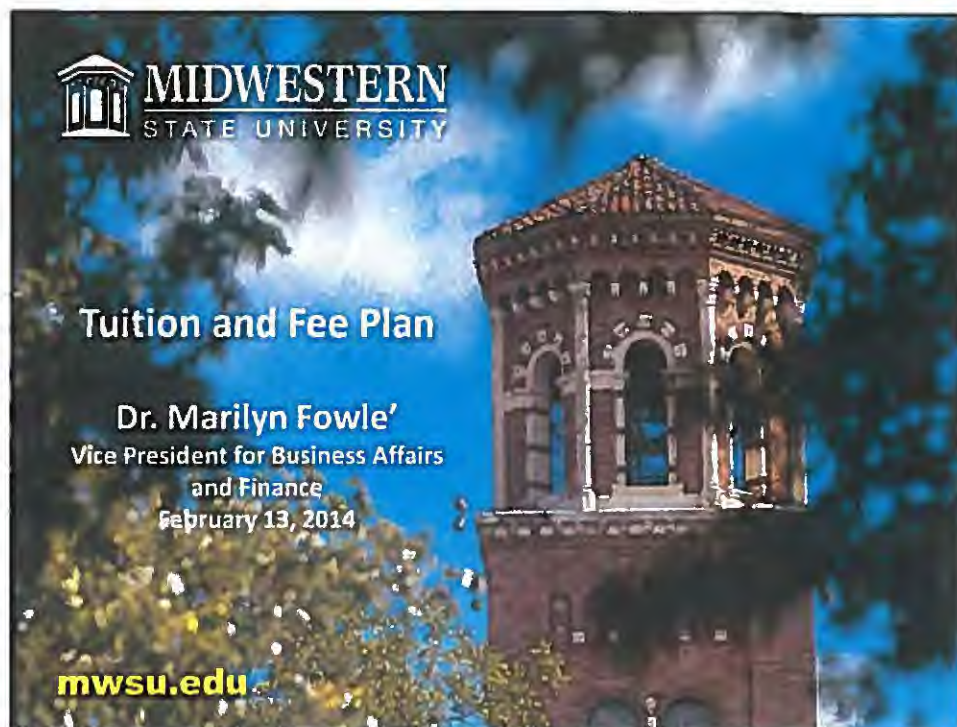
² Includes \$20,071,253.76 invested with Texas A&M System

³ Includes \$20,112,092.67 invested with Texas A&M System

⁴ Includes \$20,224,037.23 invested with Texas A&M System

⁵ Assumes no investments with Texas A&M System & allocation of investments to maximize yield (including previously held CD's and money market accounts)

Note: Unrealized gains/losses are not accounted for until year-end mark-to-market adjusting entries are made.



House Bill 29, Mandated Fixed Tuition Plan



Legislative Intent

- Freeze designated tuition for 12 consecutive semesters for new students, including transfers, enrolling Fall 2014 and beyond
- Adjust tuition rate to assure no loss of revenue to the university

MSU Assumptions

- Establishing a 12 Semester Plan for new students and current sophomores
- Establishing a 9 Semester Plan for current juniors
- Establishing a 6 Semester Plan for current seniors and graduate students
- New academic year 12 Semester Plan tuition rate would apply after the specified semester for each plan
- Freezing only designated tuition

House Bill 29, Mandated Fixed Tuition Plan



Definitions and Further Assumptions:

- 12 consecutive semesters
 - Our summer sessions count as one semester
 - If a student starts in spring or summer, their semester count begins in that term
 - The count of 12 semesters is NOT dependent on that student enrolling in the term. If a student begins Fall 2014, their 12 semester plan ends Summer 2018
- 9 consecutive semester plan
 - For Fall 2014 Juniors
 - Runs from Fall 2014 through Summer 2017
- 6 consecutive semester plan
 - For Fall 2014 Seniors, Post Baccalaureate and Graduate Students
 - Runs from Fall 2014 through Summer 2016
- Student semester begins after high school graduation
- Since only designated tuition is frozen, the plans are effective for all students including undergraduate, graduate, resident and non-resident
- No semester credit hour minimum or grade requirements will impact the plan a student is under

House Bill 29, Mandated Fixed Tuition Plan



- 12 Semester Plan
 - For new MSU students, the plan begins in the semester of first enrollment
 - Fall 2014 existing MSU freshmen and sophomore students will be placed in the 12 Semester Plan
 - Provides the benefit of a frozen tuition rate for 12 consecutive semesters
 - Tuition rates in semester 13 and beyond will fall under the 12 Semester Plan rate for that academic year

Existing Students



- Existing Junior Students:
 - Plan runs from Fall 2014 through Summer 2017
 - Tuition rates for Fall 2017 and further semesters will fall under the New Student 12 Semester Plan rate for that academic year
 - Provides the benefit of a frozen tuition rate for existing students to complete their degree within the next 9 semesters

Existing Students



- Existing Senior and Graduate Students:
 - Plan runs from Fall 2014 through Summer 2016
 - Tuition rates for Fall 2016 and further semesters will fall under the 12 Semester Plan rate for that academic year
 - Provides the benefit of a frozen tuition rate for existing students to complete their degree within the next 6 semesters

Fixed Tuition Plan, Rate Calculation



Data Reviewed:

- Consumer Price Index
- Higher Education Price Index
- MSU designated tuition history
- Approved plans by other Texas universities

Other Universities



- Sam Houston State University – optional designated tuition increase of 12%, from \$195 to \$218.40 per semester credit hour
- Stephen F. Austin State University – optional fixed designated tuition increase of 13.9%, from \$158 to \$180 per semester credit hour
- Texas A&M – mandatory tuition and fee increase of 6% with designated tuition increasing 9.9%, from \$126.55 to \$139.10 per semester credit hour

Proposed Tuition Rates

- Seniors and Graduate Students 6 Semester Plan – increase designated tuition from \$111.50 to \$114.00, an increase of 2.2%. This will be frozen for 6 semesters.
- Juniors 9 Semester Plan – increase designated tuition from \$111.50 to \$116.50, an increase of 4.5%. This will be frozen for 9 semesters.
- Sophomores and New Student 12 Semester Plan – increase designated tuition from \$111.50 to \$119.00, an increase of 6.7%. This will be frozen for 12 semesters.

University Services Fee

- Propose an increase for all students to a semester credit hour rate of \$54.25.
 - For Seniors and Graduate students, this would increase a 15 hour load by 4.5% for all tuition and fees above current rates. This includes the designated tuition proposed increase.
 - For Juniors, this would increase a 15 hour load by 5.5% for all tuition and fees above current rates. This includes the designated tuition proposed increase.
 - For Sophomores and new students, this would increase a 15 hour load by 6.5% for all tuition and fees above current rates. This includes the designated tuition proposed increase.

Tuition and Fee Schedule Comparison Fall 2013 to Proposed Fall 2014				
	Actual Fall 2013 15 Hours	Seniors and Graduates Fall 2014 15 Hours	Juniors Fall 2014 15 Hours	Sophomores and New Students Fall 2014 15 Hours
State Tuition	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
University Designated Tuition	1,672.50	1,710.00 *	1,747.50 *	1,785.00 *
Student Union/Center Fee	55.00	55.00	55.00	55.00
Recreational Center Fee	120.00	120.00	120.00	120.00
Student Service Fee	232.50	232.50	232.50	232.50
Athletic Fee	120.00	120.00	120.00	120.00
Instructional Enhancement Fees - avg*	211.99	211.99	211.99	211.99
University Services Fee	676.80	813.75	813.75	813.75
Total for 15 SCH	\$ 3,838.79	\$ 4,013.24	\$ 4,050.74	\$ 4,088.24
Proposed increase for 15 Hour Schedule		\$ 174.45	\$ 211.95	\$ 249.45
Overall Percentage Increase over Fall 2013		4.54%	5.52%	6.49%
	Actual Fall	Proposed	Proposed	Proposed
Designated Tuition	\$ 172.50	\$ 174.00	\$ 176.50	\$ 178.00
University Services Fee	48.12	64.25	64.25	64.25
* Designated Tuition Rate Guaranteed through Summer 2016 Summer 2017 Summer 2018				

Tuition Plan



Uses of Increase



- None of the increase will be used on Master Plan construction projects. These have a different source of funding.
- Faculty and Staff salary increases - to keep up with the cost-of-living and retain good employees
- Health insurance increases – expect large increases next year because of the Affordable Healthcare Act
- IT Costs – want to continue to provide cutting-edge technology (e.g. expanded bandwidth) for campus
- Eureka – grow undergraduate research program
- Scholarships – continue offering scholarships to qualified students

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

**Audit, Compliance, and Management Review Committee
February 13, 2014**

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 5:07 p.m., Thursday, February 13, 2014. Mr. Hessing chaired the committee meeting for Mr. Sam Sanchez who attended via teleconference. Committee members in attendance were Ms. Tiffany Burks (via teleconference), Mr. Charles Engelman, and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Kenny Bryant, Ms. Jane Carnes, Dr. Lynwood Givens, and Student Regent Shelby Davis.

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; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School, and Mr. Kyle Owen, Associate Vice President for Facilities Services. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Ms. Reagan Foster, Secretary/Treasurer of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Interim Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; 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. Representing the Student Government Association (SGA) was Ms. Heather Baker, Observer. Representing the news media was Ms. Ann Work, reporter for the *Times Record News*.

Chairman Hessing called the meeting to order at 5:07 p.m.

Reading and Approval of Minutes

14-74. The minutes of the Audit, Compliance, and Management Review Committee meeting November 7, 2013, were approved as presented.

Audit Activities

14-75. Mr. Hessing stated that the board was pleased to welcome Mike Taylor as the new MSU Internal Auditor. He asked Mr. Taylor to report on his activities since arriving on campus. Mr. Taylor thanked the board and administration for the opportunity to join the MSU team. He reported that he is working to set up best practices and is looking at the internal audit function from the ground up. He noted that he would visit Stephen F. Austin State University and meet with their university auditors for a higher education briefing. He stated that he would also attend numerous conferences later in the year. He

added that the conferences hosted by the Association of College and University Auditors and the Texas Association of College and University Auditors should be very beneficial. Mr. Taylor reported that he is compiling information for risk assessment and looking at the entity level and account level assessments. He stated his belief that internal audit is more than just providing independent or objective assurance and added that internal auditors should provide value added services. He noted that the internal audit department should help meet the strategic goals of the university. He reported that he would present his audit plan for the remainder of the fiscal year at the May board meeting.

Contract Management Activities

14-76. Mr. Macha reported that 102 contracts were processed during the last quarter of 2013 (October through December). He added that 426 were processed during 2013. He stated that the process continues to work very well.

MSU Policies and Procedures Manual Changes

14-77. Mr. Hessing noted that the administration had recommended changes to the wording of Policy 4.194, Public Access Defibrillation Program. He asked Dr. Lamb to comment. Dr. Lamb responded that this is an update to this policy to reflect title changes and locations of the devices.

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

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 5:14 p.m.

Reviewed for submission:



Shawn Hessing, Acting Chairman
Midwestern State University
Board of Regents Audit, Compliance, and
Management Review Committee

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
February 13, 2014**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room of the Hardin Administration Building at 1:30 p.m., February 13, 2014. Regents in attendance at the university were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Jane Carnes; Mr. Charles Engelman; Dr. Lynwood Givens; Mr. Jeff Gregg; and Student Regent Shelby Davis. Ms. Tiffany Burks and Mr. Sam Sanchez attended the meeting via teleconference.

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; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School, and Mr. Kyle Owen, Associate Vice President for Facilities Services. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Ms. Reagan Foster, Secretary/Treasurer of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Interim Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Also attending the meeting was Dr. Ruth Morrow, Dolores P. Bolin and D. Phil and Aurora S. Bolin Distinguished Chair of Piano. Representing the Student Government Association (SGA) were Ms. Melody Coffey, President, and Ms. Heather Baker, Observer. Representing the news media were Ms. Mechell Dixon and Mr. Ricky Scruggs, KFDX-TV III.

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

Opening Comments

Mr. Hessing reported that Mrs. Burks and Mr. Sanchez were connected to the meeting by telephone. He reminded the board and visitors that the meeting was being streamed live on the internet and asked everyone in the room to silence or turn off their electronic devices. He added that side discussions around the table or the room are distracting and may be heard through the live feed microphones.

Public Comment

14-41. Mr. Hessing stated that in accordance with 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.

Discussion of Higher Education Issues

14-42. Mr. Hessing stated that this was the board's opportunity to discuss current issues and trends in higher education. He noted that tuition and fees would be discussed later in the meeting. He stated that campus security continues to be a topic of discussion. Mr. Hessing commended Chief Dan Williams and his team for the way they handled the recent situation at MSU. He noted that while there was some confusion, it was clear that the confusion was generated through social media. He added that university officials did a great job of getting to the bottom of the situation.

Dr. Rogers commented that he would be traveling to Austin Monday to chair a panel at a one-day conference on higher education in the 21st century. He stated that one of the topics to be discussed is the role of core learning in higher education, particularly as it relates to the number of young people moving into professional fields of study.

Legacy Walk

14-43. Mr. Hessing commented that Legacy Walk was established during MSU's 75th anniversary to honor individuals who have significantly affected the future of MSU through service and financial support. He noted that a recommendation was included in each board member's folder and asked Dr. Rogers to comment on this recommendation.

Dr. Rogers reported that the administration recommended the addition of Martha Fain and Mac Cannedy, Jr. to Legacy Walk. Dr. Rogers noted that Martha is a generous donor to a wide variety of programs at the university ranging from supporting women's athletics to her latest significant gift for the construction of the new Fain Instrumental Music Hall. Her philanthropic work follows that of her mother, Minnie Rhea Wood. Dr. Rogers reported that Mac is a graduate of MSU and is a senior partner with Freeman, Shapard, and Story. Mac serves as trustee of the J. S. Bridwell Foundation, the Bryant Edwards Foundation, and the Fain Foundations. He is also chairman of the Board of Trustees of the MSU Charitable Trust. Dr. Rogers noted that Mac had done a great deal for Midwestern State University through his service and his generosity.

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

University President's Annual Performance, Compensation, and Contract Review

14-44. Mr. Hessing reported that this item would be handled later in the day or on Friday.

Executive Session

14-45. Mr. Hessing reported that this item would be handled later in the day or on Friday.

Recess

The meeting recessed at 1:42 p.m. and resumed at 5:15 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Sections 551.074 and 551.073, to consider Item 14-45C (Deliberations about Gifts or Donations) and Item 14-44 (University President's Annual

Performance, Compensation, and Contract Review). The closed session was properly announced at 5:15 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Carnes, Mr. Engelman, Dr. Givens, Mr. Gregg, and Ms. Davis were present at the university and remained for the discussion. Mrs. Burks and Mr. Sanchez were connected via telephone for the entire discussion. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, Mr. Macha, Mr. Taylor, and Ms. Barrow remained for the discussion of Item 14-45C only.

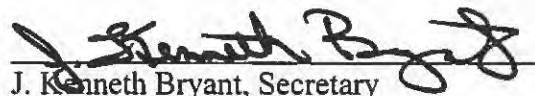
Open Meeting Resumes

The closed session ended at 6:00 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

Adjournment

The meeting adjourned at 6:00 p.m.

Reviewed for submission:

A handwritten signature in dark ink, appearing to read "J. Kenneth Bryant", is written over a horizontal line.

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

**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
February 14, 2014**

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 8:30 a.m., Friday, February 14, 2014. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks (via teleconference connection); Ms. Jane Carnes; Mr. Charles Engelman; Dr. Lynwood Givens; Mr. Jeff Gregg; and Student Regent Shelby Davis.

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; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Graduate Dean; Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Interim Director of Human Resources; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Dr. David Carlston, Faculty Senate Chairman; Mr. Dirk Welch, Chairman of the MSU Staff Senate; 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. Representing the news media was Ms. Ann Work, *Times Record News*.

Chairman Hessing called the meeting to order at 8:30 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.

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 Board of Regents through written and oral testimony. He noted that no one had signed up to speak during this time.

Reading and Approval of Minutes

14-78, 79, & 80. Minutes of the Board of Regents meetings November 7 and 8, 2013, and January 10, 2014 (see Attachment 1), were approved as presented .

Executive Committee Report

Mr. Hessing noted the items presented at the Executive Committee meeting for committee approval and information only. Information concerning these items may be found in the minutes of the Executive Committee meeting held February 13, 2014.

Item Presented for Committee Approval Only

- 14-46. Committee Minutes

Items Presented for Information Only

- 14-47. Construction Update
- 14-48. Drought Recovery Water Plan Efforts
- 14-49. Campus Master Plan Update

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.

- 14-50. Tuition Revenue Bond (TRB) Request – authorized the administration to proceed with programming and planning two TRB requests for the 2015 legislative session as presented.
- 14-51. Student Housing – authorized the administration to proceed with planning for additional student housing to include a Request for Proposal (RFP) as necessary.
- 14-52. Dalquest Desert Research Station – authorized the administration to proceed with the project to include a utility building, a larger laboratory building, and infrastructure, and to expand the design-build contract with Antila and Bundy, Young, Sims, and Potter at a total project cost not to exceed \$850,000 as presented.
- 14-53. Wichita Falls Museum of Art at MSU – External Improvement Project – authorized the administration to proceed with the project at an anticipated total cost of \$850,000, with design initiated by Bundy, Young, Sims, and Potter.
- 14-54. Wichita Falls Museum of Art at MSU Strategic and Tactical Plan FY 14 – approved the plan as presented.
- 14-55. Wichita Falls Museum of Art at MSU Accessioned Artworks – ratified the accession of items 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. Hessing'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 February 13, 2014.

Item Presented for Committee Approval Only

- 14-56. Committee Minutes

Items Presented for Information Only

- 14-57. Faculty Report
14-58. Staff Report
14-59. Student Government Report
14-60. Athletics Report
14-61. Enrollment Report – Spring 2014

Academic and Student Affairs Committee Consent Agenda

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

- 14-62. Housing and Dining Service Rates – 2014-2015 – approved the rates as presented.

Mr. Hessing asked if any member wanted to remove this item from the Consent Agenda. There being none, Mrs. Burks seconded Dr. Givens' 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. Information concerning these items can be found in the minutes of the Finance Committee meeting held February 13, 2014.

Item Presented for Committee Approval Only

- 14-63. Committee Minutes

Items Presented for Information Only

- 14-64. Summary of Financial Support
14-65. Grant Development Services

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.

- 14-66. Financial Report – accepted the FY 13 Annual Financial Report and the monthly financial reports for September through December, 2013.
14-67. Investment Report – accepted the first quarter 2014 Investment Report.

- 14-67a. MSU Charitable Trust – Value Determination – approved changes to four Charitable Trust fund agreements (three Perkins funds and the museum fund) as presented.
- 14-68. FY 2014 Items \$50,000 & Under – ratified the budget changes as presented.
- 14-69. Personnel Reports and Changes in 2013-2014 Budget – ratified the changes as presented.
- 14-70. Summer Budget 2014 – authorized increased funding of \$300,000 as presented and requested that a report analyzing this investment be presented in August.
- 14-71. Reinstatement Fee – authorized increasing this fee from \$50 to \$100 effective with the fall 2014 semester.
- 14-72. New Faculty Positions – FY 15 – authorized two new faculty positions as presented.
- 14-73. Budget Discussion FY 15 and Tuition and Fee Review and Recommendations – approved the tuition and fee rates for FY 15 as well as the fixed tuition program for current and future students as presented.

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

Audit, Compliance, and Management Review Committee Report

Mr. Hessing 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 February 13, 2014.

Item Presented for Committee Approval Only

- 14-74. Committee Minutes

Items Presented for Information Only

- 14-75. Audit Activities
- 14-76. Contract Management Activities

Audit, Compliance & Management Review Committee Consent Agenda

Mr. Hessing recommended the following item that was approved by the Audit, Compliance, and Management Review Committee and placed on the Consent Agenda for the board's consideration.

- 14-77. *Policy Manual* Change – authorized changes to Policy 4.194 as presented.

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

Other Business

President's Report and Discussion

14-81. Dr. Rogers reported on the following topics.

- A. Lone Star Conference (LSC) Update – Dr. Rogers reported that McMurry University had decided that they would not enter the Lone Star Conference as previously announced. He stated that the LSC presidents are continuing discussions with other possible member institutions.
- B. Alumni Association – Dr. Rogers asked Dr. Farrell to discuss recent Alumni Association activities. Dr. Farrell reported that recent alumni events were held in Dallas and Ft. Worth and that another event would soon be held in Austin. He stated that MSU alumni have a strong connection with the university. He noted that attendees particularly like the university billboards and remember faculty mentors. He added that many of the individuals who attend these functions were involved in many aspects of student life, including the Greek system.
- C. Core Curriculum – Dr. Rogers reported that the new core curriculum was approved by the Texas Higher Education Coordinating Board (THECB) last week (see Attachment 2). He added that course options would continue to be expanded. Mr. Hessing asked Dr. Stewart if she was pleased with the overall outcome. Dr. Stewart noted that the university was offering courses that reflect MSU's liberal arts education mission. She added that this was a positive step for the institution.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Section 551.074, to consider Item 14-82 (University President's Annual Performance, Compensation, and Contract Review). The closed session was properly announced at 8:46 a.m. Mr. Hessing, Mr. Bernhardt, Mrs. Burks (via teleconference), Mr. Bryant, Mrs. Carnes, Mr. Engelman, Dr. Givens, Mr. Gregg, and Ms. Davis were present for the discussion. Dr. Rogers joined the closed session at 9:05 a.m.

Open Meeting Resumes

The closed session ended at 10:02 a.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session. The open meeting immediately resumed and no additional action was taken.

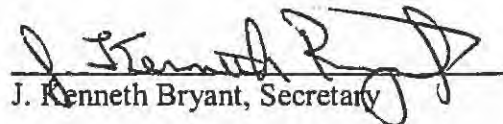
Closing Comments

Mr. Hessing thanked the regents for their participation in the meetings.

Adjournment

There being no further business, the meeting was adjourned at 10:03 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 February 14, 2014.


J. Kenneth Bryant, Secretary

ATTACHMENTS:

1. Board Minutes - January 10, 2014 Meeting
2. MSU Approved Core Curriculum

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
January 10, 2014**

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room of the Hardin Administration Building at 9:00 a.m., Friday, January 10, 2014. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Jane Carnes; Ms. Tiffany Burks; Mr. Charles Engelman; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Sam Sanchez; and Student Regent Shelby Davis.

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. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matt Park, Associate Vice President for Student Affairs and Dean of Students. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Interim Director of Human Resources; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media were Ms. Ann Work, reporter for the *Times Record News*, and Ms. Lauren Roberts, photographer for *The Wichitan*. Others attending the meeting were Ms. Pam Scott, Sports Plan Studio, and campus planners, Mr. Doug Abraham and Mr. Chris Rice.

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

Opening Comments

Mr. Hessing noted that this was the first MSU Board of Regents meeting to be streamed live on the internet. He asked that everyone in the room silence or turn off their cell phones. He added that the microphones at the table were very sensitive and encouraged individuals seated at the table to step away should they need to have a conversation.

Public Comment

Mr. Hessing stated that in accordance with 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.

Campus Planning

14-40. Mr. Hessing reported that in August the board began talking about the need to develop a campus master plan and had a good discussion in November regarding some of the preliminary work that had been done. He reported that the campus planners would discuss the information they had gathered and would present options for consideration. He stated that this would provide an opportunity for the board to have an open and frank discussion. He added that he did not anticipate any formal action would result from the discussions. Mr. Hessing asked Dr. Rogers to open the meeting with his comments.

Dr. Rogers stated that the staff and the campus planners had spent the better part of three days reviewing the campus and the various space issues and needs. He thanked everyone for the effort they put into the process. He indicated that key issues to be discussed relate to needs for campus housing, as well as academic building needs that will determine the university's Tuition Revenue Bond (TRB) requests that will be presented to the Texas legislature for consideration during the next legislative session. He noted that the long-term planning to 2025 is based on MSU's current space, peer institution space, Texas Higher Education Coordinating Board (THECB) recommendations, and MSU's enrollment projections. He stated that options would be reviewed and considered, and that specific recommendations resulting from these discussions would be presented in February. He expressed appreciation to the board for their willingness to work through the process.

Mr. Hessing added his appreciation to the board members for attending the meeting, particularly those who traveled from out of town. He noted that this is an extremely important process. He stated that the genesis of the process was when the administration and board began considering the possible location for a baseball stadium on campus. He noted that this caused additional considerations beyond baseball and it became apparent that a longer term campus plan was needed.

Mr. Rice began his presentation (<http://www.mwsu.edu/welcome/president/regents-minutes>) with a review of the topics that would be covered throughout the day. He noted that although he grew up in Dallas he had never heard of Midwestern State University. He stated that upon his first visit to the university he was very impressed with the way the campus looked. He particularly noted the standards of architecture that had been maintained throughout most of the campus buildings.

The presentation showed diagrams of vehicular access and parking on campus. Mr. Rice reported that there are 3,088 surface parking spaces on campus. He noted that of the 112 acres that make up the core part of the campus, 22.7 acres are dedicated to parking. He stated that while there are plenty of available parking spaces at any time during the school day, there is still a perceived parking problem owing to the fact that people want to park close to buildings in the interior of the campus. Slide 29 showed student traffic patterns as they walk from parking and housing areas to class. The presentation showed pathways students take that cause them to walk through parking lots, streets, and traffic on a regular basis. He stated that changes could be made that would make it easier for students to get around campus and to avoid pedestrian/vehicle conflict areas.

Mr. Gregg noted that parking was a problem when he was on campus 35 years ago and that it continued to be a problem today. He stated his thought that it would be logical for the university to build a parking garage on top of one of the existing lots located near the key classroom buildings. Mr. Rice responded that it would be important to engage a parking and traffic consultant to provide information regarding traffic patterns and to review the capacity of the streets surrounding the campus. Mr. Hessing stated that a key issue with regard to a parking garage would be location. He added that if a parking garage were built it would provide additional spaces, but it would not address the problem of students wanting to park next to or near the main classroom buildings. Dr. Givens asked if with today's technology the university could possibly offer a text alert system that would inform students where parking was available. He noted that many students spend time going from lot to lot searching for a good parking space. Ms. Davis commented that the most sought after parking lots are those directly behind Prothro-Yeager Hall, west of Moffett Library, and near the Dillard Building. She stated that people circle the parking lots waiting for a space to open rather than driving south of the Prothro-Yeager Hall lot to the lot near the football practice field to park. She added that parking is generally always available in that particularly location. Dr. Givens added that commuter students use their cars as their offices. He stated that they do not have a residence hall to go to and they are likely to return to their cars for books or supplies throughout the day. He added that perhaps some type of commuter lounge or office might be designed for commuter students to utilize. Mr. Hessing asked how the size of the parking area at MSU compared to other universities of similar size. Mr. Rice responded that it was typical. Returning to the presentation, Slide 45 showed the open spaces of the campus with streets and parking overlaid on the map. Slide 47 showed what the map looked like if some of the streets and parking areas were closed and turned into green spaces or pedestrian pathways.

Mr. Rice reported that the team agreed that the current parking lot between the Fain Fine Arts Center and McCullough-Trigg Hall was the best location for new housing. He noted that the red box shown on Slide 50 represented 360 beds in a six story, residence hall with a semi-suite style configuration. He stated that this building would be the same height as McCullough-Trigg Hall and Killingsworth Hall. He added that the remaining area could become a large open space quad area. Phase 2 would add another 180 beds in that same area (Slide 51). The option for Phase 3 would add another 100 beds and would be attached to Killingsworth Hall. This would provide a total of 640 additional beds that could be available by 2017. Mr. Hessing asked how many parking spaces would be taken up in this plan. Mr. Rice responded that the current lot includes 220 parking spaces. Mr. Hessing asked where students would park if 220 spaces were removed and 640 campus residents were added. Dr. Lamb noted that while there might be area for parking south of Christ Academy or that the lots north of Sunwatcher Village and by the Police Department could be zoned for residential parking, he expressed agreement with Mr. Rice's previous statement that the university needed a parking consultant to look at current and future parking needs and options. He added that parking policy options could also be considered, such as offering remote parking for a lower parking fee. Dr. Rogers added that if 640 beds are added, Bridwell Courts would likely be razed, providing

additional parking areas. Mr. Hessing indicated that surface parking may not be adequate for the campus. Mrs. Burks commented that when she first came to the MSU campus she was impressed by its beauty. She indicated her concern that the board must continue to ensure things are done to maintain the beauty of the campus. She stated that the administration and board will have to be very cognizant of where vertical parking structures are placed on campus. She expressed agreement that putting such a structure on the outskirts of the campus might be the best location so as not to interfere with the feel of the campus.

Slide 53 presented ideas for closing the street and loading area between Pierce Hall and O'Donohoe Hall. Mr. Rice noted that the street could be closed and bollards put in place that could come down when a service delivery truck needed access to the dining hall loading dock. He stated that this was his top priority for a summer beautification project for the campus.

Mr. Rice noted that additional housing would put pressure on university dining facilities. He added that the current Student Center cannot be adequately expanded. He indicated that an option to consider was the conversion of the Daniel Building into a dining hall, expanding the space of the building over time, and using the facility as a new student center. Dr. Rogers reminded the board that residence halls and the student center are paid through residential use and student fees. He noted that the various sources of funds were important to remember in the planning process.

Mr. Rice mentioned the possibility of converting South Hardin, which used to be a gymnasium, into some type of welcome center and admissions office. Slides 57-70 showed photos and drawings of the original gymnasium and structure as well as photos from a similar project that was done at Franklin and Marshall University. Dr. Rogers stated that this provided options the administration had not previously considered. Mr. Sanchez added that this type of area could possibly be used as an Alumni Center which would help connect students and alumni to the campus.

The next several slides (71-86) looked at various possibilities of road closures throughout the campus. Mr. Rice stated that the closure of Comanche Drive between Louis J. Rodriguez Drive and Council Drive would, in his opinion, be the most significant in helping the campus with pedestrian safety, circulation, and a connected concept plan. The presentation also included examples from other universities. Mr. Rice noted that the recommended options would allow access for service and emergency vehicles as well as access for students during move in and move out days. Slide 87 showed how foot traffic would be positively affected by these street closing projects.

Recess

The meeting recessed at 10:15 a.m. and reconvened at 10:30 a.m.

Mr. Abraham reviewed Slide 13 from earlier in the presentation that showed the universities in Texas that are considered to be part of Midwestern State University's peer group according to the THECB criteria. He stated that Slide 89 showed the university-

wide peers that were identified by the MSU faculty and administration. Mr. Abraham presented MSU's historical enrollment benchmarked against its peers. He noted that many of these institutions are larger than MSU and quite a few of them are growing at a significant pace.

Mr. Abraham discussed the THECB space model that is based on the number of students enrolled and the number, type, and levels of programs offered. Slide 92 presented actual Educational and General Space at MSU and the peer institutions compared to the THECB predicted square footage. According to this data, MSU has a deficit of approximately 25,000 square feet. Slide 93 showed net assignable square feet per full-time student equivalent and Slide 94 presented this information by college compared to the median of the top five peer institutions. Slides 95-103 presented this same information for each of the six colleges with comparisons to the peer institutions identified by each college.

Mr. Abraham discussed MSU's growth and space need projections for the university in Slides 105-120. He explained that the County Growth Projections included population data from the local area as well as the Dallas-Ft. Worth area. Mr. Abraham reported that after the November board meeting he gave each of the college deans a questionnaire asking about their projections for student, faculty, research, and program growth anticipated by 2025. Based on these projections, MSU's enrollment would build to 8,680 in 2025. He explained that utilizing the THECB five-factor space model and assuming MSU's enrollment projections were achieved, the university's space deficit by 2025 would be 707,517 gross square feet. He stated that most universities do not meet the benchmark the THECB sets. He added that the THECB is currently studying the space model and it will likely be changed in the coming years. Mr. Abraham also presented square footage needs based on MSU's peers. In this comparison, again assuming MSU's enrollment projections were achieved, the space deficit by 2025 would be 413,196 square feet.

Slides 121 – 126 presented data for each college indicating implementation options for the additional square footage needed through 2025. Mr. Engelman asked about the size of the campus and the amount of additional space needed. Mr. Abraham responded that at the present time the campus consists of 1.5 million square feet of Educational and General space. The benchmarks indicate a need for at least 400,000 additional square feet. In discussing the various colleges, the following information was presented.

- A. Dillard College of Business – the Dillard Building is relatively new and should provide adequate space for the college in the foreseeable future.
- B. Fain College of Fine Arts – while the college has a great number of space issues, the problem is not with the amount of space they have but rather the type of space they have. He reported that the building was primarily designed for the visual arts and theatre and the facility now additionally houses music and mass communication programs. He stated that the college has two large performance areas in Fain Fine Arts Theatre and Akin Auditorium. Both of these spaces count as Educational and General space for the college. He noted that not all universities of similar size have

two large performance halls. He indicated that additional study was needed for this college.

- C. Prothro-Yeager College of Humanities and Social Sciences – this college will grow steadily through its majors and will also grow as university enrollment increases owing to the general education courses the college provides. The college also has specific space requirements for psychology and other specialized programs.
- D. College of Science and Mathematics – engineering is currently the primary growth program in this college and should continue to grow. The space for this college is below average and they too will grow as the university grows owing to the general education courses they provide.
- E. West College of Education – the space in Ferguson Hall is inadequate. This college will grow as there will continually be a need for teachers.
- F. Gunn College of Health Sciences and Human Services – this is the fastest growing college at MSU and represents approximately one-third of the semester credit hour production for the university. This college is very short of space. The college includes criminal justice, social work, athletic training/exercise physiology, nursing, and allied health programs. All of the programs within this college are below the median of space among their top five peers.

Mr. Abraham stated that based on this information, the Gunn College of Health Sciences and Human Services, the College of Science and Mathematics, and the West College of Education were the three areas that rose to the top for consideration for additional space.

Dr. Givens asked about the anticipated increase in enrollment compared to the recommended increase in square footage. It was reported that the anticipated enrollment increase from the current 5,900 to 8,300 in 2025 would be a 40% increase. An increase in square footage of 400,000 from the current 1.5 million square feet would represent a 27% increase. Mr. Engelman asked what would happen with these plans if enrollment did not increase. Dr. Rogers stated that all of the expansion would not be done at once and much would be determined by future enrollment. Mr. Abraham added that the Gunn College of Health Sciences and Human Services has already demonstrated enrollment growth and need for new space.

Dr. Givens asked if MSU should continue advertising itself as a liberal arts university if the primary growth is in the health sciences and human services areas. Dr. Rogers responded that MSU is a public liberal arts university and that this designation defines Midwestern State University. He stated that while MSU and other member institutions of the Council of Public Liberal Arts Colleges (COPLAC) produce as many professional school graduates as arts and sciences graduates, it is what the institutions do with its students that make them stand out. He added that MSU ensures its graduates can write, understand literature and the arts, work with individuals and groups, and have critical thinking and communication skills. Dr. Rogers stated that MSU may enroll more and

more students in the professional schools but the university should not lose its identity as a public liberal arts institution. He noted that as the professional schools grow the other colleges will grow because of the core learning courses that will continue to be offered. Dr. Rogers added that the COPLAC organization is trying to find better ways to describe its member institutions.

Slide 128 presented the TRB priorities for 2015 as TRB #1 Health Sciences and Human Services facilities and TRB #2 ADA/Deferred Maintenance/Addition to Bolin Science Hall. The priority for 2017 would be a resubmittal of the ADA/Deferred Maintenance/Addition to Bolin Science Hall project if it is not funded in 2015. He noted that a new building for health sciences would allow Bridwell Hall to be vacated and available to house the West College of Education. TRB #2 would include an addition to Bolin Science Hall. Mr. Engelman asked about the dollar amount of these requests. Mr. Abraham responded that work would need to be done during the spring to determine size and amount of the requests. Ms. Barrow reported that during the 2013 legislative session the average TRB request was \$52 million.

Lunch Recess

The meeting recessed at 11:48 a.m. and reconvened at 12:54 p.m.

Mr. Rice resumed the presentation with information regarding possible locations and options for the Gunn College of Health Sciences and Human Services building (Slides 130-137). These options included the addition of 150,000 gross square feet to the existing Bridwell Hall, building a new building just west of Bridwell Hall, building a new building south of Prothro-Yeager Hall, and building a new building on top of the current Memorial Building, Ferguson Hall, and Fain Hall, on the south end of the quadrangle. Each slide presented perceived advantages and disadvantages to each site. Mr. Rice also noted how each location would possibly affect other college needs such as the West College of Education and the mass communication program. Dr. Rogers stated that the proposal included moving criminal justice and social work out of Martin Hall and into the new building. Another option would be for these programs to remain in Martin Hall, thus reducing the square footage needed in the new building. He added his concern that Martin Hall might not be a possibility for the mass communication program because of its ceiling height. He indicated that more study would be needed.

Dr. Rogers reported that the Information Technology (IT) building (Memorial Building) must be addressed. He noted that a more secure environment was needed for IT and that the cost to move the IT operation to another building has been estimated to cost between \$6 and \$11 million. Dr. Rogers added that an IT consultant had been contacted to make recommendations and provide valid cost estimates. Mr. Rice noted that the south quadrangle option was recommended because it would address the IT issues without having to move the operation to another location on campus.

Mr. Gregg asked if the houses the university owns on Hampstead Boulevard could be razed and the property used for parking. Mr. Rice responded in the affirmative. He stated that the group had also discussed razing Bridwell Courts once new housing comes

on line and using that space for parking. Mr. Gregg asked if the houses were purchased for a specific purpose. Dr. Rogers responded that parking was an option mentioned when the houses were purchased.

Slide 138 showed the addition to Bolin Science Hall that could be included in the TRB #2 request. Dr. Rogers stated that when the Bolin Science Hall was built in 1966 the plans included a possible future addition to the building. Mr. Abraham indicated that to the extent possible he would recommend that the new addition be built as laboratories and high-technology rooms. The current building could then be renovated to address needs not met through the addition. Dr. Rogers stated his preference that Bolin continue to house the College of Science and Mathematics.

Mr. Rice reported that after several days of discussions the collective advice of the group was that the new College of Health Sciences and Human Services building be located on the quadrangle site. He noted that doing so would reinforce the quadrangle, move students to the center of the campus, and provide space solutions for health sciences and human services, education, and IT.

Mr. Hessing asked about the library and noted that it had been MSU's TRB priority request during the last several legislative sessions. Dr. Fowlé responded that TRB #2 would include the library because of the number of ADA and deferred maintenance issues that would be addressed. She indicated that the request would hopefully include renovation of the library, the addition to Bolin, and possibly the renovation of Hardin South. Dr. Fowlé added that exercise physiology and athletic training are part of the College of Health Sciences and Human Services and TRB #1 would include a small building that would be built across from Ligon to house these two programs.

Mr. Hessing indicated that the administration should prepare an alternate plan, a Plan B, in the event TRBs are not approved by the legislature in 2015. Dr. Rogers agreed and indicated they would begin working on that immediately.

Mr. Gregg asked about the challenges that would be faced by moving the sorority meeting rooms from Fain Hall if the new building were to be located on the south end of the quadrangle. Dr. Lamb responded that a suitable location would need to be identified so that the sorority meeting rooms could be relocated. Dr. Rogers commented that with each of the options there are issues that must be addressed.

Dr. Givens asked which building project would be more sellable in Austin. Dr. Rogers responded that it would be a tossup between nursing and the allied health sciences and engineering and the physical sciences. Mr. Sanchez asked at what point the students would be involved in the planning. Dr. Rogers responded that he had visited with the students and the faculty about the planning during the fall and would schedule additional sessions prior to the February board meeting.

Ms. Scott began her presentation regarding athletics by noting that the impetus for her work with the athletics facilities master plan was threefold: 1) to address what could be

done immediately to address pressing needs; 2) to look at longer term needs, including baseball; and 3) to look at longer term needs if baseball does not become a reality. She reminded the board that in November she reported that the two most pressing issues outside of the need for football offices were athletic training and weight training facilities. Slide 140 showed a possible area in Ligon that could be used for athletic training. She noted that if athletic training moved to this new area, the space they currently occupy could be used to expand the existing weight room. This move would increase the weight room to approximately 10,000 square feet and would increase athletic training to near 7,000 square feet. Mr. Hessing asked about the current use of the proposed athletic training space. Ms. Scott responded that the area is an open courtyard, but added that there are some issues with the space. She noted that approximately one-third of the drainage from the Coliseum roof goes into the courtyard. The drainage would have to be studied and a solution found. She added that this would make an immediate positive difference for the academic and athletics programs.

Ms. Scott reported that the exercise physiology program is currently housed in space located above the current weight room and athletic training room. The proposal for TRB #1 would include a new building across the street from Ligon that would be used to house exercise physiology and athletic training (shown in Slide 141). She noted that once this facility is built, the second level would become available and could be used for football program offices and meeting rooms.

Ms. Scott stated that when she was on campus in November it was suggested that a site be identified that could accommodate a football stadium. She noted that while a football stadium on campus may or may not happen, it was important to look at where it could be if the decision were ever made to move in that direction. She added that given the water situation the university must begin looking at artificial turf fields. She stated that an artificial turf soccer/football field would cost approximately \$1 million. She indicated that the recommendation would be to place a turf field where it is shown in the diagram on Slide 142. Such an action would allow the university to keep one grass field and provide artificial turf that could be used by football and soccer. She reported that the University of Nebraska has only a turf stadium field and an indoor practice facility. All of their teams practice on the one stadium field. Dr. Rogers asked Mr. Carr if he could schedule football, soccer, and intramurals on the same turf field. Mr. Carr responded that if the field included lighting it could be scheduled. Ms. Scott stated that while it is nice to have multiple practice fields, the water situation is making it critical that the university move to a turf field.

Mr. Hessing asked if the footprint of a stadium would differ from the footprint of a field only. Ms. Scott responded that a stadium would have to be placed south of the location shown in the field only diagram, and added that the issue of tennis would have to be solved before a field or stadium could be placed in that location. She added that there are a number of tennis facilities in the area that might provide partnership opportunities for the university. Mrs. Carnes asked about the life expectancy of artificial turf. Ms. Scott responded that the fields are generally warranted for eight years and last at least 10 years. Ms. Scott stated that a stadium with 15,000 seats could be placed on the site, but added

that the seating could be built in stages, starting with as few as 6,000 seats. Mr. Hessing asked about average attendance at MSU football games. Mr. Carr responded that the average is 8,000 and added that a 10,000-seat stadium would be a perfect size for Midwestern State University.

Mr. Rice reviewed slides 143-145 and presented drawings showing how the landscaping of the campus could be extended to the south with a primary spine from Bridwell and Dillard through to the south campus. He noted that this would create a pedestrian-friendly campus core. He added that athletics currently utilizes 18 acres or 20% of the north campus. Slide 149 showed a diagram of the south campus with the construction of a baseball park and the moving of two soccer practice fields to the pecan grove area. This slide also showed a possible location for a new facilities and maintenance building on the site of the current Fraternity Commons. Slide 150 showed an option without baseball on campus and the moving of the softball and soccer stadiums to the south campus. Mr. Rice noted that in this plan the entrances to the football, soccer, and softball stadiums would be from one major pedestrian way. Mr. Rice added that if baseball was located on the south campus the softball and soccer stadiums could remain on the north side of the campus. If baseball is elsewhere and those two sports move to the south campus, it would free up the area that could be used for future needs such as parking, academic buildings, or housing.

Mrs. Carnes asked if any consideration had been given to the small piece of property south of the museum. Ms. Scott noted that with enrollment growth additional space would be needed for the Wellness Center and recreation programs. The space next to the museum could possibly be used to address some of the wellness and recreation needs in the future.

Slide 152 presented a diagram showing the possible addition of residence halls on the north end of the football stadium. The next several slides showed plans, drawings, and actual photos of a 10,000 seat stadium that was built at Case University in Cleveland, Ohio. Mr. Hessing asked Ms. Scott and Mr. Rice to look at the University of Mary Hardin Baylor's new football stadium. He added that it was an impressive facility that had caused positive change to the campus atmosphere.

Mr. Hessing asked to look back at Slide 149 and the baseball field concept. He noted that the baseball discussion was what started the master planning conversation and he did not want to ignore that. He indicated his feeling that this could still be a long-term option for the university and that softball and soccer could remain on the north campus for the foreseeable future. Ms. Scott commented that if the softball or soccer fields fail and money must be spent to replace them, that will be the time to ask if they should be replaced where they are now or in another location.

Recess

The meeting recessed at 2:35 p.m. and reconvened at 2:45 p.m.

Dr. Fowlé discussed the implementation timeline and distributed and reviewed a possible construction timeline (see Attachment 1). The two projects included in the timeline were student housing that would be available in August 2016 and a TRB project. Mr. Hessing indicated that he liked the format of this report and asked that it remain consistent and be updated at each board meeting. Mr. Bryant asked that it be combined with Mr. Owen's construction reports. Following her review, Dr. Fowlé commented that this document was a draft showing the earliest the projects could be done.

Mr. Gregg asked what would happen to the baseball timetable if the area received three inches of rain next month. Dr. Rogers responded that he would still need to raise additional money. Dr. Givens asked if there were any long-term options or solutions other than turf. Dr. Rogers responded that there was not. Dr. Givens stated that a cost of \$1 million spread out over ten years does not seem as large.

Mr. Hessing indicated that he would like the administration to make recommendations to the board to solve this problem. Dr. Givens stated that he would like to hear the right solution, not just the right solution from a financial perspective. He stated that rather than review several options he would like to see the best solution and then see if it can be afforded. Mr. Bernhardt asked if the university had looked at a system that could filter out the salt. Mr. Owen indicated that reverse osmosis could be done but that it could be very expensive.

Mr. Sanchez asked if the money that was donated for baseball could possibly be used for other projects. Dr. Rogers responded that it was designated for baseball and he did not know how they would feel about redirecting the funds. Dr. Givens asked if a football stadium or a baseball park on campus would bring the most money to the university. Several individuals responded football.

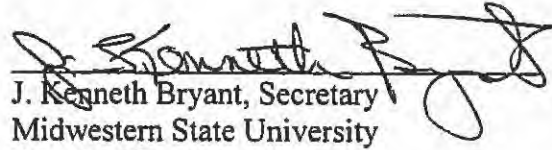
Mr. Hessing asked about the next steps. Dr. Rogers responded that during the time until the February board meeting, the administration would continue to consider some of the options discussed. Additional information will hopefully be forthcoming from various consultants regarding IT, parking, and other issues. In February we plan to recommend broad project descriptions for TRB projects. If approved, we will spend the time between February and May working on programming and planning so that we can have closer space and cost estimates for your consideration in May. He added that the administration would continue to look at short-term and longer-term water plans for the campus. Mr. Hessing added that the board would like for the administration to discuss this planning effort with students and faculty. He added that at some point he would like to know an estimate of cost for all of the projects included in the presentation.

Mrs. Carnes thanked the planners for their preparation and work. She stated that it was exciting to hear about the campus possibilities. Mr. Hessing thanked everyone in attendance for their participation.

Adjournment

The meeting adjourned at 3:20 p.m.

Reviewed for submission:


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

Attachment

1. Draft Construction Timeline – Housing and TRB Project

Construction Plans - DRAFT TIMELINE

As of January 9, 2014

	Year	Month	Meeting	Action	Residence Hall	TRB	Comment
	2014	January			Bonding	Bonding	
		February	BOR	Yes	*Approve master plan	*Approve Master plan	
		March			RFQ for architect/proposals	Programming on project	
		April			Receive proposals	Programming on project	
		May	BOR	Yes	*Approval on project/ architect	*BOR Authority *Approve TRB Request and \$	
		June			Design		
		July			Design		
		August	BOR		Design	Submit LAR	
15		September			Design	TPFA Mtg	
		October			Design	BRB Mtg	Update LAR
		November	BOR	Yes	*Approve Design	Solicit Bids	
		December			Bid	Solicit Bids	
	2015	January			Bid	Solicit Bids	Legislative Session starts
		February	BOR	Yes	*Award Contractor	*Sell Bonds	
		March			construction	RFQ for architects	
		April			construction		
		May	BOR	Yes	construction	Session ends/TRB Appropriated/ *Approve Bonds and Architect	*BOR Authority Session will not be over - BOR will approve architect bonds in advance?
		June			construction	Design	
		July			construction	Design	
		August	BOR		construction	Design	TPFA Mtg
16		September			construction	Design	BRB Mtg
		October			construction	Design	Solicit Bids
		November	BOR	Yes	construction	*Approve Design	Solicit Bids
		December			construction	Bid	Solicit Bids
	2016	January		Yes	construction	Bid	*Sell Bonds Special BOR Meeting
		February	BOR	Yes	construction	*Award Contractor	
		March			construction	construction	
		April			construction	construction	
		May	BOR		construction	construction	
		June			construction	construction	
		July			construction	construction	
		August	BOR		Move in	construction	
17		September				construction	
		October				construction	
		November	BOR			construction	
		December				construction	
	2017	January				construction	
		February	BOR			construction	
		March				construction	
		April				construction	
		May	BOR			construction	
		June				construction	
		July				construction	
		August	BOR			construction	
18		September				construction	
		October				construction	
		November	BOR			construction	
		December				construction	
	2018	January				Move in	

*Requires BOR approval

**Approved 42-hour Core
February 12, 2014**

Communication – 6 semester hours

ENGL 1103	Introduction to Communication
ENGL 1123	Rhetoric & Composition
SPCH 1103	Introduction to Communication

Note: ENGL 1113 will be offered 2014-15 academic year for composition I.
ENGL 1103/SPCH 1103 in a hybrid course for honors students.

Mathematics – 3 semester hours

MATH 1053	Contemporary Mathematics
MATH 1203	Mathematical Analysis for Business
MATH 1233	College Algebra
MATH 1534	Precalculus
MATH 1634	Calculus I

Life & Physical Sciences – 6 semester hours

BIOL 1103	Introduction to Biology
BIOL 1133	Anatomy & Physiology I
BIOL 1134	Anatomy & Physiology I
BIOL 1144	General Zoology
BIOL 1233	Anatomy & Physiology II
BIOL 1234	Anatomy & Physiology II
BIOL 1544	General Botany
CHEM 1103	Introductory Chemistry
CHEM 1143	General Chemistry I
CHEM 1243	General Chemistry II
CHEM 1303	General Organic Biological Chemistry
ENSC 1114	Foundations of Environmental Science
GEOS 1134	Physical Geology
GEOS 1234	Historical Geology
GNSC 1104	Life/Earth Science
GNSC 1204	Physical Science
PHYS 1144	General Physics I
PHYS 1244	General Physics II
PHYS 1533	Descriptive Astronomy

PHYS 1624	Mechanics, Wave Motion, & Heat
PHYS 2644	Electricity & Magnetism & Optics

Language, Philosophy, & Culture – 3 semester hours

ENGL 2413	World Literature I
ENGL 2613	Survey of American Literature I
FREN 1134	Elementary French I
GERM 1134	Elementary German I
HIST 1333	Western Civilization I
HIST 1433	Western Civilization II
PHIL 1033	The Primary Concerns of Philosophy
PHIL 2033	Ethics
SPAN 1134	Elementary Spanish I

Creative Arts – 3 semester hours

ART 1413	Art Appreciation
MCOM 2213	Appreciation of Film
MUSC 1033	Music Appreciation
MUSC 2733	Introduction to Western & World Music
THEA 1503	Appreciation of Theatre
THEA 2423	Dramatic Analysis

American History – 6 semester hours

HIST 1133	Survey of American History to 1865
HIST 1233	Survey of American History since 1865

Government & Political Science – 6 semester hours

POLS 1333	American Government I
POLS 1433	American Government II

Social & Behavioral Sciences – 3 semester hours

ECON 1333	General Economics
ECON 2333	Principles of Macroeconomics
PSYC 1103	General Psychology
SOCL 1133	Introductory Sociology

Component Area Option – 6 semester hours

Three hours from each area of study

Cultural & Global Understanding (3 semester hours)

EDUC 2013	School & Society
FREN 1234	Elementary French II
GERM 1234	Elementary German II
LATS 2503	Introduction to Latin American Studies
MCOM 1233	Introduction to Mass Communication
MCOM 2523	The Internet & Society
MUSC 2733	Introduction to Western & World Music
WGST 2503	Intro to Women's & Gender Studies
POLS 2523	Foundations of Government & Politics
SOCL 2233	Social Problems
SPAN 1234	Elementary Spanish II

Undergraduate Inquiry & Creativity (3 semester hours)

ART 1613	Ceramics for Non-Majors
BUAD 1033	Foundations of Business
MCOM 2833	Web Site Design
SCIE 2103	Interdisciplinary Science Research
SOCL 1133	Introductory Sociology
THEA 1103	Acting for Non-Majors

Note:

Majors that require students to complete the 4-hour science, math, or language courses must account for the extra hours within the 120 hours required for graduation.