

# Midwestern State University Board of Regents Meetings



August 6 & 7, 2015

## **Midwestern State University**

### **Board of Regents Meetings**

#### **Schedule**

Thursday, August 6, 2015

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

Friday, August 7, 2015

9:00 a.m.     Board of Regents Meeting

**MIDWESTERN STATE UNIVERSITY  
BOARD OF REGENTS**

Shawn G. Hessing, Chairman  
Michael Bernhardt, Vice Chairman  
J. Kenneth Bryant, Secretary  
Tiffany D. Burks  
R. Caven Crosnoe  
F. Lynwood Givens, Ph.D.  
Jeff Gregg  
Nancy Marks  
Samuel M. Sanchez  
Megan Piehler, Student Regent

## **Midwestern State University Administration**

Dr. Jesse W. Rogers, President

Ms. Debbie Barrow, Director, Board and Government Relations

Dr. Francine Carraro, Director, Museum

Mr. Barry Macha, General Counsel

Vacant, Internal Auditor

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

Dr. Marcy Brown Marsden, Dean, College of Science and Mathematics

Dr. Martin Camacho, Dean, Lamar D. Fain College of Fine Arts

Dr. Matthew Capps, Interim Dean, Billie Doris McAda Graduate School

Ms. Darla English, Registrar

Dr. James Johnston, Dean, Robert D. and Carol Gunn College of Health Sciences and Human Services

Dr. Michaelle Kitchen, Interim Dean, Gordon T. and Ellen West College of Education

Dr. Clara Latham, University Librarian

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

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

Vacant, Associate Vice President for Undergraduate Education and Assessment

Ms. Naoma Clark, Director, Academic Success Center

Dr. Lisa Estrada-Hamby, Director, Student Support Services

Dr. Kristen Garrison, Director, University Writing Center

Ms. Juliana Lehman-Felts, Coordinator, Redwine Honors Program

Dr. Michael Mills, Director, International Education

Dr. Magaly Rincón-Zachary, Director, Undergraduate Research

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

Ms. Dawn Fisher, Director, Human Resources

Ms. Valarie Maxwell, Director, Budget and Management

Mr. Kyle Owen, Associate Vice President for Facilities Services

Ms. Kathy Rice, Director, Payroll

Mr. Stephen Shelley, Director, Purchasing

Mr. Chris Stovall, Controller

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

Ms. Gayonne Beavers, Director, Admissions

Dr. Randy Glean, Director, International Services

Ms. Debra Higginbotham, Director, Disability Support Services

Mr. Jon Lane, Postal Services Supervisor

Ms. Kathy Pennartz-Browning, Director, Student Financial Aid

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

Mr. Dan Williams, Chief, University Police

Dr. Keith Williamson, Medical Director, Vinson Health Center

Mr. Matthew Park, Associate Vice President for Student Affairs & Dean of Students

Ms. Cammie Dean, Director of Student Development and Orientation

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

Dr. Pam Midgett, Director, Counseling Center

Mr. Dail Neely, Director, Student Conduct & Clark Student Center

Ms. Angie Reay, Interim Director, Residence Life



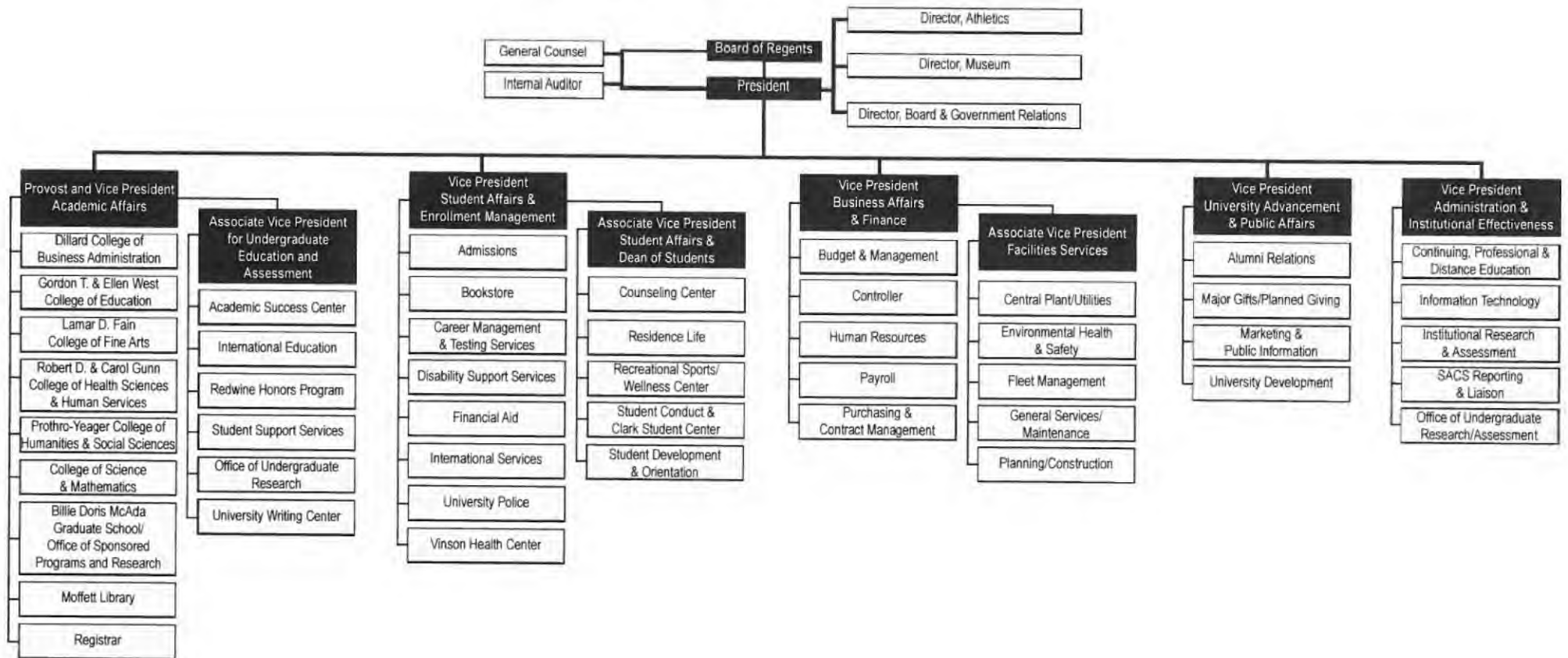
Dr. Robert E. Clark, Vice President for Administration and Institutional Effectiveness  
Mr. Randy Kirkpatrick, Chief Information Officer  
Mr. Mark McClendon, Director, Institutional Research and Assessment  
Dr. Pam Morgan, Director, Center for Continuing, Professional, and Distance Education

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

Mr. Charlie Carr, Director of Athletics  
Mr. Damian Clarke, Head Women's Soccer Coach  
Mr. Doug Elder, Head Men's Soccer Coach  
Ms. Venera Flores-Stafford, Associate Director of Athletics/Senior Woman Administrator  
Mr. Nelson Haggerty, Head Men's Basketball Coach  
Ms. Noel Johnson, Head Women's Basketball Coach  
Mr. Scott Linn, Head Tennis Coach  
Mr. Bill Maskill, Head Football Coach  
Mr. Kurt Portmann, Executive Associate Director of Athletics  
Mr. Jeff Ray, Head Golf Coach and Coordinator, Champs Life Skills Program  
Mr. Trey Reed, Assistant Director of Athletics for Sports Information  
Ms. Natalie Rawson, Head Volleyball Coach  
Mr. Koby Styles, Head Women's Cross Country and Track Coach  
Mr. Brady Tigert, Head Softball Coach  
Mr. Kyle Williams, Associate Director of Athletics, Development

Dr. David Carlston, Chairman, MSU Faculty Senate  
Mr. Dirk Welch, Chairman, MSU Staff Senate  
Mr. Jesse Brown, President, MSU Student Government Association

# Midwestern State University Organization Chart



# MSU DASHBOARD AND ONLINE RESUME



# Midwestern State University Dashboard Indicator and Projections

November 2014 Board of Regents Meeting

		Annual Performance				Target
		Base Year (2008-2009)	2012-2013	2013-2014	2014-2015	2018-19
<b>1. Student Access</b>						
1.a	Total Enrollment (Headcount)	6,093	5,916	5,870	5,874	6,230
1.b	FTE Enrollment (based on FT +1/3 PT)	4,819	4,618	4,605	4,653	4,922
1.c	Number of Beginning Freshmen (Fall) (Registrar Number, FT + PT)	675	612	817	813	900
1.d	Average Course Load of FT UG	13.85	13.95	14.06	13.92	13.97
1.e	Percent of Students Receiving Pell Grant (UG Fall)	24.6%	32.30%	37.16%	37.90%	41.72%
1.f	Number of Community College Transfer Students Enrolled	1952	2237	2207	1950	2,000
1.g	Percentage of Hispanic students enrolled (enr/%)	9.20%	12.30%	13.90%	14.00%	20.00%
1.h	Percentage of African American students enrolled (enr/%)	12.70%	12.20%	12.90%	14.10%	14.50%
1.i	Online and Distance Education (courses offered per year)	367	538	637		968
1.j	Distance Education Only (Fall)(var-distd2)	777	951	967	950	1075
<b>2. Student Success</b>						
2.a	First Time Student Retention Rate (First year)	74.90%	71.00%	68.28%	72.85%	75.00%
2.b	First Time Student Retention Rate (Second year)	61.00%	54.18%	56.40%	53.21%	55.00%
2.c	Transfer Student Retention Rate (First Year)	73.10%	67.60%	68.30%	69.62%	72.00%
2.d	Degree Efficiency Attainment ((AA*2+BA*4)/Fall UG FTE)	92.61%	95.82%	97.79%		95.00%
2.e	First Time Student Graduation Rate (Four Year, Based on 4 year Cohort)	11.80%	21.39%	20.64%		32.15%
2.f	First Time Student Graduation Rate (Six Year) (First Time Fulltime Cohort)	30.60%	44.49%	45.47%		52.00%
2.g	Transfer Student Graduation Rate (Four Year)	50.80%	49.03%	46.41%		51.29%
2.h	Pass Rate on Certification Exam - Education	87.60%	94.00%	97.00%		95.00%
2.i	Pass Rate on Certification Exam - Nursing	73.48%	83.57%	75.50%		85.00%
2.j	Number of Degrees Awarded to At-Risk Students	814	959	877		958
2.k	Number of Degrees Awarded in STEM Fields	91	102	115		126
2.l	Number of Degrees Awarded in Health Science Fields	371	428	396		446
2.m	Total Degrees Awarded (Total)	1220	1303	1270		1300
<b>3. Operational Effectiveness</b>						
3.a	State Appropriations per FTE Student	\$4,934.68	\$4,581.03	\$4,764.56		\$5,225.26
3.b	Total Expenditures per FTE Student	\$15,860.17	\$19,308.83	\$20,679.75		\$26,640.33
3.c	Student /Faculty Ratio (Using CDS FTE/Faculty FTE for Fall)	19.0	16.8	17.0		19.0
3.d	Administrative Cost Rate (as percent of operating budget)	10.33%	10.44%	10.51%		10.00%
3.e	Average SCH to Bachelor's degree	146.87	145.5	145.7		140
<b>4. Competitive Resources</b>						
4.a	Total Annual Giving (AFR reported)	\$14,010,481	\$9,749,807	\$16,986,200		\$10,000,000
4.b	Total Endowment (university-held, Foundation, Charitable Trust)	\$44,588,397	\$63,582,196	\$73,514,557		\$80,087,716
4.c	Alumni Giving Rate	8%	6.60%	5.30%		6.00%

Gray shaded areas will not be updated until the end of FY 15

Target estimates are shown in beige



## Online Resume for Legislators and Other Policymakers MIDWESTERN STATE UNIVERSITY

Location: Wichita Falls, Northwest Region

Master's Accountability Peer Group: Angelo State Univ, Sul Ross Rio Grande, Sul Ross State Univ, Texas A&M - Central Texas, Texas A&M - Galveston, Texas A&M - San Antonio, Texas A&M - Texarkana, UNT Dallas, UT Brownsville, UT Permian Basin, UT Tyler, Univ of H - Clear Lake, Univ of H - Downtown, Univ of H - Victoria

Out-Of-State Peers: Arkansas Tech University, Columbus State University, Florida Gulf Coast University, University Of Colorado At Colorado Springs, Worcester State College

Degrees Offered: Associate's, Bachelor's, Master's

[Institutional Resumes](#)

[Accountability System](#)

[Definitions](#)

[Institution Home Page](#)

### Enrollment

Race/Ethnicity	Fall 2009		Fall 2013		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent
White	3,962	65.6%	3,299	59.5%	3,167	56.7%
Hispanic	645	10.7%	798	14.4%	856	15.3%
African American	769	12.7%	777	14.0%	838	15.0%
Asian	219	3.6%	181	3.3%	163	2.9%
International	353	5.8%	264	4.8%	239	4.3%
Other & Unknown	94	1.6%	229	4.1%	326	5.8%
<b>Total</b>	<b>6,042</b>	<b>100.0%</b>	<b>5,548</b>	<b>100.0%</b>	<b>5,589</b>	<b>100.0%</b>
TX First Time Transfers	Number	% of UG	Number	% of UG	Number	% of UG
Two-Year Institutions	364	6.7%	327	6.6%	320	6.5%
Other Institutions	79	1.5%	67	1.4%	43	.9%

### Costs

Average Annual Total Academic Costs for Resident Undergraduate Student Taking 30 SCH				
Fiscal Year	Texas Rates			
	Institution Average	Percent Increase	Peer Group Average	Percent Increase
2010	\$6,544	.0%	\$5,460	.0%
2011	\$7,038	7.5%	\$5,877	7.6%
2012	\$7,304	3.8%	\$6,174	5.1%
2013	\$7,632	4.5%	\$6,200	.4%
2014	\$7,764	1.7%	\$6,418	3.5%
2015	\$8,088	4.2%	\$6,992	8.9%

### Financial Aid

Fiscal Year	Institution		Peer Group		OOS Peer Group	
	Percent	Avg Amt	Percent	Avg Amt	Percent	Avg Amt
<b>Federal Student Loans</b>						
2012	51%	\$7,190	47%	\$7,038	50%	\$6,942
2013	51%	\$7,319	46%	\$6,935	51%	\$6,896
<b>Federal, State, Institutional or Other Grants Known by Institutions</b>						
2012	61%	\$4,973	66%	\$5,165	62%	\$5,991
2013	64%	\$4,996	66%	\$5,130	59%	\$5,099
<b>Federal (Pell) Grants</b>						
2012	39%	\$3,876	45%	\$3,946	36%	\$3,931
2013	37%	\$3,860	43%	\$3,929	37%	\$3,945

### Student Success

One-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates				Graduation Rates		
Enter Fall 2008 Enter Fall 2012 Enter Fall 2013				Cohort	Institution Rate	Peer Group Rate
Cohort	671	626	835	Fall 2005 4-year	14.3%	17.5%
Total	84.9%	79.9%	82.8%	Fall 2009 4-year	24.3%	20.0%
Same	73.3%	67.4%	71.5%	Fall 2010 4-year	21.4%	19.8%
Other	11.6%	12.5%	11.3%	Fall 2004 5-year	29.5%	31.6%
Two-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates				Fall 2008 5-year	41.9%	37.4%
Enter Fall 2007 Enter Fall 2011 Enter Fall 2012				Fall 2009 5-year	43.0%	35.7%
Institution Persistence				Fall 2003 6-year	42.5%	36.3%
Cohort	716	626	617	Fall 2007 6-year	49.4%	42.4%
Total	74.4%	72.8%	70.8%	Fall 2008 6-year	50.1%	45.3%
Same	57.3%	55.1%	52.4%	National Comparison (IPEDS Definition)		
Other	17.2%	17.7%	18.5%	Cohort	Institution Rate	OOS Peers Rate
Peer Group Persistence				Fall 2004 4-year	11.0%	19.8%
Cohort	606	493	507	Fall 2008 4-year	17.0%	22.0%
Total	70.1%	69.0%	68.4%	Fall 2009 4-year	17.0%	23.0%
Same	44.6%	45.8%	45.2%	Fall 2003 5-year	24.0%	34.0%
Other	25.6%	22.9%	23.3%	Fall 2007 5-year	33.0%	38.2%
Average Number of Fall & Spring Semesters and SCH Attempted for Bachelor's Degree				Fall 2008 5-year	37.0%	37.0%
Year Institution Grads Sem SCH Peer Group Average Grads Sem SCH				Fall 2002 6-year	31.0%	40.2%
FY 2010	569	10.44	148.33	Fall 2006 6-year	40.0%	43.6%
FY 2013	626	10.80	144.53	Fall 2007 6-year	44.0%	42.2%
FY 2014	564	10.50	142.21			

### Six-year Graduation & Persistence Rate, Fall 2008

Student Group	Cohort	Rate
For Students Needing Dev Ed		
Institution	132	57.6%
Peer Group	144	42.4%
For Students NOT Needing Dev Ed		
Institution	532	64.7%
Peer Group	428	64.7%

\*Peer Group data is average for peer group

### Funding

Source	FY 2009 Amount	Pct of Total	FY 2013 Amount	Pct of Total	FY 2014 Amount	Pct of Total
Appropriated Funds	\$30,444,009	41.2%	\$27,889,021	34.1%	\$29,323,163	34.8%
Federal Funds	\$7,484,568	10.1%	\$8,863,929	10.8%	\$8,989,835	10.7%
Tuition & Fees	\$26,518,675	35.9%	\$31,130,657	38.1%	\$31,048,888	36.9%
<b>Total Revenue</b>	<b>\$73,869,379</b>	<b>100.0%</b>	<b>\$81,713,820</b>	<b>100.0%</b>	<b>\$84,240,687</b>	<b>100.0%</b>



# Midwestern State University

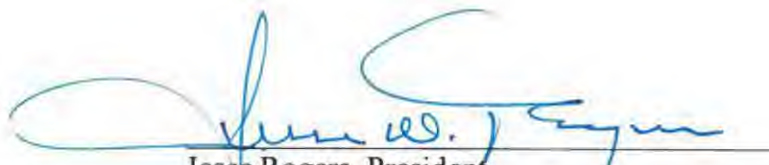
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## Financial Certification

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



Jesse Rogers, President



Marilyn Fowlé, Vice President for  
Business Affairs and Finance

July 22, 2015  
Date

# COMMITTEE OF THE WHOLE



**Board of Regents Meeting**  
**August 6, 2015**  
**1:30 p.m.**

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

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

The meeting will be streamed live at <http://www.mwsu.edu/welcome/president/regents-minutes>.

Call to Order

Introduction of Visitors

Opening Comments

Public Comment

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

Investment with Texas A&M University System (TAMUS) Update

15-167. Mr. Kevin McGinnis, Executive Director, Risk Management and Benefits, from the TAMUS will report on the results of the TAMUS cash concentration pool and endowed funds and Midwestern State University's investments in those funds.

Modification of Midwestern State University Organization Chart

15-168. An updated MSU organization chart is included in the front of the agenda document. These changes reflect the realignment of duties for the position of Associate Vice President for Undergraduate Education and Assessment as well as duties of the positions of Vice President for Student Affairs and Enrollment Management and Associate Vice President for Student Affairs and Dean of Students. These changes accurately reflect the university's current organizational structure.

Discussion of Higher Education Issues

15-169. The Board of Regents will have an opportunity to discuss current issues in higher education to include state and national trends and challenges.

MSU Priorities

15-170. Updated information regarding the university's top ten priorities is shown in Attachment 15-170.

Board Resolutions

15-171. Resolutions will be presented for approval as necessary. Included will be a resolution for outgoing student regent, Jesse Brown, as well as a resolution for Dr. Jesse Rogers upon his retirement as MSU President.

Real Property

15-172. The Board of Regents may deliberate regarding the purchase, exchange, lease, or value of real property in closed session as allowed by Texas Government Code, Chapter 551.072.

Executive Session

15-173. The Board may convene in Executive Session as necessary to consider any matters permissible under Chapter 551 of the Texas Government Code, including:

- A. Government Code, Chapter 551, Section .071 – Consultation with Attorneys Regarding Legal Matters, Pending and/or Contemplated Litigation, or Settlement Offers, or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code.
- B. Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease, or Value of Real Property.
- C. Government Code, Chapter 551, Section .073 - Deliberations Regarding a Negotiated Contract for a Prospective Gift or Donation.
- D. Government Code, Chapter 551, Section .074 – Personnel Matters Relating to the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of Officers or Employees, or to Hear a Complaint or Charge Against an Officer or Employee.

COMMITTEE OF THE WHOLE  
ATTACHMENT

## **MSU Priorities Update August 2015**

- 1) Campus Master Plan – Information regarding current projects will be presented as part of agenda item 15-175.
- 2) Parking – A parking plan for FY 16 was approved by the board in May. The expansion of Lot 6S is on schedule and should be available for the fall semester.
- 3) Enrollment – A summer enrollment report and update will be presented as part of agenda item 15-184.
- 4) Interdisciplinary Academic Programs – The new interdisciplinary academic programs approved by the board in February and May will be offered beginning in the fall semester.
- 5) Distance Learning – The administration is working to be able to offer the new core curriculum online. It is expected that several of these courses will be available in this format by the end of the spring 2016. One of the graduate programs offered by the West College of Education was converted to online instruction in the summer 2015 and the university's first online science course (Geosciences) is tentatively scheduled to be taught in the spring 2016.
- 6) Student Engagement and Retention – The proposed budget includes funding for one-time faculty stipends to develop the Freshmen Seminar as well as funding for increased student tutoring.
- 7) Athletics/Lone Star Conference – An update will be presented as part of agenda item 15-183.
- 8) Branding of MSU – The Brand Awareness/Marketing campaign to elevate the university's brand among the community, region, state, and nation remains on hold as funding has yet to become available for the project.
- 9) Financial Planning and Budgeting – The FY 16 budget will be recommended for approval at shown in Item 15-197.
- 10) Information Technology – The Degree Works program will be purchased and implementation started in FY 16.

# EXECUTIVE COMMITTEE

## **Executive Committee**

### Membership

Shawn Hessing, Chairman  
Mike Bernhardt, Vice Chairman  
Kenny Bryant, Secretary  
Tiffany Burks, Member-At-Large

### Reading and Approval of Minutes

15-174. The minutes of the Executive Committee meeting May 14, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-174.

### Campus Master Plan and Construction Update

15-175. Information regarding current construction and repair and rehabilitation projects will be presented (see Attachment 15-175).

### Student Housing Project

15-176. Bids for the student housing building were opened June 18 and were higher than estimated by three firms. An aggressive effort ensued to reduce project costs to be within the \$35.25 million budget previously approved by the Board of Regents. The principal architect and construction-manager-at-risk will be available at the meeting to provide additional information if needed.

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

15-177. The president will recommend the following individuals to serve on the Museum Advisory Board.

Jane Carnes (Reappointment) (2015-2018)  
Margaret Cummings (Reappointment) (2015-2018)  
Nancy Marks (Board Liaison Reappointment) (2015 through the end of her term on the MSU Board, which is currently February, 2020)  
Bryant Medders (Reappointment) (2015-2018)  
Greg Merkle (Reappointment) (2015-2018)

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

15-178. In compliance with the Museum's Collections Management Policy, the Museum Director and Curator have recommended the artworks shown in Attachment 15-178 for accession into the Museum's Permanent Collection. The administration will recommend ratification of this action.

# EXECUTIVE COMMITTEE ATTACHMENTS

# Projects Status

ID	Task Name	Start	Finish	2014												2015												2016																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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### Status of Board-Approved Construction Projects

Project	BOR Project Approval Date	Architect/Engineering Firm Approved	BOR Approved Project Budget	Encumbered/Spent Dollars	Additional Projected Costs	Total Project Cost	Over/Under Budget
Joe B. Hood Research Lab at Dalquest	2/15/2013, 2/14/2014, 5/15/15	2/14/2014  Antila & Bundy, Young, Sims, Potter Regional Vendor Teamed With Local	\$900,000	\$853,997	\$5,000	\$858,997	\$41,003 (1)
Museum External Improvements	2/14/2014, 5/15/15	1/17/2006  Bundy, Young, Sims, & Potter Local Vendor	\$910,000	\$908,700	\$0	\$908,700	\$1,300 (2)
Student Housing Project	11/7/2014, 5/15/15	8/8/2014  Treanor Architects	\$35,250,000	\$26,787,214	\$8,462,786	\$35,250,000	\$0 (3)
Mass Comm Extension	11/7/2014	2/13/2015 Rees Associates	\$5,000,000	\$851,343	\$4,148,657	\$5,000,000	\$0
Roofing Project	2/13/2015	-	\$2,654,209	\$789,723	\$1,864,486	\$2,654,209	\$0
Parking Lot 6S Expansion	5/15/2015	ID/IQ: Cornerstone Engineering	\$650,000	\$496,997	\$35,000	\$531,997	\$118,003

(1) Added screened porch, internet infrastructure, and gravel for parking lot via gift funds.

(2) Added terrace alternate, exterior door replacement, and building plaque via gift funds.

(3) Increased budget by \$2 MM due to preliminary estimates.



**Facilities Services**  
3410 Taft Boulevard Wichita Falls, Texas 76308-2099  
o 940.397.4648 f 940.397.4859

## **Construction Projects Status Report – Item 15-175**

Projects completed since the May 2015 Board of Regents meeting include:

1. CONVERSION OF PROTHO-YEAGER 201 TO A WRITING LAB (\$34.3k).
2. ADDITION OF A SECOND TANK AND THIRD PUMP FOR ATHLETIC FIELD IRRIGATION SYSTEM (\$37.7k).
3. FAIN FINE ARTS THEATER DIMMING SYSTEM REPLACEMENT (\$156k).

Ongoing projects:

### **EXTERIOR STAIRCASE REPLACEMENTS AT PROTHRO-YEAGER: - \$200k**

- All four staircases have significant corrosion and need to be replaced to ensure the safety of the users.
- Construction began in June and will be completed in late August.

### **WIGWAM TRAIL RECONSTRUCTION & DRAINAGE IMPROVEMENTS: - \$185k**

- Remove and replace roadway surface on Wigwam Trail between Moffett and Bolin.
- Improve drainage in area.
- Design completed in mid-May, bid, and purchase order issued in early July. Construction will continue through the end of September.

### **ELECTRIC METERS AND MONITORING SOFTWARE INSTALLATION: - \$73k**

- Installation of hardware to continuously monitor the electrical energy use in the following buildings: Dillard, Moffett, Bolin, Bridwell, Central Plant, Hardin, Ligon, McCoy, Prothro-Yeager, Fain Fine Arts, Clark Student Center, Killingsworth/Pierce, McCullough-Trigg, and Fain Hall.
- Meter/fiber installations and software training complete; currently replacing two additional failed meters.

### **ADDITIONAL PROJECTS <\$100k:**

Projects in process scheduled for completion during the fall include:

1. Bolin fountain repairs and electric panel replacement (\$23k).
2. Football practice field relocation for parking lot 6S expansion (\$30k).

Wichita Falls Museum of Art at MSU  
2 Eureka Cir | Wichita Falls, TX 76308  
(940) 397-8900



## Approved Accessions For Ratification of the MSU Board of Regents

NOTE: In compliance with the approved Collections Management Policy of the WFMA at MSU, the following acquired artworks are recommended by the Museum Director and Curator for accession into the Permanent Collection. The artworks are consistent with the Museum's mission, scope of collection, and code of ethics. All of the artworks under consideration were gifts to the Museum's Permanent Collection and no state funds were used to purchase the artworks. Upon the recommendation of the Museum Advisory Board and the ratification of the MSU Board of Regents, the art will be formally accessioned into the Museum's Permanent Collection in a timely manner, the donors will be thanked, and the artworks properly cared for.



Artwork: Mark Anderson, *Corpus Christi XXI*,  
Lithograph, 17 x 21

Donor: Richard and Elizabeth Ash

Date Donated: 2010



Artwork: James Pace, *The Boxer*, 1990, Collagraph, 39 x 28.5

Donor: Richard and Elizabeth Ash

Date Donated: 2010





Artwork: Pierre Stine, Untitled, 1990, Welded Steel, 77.75 x 8.75

Donor: Richard and Elizabeth Ash

Date Donated: 2010



Artwork: Lynwood Kreneck, *"Earth's Mysteries Solved/ Flying Dutchman"* Unretouched photo showing the Flying Dutchman disguised as Noah's Ark, 1982, Screenprint, 27.75 x 22.5

Donor: Richard and Elizabeth Ash

Date Donated: 2010



Artwork: Karl Umlauf, *The Laboratory*, 1992, Monotype, 31 x 23

Donor: Richard and Elizabeth Ash

Date Donated: 2010



Artwork: Juergen Strunck, *Untitled*, 1990, Relief, 19.75 x 41

Donor: Richard and Elizabeth Ash

Date Donated: 2010



Artwork: Philana Oliphant, *Aquila*, 2008, Linocut, 24.75 x 32.75

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Philana Oliphant, *November*, 2008, Graphite Drawing, 24.75 x 32.75

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010





Artwork: Judy Youngblood, *Thicket*, 1997,  
Drypoint Hand Colored with Gouache,  
9.75 x 12

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Judy Youngblood, *Lurking Under  
Toe*, 1991, Color Linoleum Cut, 13.5 x 11.75

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Benito Huerta, *Shock and  
Awe*, 2008, Screenprint, 22 x 30

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Luis Jimenez, *Willie Nelson*, 1979,  
Lithograph, 25.125 x 19

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Luis Jimenez, *Wool Growers*,  
1979, Lithograph, 19.125 x 25

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Dan Kiacz, *Desert Tattoo*, 1982, Screenprint,  
30 x 23

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010





Artwork: Dan Kiacz, *Cactus Dan*, 1982, Screenprint, 30 x 23

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Dan Allison, *Blue Heart*, 2000, Color Collagraph, 22 x 21

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



Artwork: Tim High, *Delivering the Golden Goose*, 1969, Screenprint, 15 x 22

Donor: 2010 WFMA Collectors Circle

Date Donated: 2010



ACADEMIC AND STUDENT  
AFFAIRS COMMITTEE

## **Academic and Student Affairs Committee**

### Membership

Lynwood Givens, Chairman

Kenny Bryant

Tiffany Burks

Sam Sanchez

### Reading and Approval of Minutes

15-179. The minutes of the Academic and Student Affairs Committee meeting May 14, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-179.

### Faculty Report

15-180. Dr. David Carlston, Faculty Senate Chairman, will provide a report on behalf of the MSU Faculty Senate. Additionally, Dr. Stacia Miller, Assistant Professor of Counseling, Kinesiology, and Special Education in the West College of Education, will visit with the board regarding her teaching and research activities and interests.

### Staff Report

15-181. Mr. Dirk Welch, Staff Senate Chairman, will provide a report on behalf of the MSU Staff Senate.

### Student Government Report

15-182. Mr. Jesse Brown, President of the MSU Student Government Association, will provide an update on Student Government.

### Athletics Report

15-183. Mr. Charlie Carr, Director of Athletics, will provide information concerning athletics at Midwestern State University.

### Enrollment Reports – Summer 2015

15-184. Information regarding enrollment for the summer 2015 semesters will be presented.

### August 2015 Graduating Class

15-185. The administration will recommend approval of the list of candidates for August 2015 graduation with the provision that they meet all requirements as prescribed by the faculty and administration (see Attachment 15-185).

### Realignment of Academic Departments

15-186. The administration will recommend the realignment of certain academic departments within the College of Science and Mathematics. Previously the Board of Regents approved the aligning of programs to form the Department of Chemistry, Geosciences, and Physics. Owing to the overall growth in the geosciences area, the addition of a Master of Science in Geosciences degree program, and the significant external funding contributed to MSU to support geosciences, the administration will recommend the realigning of the Department of Chemistry, Geosciences, and Physics to the Department of Chemistry and Physics and the Department of Geosciences, effective fall 2015. If

approved, this change will be forwarded to the Texas Higher Education Coordinating Board (THECB) as required. The Board of Regents has previously approved the naming of the Kimbell School of Geosciences and the Bolin Graduate School of Petroleum Geology. This recommendation will not affect these prior naming actions. All programs will remain in the College of Science and Mathematics.

MSU Policies and Procedures Manual Changes

15-187. Changes to the *MSU Policies and Procedures Manual* will be presented for information and recommended for approval as summarized below. Language recommended for deletion is shown with an overstrike; new wording is shown in bold and underlined format.

- A. Policy 3.217, Employee Leave Policies/ Donation of Sick Leave, and Policy 3.220, Work Breaks – policy revisions are necessary to reflect changes in state law following action by the 84<sup>th</sup> Legislature. These policy changes are presented for information only (see Attachment 15-187A).
- B. New Policy 3.XXX, Academic Lecturers – this new policy is necessary to provide guidelines for the position of Academic Lecturer (see Attachment 15-187B).
- C. Deletion of Policy 4.170 Weight Training Room – this is an out-of-date policy and is recommended for deletion from the *Policy Manual* (see Attachment 15-187C).

Tenure

15-188. The administration will make recommendations concerning the awarding of faculty tenure.

ACADEMIC AND STUDENT  
AFFAIRS COMMITTEE  
ATTACHMENTS

## **Candidates for Degrees**

August 6, 2015

### **DILLARD COLLEGE OF BUSINESS ADMINISTRATION**

#### ***Master of Business Administration***

Danny Gayle Boren III	Kerry Michael Wilson
Dwayne Elwood Rawlins	Cynthia Kaye Yerby
Sylvester Alexis Williams	

### **GORDON T. AND ELLEN WEST COLLEGE OF EDUCATION**

#### ***Master of Arts***

Keisha Sharma O'Marde

#### ***Master of Education***

Candice Lauren Diane Cannon	Necia Richardson Marin
Grace Chinyanga	Robyn Alicia Sanders
Brenda Kay Lipe Gillespie	Lexi Rhea Shipley
Gilberto Lopez	

### **ROBERT D. AND CAROL GUNN COLLEGE OF HEALTH SCIENCES AND HUMAN SERVICES**

#### ***Master of Arts in Criminal Justice***

Tammy Michelle Mader

#### ***Master of Science in Exercise Physiology***

Yesha Lalitchandra Shah

#### ***Master of Science in Nursing***

Cortney Rachelle Berkley	Stephanie Snodgrass Kelton
Margaret Michelle Betanco	Michael Stephen Krug
Meagan Ashley Collins	Briana Aine McGinnis
Kristina Renee Feezor	Kamesha Roshun Mitchell
Jeffrey Scott Grimes	Teddy Jo Morrison
Timothy Ryan Hawley	Neanatasha Roxanna Robertson
Kimberly Yvette Hestand	Jennifer Kristin Slater
Tiffany Oneda Hinson	

#### ***Master of Science in Radiologic Sciences***

Julie Ann Book	Bailey June Pope
Gregory Dale Carter	Mandy Lynn Sedden
Maryanne Patricia Clark	Samantha Johnson Thurman
Nicholas O'Bryan Evans	Teresa Michele Young
Leslie Dawn Gray	

**PROTHRO-YEAGER COLLEGE OF  
HUMANITIES AND SOCIAL SCIENCES**

***Master of Arts***

Austin Paul Bray  
Elizabeth Marie Ivey  
Karen Lynn Kiser

Rachael Maxon  
Whitney Kathleen Wells

**COLLEGE OF SCIENCE AND MATHEMATICS**

***Master of Science***

Dinesh Babu Amarneni  
Varun Kumar Ayanala  
Kiran Tej Badana  
Vipin Deshmukh  
Sharathkumar Garlapati

Madhuri Komuravelly  
Gopi Sai Surekha Naidu Kotiyala  
Rohit Mukherjee  
Suchitra Yerramalla

**DILLARD COLLEGE OF  
BUSINESS ADMINISTRATION**

***Bachelor of Business Administration***

Kevin L. Burnham, Jr.  
Andrea Nicole Carter  
Danielle Lyn Chavarria  
Amanda Caitlin Dodd  
Matthew Scott Griffiths  
Trevor Bernard Hart

Katy Gaylyn Kipp  
Tana Lea McCauley  
Theolette Mary Maria Simon  
James Robbin Spikes  
Yugath Manura Wickramarachchi

**GORDON T. AND ELLEN WEST  
COLLEGE OF EDUCATION**

***Bachelor of Applied Arts and Sciences***

Josephine Adusei  
Constance Jewell Ashley  
Christopher Joseph Barr  
John Benjamin Blissett  
Francisco Javier Espinoza  
Becky Elyse Holster  
Orisa La Touche  
Miesha Renae Maiden  
Misty Dawn McBride

Austin Garrett Quintero  
Russell Shawn Ragsdale  
Jason Marcus Raub  
Michael Charles Skinner, Sr.  
Meagan Lee Smith  
James Wilborn Tannahill  
Gerardo Tijerina  
David Kirk Winkles  
Daniel Joseph Woolard

***Bachelor of Science in Interdisciplinary Studies***

Stephanie Anderson Skelton

Bridget Laudermill Wylie

**LAMAR D. FAIN COLLEGE OF FINE ARTS**

***Bachelor of Arts***

Rachel Lane Dovel

Jared Sanders Vann

***Bachelor of Music***

Zahra Mawusi Lake  
Tanaka Madyara

Cody Ray Thomas

**ROBERT D. AND CAROL GUNN  
COLLEGE OF HEALTH SCIENCES  
AND HUMAN SERVICES**

***Bachelor of Science in Criminal Justice***

Casey James Allen	Charles David McLloyd
Cason Scott Boaz	Sarah Renee Williams
Jamall Dejaun Houston	

***Bachelor of Science in Exercise Physiology***

Aaron E. Alvarez	Paul Garrett Snell
Doris Araba Ninsin Haynes	Jeremy Michael Veine
Alyssa Maria Darné Schuetz	

***Bachelor of Science in Nursing***

Clarise Nyenty Agbor	Susanna Louisa Navarro
Eugenia Apraku	David Brandt O'Neal
Cha'tae Reann Avila	Nnenna Chinaemerem Okereke
Erica M. Avila	Josephine Kerubo Omboga
Shejal Bhakta	Janaela Janielle Scott
Brandi Nicole Braddock	Jonathan Charles Stecco
Addison Elizabeth Ecklund	Walter Justin Swinhoe
Yvette Elida Ellis	Allison Christine Walls
Corrie Denise Catlin Gulley	Vanessa Marie Whittington
Deisa Briana Hood	Kendall Brooke Williams
Nathen Mikel Molina	Stephanie Jay Zant
Brittany McFall Morales	

***Bachelor of Science in Radiologic Sciences***

Vanessa Alvarez Gavirio	Brenda L. Mudford Kirk
Lori Ann Barlow	Paige Nicole Kirkpatrick
Lisa Jane Butzer	Taylor Mariah Martinez
Cynthia Cardenas	Wanda Barbara McNeil
Ann Elizabeth Cesnaitis	Ashley Elizabeth Meadows
Seth Colby Crumpton	Jose Armando Nuñez
Christopher Allen Daza	Christopher Padilla
Rita Maria De Lira	Ramiro Plascencia
Shawna Erin Duncan	Christopher Michael Powers
Leland James Evans	Christine Jamison Quillen
Rachel Elisabeth Fimbres	James Henry Ritchie, Jr.
Elizabeth Garza Freeman	Heidi Lyn Schulenberg
Syndale Marcell Freeman	Mitchell Scott Simmons
McKaylyn Brooke Hartman	Kyle Barrett Smith
April Nicole Harwell	Tiffany Ann Sawyer Stevenson
John Austin Haynes	Twana Branch Wheeler
Leopoldo Hernandez	Deshea Marie Woods
Marcus Ryan Hickman	Susan Watts Young
Emily Diann Isaguirre	

***Bachelor of Science in Respiratory Care***

Beverly Denise Blankenship	Christa Marie Mitchell
Dinah K. Byram	Laura Bethany Nevarez
David Michael Kashnow	Tawanna Detrice Stephens

***Bachelor of Social Work***

Bernadette Nkubiri Kabona	Chelsey Lyn McElroy
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**PROTHRO-YEAGER COLLEGE OF  
HUMANITIES AND SOCIAL SCIENCES**

***Bachelor of Arts***

Roxanne Tara Byrne  
Ciarra Cheyene King  
Elizabeth Ann McGregor

Blanca Gabriela Quesada Panting  
Brittani Diane Vaughn  
Dylan Mathew Williams

***Bachelor of Science***

Jody L. Curren

Erin Nicole Perkins

**COLLEGE OF SCIENCE AND MATHEMATICS**

***Bachelor of Arts***

Benjamin Paul McKinley

***Bachelor of Science***

Ryan William Carter  
Devin Scot Colley  
Francillia Catherina Graham  
Michael Joseph Grayson  
Andrew Ryan Halverson

Patrick Jeffrey Healey  
Colette Bernicia Lewis-Moses  
Nailah Abeje Liverpool  
Collins Njumo  
Gloria Guadalupe Villarreal

***Bachelor of Science in Clinical Laboratory Science***

Araceli Acevedo Ayala  
Lisa Maria Licata

Joseph Ismael Shumate

***Bachelor of Science in Mechanical Engineering***

Melinda A. Hammon

Mitchell Wayne Maxwell

**ROBERT D. AND CAROL GUNN  
COLLEGE OF HEALTH SCIENCES  
AND HUMAN SERVICES**

***Associate of Applied Science in Radiography***

Noelani Marie Aguiar

Joshua Ikaika Balintag



**3.217 Human Resources**

**EMPLOYEE LEAVE POLICIES**

**Date Adopted/Most Recent Revision: 11/07/14**

**K. Donation of Sick Leave**

**An employee may donate any amount of accrued sick leave to another employee of the same state agency that has exhausted his or her own accrued sick leave, including any time eligible from the sick leave pool. An employee may not provide or receive remuneration or a gift in exchange for a sick leave donation.**

**3.220 Human Resources**

**WORK BREAKS**

**Date Adopted/Most Recent Revision: 11/05/10**

**D. Break Time for Nursing Mothers**

Employees who are nursing mothers ~~of children less than one year of age~~ shall be allowed reasonable break time as needed for the purpose of expressing breast milk. The frequency and duration of breaks for this purpose may vary as determined by the needs of the mother. Supervisors must provide a private space, other than a restroom, to be used by a nursing mother to express breast milk. A space temporarily created or converted into a private space for expressing milk is adequate as long as it is free from any intrusion by co-workers and the public.

## **NEW POLICY**

### **3.XXX Provost and Vice President for Academic Affairs Academic Lecturers**

#### **A. Introduction**

It is the policy of the university to employ qualified temporary faculty to supplement the schedule and bring exceptional expertise into the classroom. No more than five percent of full-time university faculty and no more than fifteen percent of full-time faculty within a department or academic unit will hold the rank of lecturer.

Such temporary faculty generally meet or exceed the minimum academic requirements of the instructor rank. In most circumstances, the dean and the Provost and Vice President for Academic Affairs will approve the hiring of temporary faculty with at least eighteen (18) hours of graduate credit in the subject to be taught. In addition to instruction, temporary faculty may give periodic lectures or perform other duties related to retention efforts at the university. These faculty will be classified as academic lecturers.

#### **B. Conditions**

1. Lecturers will teach 12 hours per semester of general education classes and will be granted a nine-month faculty appointment contract. Lecturers will not be offered summer teaching contracts except in the absence of available full-time faculty.
2. Lecturers are expected to maintain ten office hours per week in residence. These office hours should be appropriate to their assignment and convenient to their students.
3. Lecturers are expected to engage in departmental, college, or university service related to freshman and sophomore retention activities, not to exceed five hours per week.
4. Lecturers will complete a lecturer personal report by February 1 of the contract year. This report will be evaluated by the chair of the relevant department and reviewed by the dean of the college.
5. Lecturers are benefit eligible and are appointed on a yearly basis.

#### **C. Hiring Process**

The employment of new lecturers will be done in accordance with Policy 3.112, Faculty Hiring Procedures. Authorization to renew a lecturer's faculty appointment contract must be granted by the Provost and Vice President for Academic Affairs before a faculty appointment contract can be issued.

#### **D. Orientation Requirements**

All new lecturers are required to attend a general orientation session during the first semester of employment by Midwestern State University. The orientation session will include university academic procedures and responsibilities, and in general, will be conducted by Department Chairs and Deans of Colleges.

#### **E. Periodic Review of Policy 3. XXX**

The office of the Provost and Vice-President for Academic Affairs shall convene a faculty committee with representatives from each of the six university colleges to review the content and necessity of Policy 3. XXX during the spring of each biennium.

**Delete Policy**

~~4.170 Provost and Vice President for Academic Affairs~~

~~Weight Training Room~~

~~Date Adopted/Most Recent Revision: 11/7/03~~

~~The weight training room is available for student, faculty, and staff use during times when the room is not being used for classes. Please check the schedule of classes to avoid conflicts.~~

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# FINANCE COMMITTEE

## Finance Committee

### Membership

Mike Bernhardt, Chairman  
Caven Crosnoe  
Lynwood Givens  
Jeff Gregg

### Reading and Approval of Minutes

15-189. The minutes of the Finance Committee meeting May 14, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-189.

### Summary of Financial Support 9/1/14-7/9/15

15-190. This report is shown as Attachment 15-190 and will be presented as information only.

### Report on Texas Public Investment Act Changes

15-191. Per Chapter 2256 of the Texas Government Code, the board must receive a report following each legislative session of any changes made to the Texas Public Funds Investment Act. This past legislative session no changes were made to the Act that had an effect on higher education public institutions.

### Financial Reports

15-192. The administration will recommend the April, May, and June, 2015 Financial Reports for acceptance as shown as Attachment 15-192.

### Investment Report

15-193. The administration will recommend the third quarter FY 2015 investment report for acceptance as shown as Attachment 15-193.

### Review of Personnel Reports and Salary/Title/Position Changes in 2014-2015 Budget

15-194. The reports of personnel changes in April, May, and June, 2015 will be presented for information as shown in Attachment 15-194. New positions were approved by the President and the Chairman of the Board of Regents. Salary and position changes will be presented for ratification as shown below.

<u>Current Position</u>	<u>Action</u>	<u>Additional Funding</u>	<u>Annual Budget Increase (Decrease)</u>	<u>Net Current FY Actual Cost (Savings)</u>
Associate Director of Athletics/Senior Women's Administrator	Changed title to Senior Associate Athletic Director		N/A	N/A
Four staff positions	Filled positions above or below budget		\$18,624	(\$88,008)
Assistant Football Coach, Athletics	Salary adjustment	Salary savings	2,500	1,042

Laboratory Technician, Engineering	New position. Additional 1.0 FTE	McCoy Engineering Grant	11,250	36,000
Career Management Services restructure	Reduced FTEs by .25 and reallocated salaries		(16)	(14,546)
<b>Total</b>			<b>\$32,358</b>	<b>(\$65,512)</b>

#### University Accounts/Signature Authorizations

15-195. The administration will recommend the following individuals be authorized to sign on university bank accounts effective August 10, 2015, with two signatures required on all checks drawn from university accounts:

Dr. Suzanne Shipley, President  
 Dr. Marilyn Fowlé, Vice President for Business Affairs and Finance  
 Mr. Chris Stovall, Controller  
 Ms. Valarie Maxwell, Director of Budget and Management  
 Ms. Linda Rose, Assistant Controller

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

The administration will finally recommend the board continue to authorize the President, the Vice President for Business Affairs and Finance, the Provost and Vice President for Academic Affairs, and the Director of Human Resources to sign appropriate personnel retirement documents.

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

15-196. The administration will recommend approval of the following list of asset holding accounts, investment vehicles, and brokers/dealers for fiscal year 2016. The proposed brokers/dealers have filed certifications acknowledging the university's investment policy as required.

Asset Holding Accounts  
 American National Bank  
 JP Morgan Chase  
 Wells Fargo  
 The Texas A&M University System  
 Bayerische Landesbank (BLB)

Other Investment Vehicles/Overnight Cash Pools

The Texas A&M University System

LOGIC, Dallas

Texpool, Austin

Wells Fargo Money Market Savings

Texas CLASS

Brokers/Dealers

JP Morgan Securities

First Southwest Companies

Fiscal Year 2016 Budget Approval

15-197. The university administration will request approval of the \$103,352,620 budget for fiscal year 2016. A presentation will be made highlighting the strategic initiatives and factors affecting the budget. A copy of the budget highlights is shown as Attachment 15-197.

# FINANCE COMMITTEE ATTACHMENTS



**Summary of Financial Support  
Midwestern State University, MSU Foundation  
and MSU Charitable Trust**


	9/1/2014 10/14/2014	10/15/2014 1/15/2015	1/16/2015 4/17/2015	4/18/2015 7/9/2015	Total Year to Date
<b>University Development</b>	\$ 32,274	\$ 650,814	\$ 146,403	\$ 194,581	\$ 1,024,072
Gifts in Kind	\$ 1,049,307		\$ 547,551	\$ 41,865	\$ 1,638,723
MSU Endowments	\$ 75	\$ 362,390	\$ 7,973	\$ 620	\$ 371,058
<b>Contributions to Foundation</b>	\$ 5,250	\$ 16,890	\$ 550	\$ 20,500	\$ 43,190
<b>President's Excellence Circle</b>					
2013-2014	\$ 17,000				\$ 17,000
2014-2015	\$ 13,594	\$ 139,381	\$ 61,691	\$ 50,007	\$ 264,673
2015-2016		\$ 1,000			\$ 1,000
<b>Wichita Falls Museum of Art</b>	\$ 62,830	\$ 38,910	\$ 7,125	\$ 18,173	\$ 127,038
<b>Annual Fund</b>	\$ 90,657	\$ 161,331	\$ 53,678	\$ 36,781	\$ 342,447
Contributed Services			\$ 100		\$ 100
<b>Alumni Association</b>					
(2014-2015 Memberships 2,314)	\$ 3,600	\$ 3,985	\$ 1,210	\$ 355	\$ 9,150
(676 Lifetime Members)	\$ 1,500	\$ 2,300	\$ 300	\$ 1,900	\$ 6,000
<b>Mustangs Athletic Club</b>					
Cash	\$ 25,510	\$ 196,960	\$ 37,210	\$ 47,774	\$ 307,455
<b>Corporate Sponsors - Athletics</b>					
Cash	\$ 31,125	\$ 16,263	\$ 18,038	\$ 6,788	\$ 72,213
Contributed Services		\$ 5,800	\$ 1,500		\$ 7,300
<b>Fantasy of Lights</b>	\$ 20,095	\$ 29,394	\$ 1,000	\$ 11,159	\$ 61,648
Contributed Services		\$ 3,500			\$ 3,500
<b>Scholarship Funds from Outside Sources</b>	\$ 130,498	\$ 123,637	\$ 144,797	\$ 30,769	\$ 429,701
<b>TOTAL</b>	\$ 1,483,314	\$ 1,752,555	\$ 1,029,126	\$ 461,272	\$ 4,726,268



**Business Affairs and Finance**  
3410 Taft Boulevard Wichita Falls, Texas 76308-2099  
o 940.397.4117 f 940.397.4302

To: Jesse Rogers, President  
Midwestern State University

Board of Regents  
Midwestern State University

From: Marilyn Fowler   
Vice President for Business Affairs and Finance  
Midwestern State University

SUBJECT: Financial Report –June 30, 2015

Enclosed is the unaudited financial report for Midwestern State University for the ten months ended June 30, 2015. Total revenue for the institution, \$86.8M, is up 4.7% compared to the same period last year with largest changes realized in tuition and fees (up \$1.7M), gifts (up \$1M), auxiliary enterprises (up \$1M), and other grants and contracts (up \$.3M). Operating expenses have increased from \$86.4M to \$93.6M, an increase of \$7.2M from last year. The largest portion of this change, \$2.6M, was an increase in depreciation, mostly due to the large software donation last fiscal year. Salaries and wages increased by 4.6%, \$1.4M, with a requisite 7.4% increase in payroll related costs, \$.7M, including an increase in the cost of health insurance. The next largest increase was in repairs and maintenance (\$.9M), most of which was the software maintenance gift-in-kind caused by the same donation mentioned above. The institution invested heavily in providing financial aid to students to boost enrollment, and contributed another \$1M in scholarships, 5.7%. The largest decrease was seen in materials and supplies, down \$.2M, 3.5%.

Schedule 2 provides a comparison of original budgets with adjusted budgets and actuals through June 30, 2015, by fund type. The comparison of budgeted total revenue shows 100% of revenues have been received with two months remaining in the fiscal year. Expenses are below the expense budget, with 74.5% expended and 83.3% of the year complete. The university expects to exceed its budgeted revenue, but budgeted \$2.4M in reserves to cover budgeted expenses. Schedule 4 reflects the use of fund balances by fund type if all budgeted funds are spent and does not necessarily reflect what will actually be expended. Even if all the budgeted funds were spent, the university would still have \$5.8M in reserves in various accounts. As of the June report, the budget plan is being closely adhered to for FY15.

### **Operating and Non-Operating Revenue**

Operating revenues for the institution are up 5.1% from last year, with increases seen across all categories except State Grants and small decreases in Sales and Services of Educational Activities (e.g. continuing education). The largest increase is seen in Student Tuition and Fees, \$1.7M, with an increase in tuition and fee rates and a larger than expected spring and first summer session enrollment. Auxiliary Sales and Services were also up over \$1M. This category includes additional students in the university housing from the large freshmen and sophomore classes, many of which are in over-flow housing off-campus. Other Grants and Contracts saw an increase from last year of \$256,000, because of \$500,000 in McCoy grants for engineering and various grants from the West Foundation primarily in Education. As mentioned at the fall Board of Regents meeting, the university was slightly short of its budgeted enrollment targets for the fall, but because of the mix of enrollment and now a larger than expected spring/summer enrollment, the effect on revenue was negated.

Non-operating revenues saw flat state appropriations as to be expected in the second year of the biennium. Gifts increased by 25.3% from this period last year, \$950K, with most of this from the \$915K in software maintenance gift-in-kind that accompanies the large software donation made last year. The university also received three estate donations. Investment income was also a little ahead of last year (given that the university did not begin investing with Texas A&M University System until October 2013, and, therefore, did not realize a full seven months of increased investment income last year in comparison). Overall, operating and non-operating revenues increased from \$82.9M to \$86.8M, a difference of \$3.8M, 4.7% over the prior year-to-date numbers.

### **Operating Expenditures**

Schedule 1 shows that total operating expenses have increased from \$86.4M to \$93.6M, an increase of \$7.2M. This represents an 8.4% increase, with most of the increase in the non-cash expense of depreciation, \$2.6M. Salary and wages increased by \$1.4M, 4.6% due to pay increases and new positions paid from restricted funds. Scholarships also increased 5.7%, \$1M, mostly because of the merit scholarship program that will continue to grow as the university continues to bring in large freshmen classes. Repairs and maintenance increased by \$.9M, again from a non-cash expense of software maintenance that was provided as a gift-in-kind on the educational software package that was donated from a corporation last year. Other expenses that increased over the prior year include payroll-related costs for health insurance increases, especially for retirees, of \$695K, 7.4%. Professional fees and services increased by \$494K, (12%) from the previous year due to expenses associated with the presidential search (\$110K), international hiring and trademark legal fees (\$73K), internet services to the residence halls (\$110K), international recruiting fees (\$42K), more university advertising (\$50K), and a timing difference on journal subscriptions (\$62K). Rentals and leases were up due to an increase in contracted overflow housing from the previous year.



Schedule 2 compares ten months of budgeted expenditures (83.3%) to actual and reflects an average expenditure pattern that is below expectations. Overall the university is spending at 74.5% of its budgeted funds to date, whereas a linear expenditure pattern would dictate spending to be at 83.3%. The most significant deviation from this expectation is seen in capital outlay (53.2%) and maintenance and operations (50.8%). Traditionally there will be a surge in these expenses in the summer as departments gear up for the next academic year. Also, maintenance and operation is where most departments carry their department "reserves" and will roll forward funds in this category from one year to the next. It is therefore not surprising that expenses would be below expectations as the departments hold back some of their budgeted funds. Utilities are also below expectations with the mild fall weather and the reduction in water use (67.3%). Scholarships (95.1%) and Graduate Assistant Salaries are above expectations. Scholarships are front-loaded into the fall and spring semesters with few offered in the summer. Graduate Students and student wages are usually paid over nine months of the academic year and traditionally drop off in the summer. The other categories are within a few percentage points of expectations.

### **Summary**

The institution's Fiscal Year 2015 budget is tracking closely to the original plan the Board approved last August. This plan invested in strategic priorities with the use of \$2.2M in targeted reserves. The university provided \$1M in faculty and staff raises and continued an aggressive recruiting program with the matching merit scholarship program for freshmen. Graduate enrollment is up over last fall with new graduate programs being offered. The institution has been fortunate to continue to receive substantial external gift and grant support of its programs. With the legislative session now closed and the FY16 budget being finalized, the emphasis has remained on maximizing revenues and creating a balanced budget. As will be discussed at the Board meeting, balancing FY16's budget has required reprioritizing programs and costs – reducing expenses where possible in order to invest in opportunities that will improve enrollment and academic quality.

**Midwestern State University  
Wichita Falls, Texas**

**Financial Report  
(Unaudited)  
For the Ten Months Ended June 30, 2015**

Unaudited							Schedule 1	
Midwestern State University								
Comparison of Operating Results and Margin								
For the Ten Months Ended June 30, 2015								
(With Comparative Totals for the Ten Months Ended June 30, 2014)								
	Actual	Actual	YTD		YTD			%
	Jun., 2015	Jun., 2014	Jun., 2015	%	Jun., 2014	%	Variance	Var.
<b>Operating Revenues:</b>								
Student tuition and fees	\$ 3,493,510	\$ 3,325,371	\$ 34,843,576	40.2%	\$ 33,164,317	40.0%	\$ 1,679,259	5.1%
Federal Grants	73,470	203,579	8,813,409	10.2%	8,634,400	10.4%	179,009	2.1%
State Grants	(4,634)	12,500	3,518,968	4.1%	3,831,822	4.6%	(312,854)	-8.2%
Other Grants and Contracts	43,400	483,900	966,044	1.1%	709,943	0.9%	256,101	36.1%
Sales & Serv. of Educational Activities	74,556	(20,336)	1,187,071	1.4%	1,220,818	1.5%	(33,747)	-2.8%
Sales & Serv. of Auxiliary Enterprises	817,962	716,757	8,666,643	10.0%	7,613,302	9.2%	1,053,341	13.8%
Other Operating Revenue	151,857	134,926	1,786,055	2.1%	1,685,067	2.0%	100,988	6.0%
<b>Total Operating Revenues</b>	<b>4,650,120</b>	<b>4,856,697</b>	<b>59,781,765</b>	<b>68.9%</b>	<b>56,859,669</b>	<b>68.6%</b>	<b>2,922,097</b>	<b>5.1%</b>
<b>Nonoperating Revenues:</b>								
State Appropriations	1,417,681	1,420,141	14,176,811	16.3%	14,201,410	17.1%	(24,599)	-0.2%
Additional State Appropriations	420,977	435,315	4,271,659	4.9%	4,331,783	5.2%	(60,124)	-1.4%
Gifts	103,005	(89,337)	4,705,224	5.4%	3,754,770	4.5%	950,454	25.3%
Investment Income	141,362	217,778	861,385	1.0%	771,414	0.9%	89,971	11.7%
Other Nonoperating Revenue		643	5,873	0.0%	643	0.0%		0.0%
<b>Total Nonoperating Revenue</b>	<b>2,083,025</b>	<b>1,984,539</b>	<b>24,020,952</b>	<b>27.7%</b>	<b>23,060,019</b>	<b>27.8%</b>	<b>955,703</b>	<b>4.2%</b>
Other Revenues (HEAF Appropriation)	296,619	296,619	2,966,194	3.4%	2,966,194	3.6%		0.0%
<b>TOTAL ALL REVENUES</b>	<b>7,029,765</b>	<b>7,137,856</b>	<b>86,768,911</b>	<b>100.0%</b>	<b>82,885,882</b>	<b>100.0%</b>	<b>3,877,799</b>	<b>4.7%</b>
<b>Operating Expenses:</b>								
Salaries and Wages	3,134,070	3,057,794	32,566,585	34.8%	31,132,245	36.0%	1,434,340	4.6%
Payroll Related Costs	1,004,528	946,532	10,064,082	10.7%	9,368,661	10.8%	695,421	7.4%
Professional Fees and Services	203,779	143,402	4,634,726	4.9%	4,139,806	4.8%	494,920	12.0%
Travel	78,801	115,321	1,462,540	1.6%	1,449,643	1.7%	12,897	0.9%
Materials and Supplies	420,650	298,760	5,112,021	5.5%	5,297,570	6.1%	(185,549)	-3.5%
Communications and Utilities	182,004	258,946	2,199,142	2.3%	2,162,798	2.5%	36,344	1.7%
Repairs and Maintenance	138,032	104,168	3,097,150	3.3%	2,207,993	2.6%	889,157	40.3%
Rentals and Leases	95,582	135,969	917,354	1.0%	641,235	0.7%	276,119	43.1%
Printing and Reproduction	10,918	15,821	342,603	0.4%	256,728	0.3%	85,875	33.4%
Bad Debt Expense	29,167	27,082	291,667	0.3%	270,820	0.3%	20,847	
Interest	17	4	2,164	0.0%	5,065	0.0%	(2,901)	
Depreciation	1,083,333	825,000	10,833,333	11.6%	8,250,000	9.5%	2,583,334	31.3%
Scholarships	296,479	209,349	19,597,423	20.9%	18,548,431	21.5%	1,048,992	5.7%
<b>Total Operating Expenses</b>	<b>6,677,359</b>	<b>6,138,148</b>	<b>91,120,788</b>	<b>97.3%</b>	<b>83,730,995</b>	<b>96.9%</b>	<b>7,389,794</b>	<b>8.8%</b>
Interest Expense on Debt	252,470	268,522	2,524,701	2.7%	2,685,220	3.1%	(160,519)	-6.0%
<b>TOTAL EXPENDITURES</b>	<b>6,929,829</b>	<b>6,406,670</b>	<b>93,645,489</b>	<b>100.0%</b>	<b>86,416,215</b>	<b>100.0%</b>	<b>7,229,275</b>	<b>8.4%</b>
<b>EXCESS (DEFICIT) OF REVENUES</b>								
<b>OVER EXPENDITURES</b>	99,936	731,186	(6,876,578)		(3,530,333)		(3,346,245)	
Capital Contributions	679,760		759,760		38,075		721,685	
Additions to Endowments	528	1,505	450,904		319,325		131,579	
Transfers In								
Transfers Out	(47,400)	(38,761)	(473,999)		(702,907)		228,908	
<b>TOTAL INCREASE (DECREASE)</b>								
<b>IN NET ASSETS</b>	<b>\$ 732,824</b>	<b>\$ 693,930</b>	<b>\$ (6,139,913)</b>		<b>\$ (3,875,840)</b>		<b>\$ (2,264,073)</b>	

**Midwestern State University**  
**Comparison of Budget to Actual**  
**Current Operating Funds**  
**For the Ten Months Ended June 30, 2015**

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual Year to Date</u>	<u>(Over) Under Budget</u>	<u>% of Budget Completed</u>	<u>% of Year Completed</u>
<b><u>Educational &amp; General Funds:</u></b>						
<b><u>Revenues:</u></b>						
State Appropriations	\$ 25,714,571	\$ 25,714,571	\$ 25,753,342	\$ (38,771)	100.2%	83.3%
Registration Tuition and Fees	7,804,934	7,793,999	7,767,032	26,967	99.7%	83.3%
Sales and Services Educational	225	225	525	(300)	233.3%	83.3%
State Operating Grants			(3,686)			83.3%
Other Operating Revenues	16,000	16,000	13,593	2,407	85.0%	83.3%
Other Nonoperating Revenues		78	78			83.3%
Investment Income	25,500	25,500	22,044	3,456	86.5%	83.3%
<b>Total Revenues</b>	<b>\$ 33,561,230</b>	<b>\$ 33,550,373</b>	<b>\$ 33,552,928</b>	<b>\$ (2,555)</b>	<b>100.0%</b>	<b>83.3%</b>
<b><u>Expenditures:</u></b>						
Regular Salaries	\$ 5,791,120	\$ 5,808,214	\$ 4,982,698	\$ 825,516	85.8%	83.3%
Faculty Salaries	14,397,363	14,381,234	12,123,916	2,257,317	84.3%	83.3%
Student Salaries		36,826	32,421	4,405	88.0%	83.3%
Non-Student Wages and Allowances		15,266	15,774	(508)	103.3%	83.3%
Fringe Benefits	7,940,930	7,936,687	6,352,248	1,584,439	80.0%	83.3%
Maintenance and Operations	52,579	3,487,221	1,664,229	1,822,992	47.7%	83.3%
Travel		1,000	342	659	34.2%	83.3%
Utilities	1,875,000	1,871,700	1,203,863	667,837	64.3%	83.3%
Capital Outlay (HEAF)	3,559,433	1,911,398	1,216,606	694,791	63.7%	83.3%
Scholarships		78		78	0.0%	83.3%
<b>Total Expenditures</b>	<b>\$ 33,616,425</b>	<b>\$ 35,449,623</b>	<b>\$ 27,592,097</b>	<b>\$ 7,857,526</b>	<b>77.8%</b>	<b>83.3%</b>
<b><u>Designated Funds:</u></b>						
<b><u>Revenues:</u></b>						
Registration Tuition and Fees	\$ 33,348,807	\$ 33,694,583	\$ 34,056,094	\$ (361,511)	101.1%	83.3%
Other Operating Grants and Contracts				-		83.3%
Sales and Services Educational	760,921	1,358,176	1,175,452	182,724	86.6%	83.3%
Other Operating Revenues	1,348,662	1,871,370	1,616,545	254,825	86.4%	83.3%
Gifts	271,906	401,409	355,943	45,466	88.7%	83.3%
Other Nonoperating Revenues		1,798	1,798	-		83.3%
Investment Income	750,000	751,158	698,062	53,095	92.9%	83.3%
<b>Total Revenues</b>	<b>\$ 36,480,296</b>	<b>\$ 38,078,494</b>	<b>\$ 37,903,894</b>	<b>\$ 174,600</b>	<b>99.5%</b>	<b>83.3%</b>
<b><u>Expenditures:</u></b>						
Regular Salaries	\$ 10,066,827	\$ 10,029,552	\$ 8,244,562	\$ 1,784,991	82.2%	83.3%
Faculty Salaries	3,087,065	3,163,336	2,336,915	826,421	73.9%	83.3%
Grad Assistant Salaries	995,914	1,016,592	885,545	131,046	87.1%	83.3%
Student Salaries	1,176,310	1,175,694	875,603	300,091	74.5%	83.3%
Non-Student Wages and Allowances	540,909	828,890	578,789	250,101	69.8%	83.3%
Fringe Benefits	4,111,897	4,150,686	3,100,071	1,050,615	74.7%	83.3%
Maintenance and Operations	6,256,255	11,631,027	6,866,295	4,764,732	59.0%	83.3%
Travel	1,024,292	1,388,264	1,078,184	310,081	77.7%	83.3%
Utilities	301,026	372,813	218,461	154,352	58.6%	83.3%
Capital Outlay	700,994	379,654	110,173	269,480	29.0%	83.3%
Scholarships	5,332,549	5,013,096	4,871,666	141,430	97.2%	83.3%
<b>Total Expenditures</b>	<b>\$ 33,594,038</b>	<b>\$ 39,149,603</b>	<b>\$ 29,166,263</b>	<b>\$ 9,983,340</b>	<b>74.5%</b>	<b>83.3%</b>
Transfers from Plant Funds	\$ 7,200	*				
Transfers to Plant Funds	\$ (50,000)	**				

Midwestern State University  
Comparison of Budget to Actual  
Current Operating Funds  
For the Ten Months Ended June 30, 2015

	Original Budget	Adjusted Budget	Actual Year to Date	(Over) Under Budget	% of Budget Completed	% of Year Completed
<b>Auxiliary Funds:</b>						
<b>Revenues:</b>						
Sales and Services Auxiliaries	\$ 10,356,852	\$ 10,381,576	\$ 9,893,637	\$ 487,938	95.3%	83.3%
Registration Tuition and Fees	158,509	158,509	151,217	7,292	95.4%	83.3%
Other Operating Revenues		3,900	224,036	(220,136)		83.3%
	<b>\$ 10,515,361</b>	<b>\$ 10,543,985</b>	<b>\$ 10,268,891</b>	<b>\$ 275,094</b>	<b>97.4%</b>	<b>83.3%</b>
<b>Expenditures:</b>						
Regular Salaries	\$ 1,153,648	\$ 1,138,648	\$ 963,611	\$ 175,037	84.6%	83.3%
Grad Assistant Salaries	36,000					83.3%
Student Salaries	332,767	331,767	274,439	57,328	82.7%	83.3%
Non-Student Wages and Allowances	24,000	30,692	23,738	6,954	77.3%	83.3%
Fringe Benefits	435,217	430,217	350,247	79,970	81.4%	83.3%
Maintenance and Operations	4,175,039	4,384,965	3,719,852	665,113	84.8%	83.3%
Travel	22,533	24,512	20,441	4,070	83.4%	83.3%
Utilities	977,450	1,021,161	775,295	245,866	75.9%	83.3%
Capital Outlay	50,500	5,500		5,500	0.0%	83.3%
Scholarships	5,000	5,140	12,430	(7,290)	241.8%	83.3%
<b>Total</b>	<b>\$ 7,212,154</b>	<b>\$ 7,372,602</b>	<b>\$ 6,140,054</b>	<b>\$ 1,232,548</b>	<b>83.3%</b>	<b>83.3%</b>
<b>Restricted Funds:</b>						
<b>Revenues:</b>						
Sales and Services Educational	\$ 10,000	\$ 10,000	\$ 12,452	\$ (2,452)	124.5%	83.3%
Federal Operating Grants	585,275	585,275	498,082	87,193	85.1%	83.3%
State Operating Grants	3,531,667	3,531,667	3,292,769	238,898	93.2%	83.3%
Other Operating Grants and Contracts	1,750,000	1,750,000	966,044	783,956	55.2%	83.3%
Other Operating Revenues	88,050	88,050	74,254	13,796	84.3%	83.3%
Federal Nonoperating Grants	8,500,000	8,500,000	8,315,327	184,673	97.8%	83.3%
Other Nonoperating Revenues			197			83.3%
Gifts	2,820,926	2,820,926	4,349,281	(1,528,355)	154.2%	83.3%
Investment Income	25,000	25,000	246,671	(221,671)	986.7%	83.3%
	<b>\$ 17,310,918</b>	<b>\$ 17,310,918</b>	<b>\$ 17,755,077</b>	<b>\$ (443,962)</b>	<b>102.6%</b>	<b>83.3%</b>
<b>Expenditures:</b>						
Regular Salaries	\$ 221,214	\$ 276,952	\$ 161,709	\$ 115,243	58.4%	83.3%
Faculty Salaries	1,131,623	1,184,712	667,911	516,801	56.4%	83.3%
Grad Assistant Salaries		7,152	6,152	1,000	86.0%	83.3%
Student Salaries	294,852	267,392	170,533	96,859	63.8%	83.3%
Non-Student Wages and Allowances	52,661	242,982	216,019	26,963	88.9%	83.3%
Fringe Benefits	383,445	430,058	259,479	170,579	60.3%	83.3%
Maintenance and Operations	577,618	8,334,836	1,888,563	6,446,274	22.7%	83.3%
Travel	41,250	587,665	361,507	226,159	61.5%	83.3%
Utilities	414	3,456	1,523	1,933	44.1%	83.3%
Capital Outlay	152,320	453,905	136,663	317,242	30.1%	83.3%
Scholarships	12,796,010	15,592,161	14,713,327	878,834	94.4%	83.3%
<b>Total</b>	<b>\$ 15,651,407</b>	<b>\$ 27,381,272</b>	<b>\$ 18,583,386</b>	<b>\$ 8,797,886</b>	<b>67.9%</b>	<b>83.3%</b>
<b>Total Current Operating Funds Revenues</b>	<b>\$ 97,867,805</b>	<b>\$ 99,483,770</b>	<b>\$ 99,480,790</b>	<b>\$ 3,177</b>	<b>100.0%</b>	<b>83.3%</b>
<b>Total Current Operating Funds Expenditures</b>	<b>\$ 90,074,024</b>	<b>\$ 109,353,100</b>	<b>\$ 81,481,800</b>	<b>\$ 27,871,300</b>	<b>74.5%</b>	<b>83.3%</b>



**Midwestern State University**  
**Comparison of Budget to Actual**  
**Current Operating Funds**  
**For the Ten Months Ended June 30, 2015**

	<u>Adjusted Budget</u>	<u>Actual Year to Date</u>	<u>(Over) Under Budget</u>	<u>% of Budget Completed</u>	<u>% of Year Completed</u>
<b><u>Total Revenues</u></b>					
State Appropriations	\$ 25,714,571	\$ 25,753,342	\$ (38,771)	100.2%	83.3%
Registration Tuition and Fees	41,647,091	41,974,344	(327,253)	100.8%	83.3%
Sales and Services Educational	1,368,401	1,188,429	179,973	86.9%	83.3%
Sales and Services Auxiliary	10,381,576	9,893,637	487,938	95.3%	83.3%
Federal Operating Grants (Restricted fds)	585,275	494,396	90,879	84.5%	83.3%
Federal Nonoperating Grants	8,500,000	8,315,327	184,673	97.8%	83.3%
Other State Grants & Contracts	3,531,667	3,292,769	238,898	93.2%	83.3%
Other Operating Grants and Contracts	1,750,000	966,044	783,956	55.2%	83.3%
Gifts	3,222,335	4,705,224	(1,482,889)	146.0%	83.3%
Other Operating Revenues	1,979,320	1,928,428	50,892	97.4%	83.3%
Other Nonoperating Revenues	1,876	2,073	(197)		83.3%
Investment Income	801,658	966,777	(165,120)	120.6%	83.3%
<b>Total Revenues</b>	<b>\$ 99,483,770</b>	<b>\$ 99,480,790</b>	<b>\$ 2,980</b>	<b>100.0%</b>	<b>83.3%</b>
<b><u>Total Expenditures</u></b>					
Regular Salaries	\$ 17,253,366	\$ 14,352,579	\$ 2,900,787	83.2%	83.3%
Faculty Salaries	18,729,281	15,128,742	3,600,539	80.8%	83.3%
Graduate Assistant Salaries	1,023,744	891,698	132,046	87.1%	83.3%
Student Salaries	1,811,679	1,352,996	458,683	74.7%	83.3%
Non-Student Wages and Allowances	1,117,829	834,320	283,509	74.6%	83.3%
Fringe Benefits	12,947,647	10,062,045	2,885,602	77.7%	83.3%
Maintenance and Operations	27,838,050	14,138,939	13,699,111	50.8%	83.3%
Travel	2,001,441	1,460,473	540,968	73.0%	83.3%
Utilities	3,269,131	2,199,142	1,069,989	67.3%	83.3%
Capital Outlay	2,750,456	1,463,443	1,287,014	53.2%	83.3%
Scholarships	20,610,475	19,597,423	1,013,052	95.1%	83.3%
<b>Total Expenditures</b>	<b>\$ 109,353,100</b>	<b>\$ 81,481,800</b>	<b>\$ 27,871,300</b>	<b>74.5%</b>	<b>83.3%</b>
<b>Total Current Operating Funds Revenues</b>	<b>\$ 99,483,770</b>	<b>\$ 99,480,790</b>	<b>\$ 2,980</b>	<b>100.0%</b>	<b>83.3%</b>
<b>Total Current Operating Funds Expenditures</b>	<b>\$ 109,353,100</b>	<b>\$ 81,481,800</b>	<b>\$ 27,871,300</b>	<b>74.5%</b>	<b>83.3%</b>

**Reconciliation to Adjusted Budget:**

Original Budget	\$ 99,883,979
Includes Fund Transfers from Plant Funds	7,200 *
Includes Fund Transfer to Plant Funds	(50,000) **
Budgets increased with additional revenue	3,275,026
Debt Service	(8,074,807)
Prior yr. unexpended budgets carried forward	14,311,702
Reconciled to original/adjusted budgets	<u>\$ 109,353,100</u>

\*Bus sale proceeds transferred to bus services account

\*\*Renewal and replacement transfer

**MIDWESTERN STATE UNIVERSITY**  
**COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE**  
**FOR THE TEN MONTHS ENDED JUNE 30, 2015**

Revenue Source	FALL			SPRING			SUMMER			TOTAL		
	Fall Budget	Fall Actual	Over (Under) Budget	Spring Budget	Spring Actual	Over (Under) Budget	Summer Budget	Summer Actual	Over (Under) Budget	Total Revenue Budget	Total Actual Revenue	Over (Under) Budget
<b>EDUCATIONAL &amp; GENERAL:</b>												
Tuition	\$ 3,563,669	\$ 3,540,510	\$ (23,159)	\$ 3,311,887	\$ 3,382,497	\$ 70,610	\$ 877,384	790,686	\$ (86,698)	\$ 7,752,940	\$ 7,713,692	\$ (39,248)
Audit Fees	50	175	125	100	200	100	75	150	75	225	525	300
Applied Music Fees	5,726	5,495	(231)	5,209	4,445	(764)				10,935	9,940	(995)
Laboratory Fees	18,140	19,720	1,580	18,725	19,420	695	4,194	4,260	66	41,059	43,400	2,341
<b>Total Educational &amp; General</b>	<b>3,587,585</b>	<b>3,565,900</b>	<b>(21,685)</b>	<b>3,335,921</b>	<b>3,406,562</b>	<b>70,641</b>	<b>881,653</b>	<b>795,096</b>	<b>(86,557)</b>	<b>7,805,159</b>	<b>7,767,557</b>	<b>(37,602)</b>
<b>DESIGNATED:</b>												
Local Tuition	7,546,324	7,497,338	(48,986)	6,965,905	7,088,320	122,415	1,766,071	1,790,178	24,107	16,278,300	16,375,836	97,536
Tier II Tuition	254,100	237,160	(16,940)	269,500	183,820	(85,680)	47,320	50,120	2,800	570,920	471,100	(99,820)
Distance Learning Tuition	50,500	42,025	(8,475)	50,000	41,420	(8,580)	35,000	39,585	4,585	135,500	123,030	(12,470)
Three Peat Tuition	100,000	77,325	(22,675)	89,000	77,190	(11,810)	21,000	32,125	11,125	210,000	186,640	(23,360)
Student Union Fee	190,012	189,779	(233)	175,854	175,068	(786)	56,831	38,013	(18,818)	422,697	402,860	(19,837)
Instructional Enhancement Fee	1,192,149	1,173,546	(18,603)	1,100,456	1,136,273	35,817	278,999	278,933	(66)	2,571,604	2,588,751	17,147
Distance Learning Fee	506,613	488,387	(18,227)	458,888	526,080	67,192	299,499	354,566	55,067	1,265,000	1,369,032	104,032
Application Fee	21,000	21,726	726	65,000	66,010	1,010	38,595	30,190	(8,405)	124,595	117,926	(6,669)
Recreation Center Fee	540,618	569,681	29,063	500,354	525,297	24,943	177,954	114,090	(63,864)	1,218,926	1,209,067	(9,859)
Athletic Fee	581,293	574,909	(6,385)	536,145	542,521	6,376	68,545	145,819	77,274	1,185,983	1,263,249	77,266
University Services Fee	3,448,679	3,516,383	67,704	3,173,577	3,318,435	144,858	807,078	839,609	32,531	7,429,334	7,674,426	245,092
Student Service Fee	1,044,063	1,029,882	(14,181)	967,270	969,526	2,256	244,610	245,430	820	2,255,943	2,244,838	(11,105)
<b>Total Designated Funds</b>	<b>15,475,351</b>	<b>15,418,139</b>	<b>(57,212)</b>	<b>14,351,949</b>	<b>14,649,959</b>	<b>298,010</b>	<b>3,841,502</b>	<b>3,958,657</b>	<b>117,155</b>	<b>33,668,802</b>	<b>34,026,755</b>	<b>357,953</b>
<b>AUXILIARY:</b>												
Student Center Fee	71,245	71,312	67	65,945	65,651	(294)	21,312	14,255	(7,057)	158,502	151,217	(7,285)
Parking Permits & Fines	209,750	210,630	880	95,750	51,651	(44,099)	32,500	4,857	(27,643)	338,000	267,138	(70,862)
Residence Halls:												
Killingsworth	524,180	518,521	(5,659)	513,740	457,708	(56,032)	22,900	677	(22,223)	1,060,820	976,907	(83,913)
Pierce	394,250	391,647	(2,603)	370,310	339,948	(30,362)	18,050	510	(17,540)	782,610	732,105	(50,505)
Sunwatcher Village	925,200	937,022	11,822	920,225	922,800	2,575	122,555	98,806	(23,749)	1,967,980	1,958,628	(9,352)
Sundance Court	782,250	804,831	22,581	775,740	799,906	24,166	200,930	77,460	(123,470)	1,758,920	1,682,196	(76,724)
McCullough-Trigg	283,975	293,132	9,157	282,220	290,181	7,961	7,600	1,079	(6,521)	573,795	584,391	10,596
Housing Overflow	524,100	509,391	(14,709)	524,100	503,007	(21,093)		45,000		1,048,200	1,057,398	9,198
Bridwell Courts	76,263	84,072	7,809	76,212	84,699	8,487	28,988	13,585	(15,403)	181,463	182,355	892
Food Service	1,137,656	1,094,088	(43,568)	995,012	988,037	(6,975)	23,796	24,219	423	2,156,464	2,106,344	(50,120)
<b>Total Auxiliary Funds</b>	<b>4,928,869</b>	<b>4,914,644</b>	<b>(14,225)</b>	<b>4,619,254</b>	<b>4,503,586</b>	<b>(115,668)</b>	<b>478,631</b>	<b>280,450</b>	<b>(243,181)</b>	<b>10,026,754</b>	<b>9,698,680</b>	<b>(328,074)</b>
<b>Total all Funds</b>	<b>\$ 23,991,805</b>	<b>\$ 23,898,682</b>	<b>\$ (93,123)</b>	<b>\$ 22,307,124</b>	<b>\$ 22,560,107</b>	<b>\$ 252,983</b>	<b>\$ 5,201,786</b>	<b>\$ 5,034,203</b>	<b>\$ (212,583)</b>	<b>\$ 51,500,715</b>	<b>\$ 51,492,992</b>	<b>\$ (7,723)</b>
<b>Headcount Enrollment</b>	<b>5,975</b>	<b>5,874</b>	<b>(101)</b>	<b>5,530</b>	<b>5,574</b>	<b>44</b>	<b>3,574</b>		<b>(3,574)</b>	<b>15,079</b>		<b>(15,079)</b>
<b>Semester Credit Hours</b>	<b>68,115</b>	<b>67,275</b>	<b>(840)</b>	<b>62,876</b>	<b>63,239</b>	<b>363</b>	<b>15,941</b>		<b>(15,941)</b>	<b>146,932</b>		<b>(146,932)</b>

**Midwestern State University**  
**Changes in Available Working Capital**  
**For the Ten Months Ended June 30, 2015**

<u>Source/Use Of Funds</u>	<u>09/01/14 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>06/30/15 Ending Balance</u>
<b>E &amp; G Unallocated</b>	\$ 2,380,260		
Commitment to FY 14-15 Budget		\$ (1,302,539)	\$ 1,077,721
<b>HEAF Unallocated</b>	214,917		
Commitment to FY 14-15 Budget			
Museum framing equipment		(18,500)	
Prothro-Yeager 201 renovation		(31,900)	164,517
<b>E&amp;G - Mineral Fund</b>	0		
Royalty Income		7,930	7,930
<b>Technology Fee</b>	67,664		
Commitment to FY 14-15 Budget		(67,664)	0
<b>Library Fees</b>	315		
Commitment to FY 14-15 Budget		(315)	0
<b>Publication Fees</b>	14,614		
Commitment to FY 14-15 Budget		(14,614)	0
<b>Wellness Center Fees</b>	50,113		
Commitment to FY 14-15 Budget		(50,113)	0
<b>Student Service Fees</b>	685,740		
Commitment to FY 14-15 Budget		(120,827)	
Funding for cheerleading nationals		(17,680)	
Salary savings		4,688	
Funding for student accomodations		(66,000)	485,920
<b>Medical Services Fee</b>	1,274		
Commitment to FY 14-15 Budget		(1,274)	0
<b>Student Union Fee</b>	(20,668)		
Budget transfers in process		20,668	0
<b>Course Fees</b>	527,014		
Commitment to FY 14-15 Budget		(396,092)	130,922
<b>Instructional Enhancement Fees</b>	0		
Commitment to FY 14-15 Budget			0
<b>Distance Learning Fee</b>	502,362		
Commitment to FY 14-15 Budget		(465,685)	
Wiring project transferred to HEAF		1,500	38,177
<b>Local Tuition</b>	2,059,737		
Commitment to FY 14-15 Budget			2,059,737
<b>University Services Fee</b>	781,119		
Commitment to FY 14-15 Budget			
Salaries transferred to E&G funds		65,042	
Salary savings		7,165	853,326
<b>Energy Surcharge</b>	675		
Commitment to FY 14-15 Budget			675
<b>Academic Support Fee</b>	1,660		

**Midwestern State University**  
**Changes in Available Working Capital**  
**For the Ten Months Ended June 30, 2015**

<u>Source/Use Of Funds</u>	<u>09/01/14 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>06/30/15 Ending Balance</u>
Commitment to FY 14-15 Budget		(1,660)	0
<b>Study Abroad Guest Tuition</b>	13,110		
Commitment to FY 14-15 Budget			13,110
<b>Distance Learning Tuition</b>	8,598		
Commitment to FY 14-15 Budget		(718)	7,880
<b>Athletic Fee</b>	50,537		
Commitment to FY 14-15 Budget			50,537
<b>Three-Peat Tuition</b>	0		
Commitment to FY 14-15 Budget			0
<b>Tier II Tuition</b>	73,523		
Budget transfers in process		(46,580)	26,943
<b>Recreation Center Fee</b>	226,012		
Commitment to FY 14-15 Budget		(14,400)	211,612
<b>General Auxiliary</b>	42,348		
Commitment to FY 14-15 Budget			42,348
<b>Plant Fund</b>	225,633		
Income from sale of scrap equipment		24,428	
Transfer bus sale proceeds to bus services		(7,200)	
Closing costs on land Sim Center land gift		(7,577)	
Closing costs on museum land gift		(578)	234,706
<b>Renewal &amp; Replacement Fund</b>	376,064		
Renewal and replacement transfer		50,000	426,064
<b>Total</b>	<u>\$ 8,282,619</u>	<u>\$ (2,450,495)</u>	<u>\$ 5,832,124</u>

**Midwestern State University  
Wichita Falls, Texas**

**Financial Report  
(Unaudited)  
For the Nine Months Ended May 31, 2015**



Midwestern State University  
Comparison of Operating Results and Margin  
For the Nine Months Ended May 31, 2015  
(With Comparative Totals for the Nine Months Ended May 31, 2014)

	Actual May, 2015	Actual May, 2014	YTD May, 2015	%	YTD May, 2014	%	Variance	% Var.
<b>Operating Revenues:</b>								
Student tuition and fees	\$ 3,493,568	\$ 3,325,371	\$ 31,350,066	39.3%	\$ 29,838,945	39.4%	\$ 1,511,121	5.1%
Federal Grants	155,429	29,059	8,739,939	11.0%	8,430,821	11.1%	309,118	3.7%
State Grants			3,523,602	4.4%	3,819,322	5.0%	(295,720)	-7.7%
Other Grants and Contracts		(30,000)	922,644	1.2%	226,043	0.3%	696,601	308.2%
Sales & Serv. of Educational Activities	164,151	212,592	1,112,515	1.4%	1,241,153	1.6%	(128,638)	-10.4%
Sales & Serv. of Auxiliary Enterprises	805,234	710,508	7,848,681	9.8%	6,896,544	9.1%	952,137	13.8%
Other Operating Revenue	158,368	170,648	1,634,198	2.0%	1,550,143	2.0%	84,055	5.4%
<b>Total Operating Revenues</b>	<b>4,776,750</b>	<b>4,418,178</b>	<b>55,131,645</b>	<b>69.1%</b>	<b>52,002,971</b>	<b>68.7%</b>	<b>3,128,675</b>	<b>6.0%</b>
<b>Nonoperating Revenues:</b>								
State Appropriations	1,417,681	1,420,141	12,759,130	16.0%	12,781,269	16.9%	(22,139)	-0.2%
Additional State Appropriations	421,126	435,315	3,850,682	4.8%	3,896,468	5.1%	(45,786)	-1.2%
Gifts	8,995	124,598	4,602,219	5.8%	3,844,107	5.1%	758,112	19.7%
Investment Income	27,370	26,288	720,023	0.9%	553,636	0.7%	166,387	30.1%
Other Nonoperating Revenue			5,873	0.0%		0.0%		0.0%
Gain on Sale of Asset				0.0%		0.0%		0.0%
<b>Total Nonoperating Revenue</b>	<b>1,875,172</b>	<b>2,006,342</b>	<b>21,937,926</b>	<b>27.5%</b>	<b>21,075,480</b>	<b>27.8%</b>	<b>856,573</b>	<b>4.1%</b>
Other Revenues (HEAF Appropriation)	296,619	296,620	2,669,575	3.3%	2,669,575	3.5%		0.0%
<b>TOTAL ALL REVENUES</b>	<b>6,948,541</b>	<b>6,721,140</b>	<b>79,739,146</b>	<b>100.0%</b>	<b>75,748,025</b>	<b>100.0%</b>	<b>3,985,248</b>	<b>5.3%</b>
<b>Operating Expenses:</b>								
Salaries and Wages	3,269,642	3,137,836	29,432,515	33.9%	28,074,451	35.1%	1,358,064	4.8%
Payroll Related Costs	1,029,170	955,073	9,059,554	10.4%	8,422,129	10.5%	637,425	7.6%
Professional Fees and Services	491,776	304,644	4,430,947	5.1%	3,996,404	5.0%	434,543	10.9%
Travel	154,765	252,710	1,383,739	1.6%	1,334,321	1.7%	49,418	3.7%
Materials and Supplies	284,188	297,904	4,691,370	5.4%	4,998,809	6.2%	(307,439)	-6.2%
Communications and Utilities	253,933	183,582	2,017,139	2.3%	1,903,852	2.4%	113,287	6.0%
Repairs and Maintenance	80,234	135,494	2,959,118	3.4%	2,103,826	2.6%	855,292	40.7%
Rentals and Leases	30,320	21,066	821,772	0.9%	505,266	0.6%	316,506	62.6%
Printing and Reproduction	24,101	28,527	331,685	0.4%	240,907	0.3%	90,778	37.7%
Bad Debt Expense	29,167	27,082	262,500	0.3%	243,738	0.3%	18,762	
Interest	13	380	2,147	0.0%	5,061	0.0%	(2,914)	
Depreciation	1,083,333	825,000	9,750,000	11.2%	7,425,000	9.3%	2,325,000	31.3%
Scholarships	498,346	835,641	19,300,944	22.3%	18,339,081	22.9%	961,863	5.2%
<b>Total Operating Expenses</b>	<b>7,228,986</b>	<b>7,004,939</b>	<b>84,443,429</b>	<b>97.4%</b>	<b>77,592,845</b>	<b>97.0%</b>	<b>6,850,584</b>	<b>8.8%</b>
Interest Expense on Debt	252,470	268,522	2,272,231	2.6%	2,416,698	3.0%	(144,467)	-6.0%
<b>TOTAL EXPENDITURES</b>	<b>7,481,456</b>	<b>7,273,461</b>	<b>86,715,660</b>	<b>100.0%</b>	<b>80,009,543</b>	<b>100.0%</b>	<b>6,706,117</b>	<b>8.4%</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>								
	(532,916)	(552,321)	(6,976,514)		(4,261,519)		(2,714,995)	
Capital Contributions			80,000		38,075		41,925	
Additions to Endowments	58,813	133	450,376		317,820		132,556	
Transfers In								
Transfers Out	(47,400)	(38,761)	(426,599)		(664,146)		237,547	
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ (521,503)</b>	<b>\$ (590,949)</b>	<b>\$ (6,872,737)</b>		<b>\$ (4,569,770)</b>		<b>\$ (2,302,967)</b>	

Midwestern State University  
Comparison of Budget to Actual  
Current Operating Funds  
For the Nine Months Ended May 31, 2015

	Original Budget	Adjusted Budget	Actual Year to Date	(Over) Under Budget	% of Budget Completed	% of Year Completed
<b><u>Educational &amp; General Funds:</u></b>						
<b><u>Revenues:</u></b>						
State Appropriations	\$ 25,714,571	\$ 25,714,571	\$ 25,856,451	\$ (141,880)	100.6%	75.0%
Registration Tuition and Fees	7,804,934	7,793,999	7,459,920	334,079	95.7%	75.0%
Sales and Services Educational	225	225	475	(250)	211.1%	75.0%
State Operating Grants						75.0%
Other Operating Revenues	16,000	16,000	12,248	3,752	76.6%	75.0%
Other Nonoperating Revenues		78	78			75.0%
Investment Income	25,500	25,500	20,318	5,182	79.7%	75.0%
<b>Total Revenues</b>	<b>\$ 33,561,230</b>	<b>\$ 33,550,373</b>	<b>\$ 33,349,490</b>	<b>\$ 200,884</b>	<b>99.4%</b>	<b>75.0%</b>
<b><u>Expenditures:</u></b>						
Regular Salaries	\$ 5,791,120	\$ 5,808,214	\$ 4,475,672	\$ 1,332,542	77.1%	75.0%
Faculty Salaries	14,397,363	14,381,234	11,147,244	3,233,989	77.5%	75.0%
Student Salaries		31,126	31,437	(311)	101.0%	75.0%
Non-Student Wages and Allowances		15,266	12,374	2,892	81.1%	75.0%
Fringe Benefits	7,940,930	7,935,880	5,767,226	2,168,654	72.7%	75.0%
Maintenance and Operations	52,579	3,521,304	1,514,035	2,007,269	43.0%	75.0%
Travel		1,743	761	982	43.7%	75.0%
Utilities	1,875,000	1,871,700	1,120,412	751,288	59.9%	75.0%
Capital Outlay (HEAF)	3,559,433	1,984,398	1,056,559	927,839	53.2%	75.0%
Scholarships		78		78	0.0%	75.0%
<b>Total Expenditures</b>	<b>\$ 33,616,425</b>	<b>\$ 35,550,942</b>	<b>\$ 25,125,720</b>	<b>\$ 10,425,221</b>	<b>70.7%</b>	<b>75.0%</b>
<b><u>Designated Funds:</u></b>						
<b><u>Revenues:</u></b>						
Registration Tuition and Fees	\$ 33,348,807	\$ 33,694,173	\$ 32,802,938	\$ 891,235	97.4%	75.0%
Other Operating Grants and Contracts				-		75.0%
Sales and Services Educational	760,921	1,283,029	1,110,041	172,988	86.5%	75.0%
Other Operating Revenues	1,348,662	1,816,956	1,493,090	323,865	82.2%	75.0%
Gifts	271,906	379,659	330,843	48,816	87.1%	75.0%
Other Nonoperating Revenues		1,798	1,798	-		75.0%
Investment Income	750,000	781,032	682,149	98,883	87.3%	75.0%
<b>Total Revenues</b>	<b>\$ 36,480,296</b>	<b>\$ 37,956,647</b>	<b>\$ 36,420,859</b>	<b>\$ 1,535,787</b>	<b>96.0%</b>	<b>75.0%</b>
<b><u>Expenditures:</u></b>						
Regular Salaries	\$ 10,066,827	\$ 10,015,479	\$ 7,408,459	\$ 2,607,020	74.0%	75.0%
Faculty Salaries	3,087,065	3,185,303	1,900,112	1,285,191	59.7%	75.0%
Grad Assistant Salaries	995,914	1,011,642	869,613	142,029	86.0%	75.0%
Student Salaries	1,176,310	1,170,952	798,929	372,023	68.2%	75.0%
Non-Student Wages and Allowances	540,909	786,294	518,718	267,576	66.0%	75.0%
Fringe Benefits	4,111,897	4,145,238	2,740,665	1,404,574	66.1%	75.0%
Maintenance and Operations	6,256,255	11,582,708	6,423,471	5,159,237	55.5%	75.0%
Travel	1,024,292	1,392,455	1,028,077	364,378	73.8%	75.0%
Utilities	301,026	307,311	190,592	116,719	62.0%	75.0%
Capital Outlay	700,994	379,654	103,589	276,065	27.3%	75.0%
Scholarships	5,332,549	5,047,071	4,720,283	326,788	93.5%	75.0%
<b>Total Expenditures</b>	<b>\$ 33,594,038</b>	<b>\$ 39,024,107</b>	<b>\$ 26,702,508</b>	<b>\$ 12,321,599</b>	<b>68.4%</b>	<b>75.0%</b>
Transfers from Plant Funds	\$ 7,200	*				
Transfers to Plant Funds	\$ (50,000)	**				

Midwestern State University  
Comparison of Budget to Actual  
Current Operating Funds  
For the Nine Months Ended May 31, 2015

	Original Budget	Adjusted Budget	Actual Year to Date	(Over) Under Budget	% of Budget Completed	% of Year Completed
<b>Auxiliary Funds:</b>						
<b>Revenues:</b>						
Sales and Services Auxiliaries	\$ 10,356,852	\$ 10,379,580	\$ 9,743,231	\$ 636,350	93.9%	75.0%
Registration Tuition and Fees	158,509	158,509	145,895	12,614	92.0%	75.0%
Other Operating Revenues		3,900	16,834	(12,934)		75.0%
	<b>\$ 10,515,361</b>	<b>\$ 10,541,989</b>	<b>\$ 9,905,960</b>	<b>\$ 636,030</b>	<b>94.0%</b>	<b>75.0%</b>
<b>Expenditures:</b>						
Regular Salaries	\$ 1,153,648	\$ 1,138,648	\$ 873,688	\$ 264,960	76.7%	75.0%
Grad Assistant Salaries	36,000					75.0%
Student Salaries	332,767	331,767	253,636	78,131	76.5%	75.0%
Non-Student Wages and Allowances	24,000	30,692	19,553	11,139	63.7%	75.0%
Fringe Benefits	435,217	430,217	315,267	114,950	73.3%	75.0%
Maintenance and Operations	4,175,039	4,374,018	3,319,472	1,054,546	75.9%	75.0%
Travel	22,533	24,512	17,982	6,530	73.4%	75.0%
Utilities	977,450	1,017,973	704,860	313,113	69.2%	75.0%
Capital Outlay	50,500	25,500		25,500	0.0%	75.0%
Scholarships	5,000	5,140	12,430	(7,290)	241.8%	75.0%
<b>Total</b>	<b>\$ 7,212,154</b>	<b>\$ 7,378,467</b>	<b>\$ 5,516,887</b>	<b>\$ 1,861,580</b>	<b>74.8%</b>	<b>75.0%</b>
<b>Restricted Funds:</b>						
<b>Revenues:</b>						
Sales and Services Educational	\$ 10,000	\$ 10,000	\$ 3,192	\$ 6,808	31.9%	75.0%
Federal Operating Grants	585,275	585,275	473,780	111,495	81.0%	75.0%
State Operating Grants	3,531,667	3,531,667	3,292,269	239,398	93.2%	75.0%
Other Operating Grants and Contracts	1,750,000	1,750,000	922,644	827,356	52.7%	75.0%
Other Operating Revenues	88,050	88,050	57,319	30,731	65.1%	75.0%
Federal Nonoperating Grants	8,500,000	8,500,000	8,266,159	233,841	97.3%	75.0%
Other Nonoperating Revenues			197			75.0%
Gifts	2,820,926	2,820,926	4,141,616	(1,320,690)	146.8%	75.0%
Investment Income	25,000	25,000	123,201	(98,201)	492.8%	75.0%
	<b>\$ 17,310,918</b>	<b>\$ 17,310,918</b>	<b>\$ 17,280,376</b>	<b>\$ 30,739</b>	<b>99.8%</b>	<b>75.0%</b>
<b>Expenditures:</b>						
Regular Salaries	\$ 221,214	\$ 279,502	\$ 142,840	\$ 136,662	51.1%	75.0%
Faculty Salaries	1,131,623	1,184,712	614,021	570,691	51.8%	75.0%
Grad Assistant Salaries		7,152	6,152	1,000	86.0%	75.0%
Student Salaries	294,852	270,889	153,807	117,082	56.8%	75.0%
Non-Student Wages and Allowances	52,661	233,166	206,261	26,905	88.5%	75.0%
Fringe Benefits	383,445	429,289	236,395	192,893	55.1%	75.0%
Maintenance and Operations	577,618	8,252,188	1,831,009	6,421,178	22.2%	75.0%
Travel	41,250	578,931	335,124	243,807	57.9%	75.0%
Utilities	414	3,206	1,274	1,932	39.7%	75.0%
Capital Outlay	152,320	413,164	46,596	366,568	11.3%	75.0%
Scholarships	12,796,010	15,547,102	14,568,231	978,871	93.7%	75.0%
<b>Total</b>	<b>\$ 15,651,407</b>	<b>\$ 27,199,300</b>	<b>\$ 18,141,711</b>	<b>\$ 9,057,590</b>	<b>66.7%</b>	<b>75.0%</b>
<b>Total Current Operating Funds Revenues</b>	<b>\$ 97,867,805</b>	<b>\$ 99,359,927</b>	<b>\$ 96,956,685</b>	<b>\$ 2,403,439</b>	<b>97.6%</b>	<b>75.0%</b>
<b>Total Current Operating Funds Expenditures</b>	<b>\$ 90,074,024</b>	<b>\$ 109,152,816</b>	<b>\$ 75,486,826</b>	<b>\$ 33,665,990</b>	<b>69.2%</b>	<b>75.0%</b>

**Midwestern State University**  
**Comparison of Budget to Actual**  
**Current Operating Funds**  
**For the Nine Months Ended May 31, 2015**

	<u>Adjusted Budget</u>	<u>Actual Year to Date</u>	<u>(Over) Under Budget</u>	<u>% of Budget Completed</u>	<u>% of Year Completed</u>
<b><u>Total Revenues</u></b>					
State Appropriations	\$ 25,714,571	\$ 25,856,451	\$ (141,880)	100.6%	75.0%
Registration Tuition and Fees	41,646,681	40,408,753	1,237,928	97.0%	75.0%
Sales and Services Educational	1,293,254	1,113,708	179,546	86.1%	75.0%
Sales and Services Auxiliary	10,379,580	9,743,231	636,350	93.9%	75.0%
Federal Operating Grants (Restricted fds)	585,275	473,780	111,495	81.0%	75.0%
Federal Nonoperating Grants	8,500,000	8,266,159	233,841	97.3%	75.0%
Other State Grants & Contracts	3,531,667	3,292,269	239,398	93.2%	75.0%
Other Operating Grants and Contracts	1,750,000	922,644	827,356	52.7%	75.0%
Gifts	3,200,585	4,472,459	(1,271,873)	139.7%	75.0%
Other Operating Revenues	1,924,906	1,579,491	345,414	82.1%	75.0%
Other Nonoperating Revenues	1,876	2,073	(197)		75.0%
Investment Income	831,532	825,668	5,864	99.3%	75.0%
<b>Total Revenues</b>	<b>\$ 99,359,927</b>	<b>\$ 96,956,685</b>	<b>\$ 2,403,242</b>	<b>97.6%</b>	<b>75.0%</b>
<b><u>Total Expenditures</u></b>					
Regular Salaries	\$ 17,241,843	\$ 12,900,659	\$ 4,341,184	74.8%	75.0%
Faculty Salaries	18,751,248	13,661,377	5,089,871	72.9%	75.0%
Graduate Assistant Salaries	1,018,794	875,765	143,029	86.0%	75.0%
Student Salaries	1,804,734	1,237,809	566,925	68.6%	75.0%
Non-Student Wages and Allowances	1,065,418	756,905	308,512	71.0%	75.0%
Fringe Benefits	12,940,624	9,059,554	3,881,070	70.0%	75.0%
Maintenance and Operations	27,730,218	13,087,987	14,642,231	47.2%	75.0%
Travel	1,997,641	1,381,944	615,697	69.2%	75.0%
Utilities	3,200,190	2,017,139	1,183,052	63.0%	75.0%
Capital Outlay	2,802,715	1,206,744	1,595,972	43.1%	75.0%
Scholarships	20,599,391	19,300,944	1,298,447	93.7%	75.0%
<b>Total Expenditures</b>	<b>\$ 109,152,816</b>	<b>\$ 75,486,826</b>	<b>\$ 33,665,990</b>	<b>69.2%</b>	<b>75.0%</b>
<b>Total Current Operating Funds Revenues</b>	<b>\$ 99,359,927</b>	<b>\$ 96,956,685</b>	<b>\$ 2,403,242</b>	<b>97.6%</b>	<b>75.0%</b>
<b>Total Current Operating Funds Expenditures</b>	<b>\$ 109,152,816</b>	<b>\$ 75,486,826</b>	<b>\$ 33,665,990</b>	<b>69.2%</b>	<b>75.0%</b>

**Reconciliation to Adjusted Budget:**

Original Budget	\$ 99,883,979
Includes Fund Transfers from Plant Funds	7,200 *
Includes Fund Transfer to Plant Funds	(50,000) **
Budgets increased with additional revenue	3,074,742
Debt Service	(8,074,807)
Prior yr. unexpended budgets carried forward	14,311,702
Reconciled to original/adjusted budgets	<u>\$ 109,152,816</u>

\*Bus sale proceeds transferred to bus services account

\*\*Renewal and replacement transfer



**MIDWESTERN STATE UNIVERSITY**  
**COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE**  
**FOR THE NINE MONTHS ENDED MAY 31, 2015**

Revenue Source	FALL			SPRING			SUMMER			TOTAL		
	Fall Budget	Fall Actual	Over (Under) Budget	Spring Budget	Spring Actual	Over (Under) Budget	Summer Budget	Summer Actual	Over (Under) Budget	Total Revenue Budget	Total Actual Revenue	Over (Under) Budget
<b>EDUCATIONAL &amp; GENERAL:</b>												
Tuition	\$ 3,563,669	\$ 3,540,510	\$ (23,159)	\$ 3,311,887	\$ 3,383,200	\$ 71,313	\$ 877,384	485,195	\$ (392,189)	\$ 7,752,940	\$ 7,408,905	\$ (344,035)
Audit Fees	50	175	125	100	200	100	75	100	25	225	475	250
Applied Music Fees	5,726	5,495	(231)	5,209	4,445	(764)				10,935	9,940	(995)
Laboratory Fees	18,140	19,720	1,580	18,725	19,420	695	4,194	1,790	(2,404)	41,059	40,930	(129)
<b>Total Educational &amp; General</b>	<b>3,587,585</b>	<b>3,565,900</b>	<b>(21,685)</b>	<b>3,335,921</b>	<b>3,407,265</b>	<b>71,344</b>	<b>881,653</b>	<b>487,085</b>	<b>(394,568)</b>	<b>7,805,159</b>	<b>7,460,250</b>	<b>(344,909)</b>
<b>DESIGNATED:</b>												
Local Tuition	7,546,324	7,497,338	(48,986)	6,965,905	7,088,320	122,415	1,766,071	1,209,444	(556,627)	16,278,300	15,795,102	(483,198)
Tier II Tuition	254,100	237,160	(16,940)	269,500	183,820	(85,680)	47,320	28,280	(19,040)	570,920	449,260	(121,660)
Distance Learning Tuition	50,500	42,025	(8,475)	50,000	41,420	(8,580)	35,000	32,650	(2,350)	135,500	116,095	(19,405)
Three Peat Tuition	100,000	77,325	(22,675)	89,000	77,190	(11,810)	21,000	22,200	1,200	210,000	176,715	(33,285)
Student Union Fee	190,012	189,779	(233)	175,854	175,068	(786)	56,831	23,820	(33,011)	422,697	388,667	(34,030)
Instructional Enhancement Fee	1,192,149	1,173,546	(18,603)	1,100,456	1,136,273	35,817	278,999	198,873	(80,126)	2,571,604	2,508,691	(62,913)
Distance Learning Fee	506,613	488,387	(18,227)	458,888	526,080	67,192	299,499	277,300	(22,199)	1,265,000	1,291,766	26,766
Application Fee	21,000	21,726	726	65,000	66,010	1,010	38,595	22,475	(16,120)	124,595	110,211	(14,384)
Recreation Center Fee	540,618	569,681	29,063	500,354	525,297	24,943	177,954	71,460	(106,494)	1,218,926	1,166,437	(52,489)
Athletic Fee	581,293	574,909	(6,385)	536,145	542,521	6,376	68,545	96,510	27,965	1,185,983	1,213,940	27,957
University Services Fee	3,448,679	3,516,383	67,704	3,173,577	3,318,435	144,858	807,078	561,142	(245,936)	7,429,334	7,395,960	(33,374)
Student Service Fee	1,044,063	1,029,882	(14,181)	967,270	969,526	2,256	244,610	160,567	(84,043)	2,255,943	2,159,975	(95,968)
<b>Total Designated Funds</b>	<b>15,475,351</b>	<b>15,418,139</b>	<b>(57,212)</b>	<b>14,351,949</b>	<b>14,649,959</b>	<b>298,010</b>	<b>3,841,502</b>	<b>2,704,721</b>	<b>(1,136,781)</b>	<b>33,668,802</b>	<b>32,772,819</b>	<b>(895,983)</b>
<b>AUXILIARY:</b>												
Student Center Fee	71,245	71,312	67	65,945	65,651	(294)	21,312	8,933	(12,380)	158,502	145,895	(12,607)
Parking Permits & Fines	209,750	210,630	880	95,750	51,651	(44,099)	32,500		(32,500)	338,000	262,281	(75,719)
Residence Halls:												
Killingsworth	524,180	518,887	(5,293)	513,740	457,118	(56,622)	22,900	225	(22,675)	1,060,820	976,230	(84,590)
Pierce	394,250	391,677	(2,573)	370,310	343,686	(26,624)	18,050	225	(17,825)	782,610	735,588	(47,022)
Sunwatcher Village	925,200	937,022	11,822	920,225	918,707	(1,518)	122,555	47,317	(75,238)	1,967,980	1,903,046	(64,934)
Sundance Court	782,250	804,831	22,581	775,740	800,618	24,878	200,930	40,880	(160,050)	1,758,920	1,646,329	(112,592)
McCullough-Trigg	283,975	293,176	9,201	282,220	290,211	7,991	7,600	675	(6,925)	573,795	584,062	10,267
Housing Overflow	524,100	509,871	(14,229)	524,100	502,963	(21,137)		22,500		1,048,200	1,035,334	(12,866)
Bridwell Courts	76,263	84,072	7,809	76,212	84,699	8,487	28,988	10,397	(18,591)	181,463	179,167	(2,296)
Food Service	1,137,656	1,094,088	(43,568)	995,012	990,947	(4,065)	23,796	5,155	(18,641)	2,156,464	2,090,189	(66,275)
<b>Total Auxiliary Funds</b>	<b>4,928,869</b>	<b>4,915,564</b>	<b>(13,305)</b>	<b>4,619,254</b>	<b>4,506,250</b>	<b>(113,004)</b>	<b>478,631</b>	<b>136,306</b>	<b>(364,825)</b>	<b>10,026,754</b>	<b>9,558,120</b>	<b>(468,634)</b>
<b>Total all Funds</b>	<b>\$ 23,991,805</b>	<b>\$ 23,899,602</b>	<b>\$ (92,203)</b>	<b>\$ 22,307,124</b>	<b>\$ 22,563,473</b>	<b>\$ 256,349</b>	<b>\$ 5,201,786</b>	<b>\$ 3,328,113</b>	<b>\$ (1,896,173)</b>	<b>\$ 51,500,715</b>	<b>\$ 49,791,188</b>	<b>\$ (1,709,527)</b>
<b>Headcount Enrollment</b>	<b>5,975</b>	<b>5,874</b>	<b>(101)</b>	<b>5,530</b>	<b>5,574</b>	<b>44</b>	<b>3,574</b>		<b>(3,574)</b>	<b>15,079</b>		<b>(15,079)</b>
<b>Semester Credit Hours</b>	<b>68,115</b>	<b>67,275</b>	<b>(840)</b>	<b>62,876</b>	<b>63,239</b>	<b>363</b>	<b>15,941</b>		<b>(15,941)</b>	<b>146,932</b>		<b>(146,932)</b>

**Midwestern State University**  
**Changes in Available Working Capital**  
**For the Nine Months Ended May 31, 2015**

<u>Source/Use Of Funds</u>	<u>09/01/14 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>05/31/15 Ending Balance</u>
<b>E &amp; G Unallocated</b>	\$ 2,380,260		
Commitment to FY 14-15 Budget		\$ (1,302,539)	\$ 1,077,721
<b>HEAF Unallocated</b>	214,917		
Commitment to FY 14-15 Budget			
Museum framing equipment		(18,500)	
Prothro-Yeager 201 renovation		(31,900)	164,517
<b>E&amp;G - Mineral Fund</b>	0		
Royalty Income		7,930	7,930
<b>Technology Fee</b>	67,664		
Commitment to FY 14-15 Budget		(67,664)	0
<b>Library Fees</b>	315		
Commitment to FY 14-15 Budget		(315)	0
<b>Publication Fees</b>	14,614		
Commitment to FY 14-15 Budget		(14,614)	0
<b>Wellness Center Fees</b>	50,113		
Commitment to FY 14-15 Budget		(50,113)	0
<b>Student Service Fees</b>	685,740		
Commitment to FY 14-15 Budget		(120,827)	
Funding for cheerleading nationals		(17,680)	
Salary savings		4,688	
Funding for student accomodations		(56,000)	495,920
<b>Medical Services Fee</b>	1,274		
Commitment to FY 14-15 Budget		(1,274)	0
<b>Student Union Fee</b>	(20,668)		
Budget transfers in process		20,668	0
<b>Course Fees</b>	527,014		
Commitment to FY 14-15 Budget		(396,092)	130,922
<b>Instructional Enhancement Fees</b>	0		
Commitment to FY 14-15 Budget			0
<b>Distance Learning Fee</b>	502,362		
Commitment to FY 14-15 Budget		(465,685)	
Wiring project transferred to HEAF		1,500	38,177
<b>Local Tuition</b>	2,059,737		
Commitment to FY 14-15 Budget			2,059,737
<b>University Services Fee</b>	781,119		
Commitment to FY 14-15 Budget			
Salaries transferred to E&G funds		65,042	
Salary savings		7,165	853,326
<b>Energy Surcharge</b>	675		
Commitment to FY 14-15 Budget			675
<b>Academic Support Fee</b>	1,660		

Midwestern State University  
Changes in Available Working Capital  
For the Nine Months Ended May 31, 2015

<u>Source/Use Of Funds</u>	<u>09/01/14 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>05/31/15 Ending Balance</u>
Commitment to FY 14-15 Budget		(1,660)	0
<b>Study Abroad Guest Tuition</b>	13,110		
Commitment to FY 14-15 Budget			13,110
<b>Distance Learning Tuition</b>	8,598		
Commitment to FY 14-15 Budget		(718)	7,880
<b>Athletic Fee</b>	50,537		
Commitment to FY 14-15 Budget			50,537
<b>Three-Peat Tuition</b>	0		
Commitment to FY 14-15 Budget			0
<b>Tier II Tuition</b>	73,523		
Budget transfers in process		(46,580)	26,943
<b>Recreation Center Fee</b>	226,012		
Commitment to FY 14-15 Budget		(14,400)	211,612
<b>General Auxiliary</b>	42,348		
Commitment to FY 14-15 Budget			42,348
<b>Plant Fund</b>	225,633		
Income from sale of scrap equipment		23,833	
Transfer bus sale proceeds to bus services		(7,200)	
Closing costs on land Sim Center land gift		(7,577)	
Closing costs on museum land gift		(578)	234,111
<b>Renewal &amp; Replacement Fund</b>	376,064		
Renewal and replacement transfer		50,000	426,064
<b>Total</b>	<u>\$ 8,282,619</u>	<u>\$ (2,441,090)</u>	<u>\$ 5,841,529</u>

**Midwestern State University  
Wichita Falls, Texas**

**Financial Report  
(Unaudited)  
For the Eight Months Ended April 30, 2015**

**Midwestern State University**  
**Comparison of Operating Results and Margin**  
**For the Eight Months Ended April 30, 2015**  
**(With Comparative Totals for the Eight Months Ended April 30, 2014)**

	<u>Actual</u> <u>Apr., 2015</u>	<u>Actual</u> <u>Apr., 2014</u>	<u>YTD</u> <u>Apr., 2015</u>	<u>%</u>	<u>YTD</u> <u>Apr., 2014</u>	<u>%</u>	<u>Variance</u>	<u>%</u> <u>Var.</u>
<b>Operating Revenues:</b>								
Student tuition and fees	\$ 3,493,570	\$ 3,320,591	\$ 27,856,498	38.3%	\$ 26,513,574	38.4%	\$ 1,342,923	5.1%
Federal Grants	43,910	161,288	8,584,510	11.8%	8,401,762	12.2%	182,747	2.2%
State Grants	-	8,626	3,523,602	4.8%	3,819,322	5.5%	(295,720)	-7.7%
Other Grants and Contracts	9,874	37,316	922,644	1.3%	256,043	0.4%	666,601	260.3%
Sales & Serv. of Educational Activities	489,777	544,984	948,364	1.3%	1,028,561	1.5%	(80,197)	-7.8%
Sales & Serv. of Auxiliary Enterprises	815,823	695,568	7,043,447	9.7%	6,186,035	9.0%	857,412	13.9%
Other Operating Revenue	135,518	177,402	1,475,830	2.0%	1,379,495	2.0%	96,335	7.0%
<b>Total Operating Revenues</b>	<b>4,988,472</b>	<b>4,945,774</b>	<b>50,354,896</b>	<b>69.2%</b>	<b>47,584,793</b>	<b>68.9%</b>	<b>2,770,102</b>	<b>5.8%</b>
<b>Nonoperating Revenues:</b>								
State Appropriations	1,417,681	1,420,141	11,341,449	15.6%	11,361,128	16.5%	(19,679)	-0.2%
Additional State Appropriations	428,802	435,315	3,429,556	4.7%	3,461,153	5.0%	(31,597)	-0.9%
Gifts	101,991	57,494	4,593,224	6.3%	3,719,509	5.4%	873,715	23.5%
Investment Income	79,164	62,211	692,653	1.0%	527,348	0.8%	165,305	31.3%
Other Nonoperating Revenue	326		5,873	0.0%		0.0%		0.0%
Gain on Sale of Asset				0.0%		0.0%		
<b>Total Nonoperating Revenue</b>	<b>2,027,964</b>	<b>1,975,161</b>	<b>20,062,754</b>	<b>27.6%</b>	<b>19,069,138</b>	<b>27.6%</b>	<b>987,744</b>	<b>5.2%</b>
Other Revenues (HEAF Appropriation)	296,619	296,620	2,372,955	3.3%	2,372,955	3.4%		0.0%
<b>TOTAL ALL REVENUES</b>	<b>7,313,056</b>	<b>7,217,555</b>	<b>72,790,605</b>	<b>100.0%</b>	<b>69,026,886</b>	<b>100.0%</b>	<b>3,757,846</b>	<b>5.5%</b>
<b>Operating Expenses:</b>								
Salaries and Wages	3,307,198	3,157,655	26,162,874	33.0%	24,936,615	34.3%	1,226,258	4.9%
Payroll Related Costs	1,007,337	934,912	8,030,384	10.1%	7,467,056	10.3%	563,328	7.5%
Professional Fees and Services	503,128	698,010	3,939,171	5.0%	3,691,760	5.1%	247,411	6.7%
Travel	371,449	290,682	1,228,974	1.6%	1,081,611	1.5%	147,363	13.6%
Materials and Supplies	448,498	632,599	4,407,183	5.6%	4,700,906	6.5%	(293,723)	-6.2%
Communications and Utilities	204,002	226,576	1,763,206	2.2%	1,720,270	2.4%	42,936	2.5%
Repairs and Maintenance	75,982	169,413	2,878,884	3.6%	1,968,331	2.7%	910,553	46.3%
Rentals and Leases	40,900	35,922	791,451	1.0%	484,200	0.7%	307,251	63.5%
Printing and Reproduction	24,146	28,049	307,584	0.4%	212,380	0.3%	95,204	44.8%
Bad Debt Expense	29,167	27,082	233,333	0.3%	216,656	0.3%	16,677	
Interest	61	681	2,134	0.0%	4,681	0.0%	(2,547)	
Depreciation	1,083,333	825,000	8,666,667	10.9%	6,600,000	9.1%	2,066,667	31.3%
Scholarships	78,224	134,470	18,802,598	23.7%	17,503,440	24.1%	1,299,158	7.4%
<b>Total Operating Expenses</b>	<b>7,173,426</b>	<b>7,161,052</b>	<b>77,214,443</b>	<b>97.5%</b>	<b>70,587,907</b>	<b>97.0%</b>	<b>6,626,535</b>	<b>9.4%</b>
Interest Expense on Debt	252,470	268,522	2,019,761	2.5%	2,148,176	3.0%	(128,415)	-6.0%
<b>TOTAL EXPENDITURES</b>	<b>7,425,896</b>	<b>7,429,574</b>	<b>79,234,204</b>	<b>100.0%</b>	<b>72,736,083</b>	<b>100.0%</b>	<b>6,498,120</b>	<b>8.9%</b>
<b>EXCESS (DEFICIT) OF REVENUES</b>								
<b>OVER EXPENDITURES</b>	<b>(112,840)</b>	<b>(212,019)</b>	<b>(6,443,598)</b>		<b>(3,709,197)</b>		<b>(2,734,401)</b>	
Capital Contributions	-	6,075	80,000		38,075		41,925	
Additions to Endowments	1,817	639	391,564		317,686		73,878	
Transfers In								
Transfers Out	(47,400)	(38,761)	(379,199)		(625,385)		246,186	
<b>TOTAL INCREASE (DECREASE)</b>								
<b>IN NET ASSETS</b>	<b>\$ (158,423)</b>	<b>\$ (244,066)</b>	<b>\$ (6,351,234)</b>		<b>\$ (3,978,821)</b>		<b>\$ (2,372,412)</b>	



Midwestern State University  
Comparison of Budget to Actual  
Current Operating Funds  
For the Eight Months Ended April 30, 2015

	Original Budget	Adjusted Budget	Actual Year to Date	(Over) Under Budget	% of Budget Completed	% of Year Completed
<b><u>Educational &amp; General Funds:</u></b>						
<b><u>Revenues:</u></b>						
State Appropriations	\$ 25,714,571	\$ 25,714,571	\$ 25,948,567	\$ (233,996)	100.9%	66.7%
Registration Tuition and Fees	7,804,934	7,793,999	7,478,577	315,422	96.0%	66.7%
Sales and Services Educational	225	225	400	(175)	177.8%	66.7%
State Operating Grants						66.7%
Other Operating Revenues	16,000	16,000	12,123	3,877	75.8%	66.7%
Other Nonoperating Revenues		78	78			66.7%
Investment Income	25,500	25,500	16,604	8,896	65.1%	66.7%
<b>Total Revenues</b>	<b>\$ 33,561,230</b>	<b>\$ 33,550,373</b>	<b>\$ 33,456,349</b>	<b>\$ 94,025</b>	<b>99.7%</b>	<b>66.7%</b>
<b><u>Expenditures:</u></b>						
Regular Salaries	\$ 5,791,120	\$ 5,808,929	\$ 3,962,229	\$ 1,846,701	68.2%	66.7%
Faculty Salaries	14,397,363	14,381,234	9,889,836	4,491,398	68.8%	66.7%
Student Salaries		31,126	32,526	(1,400)	104.5%	66.7%
Non-Student Wages and Allowances		14,550	11,251	3,299	77.3%	66.7%
Fringe Benefits	7,940,930	7,935,880	5,109,091	2,826,789	64.4%	66.7%
Maintenance and Operations	52,579	3,635,840	1,464,225	2,171,615	40.3%	66.7%
Travel		1,743	761	982	43.7%	66.7%
Utilities	1,875,000	1,871,700	978,429	893,271	52.3%	66.7%
Capital Outlay (HEAF)	3,559,433	1,869,862	1,040,530	829,332	55.7%	66.7%
Scholarships		78		78	0.0%	66.7%
<b>Total Expenditures</b>	<b>\$ 33,616,425</b>	<b>\$ 35,550,942</b>	<b>\$ 22,488,877</b>	<b>\$ 13,062,065</b>	<b>63.3%</b>	<b>66.7%</b>
<b><u>Designated Funds:</u></b>						
<b><u>Revenues:</u></b>						
Registration Tuition and Fees	\$ 33,348,807	\$ 33,694,591	\$ 32,346,518	\$ 1,348,073	96.0%	66.7%
Other Operating Grants and Contracts				-		66.7%
Sales and Services Educational	760,921	1,120,672	945,871	174,801	84.4%	66.7%
Other Operating Revenues	1,348,662	1,774,337	1,343,896	430,442	75.7%	66.7%
Gifts	271,906	374,949	325,532	49,417	86.8%	66.7%
Other Nonoperating Revenues		1,798	1,798	-		66.7%
Investment Income	750,000	780,878	660,013	120,865	84.5%	66.7%
<b>Total Revenues</b>	<b>\$ 36,480,296</b>	<b>\$ 37,747,226</b>	<b>\$ 35,623,628</b>	<b>\$ 2,123,597</b>	<b>94.4%</b>	<b>66.7%</b>
<b><u>Expenditures:</u></b>						
Regular Salaries	\$ 10,066,827	\$ 10,021,979	\$ 6,591,730	\$ 3,430,250	65.8%	66.7%
Faculty Salaries	3,087,065	2,996,636	1,700,526	1,296,110	56.8%	66.7%
Grad Assistant Salaries	995,914	1,012,124	775,552	236,572	76.6%	66.7%
Student Salaries	1,176,310	1,191,789	734,421	457,368	61.6%	66.7%
Non-Student Wages and Allowances	540,909	813,891	445,687	368,204	54.8%	66.7%
Fringe Benefits	4,111,897	4,100,579	2,432,959	1,667,620	59.3%	66.7%
Maintenance and Operations	6,256,255	11,628,987	5,842,937	5,786,050	50.2%	66.7%
Travel	1,024,292	1,353,426	946,830	406,596	70.0%	66.7%
Utilities	301,026	302,858	168,051	134,808	55.5%	66.7%
Capital Outlay	700,994	344,654	99,758	244,895	28.9%	66.7%
Scholarships	5,332,549	5,047,356	4,409,434	637,921	87.4%	66.7%
<b>Total Expenditures</b>	<b>\$ 33,594,038</b>	<b>\$ 38,814,279</b>	<b>\$ 24,147,885</b>	<b>\$ 14,666,395</b>	<b>62.2%</b>	<b>66.7%</b>
Transfers from Plant Funds	\$ 7,200	*				
Transfers to Plant Funds	\$ (50,000)	**				

**Midwestern State University**  
**Comparison of Budget to Actual**  
**Current Operating Funds**  
**For the Eight Months Ended April 30, 2015**

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual Year to Date</u>	<u>(Over) Under Budget</u>	<u>% of Budget Completed</u>	<u>% of Year Completed</u>
<b>Auxiliary Funds:</b>						
<b>Revenues:</b>						
Sales and Services Auxiliaries	\$ 10,356,852	\$ 10,379,578	\$ 9,602,181	\$ 777,397	92.5%	66.7%
Registration Tuition and Fees	158,509	158,509	144,402	14,107	91.1%	66.7%
Other Operating Revenues		3,900	16,834	(12,934)		66.7%
	<b>\$ 10,515,361</b>	<b>\$ 10,541,987</b>	<b>\$ 9,763,417</b>	<b>\$ 778,569</b>	<b>92.6%</b>	<b>66.7%</b>
<b>Expenditures:</b>						
Regular Salaries	\$ 1,153,648	\$ 1,153,648	\$ 771,571	\$ 382,077	66.9%	66.7%
Grad Assistant Salaries	36,000					66.7%
Student Salaries	332,767	331,767	231,677	100,090	69.8%	66.7%
Non-Student Wages and Allowances	24,000	32,392	17,511	14,881	54.1%	66.7%
Fringe Benefits	435,217	435,217	278,223	156,994	63.9%	66.7%
Maintenance and Operations	4,175,039	4,358,920	3,147,329	1,211,592	72.2%	66.7%
Travel	22,533	21,141	15,584	5,556	73.7%	66.7%
Utilities	977,450	989,739	615,631	374,108	62.2%	66.7%
Capital Outlay	50,500	50,500		50,500	0.0%	66.7%
Scholarships	5,000	5,140	12,430	(7,290)	241.8%	66.7%
<b>Total</b>	<b>\$ 7,212,154</b>	<b>\$ 7,378,464</b>	<b>\$ 5,089,957</b>	<b>\$ 2,288,507</b>	<b>69.0%</b>	<b>66.7%</b>
<b>Restricted Funds:</b>						
<b>Revenues:</b>						
Sales and Services Educational	\$ 10,000	\$ 10,000	\$ 3,055	\$ 6,945	30.6%	66.7%
Federal Operating Grants	585,275	585,275	427,201	158,074	73.0%	66.7%
State Operating Grants	3,531,667	3,531,667	3,292,269	239,398	93.2%	66.7%
Other Operating Grants and Contracts	1,750,000	1,750,000	922,644	827,356	52.7%	66.7%
Other Operating Revenues	88,050	88,050	50,614	37,436	57.5%	66.7%
Federal Nonoperating Grants	8,500,000	8,500,000	8,157,309	342,691	96.0%	66.7%
Other Nonoperating Revenues			197			66.7%
Gifts	2,820,926	2,820,926	4,137,932	(1,317,006)	146.7%	66.7%
Investment Income	25,000	25,000	122,039	(97,039)	488.2%	66.7%
	<b>\$ 17,310,918</b>	<b>\$ 17,310,918</b>	<b>\$ 17,113,259</b>	<b>\$ 197,856</b>	<b>98.9%</b>	<b>66.7%</b>
<b>Expenditures:</b>						
Regular Salaries	\$ 221,214	\$ 270,345	\$ 125,067	\$ 145,278	46.3%	66.7%
Faculty Salaries	1,131,623	1,184,712	545,241	639,471	46.0%	66.7%
Grad Assistant Salaries		3,218	4,873	(1,655)	151.4%	66.7%
Student Salaries	294,852	270,264	138,689	131,574	51.3%	66.7%
Non-Student Wages and Allowances	52,661	231,067	184,487	46,580	79.8%	66.7%
Fringe Benefits	383,445	424,170	210,111	214,059	49.5%	66.7%
Maintenance and Operations	577,618	8,277,848	1,743,439	6,534,409	21.1%	66.7%
Travel	41,250	553,404	264,459	288,945	47.8%	66.7%
Utilities	414	3,206	1,095	2,111	34.2%	66.7%
Capital Outlay	152,320	393,164	24,906	368,258	6.3%	66.7%
Scholarships	12,796,010	15,574,080	14,380,734	1,193,346	92.3%	66.7%
<b>Total</b>	<b>\$ 15,651,407</b>	<b>\$ 27,185,478</b>	<b>\$ 17,623,102</b>	<b>\$ 9,562,376</b>	<b>64.8%</b>	<b>66.7%</b>
<b>Total Current Operating Funds Revenues</b>	<b>\$ 97,867,805</b>	<b>\$ 99,150,504</b>	<b>\$ 95,956,654</b>	<b>\$ 3,194,047</b>	<b>96.8%</b>	<b>66.7%</b>
<b>Total Current Operating Funds Expenditures</b>	<b>\$ 90,074,024</b>	<b>\$ 108,929,163</b>	<b>\$ 69,349,821</b>	<b>\$ 39,579,342</b>	<b>63.7%</b>	<b>66.7%</b>

**Midwestern State University**  
**Comparison of Budget to Actual**  
**Current Operating Funds**  
**For the Eight Months Ended April 30, 2015**

	<u>Adjusted Budget</u>	<u>Actual Year to Date</u>	<u>(Over) Under Budget</u>	<u>% of Budget Completed</u>	<u>% of Year Completed</u>
<b><u>Total Revenues</u></b>					
State Appropriations	\$ 25,714,571	\$ 25,948,567	\$ (233,996)	100.9%	66.7%
Registration Tuition and Fees	41,647,099	39,969,498	1,677,601	96.0%	66.7%
Sales and Services Educational	1,130,897	949,326	181,571	83.9%	66.7%
Sales and Services Auxiliary	10,379,578	9,602,181	777,397	92.5%	66.7%
Federal Operating Grants (Restricted fds)	585,275	427,201	158,074	73.0%	66.7%
Federal Nonoperating Grants	8,500,000	8,157,309	342,691	96.0%	66.7%
Other State Grants & Contracts	3,531,667	3,292,269	239,398	93.2%	66.7%
Other Operating Grants and Contracts	1,750,000	922,644	827,356	52.7%	66.7%
Gifts	3,195,875	4,463,464	(1,267,589)	139.7%	66.7%
Other Operating Revenues	1,882,287	1,423,467	458,821	75.6%	66.7%
Other Nonoperating Revenues	1,876	2,073	(197)		66.7%
Investment Income	831,378	798,656	32,722	96.1%	66.7%
<b>Total Revenues</b>	<b>\$ 99,150,504</b>	<b>\$ 95,956,654</b>	<b>\$ 3,193,850</b>	<b>96.8%</b>	<b>66.7%</b>
<b><u>Total Expenditures</u></b>					
Regular Salaries	\$ 17,254,902	\$ 11,450,597	\$ 5,804,305	66.4%	66.7%
Faculty Salaries	18,562,581	12,135,603	6,426,979	65.4%	66.7%
Graduate Assistant Salaries	1,015,342	780,425	234,917	76.9%	66.7%
Student Salaries	1,824,946	1,137,312	687,634	62.3%	66.7%
Non-Student Wages and Allowances	1,091,900	658,937	432,963	60.4%	66.7%
Fringe Benefits	12,895,846	8,030,384	4,865,462	62.3%	66.7%
Maintenance and Operations	27,901,595	12,197,930	15,703,665	43.7%	66.7%
Travel	1,929,714	1,227,635	702,079	63.6%	66.7%
Utilities	3,167,503	1,763,206	1,404,298	55.7%	66.7%
Capital Outlay	2,658,180	1,165,195	1,492,985	43.8%	66.7%
Scholarships	20,626,654	18,802,598	1,824,056	91.2%	66.7%
<b>Total Expenditures</b>	<b>\$ 108,929,163</b>	<b>\$ 69,349,821</b>	<b>\$ 39,579,342</b>	<b>63.7%</b>	<b>66.7%</b>
<b>Total Current Operating Funds Revenues</b>	<b>\$ 99,150,504</b>	<b>\$ 95,956,654</b>	<b>\$ 3,193,850</b>	<b>96.8%</b>	<b>66.7%</b>
<b>Total Current Operating Funds Expenditures</b>	<b>\$ 108,929,163</b>	<b>\$ 69,349,821</b>	<b>\$ 39,579,342</b>	<b>63.7%</b>	<b>66.7%</b>

**Reconciliation to Adjusted Budget:**

Original Budget	\$ 99,883,979
Includes Fund Transfers from Plant Funds	7,200 *
Includes Fund Transfer to Plant Funds	(50,000) **
Budgets increased with additional revenue	2,851,089
Debt Service	(8,074,807)
Prior yr. unexpended budgets carried forward	14,311,702
Reconciled to original/adjusted budgets	<u>\$ 108,929,163</u>

\*Bus sale proceeds transferred to bus services account

\*\*Renewal and replacement transfer

MIDWESTERN STATE UNIVERSITY  
COMPARISON OF BUDGETED REVENUE TO ACTUAL REVENUE  
FOR THE EIGHT MONTHS ENDED APRIL 30, 2015

Revenue Source	FALL			SPRING			SUMMER*			TOTAL		
	Fall Budget	Fall Actual	Over (Under) Budget	Spring Budget	Spring Actual	Over (Under) Budget	Summer Budget	Summer Actual	Over (Under) Budget	Total Revenue Budget	Total Actual Revenue	Over (Under) Budget
<b>EDUCATIONAL &amp; GENERAL:</b>												
Tuition	\$ 3,563,669	\$ 3,540,510	\$ (23,159)	\$ 3,311,887	\$ 3,383,200	\$ 71,313	\$ 877,384	506,279	\$ (371,106)	\$ 7,752,940	\$ 7,429,988	\$ (322,952)
Audit Fees	50	175	125	100	200	100	75	25	(50)	225	400	175
Applied Music Fees	5,726	5,495	(231)	5,209	4,445	(764)				10,935	9,940	(995)
Laboratory Fees	18,140	19,720	1,580	18,725	19,440	715	4,194	1,380	(2,814)	41,059	40,540	(519)
<b>Total Educational &amp; General</b>	<b>3,587,585</b>	<b>3,565,900</b>	<b>(21,685)</b>	<b>3,335,921</b>	<b>3,407,285</b>	<b>71,364</b>	<b>881,653</b>	<b>507,684</b>	<b>(373,970)</b>	<b>7,805,159</b>	<b>7,480,868</b>	<b>(324,291)</b>
<b>DESIGNATED:</b>												
Local Tuition	7,546,324	7,497,338	(48,986)	6,965,905	7,088,320	122,415	1,766,071	1,006,206	(759,865)	16,278,300	15,591,864	(686,436)
Tier II Tuition	254,100	237,160	(16,940)	269,500	183,820	(85,680)	47,320	23,100	(24,220)	570,920	444,080	(126,840)
Distance Learning Tuition	50,500	42,025	(8,475)	50,000	41,420	(8,580)	35,000	27,050	(7,950)	135,500	110,495	(25,005)
Three Peat Tuition	100,000	77,325	(22,675)	89,000	77,190	(11,810)	21,000	8,850	(12,150)	210,000	163,365	(46,635)
Student Union Fee	190,012	189,779	(233)	175,854	175,068	(786)	56,831	19,840	(36,991)	422,697	384,687	(38,010)
Instructional Enhancement Fee	1,192,149	1,173,546	(18,603)	1,100,456	1,136,273	35,817	278,999	161,301	(117,698)	2,571,604	2,471,119	(100,485)
Distance Learning Fee	506,613	488,387	(18,227)	458,888	526,080	67,192	299,499	237,300	(62,199)	1,265,000	1,251,766	(13,234)
Application Fee	21,000	21,726	726	65,000	66,010	1,010	38,595	12,450	(26,145)	124,595	100,186	(24,409)
Recreation Center Fee	540,618	569,681	29,063	500,354	525,297	24,943	177,954	59,520	(118,434)	1,218,926	1,154,497	(64,429)
Athletic Fee	581,293	574,909	(6,385)	536,145	542,521	6,376	68,545	79,620	11,075	1,185,983	1,197,050	11,067
University Services Fee	3,448,679	3,516,383	67,704	3,173,577	3,318,435	144,858	807,078	466,713	(340,365)	7,429,334	7,301,531	(127,803)
Student Service Fee	1,044,063	1,029,882	(14,181)	967,270	969,526	2,256	244,610	133,417	(111,193)	2,255,943	2,132,825	(123,118)
<b>Total Designated Funds</b>	<b>15,475,351</b>	<b>15,418,139</b>	<b>(57,212)</b>	<b>14,351,949</b>	<b>14,649,959</b>	<b>298,010</b>	<b>3,841,502</b>	<b>2,235,367</b>	<b>(1,606,135)</b>	<b>33,668,802</b>	<b>32,303,464</b>	<b>(1,365,338)</b>
<b>AUXILIARY:</b>												
Student Center Fee	71,245	71,312	67	65,945	65,651	(294)	21,312	7,440	(13,872)	158,502	144,402	(14,100)
Parking Permits & Fines	209,750	210,630	880	95,750	44,491	(51,259)	32,500		(32,500)	338,000	255,120	(82,880)
Residence Halls:												
Killingsworth	524,180	519,253	(4,927)	513,740	456,691	(57,049)	22,900		(22,900)	1,060,820	975,944	(84,876)
Pierce	394,250	391,677	(2,573)	370,310	342,769	(27,541)	18,050		(18,050)	782,610	734,446	(48,164)
Sunwatcher Village	925,200	937,574	12,374	920,225	917,023	(3,202)	122,555		(122,555)	1,967,980	1,854,597	(113,383)
Sundance Court	782,250	804,831	22,581	775,740	801,207	25,467	200,930		(200,930)	1,758,920	1,606,038	(152,883)
McCullough-Trigg	283,975	293,571	9,596	282,220	289,784	7,564	7,600		(7,600)	573,795	583,355	9,560
Housing Overflow	524,100	509,871	(14,229)	524,100	504,994	(19,106)				1,048,200	1,014,865	(33,335)
Bridwell Courts	76,263	84,072	7,809	76,212	83,924	7,712	28,988		(28,988)	181,463	167,995	(13,468)
Food Service	1,137,656	1,094,088	(43,568)	995,012	992,342	(2,670)	23,796		(23,796)	2,156,464	2,086,429	(70,035)
<b>Total Auxiliary Funds</b>	<b>4,928,869</b>	<b>4,916,877</b>	<b>(11,992)</b>	<b>4,619,254</b>	<b>4,498,874</b>	<b>(120,380)</b>	<b>478,631</b>	<b>7,440</b>	<b>(471,191)</b>	<b>10,026,754</b>	<b>9,423,191</b>	<b>(603,563)</b>
<b>Total all Funds</b>	<b>\$ 23,991,805</b>	<b>\$ 23,900,915</b>	<b>\$ (90,890)</b>	<b>\$ 22,307,124</b>	<b>\$ 22,556,118</b>	<b>\$ 248,994</b>	<b>\$ 5,201,786</b>	<b>\$ 2,750,490</b>	<b>\$ (2,451,296)</b>	<b>\$ 51,500,715</b>	<b>\$ 49,207,523</b>	<b>\$ (2,293,192)</b>
<b>Headcount Enrollment</b>	5,975	5,874	(101)	5,530	5,574	44	3,574			15,079		(15,079)
<b>Semester Credit Hours</b>	68,115	67,275	(840)	62,876	63,239	363	15,941		(15,941)	146,932		(146,932)

\*Early Summer I  
Registration  
Through 04/30

Midwestern State University  
Changes in Available Working Capital  
For the Eight Months Ended April 30, 2015

<u>Source/Use Of Funds</u>	<u>09/01/14 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>04/30/15 Ending Balance</u>
<b>E &amp; G Unallocated</b>	\$ 2,380,260		
Commitment to FY 14-15 Budget		\$ (1,302,539)	\$ 1,077,721
<b>HEAF Unallocated</b>	214,917		
Commitment to FY 14-15 Budget			
Museum framing equipment		(18,500)	
Prothro-Yeager 201 renovation		(31,900)	164,517
<b>E&amp;G - Mineral Fund</b>	0		
Royalty Income		6,026	6,026
<b>Technology Fee</b>	67,664		
Commitment to FY 14-15 Budget		(67,664)	0
<b>Library Fees</b>	315		
Commitment to FY 14-15 Budget		(315)	0
<b>Publication Fees</b>	14,614		
Commitment to FY 14-15 Budget		(14,614)	0
<b>Wellness Center Fees</b>	50,113		
Commitment to FY 14-15 Budget		(50,113)	0
<b>Student Service Fees</b>	685,740		
Commitment to FY 14-15 Budget		(120,827)	
Funding for cheerleading nationals		(17,680)	
Salary savings		4,688	
Funding for student accomodations		(56,000)	495,920
<b>Medical Services Fee</b>	1,274		
Commitment to FY 14-15 Budget		(1,274)	0
<b>Student Union Fee</b>	(20,668)		
Budget transfers in process		20,668	0
<b>Course Fees</b>	527,014		
Commitment to FY 14-15 Budget		(396,092)	130,922
<b>Instructional Enhancement Fees</b>	0		
Commitment to FY 14-15 Budget			0
<b>Distance Learning Fee</b>	502,362		
Commitment to FY 14-15 Budget		(465,685)	
Wiring project transferred to HEAF		1,500	38,177
<b>Local Tuition</b>	2,059,737		
Commitment to FY 14-15 Budget			2,059,737
<b>University Services Fee</b>	781,119		
Commitment to FY 14-15 Budget			
Salaries transferred to E&G funds		65,042	
Salary savings		7,165	853,326
<b>Energy Surcharge</b>	675		
Commitment to FY 14-15 Budget			675
<b>Academic Support Fee</b>	1,660		



Midwestern State University  
Changes in Available Working Capital  
For the Eight Months Ended April 30, 2015

<u>Source/Use Of Funds</u>	<u>09/01/14 Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>04/30/15 Ending Balance</u>
Commitment to FY 14-15 Budget		(1,660)	0
<b>Study Abroad Guest Tuition</b>	13,110		
Commitment to FY 14-15 Budget			13,110
<b>Distance Learning Tuition</b>	8,598		
Commitment to FY 14-15 Budget		(718)	7,880
<b>Athletic Fee</b>	50,537		
Commitment to FY 14-15 Budget			50,537
<b>Three-Peat Tuition</b>	0		
Commitment to FY 14-15 Budget			0
<b>Tier II Tuition</b>	73,523		
Budget transfers in process		(46,580)	26,943
<b>Recreation Center Fee</b>	226,012		
Commitment to FY 14-15 Budget		(14,400)	211,612
<b>General Auxiliary</b>	42,348		
Commitment to FY 14-15 Budget			42,348
<b>Plant Fund</b>	225,633		
Income from sale of scrap equipment		22,508	
Transfer bus sale proceeds to bus services		(7,200)	
Closing costs on land Sim Center land gift		(7,577)	
Closing costs on museum land gift		(578)	232,786
<b>Renewal &amp; Replacement Fund</b>	376,064		
Renewal and replacement transfer		50,000	426,064
<b>Total</b>	<u>\$ 8,282,619</u>	<u>\$ (2,444,319)</u>	<u>\$ 5,838,300</u>



**Business Affairs and Finance**

3410 Taft Boulevard Wichita Falls, Texas 76308-2099  
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July 21, 2015

TO: The Board of Regents of Midwestern State University, and  
Dr. Jesse Rogers, President

SUBJECT: Quarterly Investment Reports

Attached are the quarterly investment reports for the third quarter ended May 31, 2015, as required by the amended Public Funds Investment Act.

The investment portfolio is in compliance with Midwestern State University's investment policies. The portfolio is in compliance with the provisions of the Public Funds Investment Act as amended by the 82<sup>nd</sup> Legislature. (HB 2226)

Chris Stovall  
Controller

Dr. Marilyn Fowle'  
Vice President, Business Affairs  
and Finance

Midwestern State University  
Wichita Falls, Texas

Quarterly Investment Report  
(Unaudited)  
For the Third Quarter Ended May 31, 2015

Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(Pooled Investments)**  
**At May 31, 2015**

	<u>Book Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
<b>Long-term Securities:</b>				
<b>Equity Securities:</b>				
U.S. Common Stock	<u>\$70,260</u>	<u>0.20%</u>	<u>\$194,008</u>	<u>0.53%</u>
<b>Debt Securities:</b>				
U.S. Government Agencies (Non-Guaranteed):				
Mortgage-Backed	14,775	0.04%	14,878	0.04%
Other	<u>2,094,258</u>	<u>5.96%</u>	<u>2,034,070</u>	<u>5.58%</u>
Total U.S. Government Agencies	<u>2,109,033</u>	<u>6.00%</u>	<u>2,048,948</u>	<u>5.62%</u>
<b>Long-term Investment Pools</b>				
Texas A&M System Investment Pool	<u>24,537,290</u>	<u>69.82%</u>	<u>25,760,524</u>	<u>70.72%</u>
<b>Total Long-term Securities</b>	<u>26,716,583</u>	<u>76.03%</u>	<u>28,003,479</u>	<u>76.87%</u>
<b>Short-term Securities:</b>				
TexPool	501,643	1.43%	501,643	1.38%
Logic	504,955	1.44%	504,955	1.39%
Wells Fargo MM Savings	<u>2,001,349</u>	<u>5.70%</u>	<u>2,001,349</u>	<u>5.49%</u>
<b>Total Short-term Securities</b>	<u>3,007,947</u>	<u>8.56%</u>	<u>3,007,947</u>	<u>8.26%</u>
<b>Total Investment Assets</b>	<u>29,724,530</u>	<u>84.59%</u>	<u>31,011,427</u>	<u>85.13%</u>
<b>Cash and Cash Equivalents:</b>				
Cash Held at State Treasury	<u>5,416,655</u>	<u>15.41%</u>	<u>5,416,655</u>	<u>14.87%</u>
<b>Total Cash and Cash Equivalents</b>				
<b>Total Cash and Investments</b>	<u><u>\$35,141,186</u></u>	<u><u>100.00%</u></u>	<u><u>\$36,428,082</u></u>	<u><u>100.00%</u></u>
<b>Total Rate of Return</b>	2.66%			

Unaudited

**Midwestern State University**  
**Statement of Changes in Investment Assets**  
**(Pooled Investments)**  
**For the Third Quarter Ended May 31, 2015**

	<b><u>Book</u></b> <b><u>Value</u></b>	<b><u>Market</u></b> <b><u>Value</u></b>
<b>Investment Assets - 02-28-15</b>	\$40,030,324	\$41,080,704
Principal Payments received	(12,473,631)	(12,473,631)
Investment Income	219,673	219,673
Realized Gain (Loss)	(30,695)	(30,695)
Distributions and Other	(21,142)	(21,142)
Securities Purchased	2,000,000	2,000,000
Changes in Net Unrealized Appreciation/(Depreciation)	<u>                    </u>	<u>236,517</u>
<b>Investment Assets - 05-31-15</b>	<u><u>\$29,724,530</u></u>	<u><u>\$31,011,427</u></u>



Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(MSU Endowments at American Natl. Bank Trust Dept.)**  
**At May 31, 2015**

	<u>Book</u> <u>Value</u>	<u>%</u>	<u>Market</u> <u>Value</u>	<u>%</u>
<b>Long-term Securities:</b>				
<b>Equity Securities:</b>				
Common Stock, Mutual Funds and ETFs	\$4,516,105	61.23%	\$5,903,195	66.51%
<b>Total Equity Securities</b>	<u>4,516,105</u>	<u>61.23%</u>	<u>5,903,195</u>	<u>66.51%</u>
<b>Other Securities:</b>				
U.S. Government Agencies	16,889	0.23%	17,677	0.20%
Corporate Bonds & Notes	2,478,214	33.60%	2,539,057	28.61%
Real Estate Investment Trusts (REIT)	244,079	3.31%	296,053	3.34%
<b>Total Fixed Income Securities</b>	<u>2,739,182</u>	<u>37.14%</u>	<u>2,852,786</u>	<u>28.81%</u>
<b>Total Long-term Securities</b>	<u>7,255,287</u>	<u>98.37%</u>	<u>8,755,982</u>	<u>98.65%</u>
<b>Cash and Cash Equivalents:</b>				
U.S. Dollars	0	0.00%	0	0.00%
Goldman Sachs - Cash Equivalent	120,197	1.63%	120,197	1.35%
<b>Total Cash and Cash Equivalents</b>	<u>120,197</u>	<u>1.63%</u>	<u>120,197</u>	<u>1.35%</u>
<b>Total Cash and Investments</b>	<u>\$7,375,483</u>	<u>100.00%</u>	<u>\$8,876,178</u>	<u>100.00%</u>

Unaudited

**Midwestern State University**  
**Statement of Changes in Investment Assets**  
**(MSU Endowments at American Natl. Bank Trust Dept.)**  
**For the Third Quarter Ended May 31, 2015**

	<b><u>Book</u></b> <b><u>Value</u></b>	<b><u>Market</u></b> <b><u>Value</u></b>
<b>Investment Assets - 02-28-15</b>	\$7,116,324	\$8,848,861
Principal Payments Received	(1,642,593)	(1,642,593)
Investment Income	36,724	36,724
Realized Gain (Loss)	225,140	225,140
Management Fees	(10,928)	(10,928)
Distributions and Other	(256,351)	(256,351)
Securities Purchased	1,907,168	1,907,168
Changes in Net Unrealized Appreciation/(Depreciation)	<u>                    </u>	<u>(231,842)</u>
<b>Investment Assets - 05-31-15</b>	<u><u>\$7,375,483</u></u>	<u><u>\$8,876,178</u></u>

Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(MSU Endowments Invested with the Texas A&M University System)**  
**At May 31, 2015**

	<u>Book</u> <u>Value</u>	<u>%</u>	<u>Market</u> <u>Value</u>	<u>%</u>
<b>Long-term Investment Pools:</b>				
Texas A&M System Endowment Pool	\$392,513	100.00%	\$395,342	100.00%
<b>Total Long-term Investments</b>	<u>392,513</u>	<u>100.00%</u>	<u>395,342</u>	<u>100.00%</u>
<b>Total Investments</b>	<u>\$392,513</u>	<u>100.00%</u>	<u>\$395,342</u>	<u>100.00%</u>

Unaudited

Midwestern State University  
Statement of Changes in Investment Assets  
(MSU Endowments Invested with the Texas A&M University System)  
For the Third Quarter Ended May 31, 2015

	<u>Book Value</u>	<u>Market Value</u>
<b>Investment Assets - 02-28-15</b>	\$0	\$0
Principal Payments Received		
Investment Income	3,548	3,548
Realized Gain (Loss)		
Management Fees	(128)	(128)
Distributions and Other		
Securities Purchased and Funds Transferred	389,092	389,092
Changes in Net Unrealized Appreciation/(Depreciation)	<u>                    </u>	<u>2,829</u>
<b>Investment Assets - 05-31-15</b>	<u><u>\$392,513</u></u>	<u><u>\$395,342</u></u>

Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(Redwine Quasi-Endowment Invested with the Texas A&M University System)**  
**At May 31, 2015**

	<u>Book</u> <u>Value</u>	<u>%</u>	<u>Market</u> <u>Value</u>	<u>%</u>
<b>Long-term Investment Pools:</b>				
Texas A&M System Endowment Pool	\$11,635,475	100.00%	\$11,733,826	100.00%
<b>Total Long-term Investments</b>	<u>11,635,475</u>	<u>100.00%</u>	<u>11,733,826</u>	<u>100.00%</u>
<b>Total Investments</b>	<u><u>\$11,635,475</u></u>	<u><u>100.00%</u></u>	<u><u>\$11,733,826</u></u>	<u><u>100.00%</u></u>



Unaudited

**Midwestern State University**  
**Statement of Changes in Investment Assets**  
**(Redwine Quasi-Endowment Invested with the Texas A&M University System)**  
**For the Third Quarter Ended May 31, 2015**

	<b><u>Book</u></b> <b><u>Value</u></b>	<b><u>Market</u></b> <b><u>Value</u></b>
<b>Investment Assets - 02-28-15</b>	\$11,619,410	\$11,619,410
Principal Payments Received	(11,619,410)	(11,619,410)
Investment Income	123,326	123,326
Realized Gain (Loss)	-	-
Management Fees	(4,436)	(4,436)
Distributions and Other	-	-
Securities Purchased and Funds Transferred	11,516,586	11,516,586
Changes in Net Unrealized Appreciation/(Depreciation)	<u>98,351</u>	<u>98,351</u>
<b>Investment Assets - 05-31-15</b>	<b><u><u>\$11,635,475</u></u></b>	<b><u><u>\$11,733,826</u></u></b>

**POOLED INVESTMENTS**  
**FOR THE THIRD QUARTER ENDED MAY 31, 2015**

	<u>Coupon</u>	<u>Stated Maturity</u>	<u>Book Value 07-28-15</u>	<u>Market Value 07-28-15</u>	<u>Unrealized Gain (Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Matured</u>	<u>Realized Gain (Loss)</u>	<u>Interest/ Dividends Earned For the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value 05-31-15</u>	<u>Market Value 05-31-15</u>	<u>Unrealized Gain (Loss)</u>
<b>U.S. Government Agencies:</b>													
FHLB Collateralized Mortgage	4.81	08-20-15	19,206.63	19,476.44	269.81		4,484.12		198.22	(13.04)	14,709.47	14,808.84	99.37
FHLMC Fixed Note - callable	1.40	05-08-19	500,000.00	493,027.59	(6,972.41)		493,125.00	(6,875.00)	1,244.45				
FNMA Fixed Note - callable	1.50	11-27-19	499,811.70	490,800.29	(9,011.41)		493,000.00	(6,819.75)	1,333.34	8.05			
FFCB Fixed Note-callable	1.74	05-21-20	500,000.00	492,913.94	(7,086.06)		494,375.00	(5,625.00)	1,546.66				
FNMA Fixed Note - callable	1.50	11-27-20	595,240.00	580,788.73	(14,451.27)				2,250.00	202.18	595,442.18	585,962.40	(9,479.78)
FNMA Step Up	2.00	07-16-21	499,805.36	491,006.32	(8,799.04)				2,500.00	6.57	499,811.93	491,191.00	(8,620.93)
FNMA Step Up	2.125-6.5	05-24-27	500,000.00	501,070.47	1,070.47		495,500.00	(4,500.00)	1,888.89				
FNMA	2.25-6.5	09-27-27	499,614.17	480,323.35	(19,290.82)				2,812.50	37.50	499,651.67	476,892.50	(22,759.17)
FHLMC	3.00	09-28-27	499,342.49	487,478.03	(11,864.46)				3,750.00	9.80	499,352.29	480,024.50	(19,327.79)
FNMA Step Up	3.00	12-27-27	500,000.00	495,587.59	(4,412.41)		493,125.00	(6,875.00)	2,666.66				
<b>Total Agency Notes</b>			<u>4,613,020.35</u>	<u>4,532,472.75</u>	<u>(80,547.60)</u>		<u>2,473,609.12</u>	<u>(30,694.75)</u>	<u>20,190.72</u>	<u>251.06</u>	<u>2,108,967.54</u>	<u>2,048,879.24</u>	<u>(60,088.30)</u>
<b>U.S. Government Mortgage Backed Securities:</b>													
FHLMC Pool #170177	9.500	07-01-16	29.75	31.32	1.57		7.36		0.60	(0.04)	22.35	23.40	1.05
FHLMC Pool #170177	9.500	07-01-16	57.71	60.62	2.91		14.42		1.14	0.05	43.34	45.28	1.94
<b>Total Mortgage-Backed</b>			<u>87.46</u>	<u>91.94</u>	<u>4.48</u>		<u>21.78</u>		<u>1.74</u>	<u>0.01</u>	<u>65.69</u>	<u>68.68</u>	<u>2.99</u>
<b>U.S. Common Stock: (Donated)</b>													
1,000 shares - Chesapeake Utilities (CPK)			18,200.00	47,200.00	29,000.00				405.00		18,200.00	52,350.00	34,150.00
10 shares - Citigroup (C) - reverse split			1,310.00	524.20	(785.80)						1,310.00	540.80	(769.20)
45 shares Calamos Conv. & High Inc. (CHY)			619.65	655.65	36.00				13.50		619.65	641.25	21.60
1,200 shares - CSX Corp. (CSX)			5,566.00	41,172.00	35,606.00				192.00		5,566.00	40,896.00	35,330.00
252 shares - Conoco Phillips - (COP)			4,957.82	16,430.40	11,472.58				183.96		4,957.82	16,047.36	11,089.54
126 shares - Phillips 66 (PSX)			2,479.68	9,885.96	7,406.28				63.00		2,479.68	9,969.12	7,489.44
125 shares Berkshire (BRK-B)			2,631.05	18,278.84	15,647.79				299.60		2,631.05	17,875.00	15,243.95
856 shares - Wells Fargo (WFC)			24,824.00	46,900.24	22,076.24				11.32		24,824.00	47,901.76	23,077.76
124 shares-Manulife (MFC)			4,216.36	2,158.84	(2,057.52)				4,216.36		4,216.36	2,275.40	(1,940.96)
60 shares - Natl. Oil Well (NOV)			4,342.80	3,261.00	(1,081.80)				27.60		4,342.80	2,923.20	(1,419.60)
70 shares - Southwest Airlines (LUV)			1,112.30	3,026.80	1,914.50				4.20		1,112.30	2,587.90	1,475.60
<b>Total Common Stock</b>			<u>70,259.66</u>	<u>189,493.93</u>	<u>119,234.27</u>				<u>1,200.18</u>		<u>70,259.66</u>	<u>194,007.79</u>	<u>123,748.13</u>
<b>Sub-Total - Securities</b>			<u>4,683,367.47</u>	<u>4,722,058.62</u>	<u>38,691.15</u>		<u>2,473,630.90</u>	<u>(30,694.75)</u>	<u>21,392.64</u>	<u>251.07</u>	<u>2,179,292.89</u>	<u>2,242,955.71</u>	<u>63,662.82</u>
<b>Wells Fargo MM Savings</b>													
TEXPOOL Investmnt Pool (1)	0.03	* Daily	3,001,511.02	3,001,511.02		2,000,000.00			1,349.41		2,001,349.41	2,001,349.41	
LOGIC Investment Pool (1)	0.09	* Daily	8,004,167.60	8,004,167.60			2,500,000.00		131.88		501,642.90	501,642.90	
TX A&M System Pool	2.98	* Variable	24,341,277.64	25,352,966.89	1,011,689.25		7,500,000.00		787.12		504,954.72	504,954.72	
<b>Total Investment Pool Cash</b>			<u>35,346,956.26</u>	<u>36,358,645.51</u>	<u>1,011,689.25</u>	<u>2,000,000.00</u>	<u>10,000,000.00</u>		<u>196,012.44</u>		<u>24,537,290.08</u>	<u>25,760,523.78</u>	<u>1,223,233.70</u>
<b>Total Investments</b>			<u>\$40,030,323.73</u>	<u>\$41,080,704.13</u>	<u>\$969,837.28</u>	<u>\$2,000,000.00</u>	<u>\$12,473,630.90</u>	<u>(\$30,694.75)</u>	<u>219,673.49</u>	<u>\$251.07</u>	<u>\$29,724,530.00</u>	<u>\$31,011,426.52</u>	<u>\$1,286,896.52</u>

\*As of May 31, 2015

(1) These investment pools are structured to maintain a constant dollar value

<u>Comparison to U.S. and State Treasuries</u>	<u>Book Accounting Yield</u>	<u>Average Three- Month U.S. Treasury Bill</u>	<u>State Treasury Yield</u>	<u>Basis Point Spread to U.S. Treasury</u>	<u>Basis Point Spread to State Treasury</u>
March, 2015	2.99	0.03	0.34	2.96	2.65
April, 2015	2.84	0.03	0.40	2.82	2.45
May, 2015	2.16	0.01	0.37	2.15	1.79

MIDWESTERN STATE UNIVERSITY  
INVESTMENT PORTFOLIO ACTIVITY  
MSU ENDOWMENT INVESTMENTS - AMERICAN NATL. BANK TRUST DEPT. MANAGERS  
FOR THE THIRD QUARTER ENDED MAY 31, 2015

	Book Value 02-28-15	Market Value 02-28-15	Unrealized Gain (Loss)	Purchases	Principal Payments Received/ Matured	Realized Gain (Loss)	Interest/ Dividends Received (Fees Paid) In the Qtr.	Amortization/ Accretion of Prem./Disc.	Book Value 05-31-15	Market Value 05-31-15	Unrealized Gain (Loss)	Market Value Percentage Of Total
<b>AMERICAN NATL. BANK TRUST DEPT.</b>												
<b>Cash and Cash Equivalents:</b>												
<b>Cash</b>												
American Natl. Bank Fees							(\$10,927.80)					
U.S. Dollars	(\$128.21)	(\$128.21)		\$128.21								
Goldman Sachs	343,481.90	343,481.90		681,163.50	\$904,448.74		7.75		\$120,196.66	\$120,196.66		1.35%
<b>Total Cash and Cash Equivalents</b>	<u>343,353.69</u>	<u>343,353.69</u>		<u>681,291.71</u>	<u>904,448.74</u>		<u>(10,920.05)</u>		<u>120,196.66</u>	<u>120,196.66</u>		<u>1.35%</u>
<b>Purchased Interest Receivable</b>												
<b>Fixed Income:</b>												
U.S. Government Agencies	17,819.09	18,813.02	\$993.93		921.74	(\$16.90)	214.78	(\$8.76)	16,888.59	17,677.19	\$788.60	0.20%
Municipal Bonds												
Corporate Bonds & Notes	2,073,524.28	2,133,039.51	59,515.23	410,095.87			13,536.25	(5,406.13)	2,478,214.02	2,539,056.56	60,842.54	28.61%
Devonshire - REIT				250,000.00	5,921.08				244,078.92	296,052.57	51,973.65	3.34%
<b>Total Fixed Income Securities</b>	<u>2,091,343.37</u>	<u>2,151,852.53</u>	<u>60,509.16</u>	<u>660,095.87</u>	<u>6,842.82</u>	<u>(16.90)</u>	<u>13,751.03</u>	<u>(5,414.89)</u>	<u>2,739,181.53</u>	<u>2,852,786.32</u>	<u>113,604.79</u>	<u>32.14%</u>
<b>Common Stock - Equities:</b>												
U.S. Equities	3,482,635.58	4,890,925.21	1,408,289.63	385,479.15	359,012.79	229,033.25	21,514.85		3,509,101.94	4,708,500.16	1,199,398.22	53.05%
Foreign Equities	144,948.40	206,127.30	61,178.90	2,079.39	3,004.31	3,437.01	1,450.04		144,023.48	201,061.70	57,038.22	2.27%
Equity ETFs	638,535.82	773,165.88	134,630.06	178,221.56	131,663.65	(7,313.62)			685,093.73	816,771.61	131,677.88	9.20%
Mutual Funds - Equities	177,886.07	171,814.09	(6,071.98)						177,886.07	176,861.85	(1,024.22)	1.99%
<b>Total Equities</b>	<u>4,444,005.87</u>	<u>6,042,032.48</u>	<u>1,598,026.61</u>	<u>565,780.10</u>	<u>493,680.75</u>	<u>225,156.64</u>	<u>22,964.89</u>		<u>4,516,105.22</u>	<u>5,903,195.32</u>	<u>1,387,090.10</u>	<u>66.51%</u>
<b>Miscellaneous Assets:</b>												
Partnership - Devonshire	237,620.84	311,622.74	74,001.90		237,620.84							
<b>Total Miscellaneous Assets</b>	<u>237,620.84</u>	<u>311,622.74</u>	<u>74,001.90</u>		<u>237,620.84</u>							
<b>Total Endowment Investments at American National Bank Trust</b>	<u>\$7,116,323.77</u>	<u>\$8,848,861.44</u>	<u>\$1,732,537.67</u>	<u>\$1,907,167.68</u>	<u>\$1,642,593.15</u>	<u>\$225,139.74</u>	<u>\$25,795.87</u>	<u>(\$5,414.89)</u>	<u>\$7,375,483.41</u>	<u>\$8,876,178.30</u>	<u>\$1,500,694.89</u>	<u>100.00%</u>
Mar, Apr, and May activity	Simple yield excluding mkt.value change: (Realized gain + Int.Div.Recvd. + Amort./Accr.) / (Average Book Value) =						<u>13.55%</u>					
							(Annualized)	245,520.72	Market Value gain =	1,500,694.89	=	<u>20.35%</u>
								7,245,903.59		7,375,483.41		

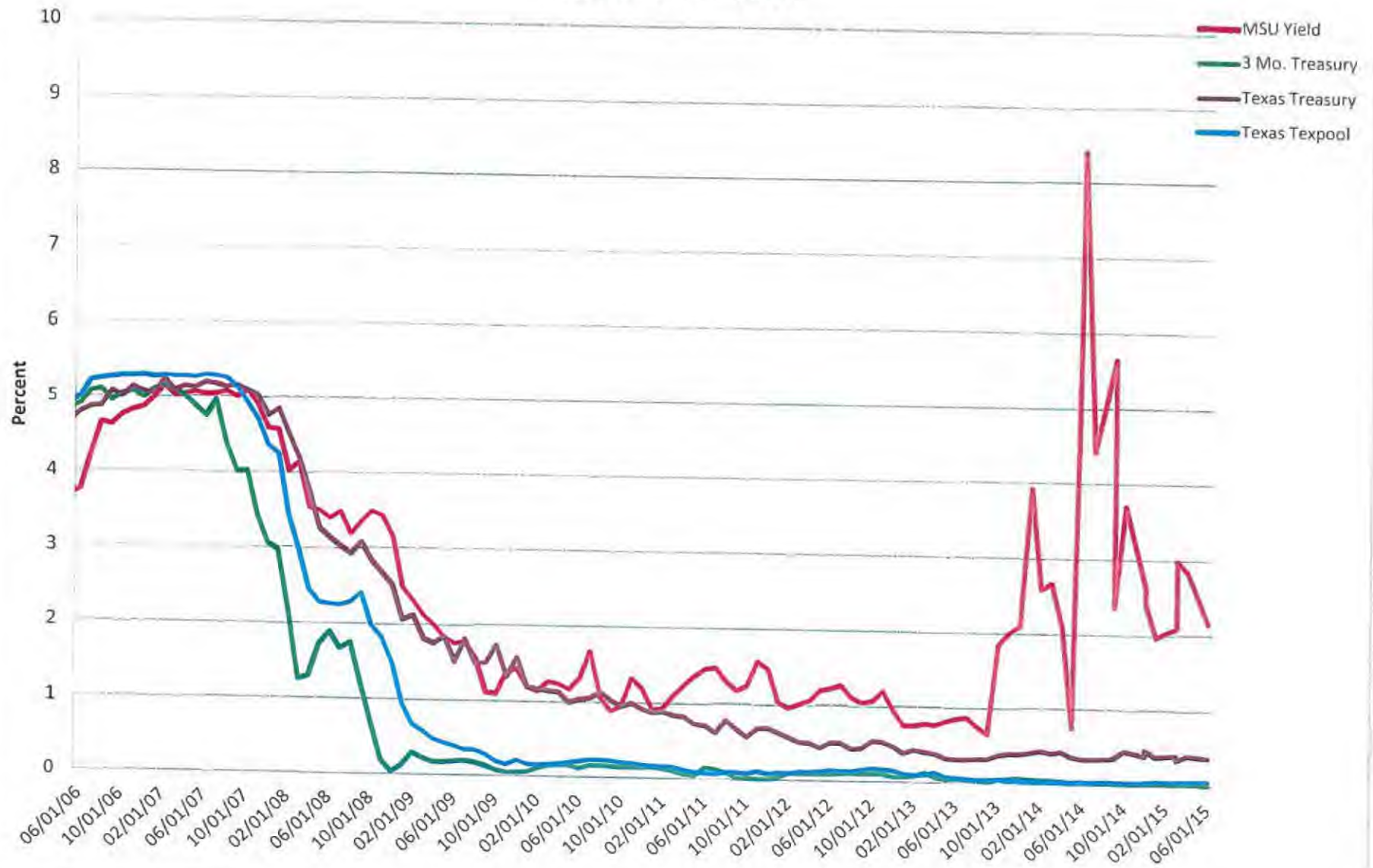
**MSU ENDOWMENT INVESTMENTS - TEXAS A&M UNIVERSITY SYSTEM ENDOWMENT POOL  
FOR THE THIRD QUARTER ENDED MAY 31, 2015**

	<u>Book Value 02-28-15</u>	<u>Market Value 02-28-15</u>	<u>Unrealized Gain (Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Matured</u>	<u>Realized Gain (Loss)</u>	<u>Interest/ Dividends Received (Fees Paid) In the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value 05-31-15</u>	<u>Market Value 05-31-15</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value Percentage Of Total</u>
<b>TEXAS A&amp;M INVESTMENT MGMT FEE</b>							(\$127.64)					
Long-term Investment Pools:												
Texas A&M System Endowment Pool				\$389,091.99			3,548.31		\$392,512.66	\$395,342.42	\$2,829.76	100.00%
Total Long-term Investments				389,091.99			3,420.67		392,512.66	395,342.42	2,829.76	100.00%
Total Endowment Assets												
at Texas A&M University System				\$389,091.99			\$3,420.67		\$392,512.66	\$395,342.42	\$2,829.76	100.00%
Mar, Apr, and May activity							6.97%	3,420.67	Market Value gain =	2,829.76	=	0.72%
							(Annualized)	196,256.33		392,512.66		

**REDWINE QUASI ENDOWMENT INVESTMENTS - TEXAS A&M UNIVERSITY SYSTEM ENDOWMENT POOL  
FOR THE THIRD QUARTER ENDED MAY 31, 2015**

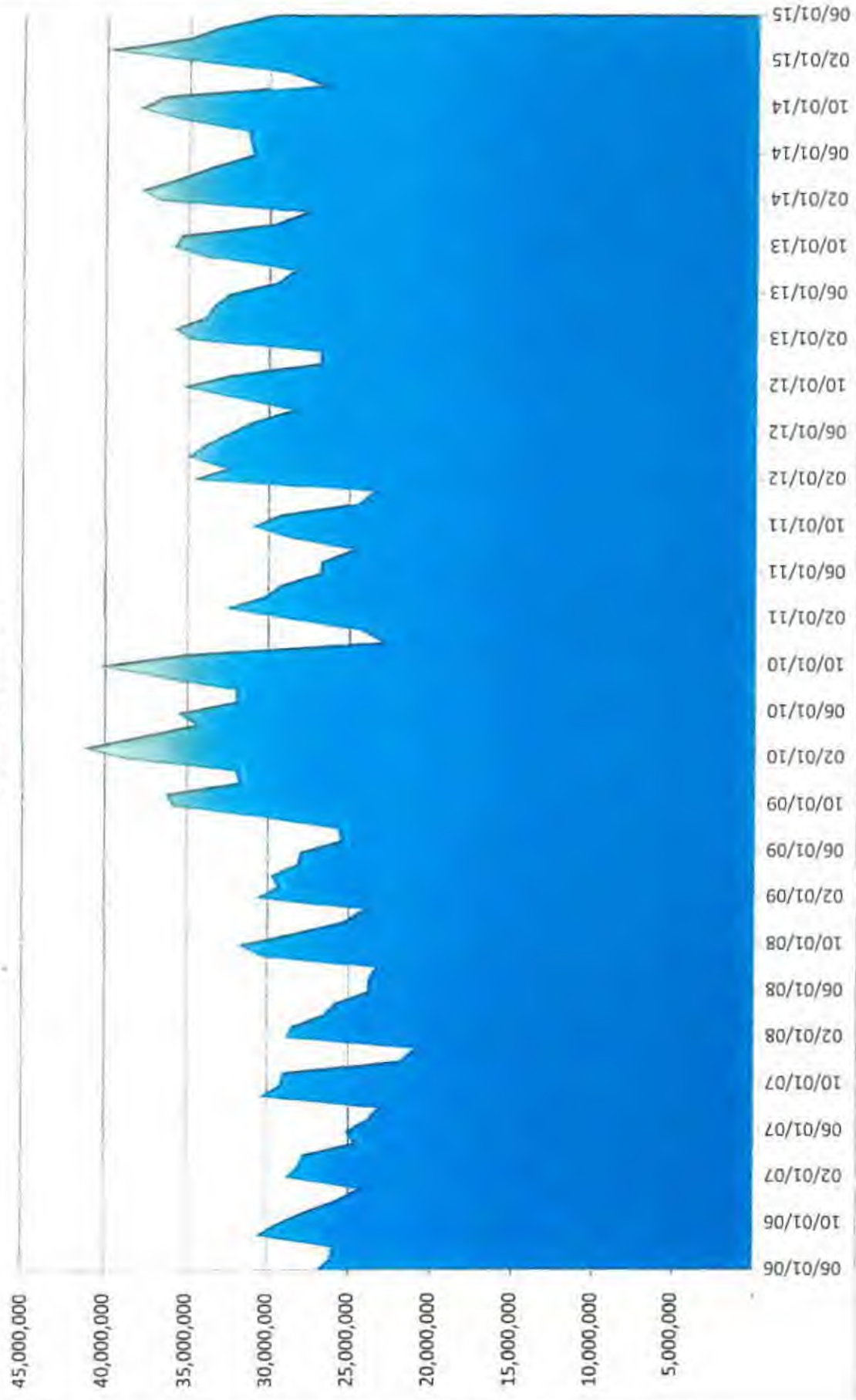
	<u>Book Value 02-28-15</u>	<u>Market Value 02-28-15</u>	<u>Unrealized Gain (Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Matured</u>	<u>Realized Gain (Loss)</u>	<u>Interest/ Dividends Received (Fees Paid) In the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value 05-31-15</u>	<u>Market Value 05-31-15</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value Percentage Of Total</u>
<b>TEXAS A&amp;M INVESTMENT MGMT FEE</b>							(\$4,436.35)					
Long-term Investment Pools:												
U.S. Dollars	\$11,619,409.88	\$11,619,409.88			\$11,619,409.88							
Texas A&M System Endowment Pool				\$11,516,585.66			123,325.60		\$11,635,474.91	\$11,733,826.30	\$98,351.39	100.00%
Total Long-term Investments	11,619,409.88	11,619,409.88		11,516,585.66	\$11,619,409.88		118,889.25		11,635,474.91	11,733,826.30	98,351.39	100.00%
Total Endowment Assets												
at Texas A&M University System	\$11,619,409.88	\$11,619,409.88		\$11,516,585.66	\$11,619,409.88		\$118,889.25		\$11,635,474.91	\$11,733,826.30	\$98,351.39	100.00%
Mar, Apr, and May activity							4.09%	118,889.25	Market Value gain =	98,351.39	=	0.85%
							(Annualized)	11,627,442.40		11,635,474.91		

## Midwestern State University Historical Yields





# Midwestern State Universities Pooled Investments Total Invested



# The Texas A&M University System Cash Concentration Pool



FISCAL YEAR 2015

3<sup>RD</sup> QUARTER - MAY 31, 2015

## Effective Rates for FY 2015 YTD:

Cash Portfolio:	0.11%
Long-Term Portfolio:	4.62%
Total Pool:	3.79%

## Capital Markets & Rates

The yield on 2-year Treasuries declined to 0.61% in May from 0.63% at the end of February. The yield on 10-year Treasuries increased to 2.12% at the end of May, up from 2.00% in February. The S&P 500 Index returned 0.6% for the quarter and 11.8% for the one-year ending May 31, 2015.

The unemployment rate remained stable from February at 5.5%. The economy added 620,000 jobs during the three month period.

Economic data was impacted by winter weather and the closure of West coast ports as calendar-year first quarter GDP declined -0.7%. This comes after a 2.2% growth rate during the previous quarter. Due to the strengthening economy and employment picture, most of the Federal Open Market Committee participants expect an initial interest rate hike later in 2015.

## CCP Estimated Distribution Rate for FY 2015

Total Pool:	2.75%
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<http://www.tamug.edu/offices/treasury/>

## Pool Valuation

As of May 31, 2015, the Pool had a market value of approximately \$3.4 billion. For the 3<sup>rd</sup> quarter of FY 2015, the Pool positions had \$638 million in cash inflows and \$682 million in cash outflows, decreasing the book value of the Pool by \$44 million. The Pool earned investment income during this quarter of \$11 million and realized gains on investments of \$14 million.

The Cash Portfolio distributes all interest, dividends, and realized gains/(losses), net of external management fees, to the participants based on their average short-term balance for each month. The Long-Term Pool distributes all interest, dividends, and realized gains/(losses), net of external management fees, to the participants based on their ownership of Long-Term Pool units for each month.

## Investment Allocation and Performance

As of May 31, 2015, the Cash Concentration Pool had a market value of approximately \$3.0 billion (excluding debt proceeds) with 5.3% of the Pool's assets invested in the Cash Portfolio and 94.7% of the assets invested in the Long-Term Portfolio. The Cash Portfolio and the Long-Term Portfolio are managed by external investment managers. The comparative returns for the Pool for the one-, three-, five-, ten- and fifteen-year periods ending May 31, 2015 are as follows:

	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>	<u>15-Year</u>
<b>Total Pool</b>	<b>5.7%</b>	<b>8.4%</b>	<b>7.1%</b>	<b>5.3%</b>	<b>5.4%</b>
Balanced Index	4.4%	8.3%	7.1%	5.1%	5.1%

## Asset Allocation as of May 31, 2015:





# The Texas A&M University System System Endowment Fund



FISCAL YEAR 2015

3<sup>RD</sup> QUARTER – MAY 31, 2015

## Capital Market Update

As measured by the Russell 3000 Index, the US stock market increased 0.8% over the quarter and 11.9% during the one-year period. Large cap stocks underperformed small cap stocks by 0.6% for the quarter and outperformed small cap stocks by 0.6% for the one-year period. Growth stocks performed in-line with value stocks during the quarter and outperformed value stocks by 5.7% for the one-year.

Developed international equity markets returned 2.0% (in US dollars) during the quarter and declined -0.5% for the one-year period. The strength of the US Dollar was a key detractor to performance, as the index outperformed in local dollar terms. Emerging equity markets returned 1.9% (in US dollars) during the quarter and 0.0% for the one-year.

Fixed Income markets generated marginally negative returns during the quarter, returning -0.1%. For the one-year period, Fixed Income markets appreciated 3.0%. Long-dated US Treasuries declined 3.4% during the quarter as the yield curve steepened, while increasing 10.2% for the one-year.

Hedge Funds generally delivered competitive returns despite the low interest rate and volatility environment. Hedge Funds, on an aggregate basis, returned 2.1% and 6.3% for the quarter and one-year period respectively.

## Endowment Valuation

As of May 31, 2015, the SEF had a market value of approximately \$1.056 billion, including new deposits and net the income distribution for the 3rd Quarter. The SEF is accounted for on a unitized basis and the per unit market value as of May 31, 2015 was \$6.37.

## Investment Allocation and Performance

As of May 31, 2015, the SEF asset allocation consisted of 40.6% equities, 15.6% hedge funds, 15.0% fixed income, 11.7% Real Assets (timber, real estate and energy), 16.1% private equity and 1.0% cash. The comparative returns for the SEF for the one-, three-, five-, ten- and fifteen-year periods ending May 31, 2015 are as follows:

	1-Year	3-Year	5-Year	10-Year	15-Year
SEF - Total	7.4%	12.0%	10.0%	6.8%	6.1%
Balanced Index	4.4%	9.4%	7.8%	5.5%	4.6%

## Asset Allocation as of May 31, 2015



The units and market value summary is available online for each endowment account at the Treasury web page:

<http://www.tamug.edu/offices/treasury/investment/endowment/>

## Quarterly Endowment Spending Rate

FY 2015: \$0.066970 per unit

FY 2016: \$0.070265 per unit



## National

## First-Quarter Growth Disappoints, but Outlook Robust

June 19, 2015

Economic indicators released since late April suggest that momentum is returning following a weak first quarter. Downside risks to growth are largely external to the U.S., including concerns over the Greek debt negotiations and softer growth in emerging markets. On balance, the U.S. economic growth path for the second half of 2015 remains robust.

## Can't Shake the Seasons

U.S. output fell further than initially anticipated in first quarter 2015, according to the Bureau of Economic Analysis second estimate of gross domestic product (GDP). The seasonally adjusted, annualized growth rate was revised down from 0.2 percent to -0.7 percent. The decrease was driven primarily by downward revisions to net exports, private inventories and personal consumption (Chart 1).

Transitory factors—severe winter weather and the West Coast port strike—account for some of the weakness in first-quarter GDP growth. The sharp decline in oil and gas-related investment also contributed modestly. Evidence suggests that unfiltered seasonal effects—termed residual seasonality—in the estimates may also have lowered the first-quarter growth rate.<sup>1</sup>

An alternative, but less timely, measure of national output is gross domestic income (GDI). GDI, which measures output from the income side rather than the expenditure side, should equal GDP. In practice, however, the two measures differ. Compared to GDP, GDI better reflects the business cycle fluctuations in output, and GDP growth generally revises toward GDI growth.<sup>2</sup> With 1.4 percent estimated growth in GDI for the first quarter and stronger incoming data, first-quarter GDP growth will likely be revised up in later releases.

## Signs of Returning Momentum

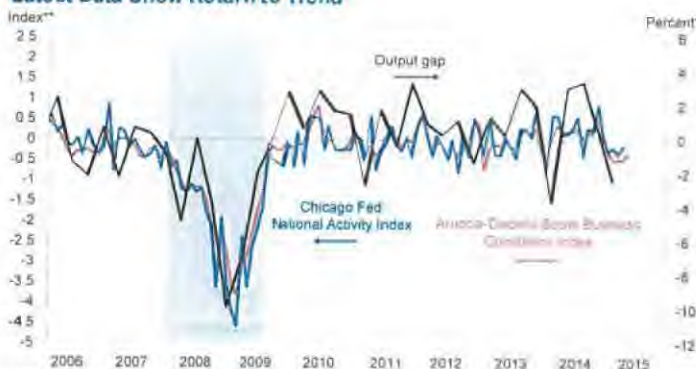
Although first-quarter growth was slow, prompting some concerns of a loss in economic momentum, recent data releases have been more promising. Labor market indicators provided the most encouraging news. The U.S. added 280,000 nonfarm jobs in May, and cumulative employment growth for March and April was revised upward by 32,000 jobs. The headline unemployment rate ticked up slightly to 5.5 percent as more people joined the labor force, and the labor force participation rate appeared to have stabilized, rising slightly to 62.9 percent in May. In addition, the Job Openings and Labor

Chart 1  
First-Quarter Growth Weak



\*Contribution to total gross domestic product (GDP) growth  
SOURCE: Bureau of Economic Analysis

Chart 2  
Latest Data Show Return to Trend



\*Seasonally adjusted, annualized rate  
\*\* Values greater than zero indicate above trend activity

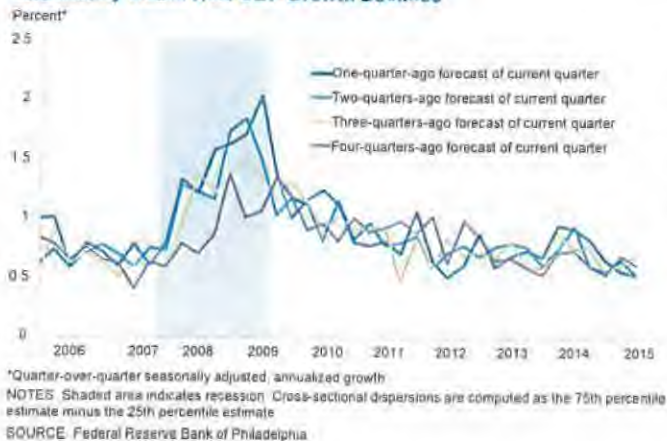
NOTE: Shaded area indicates recession  
SOURCES: Federal Reserve Bank of Philadelphia; Federal Reserve Bank of Chicago; Bureau of Economic Analysis; Congressional Budget Office

Turnover Survey showed that job openings grew at a faster clip. Although the unemployment rate has stayed relatively flat since the beginning of the year, most labor market indicators suggest that slack is diminishing over time.

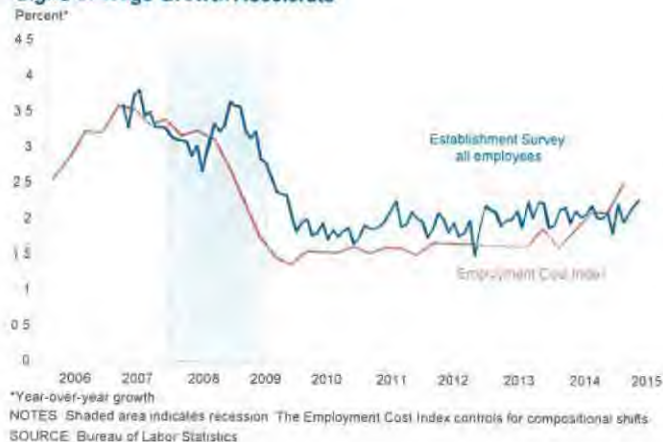
Consumer activity picked up as well. Auto sales grew strongly in May, reaching a 10-year high, according to Census Bureau estimates. Core retail sales growth, which excludes building supplies, gas station sales and auto parts, rose 0.7 percent in nominal terms in May and averaged 6.9 percent annualized growth from March through May. Indexes of consumer expectations remain at high levels, accord-



**Chart 3**  
**Uncertainty About Real GDP Growth Declines**



**Chart 4**  
**Signs of Wage Growth Accelerate**



**Chart 5**  
**Inflation Holds Steady**



ing to surveys from the University of Michigan and the Conference Board.

On the business side, the picture remains murky. While the latest Institute for Supply Management Manufacturing Purchasing Managers Index for May is consistent with ongoing expansion in manufacturing activity, other manufacturing indicators show continued softness. New orders of business equipment continued to weaken in April, and industrial production and capacity utilization both ticked down in April and May. As other economic factors strengthen, however, manufacturing will follow suit. More comprehensive measures of current economic conditions, including the Federal Reserve Bank of Philadelphia's Aruba-Diebold-Scotti Index and the Federal Reserve Bank of Chicago's National Activity Index, suggest that activity continued to normalize from the first-quarter slump (Chart 2).

### Steady as She Goes

This positive momentum is expected to carry forward into the rest of the year, according to the Philadelphia Fed's second-quarter Survey of Professional Forecasters (SPF), which shows real GDP growing by approximately 3 percent in the second half of 2015. Uncertainty around the SPF forecasts, as measured by the dispersion of the point estimates from all contributing forecasters, remained stable (Chart 3). This evidence is consistent with forecasts from the June Livingston Survey and June Blue Chip Economic Indicators and supports the view that the U.S. economy will continue to regain momentum going forward.

### Higher Wages and Steady (but Low) Inflation

The improvement in the labor market has generated higher wage growth. According to the first-quarter Employment Cost Index, wages and salaries rose 2.6 percent year over year (Chart 4), up from 1.6 percent growth in first quarter 2014. The year-over-year rise in average hourly earnings from the May Establishment Survey—a volatile measure of earnings—was 2.3 percent, at the upper end of the range that has prevailed since the Great Recession.

Core and trimmed mean measures of Personal Consumption Expenditure (PCE) inflation remained below the Federal Reserve's mandate of 2 percent year over year (Chart 5). Headline measures of PCE inflation were near zero, influenced by low oil prices and the appreciation of the dollar.

These effects are likely to be transitory, and PCE inflation is forecast to rise gradually over the next couple of years toward 2 percent. The SPF and the Thomson-Reuters/University of Michigan Surveys of Consumers show that long-run expectations of PCE inflation are also well-anchored around a 2 percent rate.

—Camden Cornwell



## Notes

1. "BEA Works to Mitigate Potential Sources of Residual Seasonality in GDP," Bureau of Economic Analysis blog, May 22, 2015.
2. "The Income- and Expenditure-Side Estimates of U.S. Output Growth: An Update to 2011Q2," by Jeremy Nalewaik, Brookings Papers on Economic Activity, Spring 2011, pp. 71-121.

### About the Author

Cornwell is a research analyst in the Research Department at the Federal Reserve Bank of Dallas.

### **Summary of the Personnel Position Status Reports for 9/1/14 – 6/30/15**

September 2014	New Position – Secretary, Undergraduate Research <b>Net position change: +1 (Clerical and Secretarial)</b> <u>Ratified by Board of Regents, 11/7/14</u>
March 2015	Machinist Technician, McCoy School of Engineering (position reduced from full-time to three-quarter time) <b>Net position change: -.25 (Technical and Paraprofessional)</b> <u>Ratified by Board of Regents, 5/15/15</u>
April 2015	Restructure in Career Management (reduction in FTE) <b>Net position change: -.25 (Professional Non-Faculty)</b> <u>Presented for ratification by Board of Regents, 8/7/15</u>
May 2015	New Position – Laboratory Technician, McCoy School of Engineering <b>Net position change: +1 (Technical and Paraprofessional)</b> <u>Presented for ratification by Board of Regents, 8/7/15</u>

**Total net new positions as of 6/30/15 = +1.50**

**MIDWESTERN STATE UNIVERSITY**  
**PERSONNEL POSITION STATUS REPORT**  
June 30, 2015

POSITIONS	APPROVED BUDGET		POSITIONS		TOTAL POSITIONS		SALARY	FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT POSITIONS	
	9/1/2014		ADDED (DELETED)				(SAVED)						
	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>ADDED</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>
EXEC, ADMIN & MANAGERIAL	44.64	4,430,408			44.64	4,430,408	20,004	42.64	4,307,762	2.00	142,650	44.64	4,450,412
REGULAR FACULTY	250.70	17,047,095			250.70	17,047,095	(30,295)	236.20	16,187,480	14.50	829,320	250.70	17,016,800
PROFESSIONAL NON-FACULTY	150.46	6,607,284	(0.25)	(7,808)	150.21	6,599,476	4,789	145.71	6,401,512	4.50	202,753	150.21	6,604,265
CLERICAL AND SECRETARIAL	97.08	2,380,461	1.00	20,916	98.08	2,401,377	(1,875)	90.08	2,262,138	8.00	137,364	98.08	2,399,502
TECH & PARAPROFESSIONAL	22.00	954,050	0.75	36,000	22.75	990,050	(7,784)	22.75	982,266	0.00	0	22.75	982,266
SKILLED CRAFT	29.00	958,666			29.00	958,666	(1,774)	29.00	956,892	0.00	0	29.00	956,892
SERVICE & MAINTENANCE	65.00	1,377,960			65.00	1,377,960	840	61.00	1,304,040	4.00	74,760	65.00	1,378,800
POLICE	<u>14.00</u>	<u>509,125</u>			<u>14.00</u>	<u>509,125</u>	<u>(2,939)</u>	14.00	506,186			<u>14.00</u>	<u>506,186</u>
<b>GRAND TOTALS</b>	672.88	34,265,049	1.50	49,108	674.38	34,314,157	(19,034)	641.38	32,908,276	33.00	1,386,847	674.38	34,295,123

**MIDWESTERN STATE UNIVERSITY**  
**PERSONNEL POSITION STATUS REPORT**  
May 31, 2015

<u>POSITIONS</u>	<u>APPROVED BUDGET</u>		<u>POSITIONS</u>		<u>TOTAL POSITIONS</u>		<u>SALARY</u>	<u>FILLED POSITIONS</u>		<u>VACANT POSITIONS</u>		<u>TOTAL CURRENT POSITIONS</u>	
	<u>9/1/2014</u>		<u>ADDED</u> ( <u>DELETED</u> )		<u>FTE</u>	<u>AMOUNT</u>	<u>(SAVED)</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>
EXEC, ADMIN & MANAGERIAL	44.64	4,430,408			44.64	4,430,408		41.64	4,208,608	3.00	221,800	44.64	4,430,408
REGULAR FACULTY	250.70	17,047,095			250.70	17,047,095	(30,295)	236.20	16,187,480	14.50	829,320	250.70	17,016,800
PROFESSIONAL NON-FACULTY	150.46	6,607,284	(0.25)	(7,808)	150.21	6,599,476	4,789	144.21	6,395,042	6.00	209,223	150.21	6,604,265
CLERICAL AND SECRETARIAL	97.08	2,380,461	1.00	20,916	98.08	2,401,377	(1,875)	87.08	2,189,550	11.00	209,952	98.08	2,399,502
TECH & PARAPROFESSIONAL	22.00	954,050	0.75	36,000	22.75	990,050	(7,784)	20.75	913,102	2.00	69,164	22.75	982,266
SKILLED CRAFT	29.00	958,666			29.00	958,666	(1,774)	29.00	956,892	0.00	0	29.00	956,892
SERVICE & MAINTENANCE	65.00	1,377,960			65.00	1,377,960	840	62.00	1,318,860	3.00	59,940	65.00	1,378,800
POLICE	<u>14.00</u>	<u>509,125</u>			<u>14.00</u>	<u>509,125</u>	<u>(2,939)</u>	14.00	506,186			<u>14.00</u>	<u>506,186</u>
<b>GRAND TOTALS</b>	672.88	34,265,049	1.50	49,108	674.38	34,314,157	(39,038)	634.88	32,675,720	39.50	1,599,399	674.38	34,275,119

**MIDWESTERN STATE UNIVERSITY**  
**PERSONNEL POSITION STATUS REPORT**  
**April 30, 2015**

<u>POSITIONS</u>	<u>APPROVED BUDGET</u>		<u>POSITIONS</u>		<u>TOTAL POSITIONS</u>		<u>SALARY</u>	<u>FILLED POSITIONS</u>		<u>VACANT POSITIONS</u>		<u>TOTAL CURRENT POSITIONS</u>	
	<u>9/1/2014</u>		<u>ADDED</u> <u>(DELETED)</u>		<u>FTE</u>	<u>AMOUNT</u>	<u>(SAVED)</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>
EXEC, ADMIN & MANAGERIAL	44.64	4,430,408			44.64	4,430,408		41.64	4,208,608	3.00	221,800	44.64	4,430,408
REGULAR FACULTY	250.70	17,047,095			250.70	17,047,095	(30,295)	236.20	16,187,480	14.50	829,320	250.70	17,016,800
PROFESSIONAL NON-FACULTY	150.46	6,607,284	(0.25)	(7,808)	150.21	6,599,476	4,789	144.21	6,395,042	6.00	209,223	150.21	6,604,265
CLERICAL AND SECRETARIAL	97.08	2,380,461	1.00	20,916	98.08	2,401,377	(1,875)	87.08	2,189,550	11.00	209,952	98.08	2,399,502
TECH & PARAPROFESSIONAL	22.00	954,050	(0.25)		21.75	954,050	(7,784)	19.75	877,102	2.00	69,164	21.75	946,266
SKILLED CRAFT	29.00	958,666			29.00	958,666	(1,774)	29.00	956,892	0.00	0	29.00	956,892
SERVICE & MAINTENANCE	65.00	1,377,960			65.00	1,377,960	840	62.00	1,318,860	3.00	59,940	65.00	1,378,800
POLICE	<u>14.00</u>	<u>509,125</u>			<u>14.00</u>	<u>509,125</u>	<u>(2,939)</u>	<u>14.00</u>	<u>506,186</u>			<u>14.00</u>	<u>506,186</u>
<b>GRAND TOTALS</b>	672.88	34,265,049	0.50	13,108	673.38	34,278,157	(39,038)	633.88	32,639,720	39.50	1,599,399	673.38	34,239,119



**Midwestern State University Reporting of Personnel Changes**  
**Fiscal Year 2014-2015**  
**April-June**

**I. ENTERING EMPLOYEES**

1. Alvaro Lopez – Coordinator, Social Media – 04/01/15
2. Kurt Morgan – Custodian, Facilities Services - 04/01/15
3. Kayla Brixey – Registrar Assistant I, Registrar – 04/27/15
4. Cindy Price – College Coordinator, Career Management Center – 04/28/15
5. Amy Preston – Coordinator, Student Center Services – 04/29/15
6. Jay Barnett – Laboratory Technician, Engineering – 05/11/15
7. Stephanie Sullivan – Assistant Director, Career Management Center – 05/27/15
8. Dora Gayonne Beavers – Director, Admissions – 06/01/15
9. Stephanie Arroyo – Administrative Assistant, Dillard College of Business – 06/15/15

**II. EXITING EMPLOYEES**

1. Curtis Watford – Groundskeeper, Facilities Services – 05/29/15
2. Elizabeth Mendez – BSN Nurse Educator, Simulation Center – 05/27/15
3. Reese John - BSN Nurse Educator, Simulation Center – 05/31/15
4. Wayne Schields – Assistant Director, Housing and Dining Services – 05/31/15
5. Matthew Singletary Assistant Professor, Theater – 05/31/15
6. Merlinda Martinez – Human Resources Assistant II – 06/11/15
7. Christian Northrup – Assistant Professor, Education – 06/22/15
8. Harry Bowman – Custodian, Facilities Services – 06/30/15
9. Deborah Garrison – Associate Vice President, Academic Affairs/Graduate Dean – 06/30/15
10. Melissa Yip-Santellana – Program Coordinator. Student Support Services – 06/30/15

**III. RETIRING EMPLOYEES**

1. Amelia Amador – Custodian, Facilities Services – 05/31/15
2. David Tucker – Professor, Mathematics – 05/31/15
3. Larry Williams – Professor, Sociology – 05/31/15
4. Alan Black – Assistant Professor, Music- 06/30/15

**Midwestern State University  
Budget Highlights  
2015 – 2016**

- The proposed MSU Operating Budget for FY 2016 totals \$103,352,620, an increase of \$3.47 million above FY 2015. The proposed budget includes a faculty raise totaling \$500,000 plus approved promotions. A \$225,000 pool of funds for staff adjustments is included that will be recommended after the conclusion of a compensation study currently underway. Some staff positions are recommended for equity adjustments.
- The budget is based on an estimated enrollment of 5,875 students for fall 2015.
- The budget reflects a net increase of 10 full-time equivalent (FTE) positions (6.5 faculty positions and 3.5 staff positions).
  - Five of the faculty increases are new lecturers in the core area.
  - The remaining faculty increase is a net of external funding sources and university-funded positions.
  - The net staff increase includes the new Associate Vice President for Undergraduate Education and Assessment, Assistant Softball Coach, and positions in Admissions.
  - The proposed budget includes 12.5 positions without an appropriated salary. These positions will not be filled during the fiscal 2016 budget year.
  - Salaries totaling \$249,850 in four positions have been identified for specific salary savings and will not be filled during the fiscal 2016 budget year. This is in addition to the positions noted above.
- Other significant budget changes include the following.
  - Scholarships increased by \$995,619 with \$155,000 from university funds and the remainder from restricted dollars.
  - Fringe benefits total \$13.57 million, an increase of almost \$700,000. This includes a 7.26% increase in group health insurance rates which increased insurance costs by approximately \$525,000.
  - Maintenance and operations costs increased by \$1.2 million. More than 16.7% of this is attributed to housing overflow costs. Also included are fixed cost increases such as maintenance, insurance, and credit card costs, academic operational budget increases, board mandated changes, and increases from restricted budgets.
- Private sources and grant funds totaling \$1,449,242 provide funding for 20.18 FTE positions (13.1 faculty positions and 7.08 staff positions).
- The Higher Education Assistance Fund (HEAF) is constitutionally dedicated state funding for critical capital construction and equipment support. The following distribution of HEAF funds is proposed:

Physical Plant equipment, improvements, and deferred maintenance	\$1,061,005
Debt service	950,000
Information Technology and equipment	333,270
Master plan reserve	290,000
Library materials	500,000
Allocations to six colleges for academic-related equipment	240,000
<b>TOTAL</b>	<b><u>\$3,374,275</u></b>

AUDIT, COMPLIANCE, AND  
MANAGEMENT REVIEW  
COMMITTEE

## **Audit, Compliance, and Management Review Committee**

### Membership

Sam Sanchez, Chairman

Tiffany Burks

Jeff Gregg

Nancy Marks

### Reading and Approval of Minutes

15-198. The minutes of the Audit, Compliance, and Management Review Committee meeting May 14, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 15-198.

### Audit Activities and Audit Plan

15-199. The Texas Internal Auditing Act requires each agency's internal auditor to develop an annual audit plan using risk management techniques. The governing board of the agency must approve this plan. During the May meeting the board asked that a two-year plan be presented for review. The plans Mr. Taylor submitted prior to his resignation, which was effective July 31, will be presented for review as shown in Attachment 15-199.

AUDIT, COMPLIANCE, AND  
MANAGEMENT REVIEW  
COMMITTEE ATTACHMENT



### FY 2016 Audit Plan

This plan is meant to be flexible and will be monitored and changed as necessary. The available hours after accounting for holidays and leave time are 1840. These hours have been allocated to specific areas below. A formal risk analysis process is in place that will be updated as appropriate that may justify making changes to the plan. The President and Board of Regents will be informed of any changes, which will be subject to their review and approval.

Audit Focus	Estimated Hours
<b>Audit Activities:</b>	
<u>Information Technology</u> - We plan to conduct a complete assessment of Information Technology at MSU. This will be done using a combination of Internal Audit resources and outside consulting. The intent is to determine staffing and equipment needs.	400
<u>Construction Cost Management</u> – Along with all the new construction underway at MSU, there is considerable risk. In order to protect MSU from costly delays and cost overruns, we will be using both internal audit time and outside consultants to ensure that construction projects on campus are conducted on schedule and within budget. This will include the building of the new dormitory and architectural design of the upcoming HS/HS facility.	500
<b>Quarterly Investment Reports:</b>  This audit is statutorily required for all entities that invest in other than money market mutual funds, investment pools, and certificates of deposit.	200
<b>External Auditor Coordination:</b>  The State Auditor's Office and State Comptroller will be conducting a review of benefits proportional during FY 2016. Hours are being reserved to assist them as requested.	200
<b>Annual Risk Analysis/Audit Plan:</b>  Ongoing activities, such as interviews with management, distribution of internal control questionnaires, and reviews of management reports from throughout the university will be done to ensure adequate identification and consideration of all risks for future review.	200
<b>Participation in Board Meetings and Management Committees:</b>  The internal auditor will attend all Board of Regents meetings and participate in selected committees as requested or deemed appropriate. Internal audit has regular meetings with the President as well as participation in all meetings of the President's Cabinet.	100
<b>Administrative:</b>  Hours are being accounted for and reserved for such matters as ensuring compliance with auditing standards, involvement with professional organizations, training, annual reports, and general administrative duties.	240
<b>Total Hours Budgeted</b>	<b>1840</b>

### FY 2017 Audit Plan

This plan is meant to be flexible and will be monitored and changed as necessary. The available hours after accounting for holidays and leave time are 1840. These hours have been allocated to specific areas below. A formal risk analysis process is in place that will be updated as appropriate that may justify making changes to the plan. The President and Board of Regents will be informed of any changes, which will be subject to their review and approval.

Audit Focus	Estimated Hours
<b>Audit Activities:</b>  <u>Title IX and Clery</u> - We plan to conduct a complete assessment of Title IX and Clery compliance at MSU. Each of these statutes carries significant penalties. The intent is to avoid any potential penalty for non compliance. We will do this by using a combination of Internal Audit resources and outside consulting.	700
<u>Public Funds Investment Act</u> – Every two years MSU is required to perform an audit of compliance regarding the Public Funds Investment Act (PFIA).	200
<b>Quarterly Investment Reports:</b>  This audit is statutorily required for all entities that invest in other than money market mutual funds, investment pools, and certificates of deposit.	200
<b>External Auditor Coordination:</b>  The State Auditor's Office and State Comptroller routinely depends and relies on internal auditors to accomplish their annual audit plans. Hours are being reserved to assist them as requested.	200
<b>Annual Risk Analysis/Audit Plan:</b>  Ongoing activities, such as interviews with management, distribution of internal control questionnaires, and reviews of management reports from throughout the university will be done to ensure adequate identification and consideration of all risks for future review.	200
<b>Participation in Board Meetings and Management Committees:</b>  The internal auditor will attend all Board of Regents meetings and participate in selected committees as requested or deemed appropriate. Internal audit has regular meetings with the President as well as participation in all meetings of the President's Cabinet.	100
<b>Administrative:</b>  Hours are being accounted for and reserved for such matters as ensuring compliance with auditing standards, involvement with professional organizations, training, annual reports, and general administrative duties.	240
<b>Total Hours Budgeted</b>	<b>1840</b>

**BOARD OF REGENTS  
MEETING AGENDA**

**Board of Regents Meeting Agenda**  
**August 7, 2015**  
**9:00 a.m.**

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

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

The meeting will be streamed live at <http://www.mwsu.edu/welcome/president/regents-minutes>.

Call to Order

Introduction of Visitors

Opening Comments

Public Comment

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

Reading and Approval of Minutes

15-200. Minutes of the regular Board of Regents meeting May 14, 2015, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 15-200.

Reading and Approval of Minutes

15-201. Minutes of the regular Board of Regents meeting May 15, 2015, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 15-201.

Reading and Approval of Minutes

15-202. Minutes of the special Board of Regents meetings held June 1 and June 17, 2015, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 15-202.

Executive Committee Consent Agenda, Items and Report

Academic and Student Affairs Committee Consent Agenda, Items and Report

Finance Committee Consent Agenda, Items and Report

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

Board of Regents Meeting Dates – 2015-2016

15-203. The board will discuss the dates for the 2015-2016 quarterly Board of Regents meetings. The proposed dates are as follows:

November 12 and 13, 2015  
February 11 and 12, 2016  
May 12 and 13, 2016  
August 4 and 5, 2016

President's Report and Discussion

15-204. Information will be presented concerning various university matters, including:

- A. Legislative Session Update (see Attachment 15-204A)
- B. Report on Dalquest Media Day
- C. President's Comments

Real Property

15-205. The Board of Regents may deliberate regarding the purchase, exchange, lease, or value of real property in closed session as allowed by Texas Government Code, Chapter 551.072.

Executive Session

15-206. The Board of Regents will convene in Executive Session as necessary to consider the matters permissible under Chapter 551 of the Texas Government Code, including the following.

- A. Government Code, Chapter 551, Section .071 – Consultation with Attorneys Regarding Legal Matters, Pending and/or Contemplated Litigation, or Settlement Offers, or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code.
- B. Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease, or Value of Real Property.
- C. Government Code, Chapter 551, Section .073 - Deliberations Regarding a Negotiated Contract for a Prospective Gift or Donation.
- D. Government Code, Chapter 551, Section .074 – Personnel Matters Relating to the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of Officers or Employees, or to Hear a Complaint or Charge Against an Officer or Employee.

Closing Comments

Adjournment



BOARD OF REGENTS  
MEETING AGENDA  
ATTACHMENT

**84<sup>th</sup> Texas Legislative Session (2015)**  
**Midwestern State University**  
**Legislative Summary**  
**June 30, 2015**

This is a summary of approved legislation that will affect Midwestern State University. Various campus offices will work on the implementation of new requirements. Should you wish to read the full transcript of any of these bills, please go to <http://www.capitol.state.tx.us/>, enter the bill number and 84(R), indicating the session number.

**Capital Project Funding (formerly Tuition Revenue Bonds)**

**HB 100 by Zerwas/Seliger** authorizes the issuance of \$3.1 billion revenue bonds for institutions of higher education to finance construction and improvement of infrastructure and related facilities. HB 100 includes authorization of \$58.4 million for the academic expansion and revitalization project for Midwestern State University. MSU's request included new facilities for the Gunn College of Health Sciences and Human Services and other rehabilitation needs on campus. Funding for the debt service begins in FY 17. **(SIGNED, effective 9/1/15)**

**Campus Carry and Campus Safety**

**SB 11 by Birdwell/Fletcher** establishes the law on the carrying of handguns by Concealed Handgun License (CHL) holders at institutions of higher education. It provides that "after consulting with students, staff, and faculty of the institution regarding the nature of the student population, specific safety considerations, and the uniqueness of the campus environment," the president of the institution shall establish reasonable rules, regulations, or other provisions regarding the carrying of concealed handguns by CHL holders on the campus of the institution or on premises located on the campus of the institution. These rules must be established by August 1, 2016. SB 11 also provides that the president may not establish provisions that generally prohibit or have the effect of generally prohibiting CHL holders from carrying concealed handguns on the campus of the institution. The board of regents must review the rules not more than 90 days after they are established and can amend them with a two-thirds vote. SB 11 also requires that each institution of higher education report to the Legislature and standing committees describing the rules, regulations, or other provisions that are established, as well as the reasoning behind the rules and regulations. The report is due by September 1 of each even-numbered year. **(SIGNED, effective 8/1/16)**

**HB 207 by Leach/Whitmire** creates an offense if an individual engages in voyeurism (peeping tommy), specifically relating to a dwelling or structure in which a person has a reasonable expectation of privacy. MSU's Student Handbook already contains information regarding this offense. This will now be a Class C misdemeanor. **(SIGNED, effective 9/1/15)**

**HB 2629 by Kacal/Hancock** relates to a person trespassing, damaging, or defacing buildings or property of an institution of higher education. **(SIGNED, effective 9/1/15)**

**Finance**

**HB 495 by Howard Hinojosa** extends the dedication of funds from the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health Related Programs (one of the trust

funds established by the Texas Tobacco Lawsuit Settlement) to nursing education from August 31, 2015 until August 31, 2019. **(SIGNED, effective 5/29/15)**

**HB 700 by Giddings/Seliger** repeals new funding for the Texas B-On-Time loan program. Currently, 5% of undergraduate tuition in excess of \$46 per semester credit hour is deposited in the state B-On-Time student loan account. This set-aside of 5% will cease beginning with the fall 2015 semester. The bill allows for renewal of B-On-Time awards received before September 1, 2015 to be funded with the balance currently held in the state B-On-Time student loan account. The program will officially terminate in 2020 and any funds remaining in the state loan account will be redistributed to institutions of higher education. **(SIGNED, effective 9/1/15)**

**HB 1000 by Zerwas/Seliger** restructures state support for research for general academic institutions. HB 1000 renames the Research Development Fund as the Comprehensive Research Fund and provides funding to promote increased research capacity at eligible general academic teaching institutions not eligible to participate in other research funding programs. The University of Texas at Austin, Texas A&M University, and the emerging research institutions are not eligible to participate in the Texas Comprehensive Research Fund. Midwestern State will continue to be eligible to receive funds from this fund. This change has little effect on funding that will flow to MSU. HB 1000 further renames the Texas Competitive Knowledge Fund as the Texas Research University Fund. Eligible institutions are University of Texas at Austin and Texas A&M University. Emerging research institutions are no longer eligible to participate in this fund and will instead participate in the new Core Research Support Fund created by HB 1000. **(SIGNED, effective 9/1/15)**

**SB 632 by Fraser/Button** abolishes the Texas Emerging Technology Fund and repurposes its assets to the newly established Governor's University Research Initiative. This initiative will provide matching grants to eligible institutions of higher education to recruit distinguished researchers (Nobel laureates and members of national academies) to Texas institutions of higher education. The fund will be administered by the Texas Economic Development and Tourism Office with the Office of the Governor. The Appropriations Bill includes \$40 million for the purpose of providing matching grants under this initiative. **(SIGNED, effective 9/1/15)**

**SB 1191 by Seliger/Crownover** reallocates Higher Education Assistance Fund (HEAF) appropriations among eligible recipient institutions in FY 16 and increases the annual constitutional appropriation for HEAF by 50%, from \$262,500,000 each fiscal year to \$393,750,000 in each fiscal year beginning in FY 17. MSU's allocation in FY 16 will be \$3,374,275 and in FY 17 the allocation will increase to \$5,061,412. HEAF is a constitutionally dedicated fund that provides funding to those institutions that do not receive Permanent University Fund (PUF) monies. The amount of money appropriated to the fund is reviewed by the Legislature every ten years, with allocations to each institution reviewed every five years. The allocations are based on factors such as institutional complexity, space deficit, and facilities condition. **(SIGNED, effective 8/31/15)**

**HB 3750 by Simmons/Birdwell** requires the State Office of Risk Management to conduct an interim study on insurable state assets using information collected by the Legislative Budget Board of state agencies, including institutions of higher education. The study is to include recommendations on a statewide strategy to ensure that all real property is adequately insured. **(SIGNED, effective 6/19/15)**

**Contracting**

**HB 2634 by Kuempel/Zaffirini** prevents related entities from acting as both the design engineer and the construction manager-at-risk (CMAR) in government contracting. The bill forbids entities related to the architect or engineer from acting as the CMAR and removes the provision in current law that allows related entities to act in this role if they are selected as part of a separate selection process. **(SIGNED, effective 9/1/15)**

**SB 20 by Nelson/Price** provides new standards for state agency contracting and purchasing, and includes ethics, reporting, and approval requirements for certain contracts. It provides for conflicts of interest reporting and prohibits contracts with a private vendor where certain financial interests exist. It also requires posting of certain contracts on the institution's website and requires the adoption of policies to identify contracts that require enhanced contract or performance monitoring. SB 20 also conditions acquisition authority on compliance with state contracting and purchasing requirements. This is a comprehensive bill that includes a study of Centralized State Purchasing, as well as establishes requirements for the retention of contract and related documents, reporting of contract information, verification of the use of the best value standard, training for state agency purchasing personnel, reporting of vendor performance, contract requirements, audit requirements, and required policies and procedures. **(SIGNED, effective 9/1/15)**

**Governing Boards, Meetings, and Communications**

**SB 24 by Zaffirini/Zerwas** relates to training required of the university's Board of Regents. Members appointed after January 1, 2016 are prohibited from voting on a budgetary or personnel matter until the member completes an intensive short orientation course offered by the Texas Higher Education Coordinating Board (THECB). **(SIGNED, effective 1/1/16)**

**SB 27 by Zaffirini/Howard** specifies that telephone conference call meetings of the Board of Regents must be broadcast over the Internet in the same manner as regular open meetings. **(SIGNED, effective 9/1/15)**

**SB 42 by Zaffirini/Sheffield** requires that the Governor may not appoint a student regent who does not submit an application to the Student Government Association as outlined in statute. **(SIGNED, effective 5/23/15)**

**Human Resources**

**HB 786 by Walle/Zaffirini** entitles an employee of a public employer (including in institution of higher education) to express breast milk at the employee's workplace. Additionally, the public employer must develop a policy in this regard. **(SIGNED, effective 9/1/15)**

**HB 1771 by Raney/Kolkhorst** allows state employees to donate part or all of their accrued sick leave to another employee within the same state agency. While employees currently may donate sick leave to a general pool, this would allow donating employees to have more control over who receives their sick time. The law further provides that an employee donating time to the sick leave pool may not receive compensation or any gift in return for the donation. **(SIGNED, effective 9/1/15)**

**HB 3337 by Clardy/Nelson** clarifies that a state agency may only pay for tuition reimbursement, for an agency employee or administrator who seeks reimbursement, for a



program course that has been successfully completed by that employee or administrator. This bill also requires a state agency to adopt rules requiring that before an agency employee or administrator may be reimbursed for tuition expenses, the executive head of that agency must authorize the tuition reimbursement payment. The current mandate that agencies have a policy requiring training to relate to employees' duties is expanded to include additional conditions. The policy must provide clear and objective guidelines governing tuition reimbursements for training and address tuition reimbursements for nontraditional training, including online courses or courses not credited toward a degree, and must require the executive agency head to authorize the tuition reimbursement payments before they can be made. The policy must also be posted on the institution's website under the employment section. **(SIGNED, effective 9/1/15)**

**SB 374 by Schwertner/Dale** requires state agencies to participate in the federal electronic verification of employment authorization program, or E-Verify, to verify information of all new employees. **(SIGNED, effective 9/1/15)**

**SB 805 by Campbell/Raney** provides that state agencies, including institutions of higher education, give preferential consideration for veterans, disabled veterans, and a spouse or dependent children if the veteran was killed on active duty, for a position if other applicants for the same position do not have greater qualifications. SB 805 also establishes veteran employment goals. The veteran employment goal established by state agencies must be at least 20% of the total number of employees of the state agency. It also allows for filling a vacant position without the need for publishing a position if a qualified veteran meets the qualifications. SB 805 allows "veteran only" employment postings. SB 805 also requires the appointment of a Veteran's Liaison for state agencies that have at least 500 full-time equivalent employees. The name and contact information for the liaison must be posted on the agency's website. SB 805 provides for veterans preferences in reduction in force measures and establishes reporting requirements for employment data on those qualifying for veterans preferences. **(SIGNED, effective 9/1/15)**

**Required On-Line Information, Website Requirements, and Cybersecurity**

**HB 197 by Price/Nelson** requires public institutions of higher education to create a web page on the institution's website dedicated solely to information regarding mental health resources available to students. The web page must include the address of the nearest local mental health authority. **(SIGNED, effective 9/1/15)**

**HB 855 by Sanford/Taylor** requires state agency websites to be compatible with a wireless communication device and the most recent versions of the three most commonly used Internet browsers (identified by the Department of Information Resources). **(SIGNED, effective 9/1/15)**

**HB 1287 by Simmons/Burton** requires general academic teaching institutions to maintain in a prominent location on the institution's website a link to the Texas Consumer Resource for Education and Workforce Statistics ("Texas CREWS") report on gainful employment applicable to the institution. **(SIGNED, effective 9/1/15)**

**SB 1877 by Zaffirini/Galindo** requires that each state agency develop a data use agreement meeting agency needs and consistent with rules of the Texas Department of Information Resources. The data use agreement is to be updated at least biennially, and must be distributed to agency employees handling sensitive information and require the employee acknowledge the



data use agreement and updates. Along with the distribution of the data use agreement and updates, agencies are to provide cybersecurity awareness training to the extent possible. (SIGNED, effective 9/1/15)

#### **Teacher Education Programs**

**HB 1300 by Capriglione/Seliger** relates to the required qualifications of persons admitted to educator preparation programs. (SIGNED, effective 9/1/15)

**HB 2205 by Crownover/Seliger** relates to requirements of educator preparation programs and educator certification. The bill decreases the grade point average admission requirements but requires the overall grade point average of each incoming class admitted by an educator preparation program to not be less than 3.0 on four-point scale. It also increases field-based experience hours and limits the number of times a person can retake a certification exam. HB 2205 further requires the State Board of Educator Certification (SBEC) to establish rules to govern approval and renewal of educator preparation programs, develop a teacher satisfaction survey, develop a risk-assessment model to drive monitoring, inspection, and compliance. (SIGNED, effective 6/18/15)

#### **P-16 Issues**

**HB 505 by Rodriguez/Estes** provides that there may be no limitation on the number of dual credit courses or hours in which a student may enroll while in high school or no limit on the grade levels at which a student may be eligible to enroll in a dual credit course. This act applies beginning with the 2015-2016 school year. (SIGNED, effective 5/23/15)

**SB 925 by Kolkhorst/Aycock** requires the Commissioner of Education to develop literacy achievement academies for teachers who provide instruction for kindergarten through grade three. SB 925 requires the academies to include training in effective and systematic instructional practices in reading, phonemic awareness, phonics, fluency, vocabulary, and comprehension, and the use of empirically validated instructional methods for struggling readers. Teachers would be provided a stipend. (Note: approximately \$18 million is appropriated to the Texas Education Agency to host highly professional research-based, four-day Literacy Achievement Academies for kindergarten through third grade teachers with a curriculum focused on how to teach core reading and writing skills). (SIGNED, effective 5/21/15)

**SB 934 by Kolkhorst/Farney** requires the Commissioner of Education to develop mathematics achievement academies for teachers who provide instruction for kindergarten through grade three. SB 934 requires the academies to include training in effective and systematic instructional practices in problem solving, the place value system, the whole number operations, and fractions. Teachers would be provided a stipend. (Note: approximately \$22 million is appropriated to the Texas Education Agency to create highly professional, research-based, four-day Math Achievement Academies for teachers of kindergarten through third grade, utilizing a curriculum focused on how to teach core numeracy skills). (SIGNED, effective 5/28/15)

**SB 935 by Kolkhorst/Deshotel** requires the Commissioner of Education to establish a reading excellence team pilot program and make available reading excellence teams to certain eligible school districts. This pilot program would expire September 1, 2021. Reading excellence teams would review with districts certain assessment results to determine kindergarten to third grade

campuses and classrooms in greatest need of assistance and would provide training to improve student reading outcomes. **(SIGNED, effective 5/28/15)**

**SB 972 by Kolkhorst/Deshotel** requires the Commissioner of Education to develop and offer reading-to-learn (RTL) academies for teachers who provide instruction for grades four or five. SB 972 would require the academies to include training in effective instructional practices that promote reading comprehension and inferential and critical thinking, provide training in the use of empirically validated instructional methods that are appropriate to struggling readers, and provide participating teachers online access to the RTL training materials following the academies. It allows the academies to include material on writing instruction. SB 972 requires the commissioner to adopt criteria for selecting teachers to attend the academies, including a requirement that teachers employed in school districts with 50 percent or more educationally disadvantaged students be given priority to attend the academies. Teachers attending the academies would receive a stipend. (Note: \$11 million is appropriated to the Texas Education Agency to develop and offer RTL academies). **(SIGNED, effective 5/28/15)**

#### **Financial Aid**

**SB 947 by Zaffirini/Howard** requires the THECB to conduct a study of providing employment positions located off-campus through the Texas college-work study program. Among other things, the study, due December 1, 2016, must identify best practices for developing partnerships with off-campus employers as well as careers well-suited for providing off-campus positions. **(SIGNED, effective 5/22/15)**

**SB 1750 by West/Murphy** establishes requirements that each institution participating in the Texas college work-study program ensure that at least 20% but not more than 50% of the employment positions provided through the program in an academic year are provided by eligible employers providing employment located off campus beginning with the 2016-2017 academic year. **(SIGNED, effective 6/19/15)**

#### **Miscellaneous Academic Issues**

**HB 1054 by Clardy/Zaffirini** relates to developmental education programs under the Texas Success Initiative (TSI). It allows institutions to refer a student to basic academic skills education programs (non-course competency-based developmental education programs and interventions) if the student's performance falls significantly below college readiness standards. **(SIGNED, effective 6/16/15)**

**HB 1992 by Zerwas/Seliger** provides that an institution of higher education may not require a score of more than three on an AP examination for granting course credit unless the institution's chief academic officer determines, based on evidence, that a higher score is necessary to indicate a student is sufficiently prepared to be successful in a related, more advanced course for which the lower-division course is a prerequisite. The bill further provides that the THECB will conduct a study on the performance of students who receive AP credit. **(SIGNED, effective 6/3/15)**

**HB 3078 by Darby/Seliger** requires the creation of an advisory committee to recommend a uniform pre-nursing curriculum for undergraduate professional nursing programs offered by public institutions of higher education. At least three of the 16 committee members are required to be from general academic teaching institutions. The advisory committee is to assess the

prerequisite courses that are required for each undergraduate professional nursing program in this state, and the ability of a student to use course credit earned at one institution of higher education to qualify for consideration for admission to an undergraduate professional nursing program offered by another institution. The advisory committee is required to develop and make recommendations regarding the creation of a uniform pre-nursing curriculum, with a report due to the legislative committees of jurisdiction by December 1, 2016. **(SIGNED, effective 6/18/15)**

**SB 1189 by Seliger/Zerwas** requires each junior college to establish a multidisciplinary studies associate degree program prior to the fall 2016 semester. A student would be required to complete a 42-hour core curriculum as well as courses in a student's selected degree plan. The degree plan should emphasize the student's transfer to a particular four-year college or university of the student's choosing. **(SIGNED, effective 6/19/15)**

**SB 1470 by Watson/Raney** authorizes the THECB to enter into a reciprocity agreement on behalf of the state with the appropriate organization to permit institutions meeting certain accreditation and academic standards to offer distance education programs in states party to the reciprocity agreement. The THECB is granted authority to adopt rules and application procedures for Texas institutions planning to participate in distance education programs outside the state through the state authorization reciprocity agreement. **(SIGNED, effective 5/23/15)**

**SB 1714 by Zaffirini/Howard** authorizes institutions to seek consent to the release of student academic information and the sharing of that information through the National Student Clearinghouse for the purpose of granting of associate degrees through the process of reverse transfer. SB 1714 will serve as the foundation for the sharing of student academic information useful in determining student trends and uses of financial aid and other benefits. **(SIGNED, effective 6/16/15)**

**SB 1776 by Menendez/Guillen** exempts high school students who successfully complete mathematics and English language arts college preparatory courses from the content area of the Texas Success Initiative (TSI) assessment for a period of two years from the time the student graduates from high school provided that the student enrolls in a partnering institution of higher education during that student's first year at that institution. SB 1776 requires the THECB to collect data, analyze the effectiveness of college preparatory courses based on a student's successful completion of first year college-level courses in exempted areas, and provide a report on the results. **(SIGNED, effective 6/16/15)**

#### **Miscellaneous Student Issues**

**HB 699 by Nevarez/Uresti** requires each institution of higher education to adopt a policy on campus sexual assault and make the policy available to students, faculty, and staff by placing it in the student handbook and on a webpage dedicated solely to the policy. The policy must include definitions of prohibited behavior, sanctions for violations, and protocols for reporting and responding to reports. Each institution must also require that entering freshmen or undergraduate transfer students attend an orientation on the policy during the first semester or term in which the student is enrolled at the institution. Finally, HB 699 requires a biennial review of the policy with Board of Regent approval required for revisions to the policy. This act applies beginning with the fall 2015 semester. **(SIGNED, effective 9/1/15)**



**HB 1807 by Naishtat/Zaffirini** requires the THECB to maintain an inventory of educational programs and services available at higher education institutions for persons with intellectual and developmental disabilities. **(SIGNED, effective 6/17/15)**

**SB 37 by Zaffirini/Naishtat** requires the THECB to collect and study data on the participation of persons with intellectual and developmental disabilities in higher education, to include data regarding applications for admissions, retention, and graduation. **(SIGNED, effective 9/1/15)**

**HB 3748 by Farney/West** relates to the coordination of educational support services for and information regarding students who are currently or were formerly placed in foster care. Included in this bill is the requirement that each higher education institution designate at least one employee to act as a liaison officer for students who were formerly in the conservatorship of the Department of Family and Protective Services. **(SIGNED, effective 6/17/15)**

**HB 4046 by Alvarado/Ellis** relates to confidentiality of student records, including student applications. HB 4046 provides for an exception to the Texas Public Information Act requiring disclosure of certain information. HB 4046 provides a definition for student records to now include records of an applicant for admission regardless of whether the applicant enrolls. HB 4046 permits an institution of higher education to treat applicant materials in the same manner as other student records under FERPA, and does not require an institution of higher education to seek an Attorney General opinion to determine whether these records are subject to disclosure. **(SIGNED, effective 9/1/15)**

**SB 1543 by Perry/Frank** requires institutions of higher education who sort applicants by high school class rank as part of the admissions process to place applicants for undergraduate admission who successfully complete a non-traditional secondary education at the average high school graduating class rank of applicants who have equivalent standardized test scores as the applicant. **(SIGNED, effective 9/1/15)**

**SB 1624 by Rodriguez/Marquez** requires institutions of higher education to provide information to each entering full-time student regarding available mental health and suicide prevention services offered by the institution, including early warning signs that are often present in and appropriate intervention for a person who may be considering suicide. This information must be provided through a live presentation or a format that allows student interaction such as an online program or video. **(SIGNED, effective 9/1/15)**

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### **Issues Not Passing the 84<sup>th</sup> Legislature**

Legislators filed 6,276 house and senate bills for consideration during the legislative session. Of those, 1,322 passed both chambers and were submitted to Governor Abbott for consideration; 1,282 ultimately became law. The remaining nearly 5,000 bills that did not pass may return as legislation for future legislatures to consider. Many of the bills that did not pass were of interest to the university community including:

- Confidentiality of letters of recommendation for faculty evaluations
- Extension of the telecommunications discount

- Use of student ID cards for voting purposes
- Repeal of in-state tuition for non-resident students (SB 1819 by Campbell)
- Reauthorization of an environmental fee at institutions of higher education (SB 1205/HB 3670 by Rodriguez/Naishtat)
- Hazlewood Exemption - the overall funding for the Hazlewood Exemption for all institutions of higher education in FY 14 was \$169 million, with \$111 million exempted for the Legacy portion of the program. Estimates are the program will cost Texas institutions \$175 million in FY 15 and more than \$200 million in FY 16. MSU's forgone tuition and fees in FY 14 was \$1.2 million with \$830,000 exempted for Legacy students. During this legislative session it was hoped that the legislature would address this unfunded mandate from either a policy or a funding perspective. While it became clear early in the session that legislators were focusing on making policy changes, this effort failed during the last week of the session. The legislature authorized continuation of existing funding that will result in MSU receiving \$195,000 in each of the next two fiscal years.



# MINUTES

**MINUTES  
MIDWESTERN STATE UNIVERSITY  
BOARD OF REGENTS  
Executive Committee  
May 14, 2015**

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 10:18 a.m., Thursday, May 14, 2015. Executive Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; and Ms. Tiffany Burks, Member-at-Large. Other regents attending the meeting were Mr. Caven Crosnoe, Dr. Lynwood Givens, Mr. Jeff Gregg, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Jesse Brown.

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 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 McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Dr. Kristen Garrison, Writing Program Administrator; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; 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. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Chairman Hessing called the meeting to order at 10:18 a.m.

Reading and Approval of Minutes

15-108. The minutes of the Executive Committee meeting February 12, 2015 were approved by the committee as presented.

Campus Master Plan and Construction Update

15-109. Mr. Hessing noted that the agenda included a project status report as well as a report on smaller construction projects. Mr. Owen presented photographs and drawings of various projects as shown in Attachment 1. The photographs showed the progress on the Dalquest Desert Research Station, the Priddy Pavilion addition at the museum, the student housing project, the recommended parking lot 6S expansion, and the Prothro-Yeager stair replacement. Dr. Rogers noted that the Joe B. Hood Laboratory at the Dalquest Desert Research Station would set MSU apart from other universities and would be of great benefit to the university. Mr. Hessing asked how many acres were included in the university's property. Dr. Rogers responded that there were approximately 3,500 acres.

Mr. Hessing stated that this item was presented as a point of information only.

#### Capital Expenditure Plan (MP1) Report - FY 2016-2020

15-110. Mr. Hessing reported that each year the Texas Higher Education Coordinating Board (THECB) requests an update of the university's five-year plan for construction, major repair and renovation projects, information resource projects, and property purchases. He noted that the agenda included a copy of the MP1 report for the board's consideration. Dr. Rogers reported that the MP1 is a planning list. He added that the list would change from year to year but would remain consistent with the university's master plan. He reviewed the items that were listed as part of the MP1 and noted that there would be action items later on in the agenda dealing with a number of the top priority items. Dr. Rogers pointed out that the Mass Communications Expansion to the Fain Fine Arts Building was shown in the MP1 as being paid from Higher Education Assistance Funds (HEAF). He reminded the board that the administration had requested and received authorization to use the earnings from the Redwine Fund Endowment for this project. He indicated that the MP1 should show HEAF or Endowment Earnings as the source of funds for this project. The revised MP1 is shown as Attachment 2. He added that the revised MP1 also showed the correct name of West Campus Annex, rather than the former name of Christ Academy.

Mr. Bryant moved approval of the MP1 as modified and shown in Attachment 2. Mr. Bernhardt seconded the motion and it was approved.

#### Wichita Falls Museum of Art At MSU External Improvements Project Funding Limit

15-111. Mr. Hessing noted that the administration had requested authorization to increase the project's maximum budget by \$60,000, with the funds for the increase coming from private funds. Dr. Rogers reported that the project included a number of alternates. During the project additional gift funds were received, including a \$50,000 gift from the Fain Foundation. These additional funds allowed the completion of a large patio outside the Cannedy Meeting Room and other items.

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

#### Joe B. Hood Research Lab at Dalquest

15-112. Mr. Hessing stated that the administration had requested authorization to increase the project's maximum budget by \$50,000, with the funds for the increase coming from private funds. Dr. Rogers reported that this project also had alternates and additional gift funds were available to complete some of the items, to include screening in a portion of the porch on the main building.

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

#### Texas Public Finance Authority (TPFA) MSU Bond Resolution

15-113. Mr. Hessing reported that the Board of Regents was being asked to adopt a resolution authorizing the refinancing of bonds and the issuance of new debt bonds on the student housing and mass communication projects. He noted that board members should have received a copy of the resolution on Wednesday. He asked Dr. Fowlé to present information concerning this resolution and to discuss the next steps in the process. Dr.

Fowlé indicated that the resolution before the board authorizes the TPFA to approve the sale of bonds on behalf of the Board of Regents. She noted that the bond sale is scheduled for June 2. Mr. Hessing asked if this was different from what had been done in the past. Dr. Fowlé responded that it was no different.

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

#### Student Housing Project

15-114. Mr. Hessing noted that the agenda included two recommendations regarding the student housing project. He asked Dr. Fowlé and Dr. Lamb to comment. Dr. Fowlé indicated that the administration was requesting approval of the following.

- A. Authorize the issuance of a contract with the Construction Manager At Risk (CMAR), Buford Thompson Company, for the building's construction at a Guaranteed Maximum Price (GMP) not to exceed \$29.5 million.
- B. Authorize the expansion of the project budget to a maximum of \$35.25 million if the bids received are at the high end of the estimates, with the understanding that any amount above \$33.25 will be paid from auxiliary sources or gift funds.

Dr. Fowlé reported that the administration was requesting permission to issue a contract for the building's construction and to expand the project budget to a maximum of \$35.25 million. She added that the bonds would not be issued for more than the \$33.25 million previously approved. She explained that the university had received bid estimates from the architect's estimator, the CMAR's estimator, and an outside estimator. The variance between the three estimators was between \$1 million and \$3 million. Owing to this variance, the administration was requesting authorization to expand the budget should the bids come in higher than originally estimated. She noted that the difference in the bond amount of \$33.25 million and the requested maximum amount of \$35.25 million would be paid from gift funds and reserve funds. She added that the first portion of the project to clear the parking lot and work on utilities came in 2.5% below the lowest estimate. She indicated her hope that the construction bid would do the same.

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

Mr. Hessing asked for more information regarding the funds that would be used to pay the difference between the \$33.25 million and \$35.25 million. Dr. Fowlé responded that with the new food service contract MSU received a \$400,000 lump sum bonus and these funds could be used. She noted that approximately \$500,000 in HEAF could be used for sidewalks and roads in the area, and Housing Reserves could likely provide an additional \$200,000. She added that Dr. Farrell was working on possible gifts for as much as \$1 million and Dr. Rogers had indicated the possibility of another \$500,000. Dr. Lamb added that owing to the timing of the first year's payment it would likely be \$500,000 less than what is currently planned. Mr. Hessing asked when the bids would be opened. Dr. Fowlé responded that they would be opened in mid-June. Mr. Hessing asked that the board be kept up-to-date on developments with this project.



Dr. Givens asked about the structure of the contract. Dr. Fowlé responded that it was a Guaranteed Maximum Price (GMP) contract. Dr. Givens asked about the penalty if the contractor does not complete the project by the required date. Mr. Owen responded that the penalty is \$30,000 per day. Dr. Givens asked about bad weather or other legitimate reasons that might keep the contractor from finishing the work on time. Mr. Owen responded that the contract includes the normal amount of weather days for the year. He added that if there are additional severe weather days, the contract allows the contractor to extend the completion date of the project. Mr. Hessing asked if this would change the price. Mr. Owen responded that if there were extra days beyond the bad weather days the university could negotiate to buy the days back if the contractor agreed. Dr. Givens asked what would happen if a catastrophic act caused the building to be destroyed during the construction process. Mr. Owen responded that the university maintains Builder's Risk insurance through the State Office of Risk Management and the insurance would cover the cost over \$100,000 if something like that should happen. He noted that such a catastrophic event would definitely adversely affect the schedule. Dr. Givens asked if it would affect the cost. Mr. Owen responded that in his opinion it would not, owing to the insurance coverage.

There being no further discussion the motion was approved.

#### Student Housing - Master Lease with Mustangs Village

15-115. Mr. Hessing reported that the administration was recommending approval of a master lease with Mustangs Village for the fall 2015 and spring 2016 semesters. He asked Dr. Lamb to discuss this item with the board. Dr. Lamb noted that MSU is building more housing owing to the demand for housing beyond the current capacity. He reported that the university was at 112% capacity in the fall of 2014 and entered into a master lease with the off-campus complex, Mustangs Village, to house 214 students. The university anticipates 119% capacity in the fall of 2015. He stated that the administration was requesting authorization to enter into a similar master lease with Mustangs Village in FY 16 for 249 beds. He noted that the 2015 master lease did not require board approval because it was less than \$1 million. Mr. Crosnoe asked about the location of Mustangs Village. Dr. Lamb responded that it was off of Southwest Parkway and west of the Family YMCA. He added that the Mustangs Bus Route, operated by the City of Wichita Falls, provides service to students living in Mustangs Village. Mr. Gregg asked how these facilities compare with the on-campus apartments. Mr. Lamb stated that they were very similar in floor plan to Sunwatcher Village and Sundance Courts. He added that the club house is a little nicer than what the university provides on campus and they also have a swimming pool. He reported that the complex was built as privatized student housing with the idea that MSU students primarily would reside there.

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

Mr. Bryant asked if upperclassmen would reside in the off-campus apartments. Mr. Parks responded that Mustangs Village would be used primarily for returning students, to include sophomores, juniors, and seniors. Dr. Lamb added that the housing shortage is driven by the number of incoming freshmen, but it is compounded by housing retention rates being higher than in the past. He stated that 65% of the students who lived in campus housing last year requested to return. Mr. Bernhardt asked if the



university would be locked into the contract if the number of students needing housing went down. Dr. Lamb responded that the university would be locked into the contract and added that all 249 beds are already filled. Mrs. Burks asked if there might be a surplus in the amount of money the university charges the students and the amount paid to Mustangs Village. Mr. Park responded that it would be very close to break even. Mr. Brown asked if any freshmen would be placed in the off-campus apartments. Mr. Park responded that all 249 beds are currently assigned to returning students. He added that he could not say with 100% certainty that no freshman student would be placed there owing to last minute cancellations and requests during the summer. However, the intent is to use Mustangs Village for returning students only.

There being no further discussion the motion was approved.

#### Parking Plan – 2015-2016

15-116. Mr. Hessing noted that the administration's recommended parking plan for FY 2016 was presented in the agenda. He asked Dr. Rogers and Dr. Lamb to present information concerning this plan. Dr. Rogers reported that Dr. Lamb and his staff had worked on this plan for more than a year and that he thought it was a good plan for the university. Dr. Lamb reported that the closure of Lot #14 (between McCullough-Trigg Hall and the Fain Fine Arts Building) next year for the new student housing project, would result in 220 fewer parking spaces. He reviewed the proposal presented in the agenda and showed a map of what parking would look like if the proposal is approved (see Attachment 3).

Dr. Lamb reported that the proposed plan largely follows recommendations made by the university's parking consultants. They recommended the elimination of the dual-zoned or dual-purposed lots and the proposed plan does so. The consultants also recommended target ratios as shown in the agenda. He noted that the plan helps move the ratios in the direction of those targets.

Dr. Lamb reviewed the recommendations presented in the agenda to include expanding parking lot #6S to the south. He noted that this would add 269 spaces and overall parking spaces on campus in the fall 2015 would increase beyond what is available at the present time. The remaining recommendations changed some of the designations of lots for resident, commuter, and reserved parking. He indicated that the faculty and staff would not see any changes to reserved parking for FY 2016. He noted that Lot 19, for example, is currently dual zoned and will now be resident parking; Lot 4 is currently dual zoned and will now be commuter parking; and Lots 13 and 6N are currently commuter parking and will be changed to resident parking. Lot 6S is currently dual zoned and will become commuter parking. He reported that the plan moves resident parking to the lots nearest the student living core. Dr. Lamb noted that this parking solution continues to include the no-decal parking that is available at the churches across Taft Boulevard.

Mr. Crosnoe asked why the commuter ratio was so low since commuter students would be most likely to drive to campus. Dr. Lamb responded that the ratio is lower since their classes are spread out throughout the day and throughout the week.

Mr. Gregg asked if a possible football stadium could still fit in the area west of the Ligon Coliseum with the proposed addition to Lot 6S. Dr. Lamb responded that the lot expansion would be asphalt rather than concrete. He noted that it could be easily removed if a football stadium is built there. He added that the master plan includes a parking lot for the football stadium and it was possible some of the plans could be shifted slightly.

Mr. Sanchez asked if a parking garage in the future was still being considered. Dr. Lamb responded that the decision regarding a parking garage would be contingent on whether the legislature funds a new health sciences and human services building and where the building is placed. He noted that if funding is received and it is placed in Lot 6N, a parking garage would most likely be necessary.

Mrs. Marks asked Dr. Lamb if he could foresee a time when the university would not utilize the church parking lots. Dr. Lamb stated that he did not see it in the near term and noted that it would not happen unless a significant amount of campus parking was added. Mrs. Marks asked about the university's relationship with the churches. Dr. Lamb responded that he has had discussions with the two churches with the larger lots and they are very comfortable with the arrangement. He noted that the challenge for the university is on the days when the churches have activities and close their lots to student parking. While that is a rare occurrence, a longer term parking solution on campus will probably be necessary at some point in the future.

Mr. Brown asked if there would be an increase in parking fees in the upcoming year. Dr. Lamb indicated that there was not a recommended increase for FY 16.

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

Mr. Hessing asked about the timetable for considering the next phase of the parking plan. Dr. Lamb responded that if the Tuition Revenue Bond (TRB) request is funded the administration will need to begin discussing the size, location, and the effect on parking immediately. Mr. Hessing asked how quickly a parking garage could be built and how would it be paid for. Dr. Lamb responded that it would have to be paid from student fees. He added that when Dr. Rogers visited with Student Government in the fall they took an informal vote and 79 out of 80 senators present supported a significant increase in parking fees to build a garage. Dr. Lamb deferred the question on building time to Dr. Fowlé and Mr. Owen. Dr. Fowlé responded that planning for the new academic building would take at least one and one-half years and that would provide time for developing the best parking plan. She added that a parking garage can be built much more quickly than an academic building. Mr. Owen estimated the construction of a garage would take approximately nine months, depending on how many levels are in the building.

Mr. Sanchez asked if there would be adequate parking for students in the fall of 2016 when the new residence hall opens. Dr. Lamb responded that it would be very tight but the administration's analysis shows that there will be adequate parking. He noted that while the university will add 500 beds, enrollment is not expected to increase by 500 students. Much of that number will be students moving back to the campus. It is anticipated that while residential parking will increase, commuter parking will decrease

slightly. Some adjustments may need to be made to lot designations to accommodate the shift in parking needs.

Dr. Rogers stated that the administration was not asking the board to make a decision today that would get in the way of potential solutions in the future. Mr. Hessing asked about the source of funds for the expansion of parking lot 6S. Dr. Fowlé responded that HEAF reserves would be used.

There being no further discussion the motion was approved.

#### Holiday Schedules for Staff Employees – 2015-2016

15-117. Mr. Hessing noted that the proposed holiday schedules for MSU staff employees for the 2015-2016 fiscal year were recommended for approval as presented in the agenda. Ms. Dawn Fisher, Director of Human Resources, reported that the state allows between 13 and 17 paid holidays each year. During FY 16 state employees are allowed 14 holidays. She stated that the proposed schedules align with the approved academic calendar.

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

#### Wichita Falls Museum of Art at Midwestern State University Mission Statement

15-118. Mr. Hessing noted that the administration was recommending the Museum's Mission Statement as shown in the agenda document. Dr. Rogers noted that the Museum was still working on the accreditation process and the approval of the mission was a part of the process.

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

Mr. Crosnoe commented that when he read the proposed statement he thought it seemed to be more a statement of fact rather than a mission statement. Dr. Rogers responded that he could see slight wording changes that would make it appear less like a statement of fact. Mr. Crosnoe stated that that was the thrust of his comment. Mrs. Marks noted that the intent of the Museum Advisory Board was that the statement be as general as possible. She indicated her belief that this statement would work well for the museum. Mr. Crosnoe indicated his appreciation for the hours that had gone into developing the statement and agreed it should be adopted.

There being no further discussion the motion was approved.

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

15-119. Mr. Hessing stated that the administration recommended the ratification of the accession of artworks shown in the agenda. Dr. Rogers added that this approval process is a requirement of the accrediting body. He noted that the staff is catching up on past accessions. Mrs. Marks noted that the list included information regarding how each piece was purchased. She stated that regents have an opportunity to be a part of the Collector's Circle. She indicated that this is a group of interested people who look at the art and determine what will be purchased.



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

Dr. Givens asked what it costs to put a new piece of artwork in the collection. He noted that through his service on another state board he had learned quite a bit about archiving during the last couple of years. He indicated his assumption that the pieces are kept in storage and asked for a dollar figure to quantify the cost of adding pieces to the collection. He indicated that a report by the August meeting would be appreciated.

There being no further discussion, the motion was approved.

Adjournment

The Executive Committee discussion concluded at 11:20 a.m.

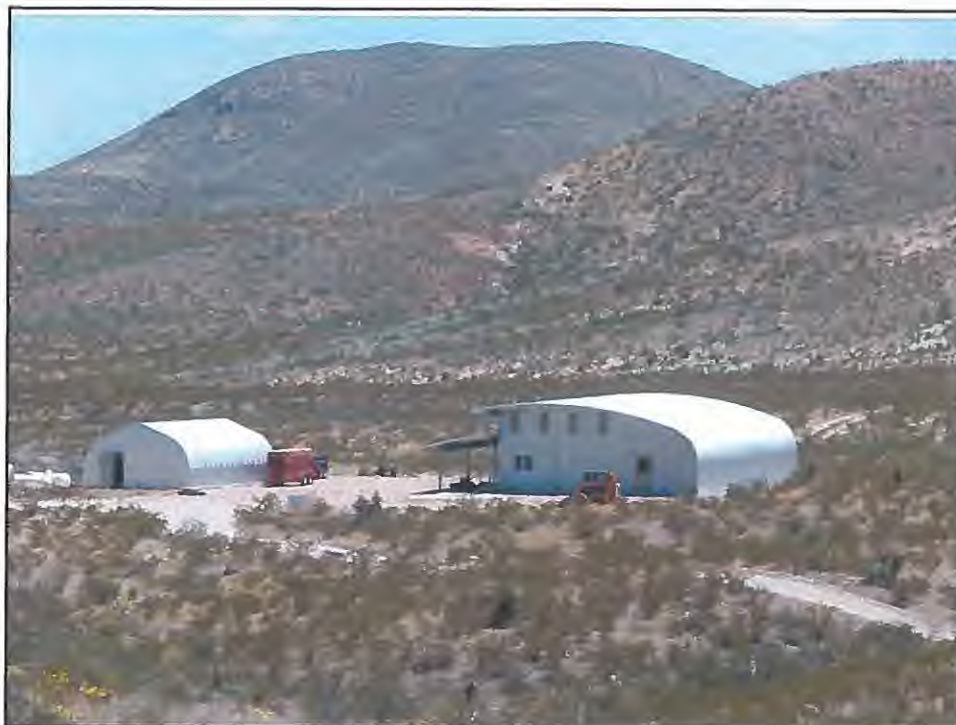
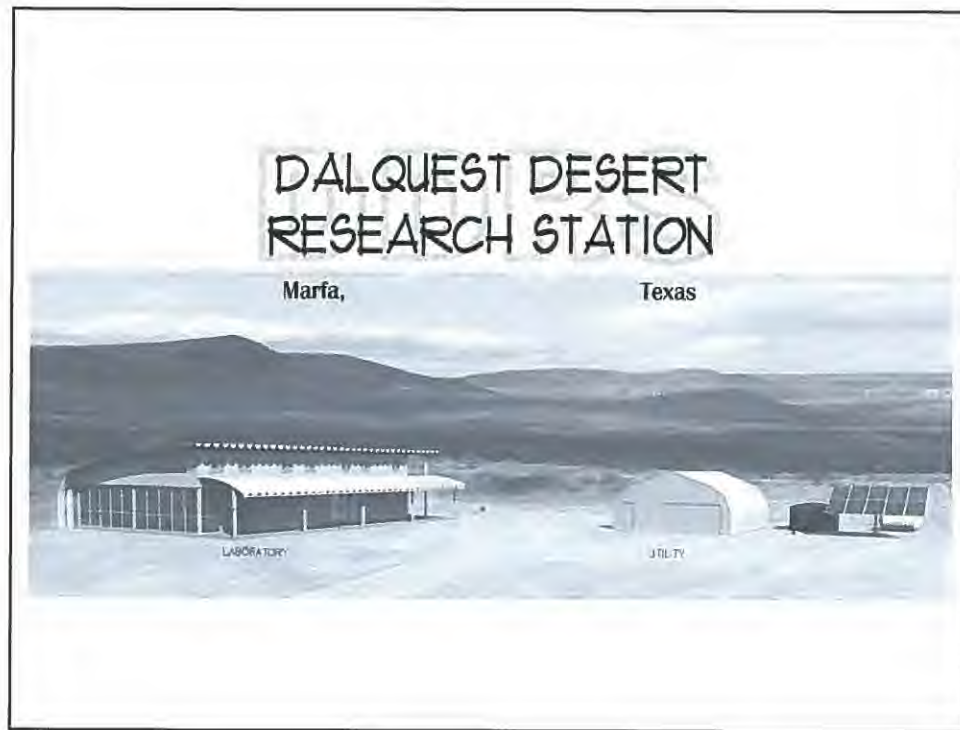
Reviewed for submission:

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

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

ATTACHMENTS:

1. Construction Update - Project Photographs
2. Updated MP 1
3. Parking Map -- with approved recommendations







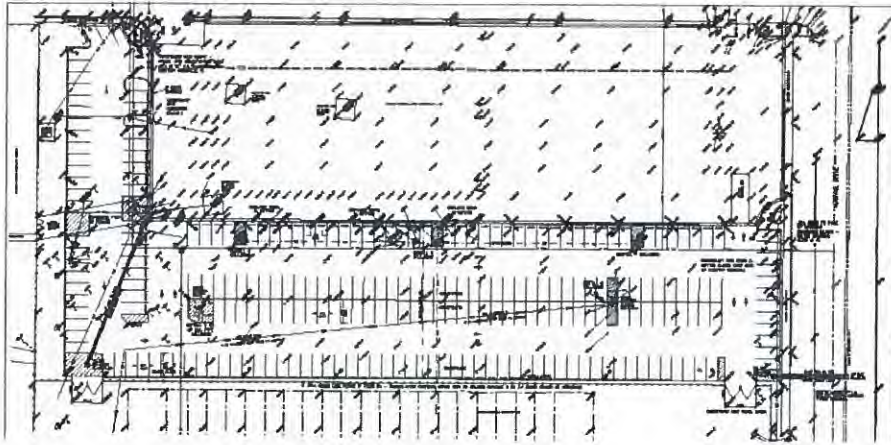




## STUDENT HOUSING PROJECT

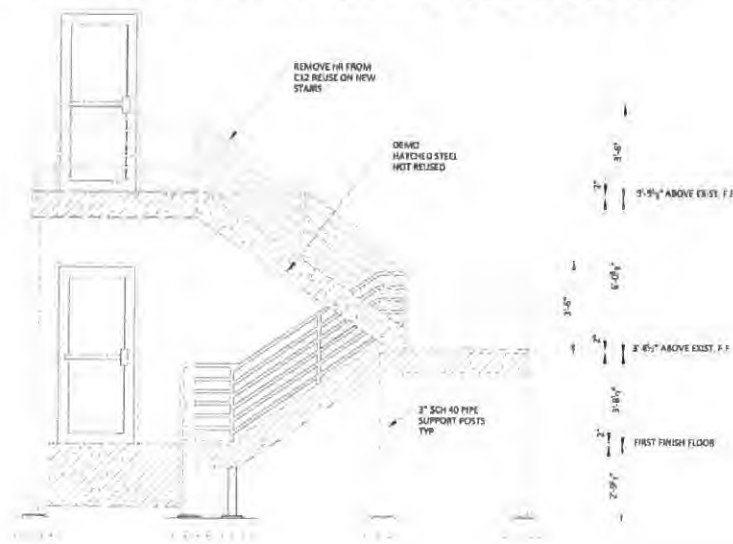


## PARKING LOT 6S EXPANSION







## PYBO STAIR REPLACEMENT





**Midwestern State University  
Capital Projects - MP 1  
Fiscal Years 2016-2020  
Item 15-110**

<b><u>Project Name</u></b>	<b><u>Priority</u></b>	<b><u>Project Cost</u></b>	<b><u>Sources</u></b>
Academic Infrastructure Revitalization	1	\$73,000,000	Tuition Revenue Bonds (TRB), Higher Education Assistance Funds (HEAF), & Private Funds
New Student Residence Hall	2	\$33,250,000	Housing Student Rental Income
Mass Communications Expansion to Fain Fine Arts	3	\$5,000,000	HEAF or Endowment Fund Earnings
Parking Facilities	4	\$15,000,000	Parking Fees & HEAF
Drought Tolerant Athletic Fields	5	\$5,500,000	Student Fee
New Facilities Services & Purchasing Building	6	\$3,000,000	Student Fee & HEAF
Daniel Building Food Services Renovation	7	\$7,000,000	Student Fee & Food Services Revenue
Campus Landscape Improvements	8	\$2,000,000	Private Funds & HEAF
Hardin Building Infrastructure Renovation	9	\$10,000,000	HEAF
West Campus Annex Facilities Renovation	10	\$2,000,000	Private Funds & HEAF
University Police Station	11	\$1,000,000	HEAF Bond
On-Campus Football Stadium	12	\$22,000,000	Private Funds & Student Fee
<b>Total</b>		<b>\$178,750,000</b>	
Projects <\$1 MM not reported to THECB.			

 Commuter Parking  
 Resident Parking  
 Reserved Parking





**MINUTES**  
**MIDWESTERN STATE UNIVERSITY**  
**BOARD OF REGENTS**  
**Academic and Student Affairs Committee**  
**May 14, 2015**

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 11:20 a.m., Thursday, May 14, 2015. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman, Mr. Kenny Bryant, Ms. Tiffany Burks, and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Shawn Hessing, Ms. Nancy Marks, and Student Regent Jesse Brown.

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 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 McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Dr. Kristen Garrison, Writing Program Administrator; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; 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. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Reading and Approval of Minutes

15-120. The minutes of the Academic and Student Affairs Committee meeting February 12 2015, were approved by the committee as presented.

Faculty Report

15-121. Dr. David Carlston, Chairman of the MSU Faculty Senate, reported on the following.

- A. Dr. Carlston reported that he was recently re-elected as chair of the Faculty Senate for the 2015-2016 academic year and would continue to represent the faculty at board meetings.
- B. He reported that the Senate experienced a great deal of collaboration this year. He noted that Dr. Fowlé shared more information regarding the budget and the university's financial situation than had ever been made available to the faculty. He stated that this had been a point of concern from a faculty perspective and her openness was very much appreciated. He noted that the faculty also worked closely with Dr. Stewart and appreciated her collaboration. He reported that the university

openness was very much appreciated. He noted that the faculty also worked closely with Dr. Stewart and appreciated her collaboration. He reported that the university is offering two core curricula at the same time and the faculty was supportive of the recommended addition of five lecturer positions in the FY 16 budget to address this concern. He added that faculty have continued to work closely with Dr. Farrell in terms of being involved in and expressing appreciation to donors.

- C. Dr. Carlson stated that faculty are very pleased with the work being done with the Freshman First-Year Experience.
- D. He noted that the faculty worked together with the Texas Association of College Teachers and the Texas Council of Faculty Senates in terms of their work with the legislation regarding guns on campus.
- E. Dr. Carlston commended Dr. Deborah Garrison for the great job she has done with the Celebration of Scholarship on campus. He reported that the 2015 program included 90 student presentations and 20 faculty presentations. He noted that this is an excellent opportunity for faculty and students to work together in professional roles.
- F. Dr. Carlston presented information regarding the primary concerns of the faculty regarding the outsourcing of the physical plant functions of the university (see Attachment 1). He indicated that he would be pleased to answer any questions the regents might have when they discuss this matter further later in the agenda. He indicated his belief that the overarching concerns were in regard to timing, both in terms of the speed of the decision and in terms of the transition to a new president, as well as the loss of control over campus personnel and campus security.
- G. He reported that Dr. Terry Griffin, Assistant Professor of Computer Science, partnered with a local physician, Dr. Jed Grisel, and won the IDEA Wichita Falls competition with an Auditory Implant Initiative. This will track the effectiveness and management of cochlear implants. He added that Dr. Jeff Stambaugh, Associate Professor of Management, Marketing, and Legal Studies, and some of his colleagues recently received a Shultz Award, which is a national award recognizing entrepreneurial endeavors.

Dr. Carlston then introduced Dr. Kristen Garrison, Assistant Professor of English and Writing Program Administrator at MSU. He noted that Dr. Garrison received the Faculty Award in December and that she was a huge asset to the university.

Dr. Garrison thanked the board for the opportunity to meet with them. She stated that she has a bachelor's degree in English and two master's degrees from the University of Kansas, and a Ph.D. in Rhetoric from Texas Woman's University. She reported that she began at MSU as an adjunct instructor and was hired as the Writing Program Administrator (WPA) after earning her Ph.D. In this role she is in charge of overseeing and supporting all efforts directed toward writing on campus. She noted that she

continues to see students entering MSU who are not always prepared to do university-level work. She added that this is not for a lack of effort on the student's part or on the part of high school teachers. She gave an example of the majority of students in one of her freshman English courses last year not being sure what a verb was. She stated that while she had no doubt that these students were taught about verbs, students today need more information about why they need to know what a verb is.

Dr. Garrison stated that as the new core is developed and the responsibility for writing is dispersed across all of the academic disciplines her job as the WPA is to give faculty the support and training they need to be able to work effectively with students. She reported that one of her tasks is to continue to offer workshops for faculty. She noted that faculty outside of the English department sometimes lack the strategies for efficient writing or essay grading management. She indicated that through these workshops she works to help faculty feel comfortable and ready to take on these challenges.

Dr. Garrison reported that one of the most cost effective and powerful ways to support students' efforts to develop as writers is to make certain the institution has a robust Writing Center. She noted that MSU has had a Writing Center for five years and the center conducts 375-400 tutoring sessions every semester. She added that the center has a 40% return rate which is very good considering many students come to the center one time for help with an assigned essay. Student tutors work in the Writing Center; they are highly committed and successful students. In addition to their work in the Writing Center they also have an opportunity to participate in professional conferences. She reported that this experience was very beneficial for one of the Writing Center's tutors as she was hired recently as tutoring coordinator for Vernon College.

Dr. Garrison noted that in addition to her work as Writing Program Administration and with the Writing Center, she teaches, serves on university committees, and has a family. Her husband Steve is chair of the MSU Political Science Department and they have two daughters, ages 10 and 12.

Dr. Garrison stated that working at MSU is an amazing experience and that she was proud to be a part of the mission of the university. She thanked the board for the opportunity to visit with them.

Mrs. Marks asked how many students take advantage of the Writing Center. Dr. Garrison responded that approximately 150-175 students come to the center each semester. She stated that national data indicates that use of the Writing Center by 10% of the student population is outstanding. She added the current space would not be adequate to handle those numbers. Mrs. Marks asked where the center is located. Dr. Garrison responded that the Writing Center is currently located in Bea Wood Hall, above the Housing Office. She added that a classroom in Prothro-Yeager Hall is currently being renovated to provide more space. Mrs. Marks asked if the faculty take advantage of the workshops that are offered. Dr. Garrison responded that they do.



Mr. Hessing commented on the importance of verbal and written communication skills for university students. He asked Dr. Garrison how this is communicated to faculty. Dr. Garrison responded that information is regularly sent to the faculty about the Writing Center. She added that while faculty understand the importance of communication, Writing Centers are at times seen as a site for remediation and students have a difficult time asking for help. Mr. Sanchez asked if students learn about the Writing Center during the orientation process. Mr. Park responded that while Dr. Stewart has time with all of the students at orientation to discuss a number of academic areas, there are plans to focus specific time to the Writing Center. Mr. Brown asked Dr. Garrison if she thought the current location was a detriment. Dr. Garrison responded that the current location is in a corner of the building but that the new location would be more visible and in a more central location.

Dr. Givens expressed appreciation to Dr. Carlston for his report and service to the university. He thanked Dr. Garrison for her presentation and the fine work she does at MSU.

#### Staff Report

15-122.Mr. Dirk Welch, Chairman of the MSU Staff Senate, reported on the following.

- A. The Senate launched a Staff Satisfaction Survey in February and is putting together a findings report. This report will be distributed to the Board of Regents, the administration, and others.
- B. Three excellent speakers have visited with the Staff Senate since the board last met. Dr. Fowlé, Dr. Lamb, and Dr. Rogers provided the Senate with a wealth of information regarding matters such as the Higher Education Assistance Fund (HEAF), Hazlewood, the state of the budget, tuition and fees, the Tuition Revenue Bond (TRB) request, parking, the Education Incentive Plans for faculty and staff, and the consideration being given to the outsourcing of staff.
- C. With regards to the possible outsourcing of staff, the Staff Senate wanted to inform the board of concerns that had been expressed by staff members who would be directly affected by this change. Mr. Welch reported that staff members are anxious and worried about the possibility of their jobs being outsourced or privatized. He noted that Dr. Rogers met with the Staff Senate and approximately 40 other employees attended the meeting to express their concerns. He stated that Dr. Rogers did a wonderful job of listening and sharing information. He noted that it was clear how proud these individuals are to work at MSU and how loyal they are to the institution. He indicated that some employees are considering leaving MSU because of the consideration being given to outsourcing. He stated that morale is low and many employees feel betrayed by the institution. He noted that employees have questions about their benefits and retirement, and wonder if they would still be considered a part of the MSU family if this change takes place. Mr. Welch stated that the Staff Senate felt it was important that he share some of the comments they had heard since the discussion regarding outsourcing began.

Dr. Givens thanked Mr. Welch for his report.

#### Athletics Report

15-123.Mr. Charlie Carr, Director of Athletics, presented the following athletics program update.

- A. Lone Star Conference (LSC) – With the addition of Western New Mexico University (WNMU), as reported by Dr. Rogers earlier in the meeting, some of the weak areas of the conference are solidified and football scheduling will particularly be helped. He added that WNMU teams are competitive and will fill a void in the conference. He reported that the search for a new LSC Commissioner is underway and the position will hopefully be filled by the middle of the summer.
- B. Student Athlete Awards Banquet – The Marie Morgan Award is presented to the most outstanding student athletes each year. The 2015 recipients were Ms. Ashley Flores, Cross Country/Track; Mr. Derek Oland, Men's Golf; and Mr. Mark Strange, Football. He added that three student athletes received Outstanding Student of the Year awards from their academic departments. These athletes were Ms. Ashley Flores (Sociology); Mr. Kacper Boborykin (Finance); and Ms. Madeline Schorlemme (Psychology).
- C. Spring Sports – The women's tennis team is playing in Arizona and advanced to the final eight. Additionally, the women's golf team won their first LSC championship. Senior leader Brenna Moore qualified for nationals. He reported that at that time she was one stroke from the lead in the second of four rounds at the NCAA Division II Championship in Michigan.
- D. Director's Cup – MSU will finish in the top 50 of the NCAA Division II Director's Cup.
- E. LSC Report on Operating Budgets - A report recently issued comparing operating budgets at LSC schools showed MSU's funding for nine of the thirteen sports was the lowest in the conference. He indicated that while he was not complaining, he wanted to highlight that the department continues to be successful with limited resources.

Dr. Givens thanked Mr. Carr for his report.

#### Recess

The Academic and Student Affairs Committee meeting went into recess at 12 noon and resumed at 1:05 p.m. Ms. Rebecca Stogner, Student Government Association (SGA) President, joined the meeting at this time.

#### Student Government Report

15-124. Dr. Givens stated that the Student Government report would be given by outgoing SGA President Rebecca Stogner. Ms. Stogner thanked the board for the opportunity to serve

on the Presidential Search Advisory Committee. She noted that she learned a great deal from the experience. She then reported on the following SGA activities this year.

- A. Recommended naming Mustangs Walk in honor of Dr. Rogers.
- B. Recommended expanding the hours of the Mustangs Bus Route.
- C. Worked on providing covered areas for bus stops.
- D. Passed a bill honoring long-serving student senators.
- E. Held a blood drive competing with West Texas A&M University. While MSU did not win the contest, the outcome was positive.
- F. Worked on a resolution that would request enforcement of the university's tobacco policy.

Ms. Stogner announced that Jesse Brown was elected SGA president for the 2015-2016 year. Dr. Givens asked Ms. Stogner to tell the board about her future plans. She reported that she took the LSAT in February and would be applying to law schools during the summer. She stated that she would graduate from MSU in May 2016.

Dr. Givens thanked Ms. Stogner for her service and wished her well in the future endeavors.

#### Student Initiated Naming Opportunity

15-125. Dr. Givens noted that the agenda contained a copy of a resolution that was passed unanimously by the MSU Student Senate to rename the current Mustangs Walk the "Jesse W. Rogers Promenade." Dr. Lamb reported that the Student Senate wanted to do something to honor Dr. Rogers and his 48 years of service to MSU. The students studied a number of possible naming options and agreed on this recommendation.

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

#### Naming Opportunity

15-126. Dr. Givens asked Dr. Rogers to discuss another naming opportunity presented in the agenda. Dr. Rogers reported that the board previously authorized the naming of the "Kimbell School of Geosciences" in recognition of a significant contribution made by the Kimbell family. The university also received a significant gift from Mrs. Robert L. Bolin to support the petroleum geology program, which is part of geosciences. Dr. Rogers reported that the Bolin funds were used to hire Dr. Scott Meddaugh and he worked to develop the master's program in petroleum geology. Dr. Rogers stated that in recognition of the generous donations to the university by Mrs. Bolin, the administration recommended ratification of the naming of the graduate program in geosciences, the "Robert L. Bolin Graduate School of Petroleum Geology."

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

#### May 2015 Graduating Class

15-127. Dr. Givens reported that the administration recommended approval of the candidates for May 2015 graduation as presented in the agenda. He noted that 655 students were on the list. Mrs. Burks moved approval of these candidates as presented. Mr. Bryant seconded the motion and it was approved.

#### Addition of a Minor in Sociology

15-128. Dr. Givens reported that the administration recommended the addition of an interdisciplinary minor, titled "Medical Sociology," as presented in the agenda. He asked Dr. Stewart to comment on this item. Dr. Stewart noted that this was another example of giving MSU students the opportunity to be more successful in their careers. She reported that this minor would target specifically health sciences students who might have an interest in sociology. She noted that the definition of Medical Sociology is "the study of healthcare as it is institutionalized in a society and of health or illness and its relationship to social factors." She stated that there are students who need to earn a certain number of points before they can be admitted into MSU health sciences programs. These students are always looking for additional courses and options. This minor will also help students to be competitive in the job market upon graduation.

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

#### Addition of a Computed Tomography Certificate Program

15-129. Dr. Givens noted that the administration recommended the addition of this new certificate program as outlined in the agenda. Dr. Stewart stated that Computed Tomography is known by the public as a CT scan. The university has the faculty with the expertise to teach the courses necessary to offer this certificate program. This training will help graduates to be more marketable.

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

#### Housing and Dining Service Rates

15-130. Dr. Givens reported that the proposed housing and dining service rates for 2015-2016 were presented in the agenda. He asked Dr. Lamb to comment on this recommendation. Dr. Lamb reviewed the proposed increases. He noted that the proposed rate increases for Pierce, Killingsworth, and McCullough-Trigg Halls were planned increases. He added that the recommendations reflected the administration's effort to balance the rates of Sunwatcher Village and Sundance Court since they are similar facilities. Dr. Lamb reported that the revenue from the housing system as a whole would be used to pay the debt service on the new residence hall. He noted that in comparing MSU's proposed housing rates to the current rates of 12 institutions in Texas, the cost of Pierce and



Killingsworth Halls ranked MSU at 10 out of 13. When comparing McCullough-Trigg Hall rates to comparable housing, MSU's rates rank 11 out of 13.

Dr. Lamb then reviewed the proposed board rates. He noted that the new dining service vendor would begin work the following week. They will offer an expanded dining service program with more national brands and flexibility for students. He indicated that these additional services would be offered with very little increase in cost. He reported that the new plan offers an all-access meal plan, which provides a student with unlimited access to the dining facilities. He noted that the highest level plan offered in the current year was a 19-meal per week plan. He added that the increased cost to the student for this plan was only 1.59%.

Dr. Lamb reported that in considering housing and dining rates in total, and comparing MSU costs to those at 12 other institutions, the cost of MSU freshmen residence halls with an unlimited meal plan would still rank MSU at 12 out of 13 institutions.

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

Mr. Gregg expressed concern regarding the lack of cleanliness in Sunwatcher Village. He stated that the university needed to do a better job of maintaining this facility. Dr. Lamb responded that he would follow up on this matter.

There being no further discussion the motion was approved.

#### MSU Policies and Procedures Manual Change

15-131. Dr. Givens noted that a new Faculty Education Incentive Program policy was recommended for approval as shown in the agenda. He asked Dr. Rogers to provide information regarding this policy. Dr. Rogers noted that the administration had been asked by faculty to consider a policy that would provide funding for faculty wanting to take a professional development course on campus for credit. He noted that requests would have to be approved by the department head, dean, and the provost. He added that the cost would likely be paid from faculty development funds.

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

Dr. Givens asked Dr. Rogers if he expected a large number of faculty to take advantage of this program. Dr. Rogers asked Dr. Carlston to respond. Dr. Carlston responded that he would not anticipate many. He added that there would likely be few faculty situations where a faculty member would need to take a course for credit since they already have the option of auditing a course. Dr. Givens asked if this was seen as positive by the faculty. Dr. Carlston responded that it was.

There being no further discussion the motion was approved.



### Emeritus Status

15-132. Dr. Givens noted that while this item would be discussed in closed session later in the meeting, he asked Dr. Rogers to comment on the policy. Dr. Rogers reported that emeritus is an honorary title. He added that emeritus faculty may use the title in publications and correspondence, and they may also use a campus office if available. The current policy requires that the individual serve the university as a full-time faculty member for at least 10 years. He noted that the administration planned to review this policy and work with the faculty to determine whether the requirements for this honor should be elevated. Dr. Stewart reported that reviewing this policy was her next charge after completing the review of the tenure and promotion policies. She indicated that she would begin working with the Faculty Senate and a committee beginning in the fall. She reported that the highest honor a faculty member can attain is promotion to full professor. She noted that those standards would be looked at as the requirements for emeritus are considered. She asked the board to endure as the administration and faculty work through this process. Dr. Rogers added that some universities require an individual to be a full professor in order to be considered for emeritus faculty status.

### Faculty Promotions and Faculty Tenure

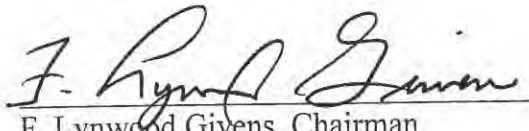
15-133& 134. Dr. Givens noted that these items would also be discussed in closed session and asked Dr. Rogers to discuss the policies. Dr. Rogers noted that a faculty member with a Ph.D. and no experience will normally be hired as an assistant professor. Faculty members are then considered for promotion to associate professor and full professor when they feel they have met the rigorous promotion criteria. The process for consideration for promotion and tenure includes review by the appropriate Department Chair, Dean, College Tenure and Promotion Committee, University Tenure and Promotion Committee, the Provost, the President, and the Board of Regents. Dr. Rogers reported that at one time the policy separated the granting of tenure from the promotion to associate professor. While there is some merit in that process it is not traditional in higher education. He stated that during the recent review of rank and tenure policies, the committee recommended and the board approved combining consideration for tenure with consideration for promotion to associate professor. Dr. Rogers noted that a faculty member without tenure is on a probationary status and can be dismissed. Tenure guarantees a faculty member due process if the institution dismisses the faculty member for cause. The policy provides that good cause includes professional incompetence; neglect of professional duties; or serious professional misconduct, such as moral turpitude, sexual harassment, or plagiarism.

Dr. Stewart reported that the faculty spent 16 months discussing the changes to the rank and tenure policy. She stated that the standards were not lowered, but they were modified to address the expectations of today's faculty. She noted the board would see a combination of the two policies during their deliberation regarding promotion and tenure later in the day; the old policy for those who opted not to be evaluated with the new standards and the new policy for those who opted to be evaluated with the new standards.

Adjournment

There being no further business, the meeting of the Academic and Student Affairs Committee adjourned at 6:31 p.m.

Reviewed for submission:

A handwritten signature in black ink, appearing to read "F. Lynwood Givens". The signature is fluid and cursive, with a horizontal line drawn underneath it.

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

ATTACHMENT:

1. Faculty Senate Outsourcing Comments
2. FY 16 Housing Rates Comparison
3. FY 16 Housing and Dining Rates Comparison

Process	Impact
<p><b>1. Singular Focus</b></p> <p>a. <u>Scope of Solutions</u> - The potential decision to outsource facilities services (i.e., maintenance, grounds, and housekeeping ) has been the only publicly discussed potential option for balancing the budget. <i>There are other cost-saving measures available to the university.</i> There have been no discussions regarding the relative impacts of these alternatives on the budget, public image, or morale.</p> <p>b. <u>Potential Partners</u> - The university has not opened this potential contract for bid, but has engaged in discussions with a single potential service provider. Although some folks on campus and individuals at other institutions have eventually come to have a stable working relationship with this potential service provider, others have not. The local public schools, which previously had a contract with this same entity, recently opted for an alternative relationship, citing cost as a primary concern. Finally, there is some concern regarding the relationship between the potential service provider and the food services provider. In short, there is concern that, <i>if outsourcing is deemed the best course of action, we are not casting our net wide enough.</i></p> <p><b>2. Internal Approaches and Planning</b></p> <p>a. <u>Internal Economizing</u> - Although any potential private firm would certainly derive financial benefit from both an economy of scale and a specialization of expertise, the magnitude of these benefits cannot be the sole source of cost savings. There are other areas of efficiency that can be identified and maximized from within the university. <i>Any savings promised through potential outsourcing must be measured against the savings that could be accrued through internal housekeeping (no pun intended) as well as non-monetary unintentional costs.</i></p> <p>b. <u>Long-term Restructuring</u> – As previously mentioned, many areas on campus can become leaner through strategic, long-term approaches. In the specific areas mentioned, a gradual replacement of retiring fulltime personnel with part-time student workers would not only reduce costs, but would increase on-campus employment.</p> <p><b>3. Timing</b></p> <p>The timing of this decision - during a presidential transition, during the summer, and at an accelerated pace - raises significant concern.</p>	<p><b>1. Significant Damage to the Public Image of the Institution</b></p> <p><i>Public perception is that the university is balancing the budget on the backs of the poorest, hardest working, and most vulnerable individuals on campus. Especially when coupled with recent portrayals of excessive spending, the perception of the university as antagonistic and self-interested is especially damning. Given the close, symbiotic nature of the relationship between the university and the community, all efforts must be made to nurture this relationship.</i></p> <p><b>2. Undermines/Sabotages the Incoming President</b></p> <p>Although it is admirable that efforts are being made to protect Dr. Shipley by addressing charged decisions prior to her arrival on campus, these efforts are having the exact opposite effect. The public misperception is that these measures are being taken because of Dr. Shipley's limited ability to fundraise. In fact, there are a vocal minority who are now questioning her overall ability to lead the university generally based upon this misperception. <i>Efforts to make this decision before her arrival on campus will not protect Dr. Shipley; rather, this and other significant decisions made during the transition will be attributed to Dr. Shipley and will undermine her ability to effectively lead the university.</i></p> <p><b>3. Significant Morale Concerns</b></p> <p>The potential decision to outsource has already had a significant negative impact on morale across campus. Both faculty and staff members have expressed a sense of betrayal and disgust. This has led to a mild, but present, paranoia among other areas that they might be next.</p> <p><b>4. Safety/Security Concerns</b></p> <p><i>As the university would lose input regarding hiring, there are considerable concerns regarding the loss of control that the university would have were the decision to outsource be made. Additionally, there are concerns regarding access to services and overall responsiveness.</i></p>

## 2015-16 MSU Housing Rates Compared to Rates at Peer Institutions

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Institution	Residence Hall Traditional: Semi-Private	Residence Hall Suite: Semi-Private	Apartment 4 bedroom unit	Apartment 2 bedroom unit
Texas State - San Marcos	\$2,895	\$2,995	N/A	\$4,030
University of Texas - Arlington	\$2,670	\$3,082	\$2,815	\$3,190
Angelo State	\$2,326	\$3,074	\$2,955	\$3,039
University of North Texas	\$2,305	\$3,050	N/A	N/A
Texas Tech	\$2,255	\$2,915	\$2,830	\$3,125
Texas A&M - Kingsville	\$2,055	\$2,266	\$3,327	\$3,533
West Texas A&M	\$2,040	\$2,360	N/A	N/A
Sam Houston	\$1,968	\$2,592	N/A	\$2,768
Texas A&M - Commerce	\$1,944	\$3,131	\$2,500	\$2,778
<b>Midwestern State University</b>	<b>\$1,935</b>	<b>\$2,085</b>	<b>\$2,830</b>	<b>\$3,160</b>
Texas Woman's University	\$1,915	N/A	N/A	\$3,675
Stephen F. Austin	\$1,895	\$2,056	\$3,409	\$3,619
Tarleton State	\$1,810	\$2,539	\$2,886	\$3,045
<b>RANK</b>	<b>10 out of 13</b>	<b>11 out of 12</b>	<b>6 out of 8</b>	<b>6 out of 11</b>



**2015-16 MSU Room + Board Rates Compared to Peer Institutions*****Traditional Residence Hall (semi-private) with All Access/Highest Meal Plan***

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<b>Institution</b>	<b>Residence Hall</b>	<b>Meal Plan</b>	<b>TOTAL</b>
University of Texas - Arlington	\$2,670	\$1,820	\$4,490
Texas Tech	\$2,255	\$1,947	\$4,202
Texas State - San Marcos	\$2,895	\$1,281	\$4,176
University of North Texas	\$2,305	\$1,742	\$4,047
Angelo State	\$2,326	\$1,625	\$3,951
Sam Houston	\$1,968	\$1,890	\$3,858
West Texas A&M	\$2,040	\$1,783	\$3,823
Texas A&M - Commerce	\$1,944	\$1,875	\$3,819
Tarleton State	\$1,810	\$1,876	\$3,686
Texas A&M - Kingsville	\$2,055	\$1,617	\$3,672
Texas Woman's University	\$1,915	\$1,670	\$3,585
<b>Midwestern State University (proposed)</b>	<b>\$1,935</b>	<b>\$1,600</b>	<b>\$3,535</b>
Stephen F. Austin	\$1,895	\$1,596	\$3,491
<b>RANK</b>	<b>12 of 13</b>		

**MINUTES  
MIDWESTERN STATE UNIVERSITY  
BOARD OF REGENTS  
Finance Committee  
May 14, 2015**

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 1:40 p.m., Thursday, May 14, 2015. Committee members in attendance were Mr. Mike Bernhardt, Chairman; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Kenny Bryant, Ms. Tiffany Burks, Mr. Shawn Hessing, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Jesse Brown.

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 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 McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matt Park, Associate Vice President for Student Affairs. 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, Director of Human Resources; 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 President Rebecca Stogner. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Chairman Bernhardt called the meeting to order at 1:40 p.m.

Reading and Approval of Minutes

15-135. The minutes of the Finance Committee meeting February 12, 2015, were approved by the committee as presented.

Summary of Financial Support 9/1/14-4/17/15

15-136. Mr. Bernhardt noted that this report was presented in the agenda and he mentioned some of the major gifts received since the last meeting of the board.

1. Mr. and Mrs. Joe Prothro contributed \$24,000 to the MSU Akin Music Series and \$20,000 to the President's Excellence Circle.
2. Mr. Gene Willingham and the E. Paul and Helen Buck Waggoner Foundation, Inc. contributed \$8,900 for the Waggoner Foundation Employee/Dependent Scholarships

and \$20,000 for the Waggoner Foundation Health Sciences Scholarships for majors in nursing, respiratory care, and radiologic sciences.

3. Ms. Terri Alexander donated the entire set of the “Great Course Series” to the Moffett Library, valued at approximately \$20,000.
4. The Gordon T. and Ellen West College of Education received \$7,500 from Dr. Paul Wooten and Mr. Michael Wooten for the Wooten-Woods Teacher Scholarship.
5. Dr. Richard Sutton contributed \$5,000 to the McCoy School of Engineering for scholarships.

Mr. Bernhardt expressed appreciation for the outstanding support received from the community, alumni, and friends. Dr. Rogers stated that he anticipated a significant number of contributions before the end of the fiscal year. Dr. Farrell added that the Phonathon had surpassed its goal by 2% and annual fund giving was at 86%.

Mr. Bernhardt reminded regents that a list of donors was in each regents’ folder and he encouraged board members to write thank you notes to the individuals they were assigned.

#### Review and Acceptance of Financial Report

- 15-137. Mr. Bernhardt reported that the administration recommended acceptance of the January, February, and March 2015 financial reports which were presented in the agenda. Dr. Fowlé noted that Schedule 1 highlighted total revenue for the institution at \$65.5 million, an increase of 5.9% compared to the same period the prior year. Increases in tuition and fees, gifts, and auxiliary enterprises comprised \$2.7 million of the \$3.7 million increase. Expenses increased by 10% compared to the previous year, from \$65.3 million to \$71.8 million. She noted that the largest increase was in depreciation of \$1.8 million. She added that the majority of the depreciation was from the \$8.5 million proprietary software donation that Dr. Scott Meddaugh discussed with the board in August, 2014. Dr. Fowlé reported that salary, wages, and benefits also increased by \$1.6 million and scholarships increased by \$1.4 million. Schedules 2 and 3 showed that revenue and expenses were tracking closely to the budget. Schedule 3 highlighted tuition and fees by semester. She noted that while the fall revenue goals were not achieved, the spring semester had produced approximately \$300,000 more than was predicted. Dr. Fowlé reported that Schedule 4 presented ending balances of the university’s working capital which totaled \$6.7 million in working capital.

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

#### Review and Acceptance of Investment Report

- 15-138. Mr. Bernhardt noted that the second quarter FY 2015 investment report was presented in the agenda. Dr. Fowlé stated that this report was provided to the board as required by



the Public Funds Investment Act (PFIA). She noted that she and Mr. Chris Stovall, Controller, attended training on the Public Funds Investment Act during the last quarter. She indicated that they would provide a report to the board in August regarding their training and would also present recommendations that may be needed following the legislative session. She commented that while she had mentioned the possibility of simplifying the investment report, changes would not be possible because the detail is required by the PFIA. The report showed that at the end of February the university held \$41 million in cash investments, plus \$4.2 million at the state treasury. The Texas A&M University System (TAMUS) held \$25.3 million of those funds which earned approximately \$250,000 in interest and dividends during the quarter. The institution kept \$11 million in Texpool and Logic, both short-term overnight investment vehicles. The balance of the funds totaling \$4.7 million was held in securities purchased before the institution contracted with the TAMUS. She reported that the agency notes were showing losses, which is the reason they had not been sold. She added that the small amount of common stock, \$70,000, was showing a \$120,000 gain since being acquired. Dr. Fowlé noted that since this report was published the university had liquidated \$2.5 million of agency notes with a loss of \$25,000.

Dr. Fowlé reported that the university's endowed funds were held at American National Bank (ANB) with \$8.8 million and, as of March 1, 2015, the TAMUS with \$11.6 million. She noted that the Redwine Endowment funds transitioned from Luther King to the TAMUS during the month of February. The funds held by ANB lost 3.1% during the quarter but had appreciated market value of 24.35% since the funds were first invested with them. Luther King's overall performance showed a market gain of \$2.5 million since inception or a 27% gain after distributions. This quarterly report showed the book value and market value of the Luther King holdings at \$11.6 million. Dr. Fowlé stated that these holdings were liquidated prior to the end of February in preparation for sending the funds to the TAMUS for a March 1 investment. She reported that for a short period of time the university was out of compliance with its endowment funds investment policy owing to the fact that the funds were not invested in the appropriate weighted asset classes.

Dr. Fowlé noted that the report included a national economic update published by the Dallas Federal Reserve Bank as of March 18, 2015. She stated that the report provided an outlook on the U.S. economy.

Mr. Gregg moved acceptance of the investment report as presented. Mr. Crosnoe seconded the motion.

Mr. Sanchez asked how much the university lost when the Redwine Funds were in transition between Luther King and the TAMUS. Dr. Fowlé responded that the principal remained the same, although there were no earnings during that time.

There being no further discussion the motion was approved.



### Mustangs Guarantee Program

15-139. Mr. Bernhardt asked Dr. Lamb to discuss the Mustangs Guarantee program and the changes recommended. Dr. Lamb reported that the Mustangs Guarantee program is a program for low income students. The program provides that a new undergraduate student whose family's adjusted gross income is \$50,000 or less, and who is eligible for the federal Pell grant, is guaranteed that the program will cover the total cost of tuition and fees not covered by scholarships and grants. The recommended changes clean up the language and make it easier to read and understand. Additionally, the substantive modification to the program changes the cumulative grade point average requirement for continuing in the program from 2.5 to 2.0. He noted that this recommendation would bring the required grade point average in line with MSU's Satisfactory Academic Progress requirements.

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

Mrs. Marks asked how many students typically take advantage of this program. Dr. Lamb noted that he did not have that information but stated that it varies each year. He added that the cost of the program to the university ranges between \$60,000 and \$80,000 each year. Dr. Givens asked if the administration was concerned about encumbering students with a debt load, given the required grade point average and their ability to earn upon graduation. Dr. Lamb responded that the university is very concerned about student debt and added that MSU's loan default rate is very low when compared to other schools. Dr. Rogers added his concern that many students get into trouble with loans by choosing expensive educational programs and their potential income does not match the debt they incur.

Dr. Givens asked that the administration be directed to proactively work to encourage students to do things that are within their capabilities and to actively promote the interests of the students. Dr. Stewart commented that the Strategic Plan for the Texas Higher Education Coordinating Board for the next 15 years addresses the debt issue for students. She added that Dr. Rogers would speak about the plan at Friday's meeting. Mr. Gregg added that the loan application for a federal student loan requires a student to go through a counseling course. He noted that this is a federal requirement.

Mr. Crosnoe asked if the change from a 2.5 to a 2.0 grade point average represented a change in university philosophy. Dr. Lamb noted that students in this program are in a lower-socio-economic category. Research shows a relationship between socio-economic status and college preparedness. The administration was concerned that the requirement for this program of a 2.5 grade point average was higher than MSU's Satisfactory Academic Progress requirement of a 2.0. Mr. Sanchez indicated his understanding that if a student was participating in the Mustangs Guarantee Program he could earn a 2.0 and remain in school but his funding assistance through this program would be lost. Dr. Lamb responded affirmatively and indicated the recommendation would marry the two standards.

There being no further discussion the motion was approved.

#### FY 2014-2015 Items \$50,000 & Under

- 15-140. Mr. Bernhardt reported that one budget transfer was made to cover the cost of accommodations for students through the Office of Disability Support Services. Mr. Crosnoe moved the board ratify this item as presented. Mr. Gregg seconded the motion and it was approved.

#### Review of Personnel Reports and Salary/Title/Position Changes in 2014-2015 Budget

- 15-141. Mr. Bernhardt noted that the reports were presented in the agenda and asked Dr. Rogers to comment. Dr. Rogers reported that the first items related to the university hiring individuals at salaries more or less than budgeted. He noted that the Machinist Technician position in engineering was changed from full-time to three-quarter-time. With regard to the restructuring in Athletics, the vacant position of Assistant Athletic Director for Marketing, Promotions, and Public Relations would not be filled. He indicated that Mr. Carr had added to the duties of Ms. Venera Flores-Stafford, Associate Athletic Director, Senior Women's Administrator, & Business Affairs. This left a vacancy in the head volleyball coach position and a new coach was hired. He noted that the cost increased owing to this change, but it was necessary to keep the business area of athletics organized.

Dr. Givens moved the board ratify these items as presented. Mr. Crosnoe seconded the motion and it was approved.

#### Summer Budget 2015

- 15-142. Mr. Bernhardt reported that the administration was requesting additional funding for the summer school budget. Dr. Rogers reported that while Dr. Stewart had done a great job keeping costs down while teaching two core curricula, the budget for adjunct faculty, overload, and summer school was not adequate. He noted that \$193,000 was needed to offer a full summer program. He added that enrollment limits of 15 students per 1000-2000 level courses and 10 students per 3000-4000 level courses would be maintained in order to ensure cost efficiency.

Mr. Gregg recommended approval of this item as presented. Mr. Crosnoe seconded the motion.

Dr. Givens indicated that he did not understand why this additional funding was needed. Dr. Rogers explained that at the beginning of the year Dr. Stewart was given a block budget for adjunct faculty, overloads, and summer school. He noted that it was difficult for the administration to estimate how much money would be needed to offer two core curricula and the funds budgeted were not adequate. Mr. Hessing asked if his understanding was correct that during the course of the current school year the budgeted money was spent and in order to fully fund the planned summer school additional funds were needed. Dr. Rogers responded that his statement was correct. Dr. Givens asked if there was a reason the administration was not aware of this need when the FY 15 budget was developed. Dr. Stewart responded that a large number of students generally enter the university having already taken the 1000 and 2000 level core courses. During the current year a large number of students came to MSU without having taken those

courses and additional sections had to be offered. Mr. Gregg asked if there would be additional revenue to offset the \$193,000. Dr. Rogers responded that there would not be additional revenue in the current year. He noted that additional funding would be added to the FY 16 budget for this purpose.

There being no further discussion the motion carried.

#### Student Orientation Fee

15-143. Mr. Bernhardt noted that the administration had requested authorization to establish a new Student Orientation Fee as presented in the agenda. Dr. Lamb explained that as part of the university's enrollment model the administration was working to increase participation in summer orientation. He stated that new students who attend MSU currently have two choices of on-campus orientation programs: 1) they can attend a summer orientation session held between June and August at a cost of \$105; or 2) they can attend a program one or two weeks before school begins at no cost. He indicated that the current \$105 cost for summer orientation is a barrier for some students. He noted that the administration was proposing a \$75 fee for all incoming undergraduate students. This one-time fee would appear on each student's entering semester bill and financial aid could be used to pay the cost. Dr. Lamb stated that summer orientation programs were very important to the university and to the student. He indicated that the summer orientation program helps the administration predict the fall class size, connects students to the campus, allows students to register for classes early, and gives the Student Affairs staff an opportunity to work with the incoming students before the fall semester. Mr. Brown asked to confirm that this fee would not be charged to returning students. Dr. Lamb responded that the fee would not be charged to returning students. Dr. Rogers indicated his support for this recommendation. He stated that the summer orientation programs are great retention tools for the university. Mrs. Marks asked if orientation was required. Dr. Lamb responded in the affirmative.

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

Dr. Givens expressed concern with this recommendation and others included in the agenda that requested raising fees. He indicated that owing to the economy, particularly in this area of the state, he would have a hard time supporting fee increases. He stated that with the exception of a couple of years the board has approved tuition and fee increases that are higher than the salary increases seen by people living in the areas MSU serves. He indicated that he wanted the board to know that he could not support the proposed increases for this reason.

Mr. Crosnoe asked if the proposed fee was really an increase. Dr. Lamb responded that it would be an increase for students who did not participate in the summer program and a decrease for those who participated. Mr. Crosnoe asked about the overall income to the university. Dr. Lamb stated that there would be a net gain of approximately \$20,000. He added that approximately 900 of the 1,500 entering students each year currently attend the summer orientation program. Dr. Lamb noted that the summer orientation programs are more robust and include activities for the students and their



parents. Mr. Gregg asked if the administration had received any negative feedback on the proposal. Dr. Lamb responded that they had not. Mr. Park added that in looking at peer institutions the proposed fee would place MSU in the bottom 75% level when compared to other schools. He noted that approximately one-half of the institutions have a structure similar to what is proposed. Mrs. Marks asked if this fee would go into effect immediately. Dr. Lamb responded that it would go into effect for students attending the 2015 summer orientation. Mr. Park added that some of the resources would also be used to enhance the programming when the fall semester begins.

There being no further discussion, the motion was approved with Dr. Givens voting nay.

#### 2015-2016 Budget Considerations/Operational Efficiencies, Outsourcing, and Other Considerations

15-144. Mr. Bernhardt noted that the agenda called for the administration to present information related to budget planning to include operational efficiencies, outsourcing, and other budgetary considerations. Dr. Rogers reported that the administration had not received a final proposal from SSC Service Solutions with regard to the possible outsourcing of facilities services personnel. He added that the administration continues with its due diligence. He stated that he visited with the Staff Senate earlier in the week about this matter and a number of facilities services employees attended as well and shared their concerns. Dr. Rogers reported that the bid document for food service included a question regarding other possible services the company could provide. MSU selected Chartwells as its food service vendor and they are a member of Compass Group, as is SSC. The dialogue between MSU and SSC regarding facilities services outsourcing came out of this contact.

Dr. Rogers reported that the university's first obligation is to provide the best education possible for MSU students. He noted that the university needed additional faculty, equipment, and funding for research. At the same time the university campus must be maintained well. For that reason the administration agreed to look at possible options. He reported that he had visited with administrators at other universities regarding their experience with outsourcing and the response had been mixed. He stated that MSU has a tradition of the administration, faculty, and staff working well together. He noted that this camaraderie had kept the institution strong. He noted that as president he must look at possible cost savings and balance that with the effect a move such as outsourcing would have on employee morale.

Dr. Rogers commented that the administration had many unanswered questions and would need time to review the SSC proposal when it is received. He stated that the decision would likely come down to efficiency, cost, and the well-being of the MSU staff. He indicated that the administration was not planning to make a recommendation at this meeting.

Dr. Rogers mentioned that at the beginning of the legislative session he was optimistic that MSU could possibly receive additional appropriations from formula funding, incentive funding, the Higher Education Assistance Fund (HEAF), and Hazlewood



Program funding. He noted that incentive funding was not considered and funding for HEAF and Hazlewood remained undetermined. He added that any possible funding for Hazlewood would be much less than what he originally thought possible. He indicated that the administration was looking at everything that could be done to gain efficiencies within the campus operations.

Mr. Hessing stated that he agreed the SSC proposal should be considered and added his view that the process should slow down. He noted that the Board of Regents would need time to thoroughly consider the matter. He indicated that he did not want the administration or board to be in a hurry regarding something this important. He encouraged Dr. Fowlé to look at other options to address budget concerns. Dr. Rogers stated that the budget could be balanced without the outsourcing. Mr. Hessing indicated that while he understood that, the faculty, staff, and people in the community thought otherwise. He stated that it might be necessary for the board to have a special board meeting before the August meeting to discuss the budget and the issues the administration is facing. Dr. Rogers indicated that it might make sense to do that.

Mr. Sanchez indicated that he appreciated the slow down mentality but that as stewards of the university consideration needed to be given to possible money saving opportunities. He stated that he would like to get the information as quickly as possible so that the administration and board could make an informed decision. Mr. Hessing noted that he was also concerned about the timing of the decision making with the retirement of Dr. Rogers. He expressed concern that Dr. Shipley was not on campus to help with the decision-making process. Mr. Sanchez stated that he did not want the company to slow down in submitting the proposal to the administration. Mr. Hessing indicated agreement and added that the administration needed to be thorough and detailed in the examination of the proposal.

Mr. Gregg asked if current employees in the Teacher Retirement System (TRS) would be adversely affected changing from TRS to paying into social security. Dr. Fowlé responded that MSU employees in TRS also pay into social security and the change would not be a detriment from a social security point of view. Mr. Hessing stated that retirement benefits were an issue that would need to be looked at and that some type of bridge would need to be built for MSU employees so that they would not lose so much with the change. Mr. Hessing added that it was impossible to talk about the possibilities without all of the facts. He encouraged the administration to review the proposal once it is received, look at the bridges that would be needed, and bring a meaningful proposal to the board.

Dr. Rogers commented that the administration had learned a great deal through the review process. He indicated the possibility that the administration could make changes and save funds without outsourcing. Mr. Hessing responded that this was the type of option he hoped the administration would consider. Dr. Fowlé indicated that she and Budget Director Valarie Maxwell were doing their due diligence and would carefully scrutinize the proposal. Mr. Hessing noted that he was not as concerned about the black

and white of the proposal as he was concerned about issues such as bridging the employees from a retirement, health care, benefit, and morale standpoint.

Dr. Carlston mentioned some of the comments contained in the document he distributed during the Academic and Student Affairs Committee meeting. He noted that he had heard that the administration was balancing the budget on the backs of the facilities personnel. He added that the change was also being tied to the incoming president. Mr. Hessing responded that he found this troubling.

There being no further discussion regarding outsourcing, Dr. Rogers mentioned other budget matters. He reported that the university currently offers educational incentive and assistance programs for university staff and for employee dependents. He stated that the programs have grown to the point that it may be necessary to limit funding available for the programs in the FY 16 budget. Ms. Barrow noted that if funding is reduced modifications to one or both of the policies may be recommended to the board in August.

Mr. Hessing indicated his desire to have a special board meeting to review the budget prior to the August meeting. Mr. Bernhardt expressed his agreement that a workshop was needed for the board to fully understand all of the moving parts related to the budget. Board members were asked to send their schedules for the last few weeks in June to Ms. Barrow.

Mr. Bernhardt noted that this item was presented as a point of information only and no action was necessary.

#### 2015-2016 Tuition and Fee Review and Recommendations

15-144. Mr. Bernhardt reported that the administration was recommending tuition and fee changes for the upcoming fiscal year as presented in the agenda. Dr. Rogers discussed the recommendations below.

A. **Designated Tuition** – Dr. Rogers reminded the board that the university established a fixed tuition plan for all students beginning in the current fiscal year. He noted that the proposed increase in designated tuition would be charged to all incoming students in FY 16. He stated that the administration was recommending a 2.01% inflationary increase in designated tuition. The new rate would increase designated tuition from \$119.00 per semester credit hour (SCH) to \$121.40 per SCH. With this increase, new students taking 15 SCH would pay \$36 more per semester than current freshmen with the same course load. As with the current plan, this rate would be fixed for these individuals for 12 semesters (four academic years).

B. **University Services Fee** – Dr. Rogers explained that he had visited with the Student Senate regarding this fee increase. He indicated that his original proposal to the students was the establishing of a new Intramural and Athletics Facilities Fee in the amount of \$6 per SCH. The funds generated by the fee would be used to put down artificial turf fields, move fields, and address other Intramural and Athletics Facilities

needs as outlined in the agenda. He noted that students continue to request additional free play areas on campus. He stated that artificial turf fields would allow intramurals and athletics the opportunity to use the fields without worry that the fields might be damaged.

Dr. Rogers noted that after his first visit to Student Government to discuss this proposed fee, his staff indicated that since the administration had worked to combine fees it did not seem wise to add a new fee. It was recommended that the University Services Fee be increased by \$6 per SCH and that the funds generated by this increase be kept in a separate account so that income and expenditures could be tracked easily. He reported he told the students the increase would provide funds for additional intramural fields, more free play areas, as well as use of the women's softball field for intramurals once the turf field is in place. He noted that the Student Senate was supportive of this fee increase.

**C. Instructional Enhancement Fee (IEF) – Dillard College of Business**

**Administration** – Dr. Rogers stated that the IEF charged for Dillard College courses is the lowest of the six colleges as shown in the agenda. He noted that this increase would pay for the Star financial lab, which houses terminals with access to the Bloomberg financial system software, and would also pay for graduate student salaries.

Dr. Fowlé referred the board to the attachments shown in the agenda. She noted that if the recommended designated tuition and USF increases were approved a new student would pay 3.25% above what a new student would have paid in the current year. A current student would pay a 2.3% increase.

Mr. Bernhardt asked for a motion and second before moving on with discussion. Mr. Gregg moved approval of these items as presented. Mr. Crosnoe seconded the motion.

Mr. Brown asked to confirm on the record that the fields would be free play and free access for students not involved in athletics at times when athletics is not using the facilities. Dr. Rogers indicated that his statement was correct. Mr. Brown asked what would be in place to keep athletics from overstepping this stipulation in the future. Dr. Rogers responded that the arrangement would remain in place through the cooperation and integrity of the administrators involved. He indicated that this discussion would appear in the board minutes and would be a permanent record. Mr. Carr commented that the athletics department had not tried to keep people off of the fields, until the fields began to die during the drought. Mr. Brown stated that he understood that the drought forced the issue but that he wanted something on the record. He noted that his second question was regarding the outside basketball court that would be lost with the expansion of parking lot 6S. He asked if the funds generated could be used to replace the outside court. Dr. Rogers responded that if it was decided that an outside court was needed the funds could be used for that purpose. Mr. Brown then asked if there would be a maximum credit hour for the \$6 fee. Dr. Rogers responded that there would be no maximum. Mr. Brown asked if it was possible the fee could be sunset after the fields



were paid for. Dr. Fowlé responded that a turf soccer/football field would cost approximately \$1.1 or \$1.2 million and that placing turf on the softball complex would cost approximately \$500,000. The estimated life of turf fields is 10 years. She added that lights for a field would cost \$300,000. She stated that the proposed fee would generate \$620,000 per year. She explained that one soccer/football field and the softball field could be paid off in approximately three years. Funds would then be available for the next planned facilities. Mr. Hessing indicated that he would prefer that the fee continue and be designated for future improvements rather being sunset. Dr. Rogers stated that was his intent as well. Mr. Bernhardt commented that he had discussed with Dr. Fowlé the idea of keeping a line item in the budget for these funds.

Dr. Givens asked if the \$1.20 of the \$6.00 fee that would go to athletics was actually an increase to support existing athletics budgets. Dr. Fowlé responded in the affirmative.

Mr. Gregg asked if the administration's plan might change if and when the City of Wichita Falls lifts water restrictions and the drought ends. Dr. Rogers expressed his opinion that the university should move to turf fields regardless of the water issues. He added that the community and university had learned a lot from the drought and should continue conservation efforts when the drought ends. Mr. Gregg indicated that he agreed.

Ms. Stogner reported that she had reviewed the Student Senate minutes from the February 3 meeting when Dr. Rogers visited with the SGA about the proposed \$6 fee. The minutes indicated that the presentation of the fee included a cap of 12 semester hours. She indicated that the students were in favor of the fee and asked if the matter of the cap could be revisited. Dr. Fowlé responded that she did not know about a cap on the fee and it was not included in the calculations. She added that it would be complicated to have a cap on only portion of the USF since there is no cap on the USF. Dr. Rogers indicated that when he originally spoke with the students he talked with them about a new fee. He stated that when he returned to meet with the students again he explained that rather than a new fee, the increase would be added to an existing fee. He noted that 12 SCH cap was not mentioned at the second meeting. Ms. Stogner indicated that she did not think it would be a problem, but she wanted the administration and board to be aware of the discrepancy between what was originally presented to the students and the recommendation to the board. Mr. Hessing stated that if the students were supportive of the fee increase and Ms. Stogner did not perceive there being a problem, the board would consider the administration's proposal as presented. Mr. Park stated that he, Dr. Lamb, and Mr. Brown would help address any concerns students might have when they return in the fall.

Dr. Givens expressed concern that every year the board increases tuition and fees. He stated that Midwestern is not competing against Texas Tech or Texas A&M, but is competing against community colleges, on-line course offerings, and dual credit. He stated that the universities MSU compares itself to have seen a great deal of growth that Midwestern has not experienced. He stated that he understood the students voted to support this fee but indicated he could not support the proposed increases.



Mr. Hessing asked if the institution could provide a comparison of tuition and fees at MSU's sister institutions, including COPLAC members. Ms. Barrow distributed information regarding tuition and fees charged at Texas schools in the fall 2014 (see Attachment 1). Dr. Rogers noted that information regarding COPLAC institutions would be presented at Friday's meeting.

Mr. Brown indicated that he wanted to be certain there would be a line item for the \$6 per SCH increase to the USF. Dr. Fowlé affirmed that this portion of the fee would be set aside in its own account.

Dr. Rogers stated that he felt the proposed tuition and fee increases were fairly modest. He noted that the administration wanted to remain competitive while increasing enrollment. He added that from his conversations with other institutions he did not think the proposed increases would push MSU's costs up when compared with other institutions in Texas.

There being no further discussion, the motion was approved with Dr. Givens voting nay.

#### New Faculty and Staff Positions – FY 16

15-145. Mr. Bernhardt noted that the administration was recommending the addition of faculty and staff positions in the FY 16 budget. He noted that a new agenda page was previously e-mailed to the board and a copy was in each member's folder (see Attachment 2.) Dr. Stewart reported that the administration was seeking board approval to hire five full-time Lecturers. These individuals would be temporary full-time faculty with benefits. She noted that salaries for the Lecturers would be paid through additional semester credit hours generated by the courses taught by these Lecturers. Dr. Stewart explained that these positions were needed to teach 1000 and 2000 level courses while the university continues to offer two core curricula. She noted that by using full-time lecturers the administration would be able to control the quality of the instruction and offer general education courses to incoming students. She added that these would be one-year appointments and that the individuals hired may or may not be renewed depending on the university's needs and the quality of their work.

The list also included a new lab tech staff position for the engineering program as well as a new faculty position in computer science. Dr. Stewart reported that the university currently has 280 majors in mechanical engineering. The hiring of this position is required by ABET, the engineering accrediting body. She stated that the new faculty position in computer science was requested owing to the large influx of master's level computer science students.

Dr. Givens asked for more information regarding the sources of funding for these new positions, other than funding for the Lecturer positions that was already explained. Dr. Stewart reported that the engineering position would be paid from donor funds. Dr. Fowlé indicated that master's level computer science semester credit hours generate the highest weights for funding. Dr. Givens asked if there was no net increase in the budget

needs. Dr. Fowlé responded that the budget expense and income would both increase. Dr. Stewart added that the budget would gain revenue with the hiring of the Lecturers.

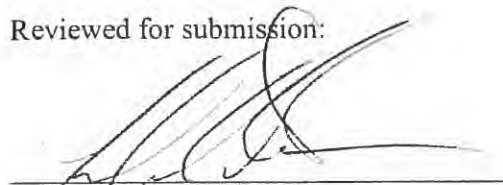
Dr. Rogers stated that the final item on the list was an additional Information Technology position that would be discussed during the Audit, Compliance, and Management Review Committee meeting.

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

Adjournment

The Finance Committee discussion concluded at 3:47 p.m.

Reviewed for submission:

A handwritten signature in black ink, appearing to read "Michael Bernhardt", is written over a horizontal line.

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

ATTACHMENTS:

1. Texas University Tuition and Fees – Fall 2014
2. Revised Finance Committee Agenda – Page 4

**Average Undergraduate Tuition and Fees  
15 Semester Credit Hours**

	<b>Fall 2014</b>
The University of Texas at Dallas	\$5,903
University of Houston	\$5,166
University of North Texas	\$5,033
The University of Texas at Austin	\$4,899
Texas A&M University at Galveston	\$4,815
Texas Tech University	\$4,804
Texas State University	\$4,750
The University of Texas at Arlington	\$4,690
Lamar University	\$4,670
Texas A&M University	\$4,621
The University of Texas at San Antonio	\$4,541
Sam Houston State University	\$4,466
Stephen F. Austin State University	\$4,386
Prairie View A&M University	\$4,319
Texas A&M University-Corpus Christi	\$4,144
Tarleton State University	\$4,054
<b>Midwestern State University</b>	<b>\$4,044</b>
Texas Southern University	\$3,938
University of North Texas at Dallas	\$3,930
Angelo State University	\$3,821
Texas Woman's University	\$3,780
Texas A&M International University	\$3,779
Texas A&M University-Kingsville	\$3,717
West Texas A&M University	\$3,681
Texas A&M University-San Antonio	\$3,657
The University of Texas at Tyler	\$3,656
University of Houston-Clear Lake	\$3,566
The University of Texas at El Paso	\$3,509
Sul Ross State University	\$3,450
The University of Texas of the Permian Basin	\$3,388
Texas A&M University-Commerce	\$3,377
University of Houston-Victoria	\$3,374
Texas A&M University-Texarkana	\$3,311
University of Houston-Downtown	\$3,307
The University of Texas-Pan American	\$3,067
The University of Texas at Brownsville	\$2,964
Texas A&M University-Central Texas	\$2,796
Sul Ross State University Rio Grande College	\$2,373
<b>Statewide Totals</b>	<b>\$3,993</b>

Source: THECB Accountability System

**C. Instructional Enhancement Fee – Dillard College of Business Administration -**

The administration will request authorization to increase the Instructional Enhancement Fee (IEF) for the Dillard College of Business Administration (DCOBA) from \$8.00 to \$14.00 per SCH. This fee will be paid only by those students enrolled in DCOBA courses. The DCOBA has the lowest IEF charge of all the colleges and has been using one-time funds to support instructional costs. The college cannot continue to rely on these one-time sources. The IEF currently generates approximately \$136,000 each year and with the increase will generate an additional \$100,000. The increase will pay for the Star financial lab, which houses terminals with access to the Bloomberg financial system software at a cost of over \$60,000 per year, and will also pay for graduate student salaries.

**New Faculty and Staff Positions – FY 16**

15-146. The administration will recommend the following faculty and staff position additions in the FY 16 budget. The final determination of positions changes will be made during the budget process.

<b>College</b>	<b>Department</b>	<b>Cost/Rank Change</b>	<b>Justification</b>
Academic Affairs	English (2), Political Science, Mass Comm, and Biology	Five new lecturer positions; salary \$40,000 each plus fringe benefits	Each lecturer would teach core courses only at 12 hours per semester. Needed to ease the burden of running two cores simultaneously
College of Science and Mathematics	McCoy School of Engineering	New lab tech staff line; salary range \$31,000-\$36,000 plus fringe benefits	ABET requirement; funded through donor funds
College of Science and Mathematics	Computer Science	New Assistant/Associate professor line for graduate classes; \$72,000 plus fringe benefits	Increase in the number graduate students
N/A	Information Technology	New Lead Technician position; \$42,300 plus fringe benefits	To provide relief and cross-training (redundancy) for the Networking Service Manager



**MINUTES**  
**MIDWESTERN STATE UNIVERSITY**  
**BOARD OF REGENTS**  
**Audit, Compliance, and Management Review Committee**  
**May 14, 2015**

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 3:55 p.m., Thursday, May 14, 2015. Committee members in attendance were Mr. Sam Sanchez, Chairman; Ms. Tiffany Burks, Mr. Jeff Gregg, and Ms. Nancy Marks. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. Kenny Bryant, Mr. R. Caven Crosnoe, Dr. Lynwood Givens, Mr. Shawn Hessing, and Student Regent Jesse Brown.

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 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 McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. 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, Director of Human Resources; 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 was President Rebecca Stogner. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Chairman Sanchez called the meeting to order at 3:55 p.m.

Reading and Approval of Minutes

15-147. The minutes of the Audit, Compliance, and Management Review Committee meeting February 12, 2015, were approved as presented.

Potential Conflict of Interest of Regent and Compliance with Ethics Commission Filing Requirements

15-148. Mr. Sanchez reported that every year members of the Board of Regents, other than the student regent, are asked to confirm their receipt of copies of state and university ethics policies and their filing of the required Personal Financial Statement with the Texas Ethics Commission. An acknowledgement form was given to each regent and they were asked to sign and return the form to Ms. Barrow at their convenience. Mr. Sanchez asked if any member of the board wished to disclose any new potential conflicts of interest in accordance with MSU Policy 2.25. There being none, no further discussion or action was required.

## Audit Activities

15-149. Mr. Sanchez reported that Mike Taylor, MSU Internal Auditor, went through the peer review process in 2014 as required by the Texas Internal Auditing Act. He noted that a report on areas where MSU partially conformed to the Texas Internal Auditing Act standards was presented in the board agenda. He added that an updated list of recommendations was presented in each regent's folder (see Attachment 1). He asked Mr. Taylor to review this information and the recommendations with the board. Mr. Taylor reviewed the list of areas of partial compliance. He noted that many of these items have been or will be addressed before the end of the fiscal year. He reported that Mr. Sanchez had asked that he recommend action that would address deficiencies in the area of internal audit. Mr. Taylor stated that there are great things happening at MSU and all of them require resources. He added that the purpose of internal audit is to reduce organizational risk and that this also requires the investment of resources. He then reviewed Attachment 1 which included an updated three-year plan for the internal audit area. In addition to the additional \$50,000 recommended for the first year of the plan, Mr. Taylor noted that in working with Mr. Macha and Dr. Rogers to address various concerns, he agreed that an additional position in Information Technology (IT) would be the best additional hiring that would help control risk in the IT area.

Mr. Sanchez asked Dr. Clark to provide information regarding the additional IT position. Dr. Clark stated that when he presented a report about technology in November, he noted that one IT employee was responsible for the security of the system. He indicated that the new position would make it possible for the training of current staff members and would eventually provide two backup employees in the area of security.

Mr. Sanchez reported that he had met with Mr. Taylor, Mr. Macha, and Mr. Hessing several times about the audit department issue. He noted that he had looked at information provided by Mr. Taylor and most universities have at least two people in the audit office. He stated that MSU has never had more than one person in the audit office. Mr. Sanchez indicated that he supported the original recommendations that were presented in the agenda document. He indicated his preference that MSU's Internal Audit Department employ two or three individuals. He added that in the Internal Audit and General Counsel areas, Mr. Taylor and Mr. Macha are given a tremendous amount of responsibility and do not have any assistance. He mentioned that in conjunction with the new IT position it was critical that Mr. Taylor receive IT training to help with auditing in this area. Mr. Sanchez added that the matter of Mr. Taylor reporting to the board and the president should be reviewed. He noted that auditors at most universities report solely to the board. Mr. Sanchez stated that he supported the recommendations in Attachment 1 as a minimum owing to the university's budget constraints.

Mr. Crosnoe indicated his belief that the motion needed to require the first year recommendations to be addressed immediately. Mr. Gregg moved approval of the recommendations in Attachment 1 with the understanding that the first year recommendations would be addressed immediately. Mrs. Marks seconded the motion.

Dr. Givens asked about the difference in the recommendations that appeared in the agenda and those presented in Attachment 1. Mr. Sanchez responded that he originally asked Mr. Taylor to recommend the best solution and that was the recommendation included in the agenda. It was determined that funds were not available and Mr. Taylor put together "Plan B" which is shown as Attachment 1. Mr. Sanchez noted that most institutions have a Director of Audit and the audit department includes an IT auditor. MSU does not have either of these positions. He added that he had learned that audit requires oversight, with one auditor doing the work and another auditor checking to be certain it is done correctly. He noted that changing to this type of structure would require additional funding. Dr. Givens asked Mr. Sanchez what should be done. Mr. Sanchez responded that his preference was the original recommendation presented in the agenda. He added that it was a difficult balance given the needs and finances of the university. Dr. Givens expressed concern that the matter was not being fully addressed. Mr. Hessing asked if Mr. Sanchez would be alright with Plan B, with the understanding that it would be monitored on an ongoing basis and that the administration and board would work toward a permanent solution. Mr. Sanchez indicated that he would be alright with the plan being recommended in the short-term. Dr. Rogers suggested that the recommended hiring of another auditor in the third year be moved to the second year (FY 17).

Mr. Hessing asked that Mr. Taylor present his audit plan in August and asked that it be a two-year plan. Mr. Sanchez added a request that he include all of the things that should be done as well as the things that will be done. Mr. Gregg asked if MSU could have another peer review in the next year rather than waiting for the required three years. Mr. Taylor responded that it could be done. Mr. Gregg noted that this would be an excellent way to look at the progress being made.

Mr. Sanchez restated the motion to approve the following action plan:

A. Immediately

1. Fund specific Information Technology (IT) training for the internal auditor
2. Outsource IT Assessment and Construction Cost Recovery audits
3. Outsource Hotline for fraud, waste, and abuse
4. Add new Lead Technician position at a salary of \$42,300 to provide relief and cross-training for the IT Network Services Manager

B. No later than FY 17

1. Fund specific IT training for internal auditor
2. Outsource Title IX and Cleary compliance audits
3. Outsource Hotline for fraud, waste, and abuse
4. Hire additional full-time staff auditor

C. No later than FY 18

1. Hire administrative assistant to share with General Counsel
2. Purchase electronic work-paper and data mining software

Mr. Gregg and Mrs. Marks agreed with the modifications to their original motion and second. The motion was approved.



MSU Policies and Procedures Manual Changes

15-150. Mr. Sanchez noted that changes to two university policies were presented in the agenda. He asked Mr. Macha to explain these recommended policy changes. Mr. Macha explained that both policy changes were the result of legislative action. He reported that changes to Policy 3.314 were required by HB 12 passed during the 83<sup>rd</sup> legislative session and deal with gift and grant donations that are used for salary supplements. He noted that requirements that must be met by the university are set forth in the policy. Changes to Policy 4.145 are also required by the Texas Government Code. He noted that the university must have agreements with any affiliated entity, such as the MSU Foundation, Inc. and the MSU Charitable Trust. The proposed policy revision includes this provision and also states the salary supplement reporting requirements.

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

Mr. Crosnoe asked if the affiliation agreements with the Foundation and the Charitable Trust had been written. Mr. Macha responded that he had drafted the agreements and would be working to get them approved by the Foundation and the Charitable Trust.


There being no further discussion the motion was approved.

Mr. Sanchez thanked Mr. Macha for his work on behalf of the university. He noted that Barry has a heavy workload and is working without any support staff. He indicated that he understood the budget constraints but encouraged the administration to find a way to get him help. Mr. Hessing expressed his agreement.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 4:25 p.m.

Reviewed for submission:



Sam Sanchez, Chairman  
Midwestern State University  
Board of Regents Audit, Compliance, and  
Management Review Committee

ATTACHMENT:

1. Revised Update on Audit and Compliance (RECOMMENDATIONS)





Office of the Internal Auditor  
3410 Taft Boulevard Wichita Falls, Texas 76308-2099  
☎ 940.397.4914 f 940.397.4037

Date: May 08, 2015

To: MSU Board of Regents – Audit & Compliance Subcommittee

From: Michael Taylor, Internal Auditor

Re: Update on Internal Audit and Compliance

The purpose of internal audit is to reduce organizational risk. This requires resources to be invested in an efficient manner. Last year we completed a peer review of the internal audit function at Midwestern State University encompassing a three year period. Included in your board agenda package were recommendations regarding internal audit resources which we feel are necessary to adequately address our organizational risk. These recommendations must be prioritized based on resource availability and effectiveness. Today, I would like to present a timeline of resources needed by internal audit to most effectively address the organizational risk of Midwestern State University: (for the next 3 years)

#### RECOMMENDATIONS:

Year 1: 2015-2016	\$ Amount
A. Specific IT training for current internal auditor	
B. Outsource <u>IT assessment</u> and <u>construction cost recovery</u> audits	\$ 50,000
C. Outsource Hotline for fraud, waste & abuse (\$5k year 1)	
Year 2: 2016-2017	
A. Specific IT training for current internal auditor	
B. Outsource <u>Title IX</u> and <u>Clery</u> compliance audits	\$ 50,000
C. Outsource Hotline for fraud, waste & abuse (\$2.5k /yr)	
Year 3: 2017-2018	
A. Hire additional staff auditor full time	
B. Share administrative assistant with General Counsel	\$ 60,000
C. Purchase electronic work-paper and data mining software	

**MINUTES  
MIDWESTERN STATE UNIVERSITY  
BOARD OF REGENTS  
May 14, 2015**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room of the Hardin Administration Building at 10:00 a.m., May 14, 2015. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; Mr. Sam Sanchez; and Student Regent Jesse Brown.

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 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 McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. 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, Director of Human Resources; 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. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Chairman Hessing called the meeting to order at 10:03 a.m. and Ms. Gaynor introduced the guests.

Opening Comments

Mr. Hessing welcomed everyone to the meeting. He noted that the regular meeting time was changed to ensure adequate time to discuss agenda items. He reminded attendees that the meeting was being streamed live on the internet. All individuals were asked to silence their cell phones. He asked individuals who would be making presentations or discussing items with the board to sit or stand at the end of the board table so that they could be heard.

Public Comment

Mr. Hessing stated that in accordance with Board of Regents By-Laws, MSU Policy 2.22, members of the public were 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

15-103. Mr. Hessing reported that this was the board's opportunity to discuss current issues and trends in higher education. He noted that a number of items on the agenda would

address many higher education issues. He asked if members of the board would like to discuss any additional items. There was no further discussion.

#### MSU Priorities

15-104. Mr. Hessing reported that Dr. Rogers provided the board with an update on the university's "Top Ten List" as shown in the agenda document. He noted that a number of the items would also be discussed later in the day. Dr. Rogers reviewed the report presented in the agenda. He added that with regard to the Athletics/Lone Star Conference item, Western New Mexico University has joined the conference. He reported that Western New Mexico's fielding of football, tennis, and soccer will particularly help with scheduling in those sports.

Mr. Brown asked about Item 6c in the report. He stated that he attended Dr. Gardner's presentation and that he was supportive of the university establishing the Freshmen Seminar and a Student Transition Office. He indicated that efforts to increase tutoring were also recommended by Dr. Gardner but were not mentioned in Dr. Rogers' update. He asked if this was being considered. Dr. Rogers responded that tutoring is an important component of the university's retention plan. He added that the administration continues to work to increase tutoring opportunities for MSU students.

#### Recess

The meeting recessed at 10:18 a.m. The committee reconvened at 4:25 p.m.

#### Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by Texas Government Code Chapter 551, Sections 071, 072, 073, and 074 to consider Items 15-132 (Emeritus Status), 15-133 (Faculty Promotion), 15-134 (Faculty Tenure), 15-105 (Real Property), 15-106 (Board of Regents Officers), 15-107a (Consultations with Attorney), and 15-107d (Personnel Matters). The closed session began at 4:26 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Brown, Mr. Macha and Ms. Barrow remained for all of the discussion. Dr. Stewart, Dr. Fowlé, Dr. Clark, Dr. Lamb, and Dr. Farrell remained for the discussion of item 15-105 only and left the closed session at 5:06 p.m. Dr. Rogers remained through a portion of the discussion of item 15-107a and left the closed session at 5:40 p.m.

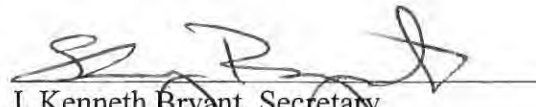
#### Open Meeting Resumes

The closed session ended at 6:30 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

#### Adjournment

The committee of the whole meeting adjourned at 6:31 p.m. with no additional action taken.

Reviewed for submission:

A handwritten signature in black ink, appearing to read 'J. Kenneth Bryant', written over a horizontal line.

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



**MINUTES  
BOARD OF REGENTS  
MIDWESTERN STATE UNIVERSITY  
May 15, 2015**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Friday, May 15, 2015. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; Mr. Sam Sanchez; and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; 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 Graduate Dean; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Mr. Mark McClendon, Director of Institutional Research and Assessment; Ms. Dawn Fisher, Director of Human Resources; 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. Lana Sweeten-Shults, *Times Record News*.

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

Opening Comments

Mr. Hessing welcomed everyone to the meeting and thanked the board members for their participation at the committee meetings Thursday. He reminded everyone that the meeting was being streamed live on the internet and asked everyone to silence or turn off their cell phones.

Mr. Hessing noted that this would be Jesse Brown's final meeting as Student Regent. He indicated that Jesse was recently elected Student Government Association President and would continue to attend board meetings in that capacity. Mr. Hessing thanked Jesse for his service. Jesse thanked the board for the opportunity and for their assistance. He also thanked Dr. Lamb for his help during the year.

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

15-151, 152, and 153. Minutes of the Board of Regents meetings February 12, February 13, February 24, February 26, March 3, March 9, and March 31, 2015 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 May 14, 2015.

#### Item Presented for Committee Approval Only

15-108. Committee Minutes

#### Item Presented for Information Only

15-109. Campus Master Plan and Construction Update

#### Executive Committee Consent Agenda

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

- 15-110. Capital Expenditure Plan (MP1) Report – FY 2015-2019 – approved plan as modified.
- 15-111. Wichita Falls Museum of Art at MSU – External Improvements Project Funding Limit – authorized increasing the project's maximum budget of \$850,000 by \$60,000, with the increase coming from private funds.
- 15-112. Joe B. Hood Research Lab at Dalquest Project Funding Limit – authorized increasing the project's maximum budget of \$850,000 by \$50,000, with the increase coming from private funds.
- 15-113. Texas Public Finance Authority MSU Bond Resolution – approved the resolution as presented.
- 15-114. Student Housing Project – authorized the issuance of a contract with Buford Thompson Company for the construction of the new student housing at a Guaranteed Maximum Price not to exceed \$29.5 million, and authorized expanding the project budget to a maximum of \$35.25 million, with any amount above \$33.25 million being paid from auxiliary sources or gift funds.
- 15-115. Student Housing – Master Lease with Mustangs Village – approved a master lease with Mustangs Village in the amount of \$1,150,000 as presented.
- 15-116. Parking Plan – FY 16 – authorized the expansion of parking lot #6S at a cost not to exceed \$650,000, and approved the parking designations as presented.
- 15-117. Holiday Schedules for Staff Employees – FY 16– approved the holiday schedules as presented.
- 15-118. Wichita Falls Museum of Art at MSU – Mission Statement – approved the mission statement as presented.

- 15-119. Wichita Falls Museum of Art at MSU Ratification of Accessioned Artworks – ratified the accession of items 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, information only, and items not considered by the committee. Information concerning these items can be found in the minutes of the committee meeting held May 14, 2015.

Item Presented for Committee Approval Only

- 15-120. Committee Minutes

Items Presented for Information Only

- 15-121. Faculty Report  
15-122. Staff Report  
15-123. Athletics Report  
15-124. Student Government Report

Items Not Considered by the Committee

- 15-132. Emeritus Status  
15-133. Faculty Promotions  
15-134. Faculty Tenure

Academic and Student Affairs Committee Consent Agenda

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

- 15-125. Student Initiated Naming Opportunity – authorized renaming the current Mustangs Walk the "Jesse W. Rogers Promenade."  
15-126. Naming Opportunity – ratified naming the graduate program in geosciences, the "Robert L. Bolin Graduate School of Petroleum Geology."  
15-127. May 2015 Graduating Class – approved the list of candidates for graduation.

- 15-128. Addition of Minor in Sociology – approved the addition of an interdisciplinary minor program titled “Medical Sociology” as presented.
- 15-129. Addition of Certificate Program – approved the addition of a certificate option with the Bachelor of Science in Radiologic Technology titled “Computed Tomography Certificate Program” as presented.
- 15-130. Housing and Dining Service Rates – approved the rates for FY 16 as presented.
- 15-131. *MSU Policies and Procedures Manual* – approved a new policy, Faculty Education Incentive Program, as presented.

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Sanchez seconded Dr. Givens’ motion to approve the Consent Agenda as presented. The motion was approved. Mr. Hessing noted that the items not discussed by the committee would be discussed by the board in closed session later in the meeting.

### **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 May 14, 2015.

#### Item Presented for Committee Approval Only

- 15-135. Committee Minutes

#### Item Presented for Information Only

- 15-136. Summary of Financial Support
- 15-144. FY 16 Budget/Operational Efficiencies, Outsourcing, and Other Considerations

#### 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.

- 15-137. Financial Reports – accepted the monthly financial reports for January through March, 2015.
- 15-138. Investment Report – accepted the second quarter 2015 Investment Report.
- 15-139. Mustangs Guarantee Program – authorized changes to this program as presented.
- 15-140. FY 15 Item \$50,000 & Under – ratified the budget change as presented.
- 15-141. Personnel Reports and Changes in FY 15 Budget – ratified the changes as presented.
- 15-142. Summer Budget 2015 – authorized increased funding for the summer school in the amount of \$193,000 as presented.



- 15-143. Student Orientation Fee – authorized the establishing of a new Student Orientation Fee of \$75 to be charged to every new undergraduate student enrolling for the fall 2015 and each semester thereafter, with the exception of guest students, as presented.
- 15-145. FY 16 Tuition and Fee Review and Recommendations – approved the following:
- A. Increase Designated Tuition by \$2.40 per semester credit hour (SCH), from \$119.00 to \$121.40 per SCH, for new students beginning in FY 16. As with the current plan, this rate would be fixed for these individuals for 12 semesters, or four academic years.
  - B. Increase University Services Fee by \$6.00 per SCH, from \$54.25 to \$60.25, as presented.
  - C. Increase the Dillard College of Business Administration Instructional Enhancement Fee by \$6.00 per SCH, from \$8.00 to \$14.00 per SCH, as presented.
- 15-146. New Faculty and Staff Positions – FY 16 – authorized the addition of faculty and staff positions as presented in the revised agenda.

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. Dr. Givens asked that items 15-143 and 15-145 be removed from the Consent Agenda. Mr. Sanchez seconded Mr. Bernhardt's motion to approve the Consent Agenda with items 15-143 and 15-145 removed. The motion was approved.

Mr. Hessing then asked for discussion regarding Items 15-143 and 15-145.

With regard to Item 15-145, Mr. Brown asked that the record reflect that the minutes of the Student Senate meeting held February 3, 2015 indicated that the proposed \$6 fee for intramural and athletics facilities would be capped at 12 semester credit hours (SCH). He indicated that students would likely have supported the fee regardless of the cap, but he was concerned that the recommendation to the board did not include a cap. He asked if anything could be done to change the proposal. Mr. Bernhardt asked about the average number of hours taken by students each semester. Dr. Rogers responded that the average was a little less than 12 SCH. Mr. Bernhardt stated that finding a way to cap only a portion of the University Services Fee would be very difficult from a finance and programming perspective. Mr. Hessing indicated his understanding that the fee was originally presented to the students as a standalone fee. He stated that it was later determined that it would be more efficient to include the increase in the current University Services Fee. He noted that he did not want the students to think they weren't given correct information. Dr. Rogers stated that he took responsibility for this misperception. Mr. Hessing noted that if Mr. Brown felt strongly that the fee needed to be capped at 12 SCH the board could ask the administration to find a way to change the proposal accordingly. Mr. Brown responded that he wanted the record to reflect that the inconsistency in what was originally presented to the students and what was proposed was discussed by the board.

Dr. Givens stated that he wanted to talk about increased costs and would discuss Items 15-143 and 15-145 together. He noted that the administration always presents a justification for proposed cost increases. He stated that while the fee change in Item 15-143 may provide additional services to the students, it also gives the university additional money to fund a program that is already offered. In Item 15-145, the proposal to increase designated tuition by 2% was presented as a cost of living increase. He indicated that it should be noted that many of the people paying for college have lost their jobs or have not received these cost of living increases. He noted that the proposed increase in the Instructional Enhancement Fee was simply an additional fee for taking a course in the Dillard Colleges of Business Administration. He added that the proposed increase in the University Services Fee to pay for intramural and athletics fields includes \$1.20 that is simply a budget increase for the Athletics Department. Dr. Givens thanked Ms. Stogner and Mr. Brown for their efforts with the student body and their indication that the Student Senate voted in favor of the fee. He stated that while some students are in favor of the fee it cannot be said that all students are in favor of the proposal. Dr. Givens expressed concern that costs at MSU continue to rise. He indicated his thinking that free play fields should be part of what the university provides and that a new fee should not be necessary every time something new is added. He added that the university must find different ways to do things or Midwestern State University will be priced out of the market. He noted that MSU does not compete against Texas A&M University but rather competes with on-line education and dual credit courses offered to high school students. He stated that MSU cannot continue driving up the cost of attendance and must continue to look for ways to reduce costs. Dr. Givens thank the board for taking the time to listen to his concerns regarding this matter.

#### Student Orientation Fee

15-143. Following the discussion noted above, Mr. Bernhardt moved approval of this item as presented. Mr. Gregg seconded the motion and it was approved with Dr. Givens voting nay.

#### 2015-2016 Tuition and Fee Review and Recommendations

15-145. Following the discussion noted above, Mr. Bernhardt moved approval of this item as presented. Mr. Bryant seconded the motion and it was approved with Dr. Givens voting nay.

#### **Audit, Compliance, and Management Review Committee Report**

Mr. Sanchez noted the items presented at the Audit, Compliance, and Management Review Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held May 14, 2015

#### Item Presented for Committee Approval Only

15-147. Committee Minutes

#### Item Presented for Information Only

15-148. Potential Conflict of Interest of Regent

Audit, Compliance, and Management Review Committee Consent Agenda

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

15-149. Audit Activities – authorized the following actions:

A. Immediately

1. Fund specific Information Technology (IT) training for the internal auditor
2. Outsource IT Assessment and Construction Cost Recovery audits
3. Outsource Hotline for fraud, waste, and abuse
4. Add new Lead Technician position at a salary of \$42,300 to provide relief and cross-training for the IT Network Services Manager

B. No later than FY 17

1. Fund specific IT training for internal auditor
2. Outsource Title IX and Cleary compliance audits
3. Outsource Hotline for fraud, waste, and abuse
4. Hire additional full-time staff auditor

C. No later than FY 18

1. Hire administrative assistant to share with General Counsel
2. Purchase electronic work-paper and data mining software

15-150. Contract Management Activities and Contract Policy Change – authorized the change to Policy 2.24 as presented.

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

**Other Business**

President's Report and Discussion

15-154. Dr. Rogers presented information regarding the following items.

A. Texas Higher Education Coordinating Board (THECB) – Almanac Information and Draft of the Next Higher Education Strategic Plan for Texas (2015-2030) – Dr. Rogers reported that a THECB committee was working on developing a new strategic plan for higher education and that the draft plan was presented in the agenda. He then outlined the four goals being proposed as part of the 2015-2030 higher education plan.

1. By 2030, at least 60% of Texans ages 24-34 will have a postsecondary credential or degree. Dr. Rogers commented that approximately 40% of high school graduates at the present time attempt any type of post-secondary training. He noted that this is an ambitious goal for the state.



2. By 2030, at least 550,000 students in that year will complete a certificate, associate, bachelor's, or master's degree from a Texas public, independent, or for-profit college or university.
3. By 2030, all graduates from Texas public institutions of higher education will have completed programs with identified marketable skills. Dr. Rogers noted that this goal does not take away from institutions encouraging students to major in fields in the liberal arts when appropriate. He added that the goal requires institutions to advise students of the marketable skills attained through each degree program.
4. By 2030, undergraduate student loan debt will not exceed 60% of the first-year wage for graduates of Texas public institutions. Dr. Rogers stated that universities need to do a better job of advising students about controlling their costs and debt load as they work toward a college degree.

Dr. Rogers indicated that these were very appropriate goals for Texas higher education. Copies of the new *Texas Higher Education Almanac* were made available to the board for their information and review as shown in <http://www.thecb.state.tx.us/index.cfm?objectid=A44B548A-E50C-8417-E09BF83FC11EA1EF>.

Dr. Givens asked about the legislative authority the THECB has over higher education institutions. Dr. Rogers responded that the THECB has oversight responsibilities in a number of areas including new degree programs, facilities review, and state financial aid programs.

- B. Council of Public Liberal Arts Colleges (COPLAC) Update – Dr. Rogers reported that MSU became a member of COPLAC in 2006 and the relationship has been a positive one for MSU. He commended Dr. Clark who has been a leader in MSU's COPLAC affiliation. He also recognized Dr. Sam Watson, Dean of the Prothro-Yeager College of Humanities and Social Sciences, for bringing the organization to the attention of the MSU administration. He noted that COPLAC institutions have developed a number of good models for other universities to follow and it is good for MSU to compare itself against the other member institutions.

Dr. Clark reported that COPLAC asks its members to complete a survey each year and compiles a large database with this information. He stated that Ms. Camille Shepherd, Assessment Specialist in the MSU Institutional Research and Assessment Office, recently volunteered to gather and compile this information for COPLAC. Dr. Clark noted that in addition to membership in COPLAC, MSU began participating in the National Survey for Student Engagement (NSSE) several years ago. He indicated that this survey is given to MSU students every other year and provides information regarding how students are engaging on campus in a variety of areas. He introduced Mr. Mark McClendon, MSU Director of Institutional Research and Assessment, to present COPLAC and NSSE comparisons.

Mr. McClendon reviewed information shown in Attachment 2 which highlighted comparison data with other COPLAC institutions. He reported that the comparison



information was from the 2014 academic year. He noted that MSU is on the larger side of the COPLAC membership and MSU's tuition puts MSU as one of the least expensive schools. He added that the NSSE comparisons were from data collected during the spring 2014. The report showed high-performing areas relative to COPLAC as well as low-performing areas. He noted that the information was self-reported by university seniors. He added that undergraduate research and other initiatives should increase MSU performance in some of the low-performing areas of research, writing, and capstone experience. Mr. McClendon then presented NSSE results in areas of High-Impact Practices (HIPs) for first-year and senior students.

Mr. McClendon provided a comparison of tuition and fees among all COPLAC schools for the fall 2013 (see Attachment 2.) He explained that the member schools are located across the country and one institution in Canada. He stated that funding among the schools differs greatly. He noted that MSU is one of the more cost effective schools among the COPLAC institutions.

- C. Legislative Session Update - Dr. Rogers noted that he had spoken a great deal about the legislative session during the meeting and asked Ms. Barrow to present additional information. Ms. Barrow reported that a number of issues have yet to be determined with 17 days remaining in the legislative session. She noted that work on the appropriations bill continued and should be available for review within the next week. She reported that MSU's capital construction project request was still in the bill and, if approved and funded, would authorize bonding authority for a \$58.4 million project. She explained that funding for the Higher Education Assistance Fund (HEAF) for MSU was proposed to increase by \$1.5 million, although it was not known when the increase would take place. She noted that the administration had hoped for additional funding from the state to offset tuition and fees that are exempted for Hazlewood program participants. She reported that the cost to higher education institutions in 2014 for the Hazlewood program totaled \$169 million and MSU's portion was \$1.2 million. She indicated that the legislature had attempted to address the program through proposed policy changes. However, nothing had been agreed upon by the House and Senate. She indicated that the proposed budget included \$30 million that could be distributed to institutions during the biennium to offset the cost of foregone tuition and fees. Ms. Barrow reported that the campus carry bill was one of the pieces of legislation that was still pending before the legislature.

#### Recess

The meeting went into recess at 9:22 a.m. and the board reconvened at 9:55 a.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, Section 551.074, to consider Items 15-132 (Emeritus Status), 15-133 (Faculty Promotions), 15-134 (Faculty Tenure), 15-156 (Board of Regents Officers) and 15-157 (University President's Contract). The closed session began at 9:56 a.m. Mr. Hessing, Mr. Bernhardt, Mrs. Burks, Mr. Bryant, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Brown, Mr. Macha, and Ms. Barrow remained for the entire closed session. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Clark, and Dr. Farrell remained through discussion of the first three items, leaving the meeting at 11:20 a.m.

### Open Meeting Resumes

The closed session ended at 11:40 a.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

### Emeritus Status

15-132. Dr. Givens moved approval of the granting of emeritus status to the following individuals upon their retirement.

- Mr. Alan Black – Assistant Professor of Music – 28 years
- Dr. Timothy Donovan – Professor of Computer Science – 28 years
- Ms. Laura Jefferson – Associate Professor of Theatre – 31 years
- Dr. Charles (Chuck) Johnston – Associate Professor of Management Information Systems – 13 years
- Dr. James (Dick) King (posthumous) – Associate Professor of History – 46 years
- Dr. James Schuppener – Professor of Music – 12 years
- Dr. David Tucker – Professor of Mathematics – 27 years
- Dr. Larry Williams – Professor of Sociology – 39 years
- Dr. Jesse W. Rogers – President – 14 years

Mr. Sanchez seconded the motion and it was approved.

### Faculty Promotions

15-133. Mrs. Marks moved approval of the promotion of the following individuals.

#### From the Rank of Assistant Professor to Associate Professor:

Kristen Garrison, Ph.D.	English
Susan Harvey, DMA	Music
SuHua Huang, Ph.D.	Curriculum and Learning
Lauren Jansen, Ph.D.	Nursing
Tina Johnson, Ph.D.	Computer Science
Mitzi Lewis, Ph.D.	Mass Communication
Kirsten Lodge, Ph.D.	English
Jonathan Price, Ph.D.	Geosciences
Tiffany Stewart, Ph.D.	Counseling
Jie Zhang, Ph.D.	Management Information Systems

#### From the Rank of Associate Professor to Professor:

David Carlston, Ph.D.	Psychology
Jeffrey Killion, Ph.D.	Radiologic Sciences
Michael Shipley, Ph.D.	Biology

Mr. Bernhardt seconded the motion and it was approved.

### Faculty Tenure

15-134. Mr. Bernhardt moved approval of the granting of faculty tenure to the following individuals.

SuHua Huang, Ph.D.	Curriculum and Learning
Lauren Jansen, Ph.D.	Nursing
Tina Johnson, Ph.D.	Computer Science
Mitzi Lewis, Ph.D.	Mass Communication
Suzanne Lindt, Ph.D.	Curriculum and Learning
Kirsten Lodge, Ph.D.	English
Jonathan Price, Ph.D.	Geosciences
Suzanne Shipley, Ph.D.	Foreign Languages

Mr. Gregg seconded the motion and it was approved.

Mr. Bernhardt then moved approval of the granting of faculty tenure in accordance with Policy 3.120 Section 5 to the following individual.

Greg Giddings, Ph.D.	English
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Mrs. Marks seconded the motion and it was approved with Mr. Sanchez, Mrs. Burks, and Dr. Givens voting nay.


#### University President's Contract

15-157. Mrs. Burks moved approval of the employment agreement between Midwestern State University and Dr. Suzanne Shipley as presented. Mr. Bryant seconded the motion and it was approved.

#### Adjournment

Mr. Hessing noted that the next regular board meetings would be held August 6 and 7 and noted that Ms. Barrow would be checking with them for possible dates for other special meetings during the summer. There being no further business, the meeting was adjourned at 11:45 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 May 15, 2015

  
J. Kenneth Bryant, Secretary

#### ATTACHMENT:

1. COPLAC and NSSE Power Point
2. Tuition and Fee Comparison with COPLAC Schools



## Comparison with COPLAC



- Comparison data and NSSE
- COPLAC is a diverse group of 29 schools.
- The Council of Public Liberal Arts Colleges advances the aims of its member institutions and drives awareness of the value of high-quality, public liberal arts education in a student-centered, residential environment.

## COPLAC Comparison



	MSU	COPLAC AVERAGE
Number of FT Undergraduates	3,864	3,093
Percent Minority	36%	19%
Student to Faculty Ratio	17.4	16.5
Retention Rate (Fr-So)	72%	76%
In-State Tuition	\$4,845*	\$6,405
Out-of-State Tuition	\$6,795**	\$15,956

\*2013-14 Tuition

\*\* Lowest Out-of-State Price



# NSSE

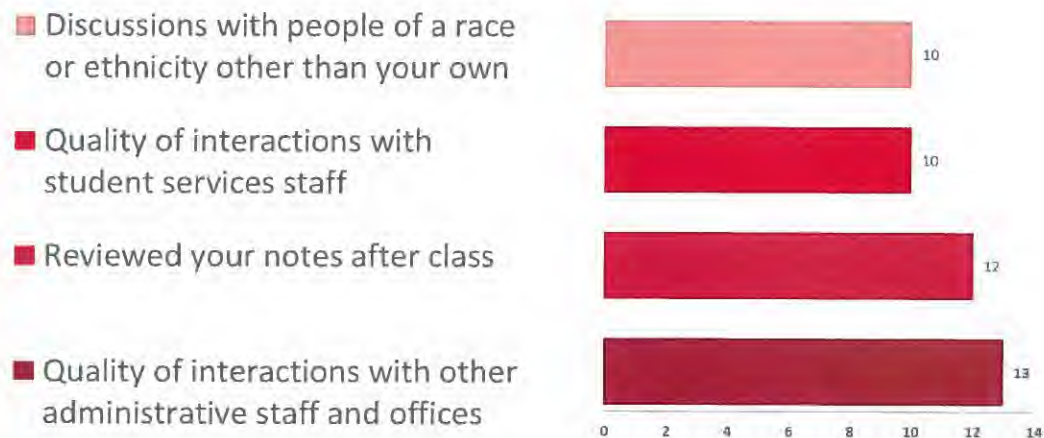


- National Survey of Student Engagement
  - Given every other Spring to First-year and Seniors (Spring 2014)
- 23 of 29 schools participated
- Engagement – 2 features of collegiate quality
  - Time and effort students put into their studies
  - How the institution gets the students to participate in activities related to learning (HIPS, learning communities)

## NSSE Comparison



### MSU Highest Performing Relative to COPLAC

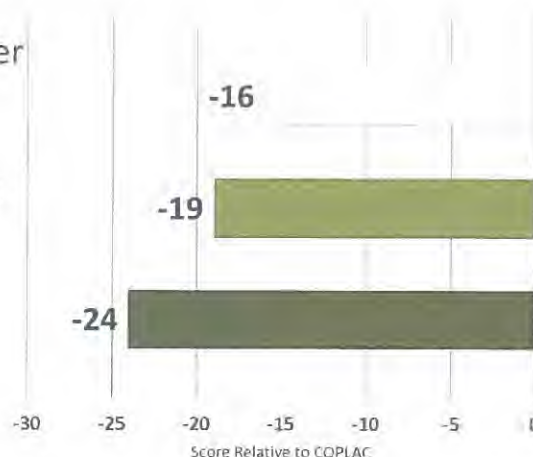


# NSSE Comparison



## MSU Lowest Performing Relative to COPLAC

- Worked with a faculty member on a research project
- Assigned more than 50 pages of writing
- Completed a culminating senior experience



# NSSE Comparison



## High-Impact Practices (HIPs)

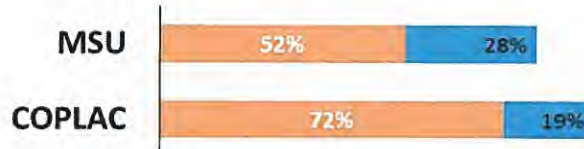
### First-year

Learning Community, Service-Learning, and Research w/Faculty



### Senior

Learning Community, Service-Learning, Research w/Faculty, Internship, Study Abroad, and Culminating Senior Experience



- Participated in two or more HIPs
- Participated in one HIP

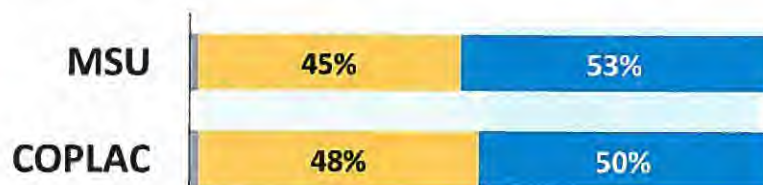


## NSSE Comparison

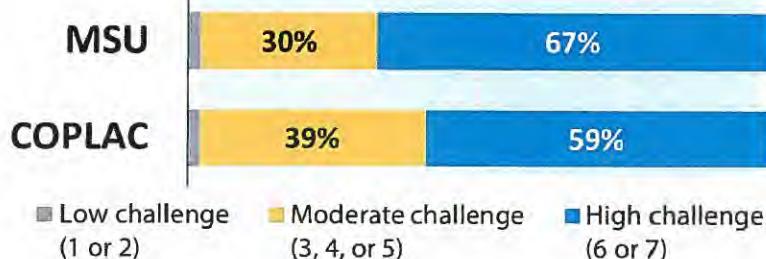


### Challenging Students to Do Their Best Work

**First-year**



**Senior**



## NSSE Comparison



### Academic Emphasis

How much did students say their institution emphasizes spending significant time studying and on academic work? Response options included "Very much," "Quite a bit," "Some," and "Very little."

**First-year**



**Senior**



Percentage Responding  
"Very much" or "Quite a bit"

# NSSE Comparison



## Academic Challenge: Seniors

Challenging intellectual and creative work is central to student learning and collegiate quality. Colleges and universities promote student learning by challenging and supporting them to engage in various forms of deep learning.

	MSU	COPLAC AVERAGE
Higher-Order Learning	41.5	41.6
Reflective and Integrative Learning	37.4	40.0
Learning Strategies	42.9	40.4
Quantitative Reasoning	29.2	29.5





<b>2013-14 Comparison of Tuition and Fees</b>			
<b>School</b>	<b>Tuition</b>	<b>Fees</b>	<b>Total</b>
USAO	4620	1170	5790
S Utah	5208	716	5924
Henderson State	4584	1553	6137
UNC-Ash	3666	2575	6241
Shepherd	4354	1902	6256
Alberta	5269	1391	6660
New College FL	5227	1639	6866
Ft. Lewis	5232	1691	6923
Truman State	7096	272	7368
SUNY - Geneseo	5870	1560	7430
<b>MSU</b>	<b>4845</b>	<b>2820</b>	<b>7665</b>
S. Oregon	6399	1395	7794
Wisc-Superior	6535	1411	7946
Virg-Wise	4676	3833	8509
Mass College of Liberal Arts	1030	7495	8525
Evergreen State	7833	741	8574
Georgia College	6800	1990	8790
IL-Springfield	7176	1776	8952
UM-Farmington	8352	815	9167
Eastern Conn State	4510	4866	9376
Mary Washington	4896	4824	9720
Montevallo	9330	670	10000
Minn - Morris	11720	864	12584
Keene State	10410	2366	12776
Ramapo, NJ	8650	4738	13388
St Mary's, MD	12245	2619	14864
<b>Min</b>	<b>1030</b>	<b>272</b>	<b>5790</b>
<b>Max</b>	<b>12245</b>	<b>7495</b>	<b>14864</b>

**MINUTES  
BOARD OF REGENTS  
MIDWESTERN STATE UNIVERSITY  
June 1, 2015**

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Monday, June 1, 2015. Regents participating in the meeting via teleconference were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; and Mr. Sam Sanchez.

Administrative staff members present at the university included Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; 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. Mr. Barry Macha, General Counsel, participated in the meeting via telephone connection. Representing the news media at the meeting was Mr. Landry Russell, KFDX-TV III.

Chairman Hessing called the meeting to order at 9:04 a.m. and Ms. Barrow introduced the individuals attending the meeting.

Opening Comments

Mr. Hessing welcomed everyone to the meeting and thanked the board members for their participation. He reminded everyone that the meeting was being streamed live on the internet and asked everyone to silence or turn off their cell phones.

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.

Revision of Board of Regents By-Laws

15-159. Mr. Hessing noted that two proposed revisions to the Board By-laws were previously distributed to the board members and were also presented in the agenda. He indicated that the two revisions would be considered separately.

- A. Mr. Hessing noted that Mr. Macha recently reviewed the by-laws and noted they did not include a provision to suspend the by-laws when warranted. Mr. Macha explained that the current by-laws provide that the by-laws can be amended or repealed at a meeting of the board with a two-thirds vote. He stated that the proposed wording provides that the by-laws can be waived and suspended. He added that this is common language found in other university's by-laws.

Mr. Sanchez moved approval of this revision as presented. Mrs. Marks seconded the motion and it was approved.

- B. Mr. Hessing stated that the second revision related to the election of officers. The current by-laws require the election of officers prior to the beginning of each biennium which occurs in odd-numbered years. The terms of MSU board members

expire in even-numbered years. The recommended by-law revision would move the election of officers to even-numbered years. He noted that if the recommendation is approved the current officers would continue to serve during the next fiscal year. If the recommendation is not approved, additional action would need to be taken.

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

Suspension of Board of Regents By-Laws

15-160. This item was not considered.

Board Officers

15-161. This item was not considered.

Real Property

15-162. This item was not considered.

Executive Session

15-163. No executive session was deemed necessary.

Adjournment

Mr. Hessing expressed appreciation to all of the regents for their participation. He noted that a special board meeting and budget workshop would be scheduled later in the month. There being no further business, the meeting was adjourned at 9:10 a.m.

I, Shawn Hessing, the fully appointed and qualified Chairman 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 June 1, 2015.

  
\_\_\_\_\_  
Shawn Hessing, Chairman

**MINUTES  
BOARD OF REGENTS  
MIDWESTERN STATE UNIVERSITY  
June 17, 2015**

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Wednesday, June 17, 2015. Regents in attendance were Mr. Shawn Hessing, Chairman (via teleconference); Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; 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. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Dawn Fisher, Director of Human Resources; Ms. Valarie Maxwell, Director of Budget and Management; Dr. David Carlston, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Sara Webb, Business Manager for Facilities Services; 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 were Ms. Lana Sweeten-Shults, *Times Record News*, and Mr. Cody King, KAUZ News Channel 6.

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

Opening Comments

Mr. Hessing welcomed everyone to the meeting and thanked the board members for their participation. He apologized that the weather had kept him from attending the meeting in person. He reminded everyone that the meeting was being streamed live on the internet and asked everyone to silence or turn off their cell phones.

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.

Electrical Utility Contract

15-164. Mr. Hessing noted that the board must approve certain contracts for the purchase of electricity. He stated that the administration was requesting board authorization for the president to enter into a contract with an electricity provider, with the contract having a yearly value of up to \$2 million for as many as five years. He noted that this authorization would ensure the administration can make a timely decision when negotiating the best rate for the institution. Dr. Fowlé reported that the board previously authorized the president to sign a similar electrical contract. She stated that the current contract expires in May 2017. She added that while this is still a good contract, the company has informed the university that the pricing is very good at the present time.



They have offered to extend the contract and blend the current pricing with the pricing on the current contract. This new contract would save money for the university. She noted that Ms. Sara Webb and Mr. Kyle Owen were available to answer questions the board might have.

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

#### FY 16 Budget Workshop

15-165. Mr. Hessing apologized for not being in attendance at the university. He expressed appreciation for the board's participation in this meeting. He noted that the administration had provided general budget information for the board's review (see Attachment 1). He asked Dr. Rogers and Dr. Fowlé to present the information and stated his hope that the meeting would be very interactive and participatory.

Dr. Rogers indicated that board members should feel free to ask questions at any time during the discussion. He reminded the board that the FY 15 budget was balanced with the use of \$2.2 million in one-time funds. He added that the administration knew the FY 16 budget would be challenging since the one-time funds would no longer be available. Dr. Rogers reported that he and the cabinet began working on the budget in October, knowing that much of the information would not be available until the end of the 2015 legislative session. Budget hearings were held in the spring and the colleges and major program areas were given the opportunity to present budget requests to the administration. He noted that the budget was not yet final and that the current working document was within \$135,000 of being balanced. Dr. Rogers reported that the outcome of the legislative session determined major funding for the university. The key funding areas during the 2015 session included the Higher Education Assistance Fund (HEAF), Hazlewood exemptions, and formula funding. He added that unanticipated changes were made to the Be-On-Time program that will positively affect the university's FY 16 budget. He reported that outcomes-based funding was recommended to the legislature but was not approved. This was an area that would have likely provided additional funding for MSU. Dr. Rogers stated that MSU was approved for \$58.4 million in bonding authority for campus construction and improvement. He stated that this would not affect the FY 16 budget but he wanted the board to be aware. He noted that this would require a great deal of planning during the coming year.

Dr. Rogers reported that as soon as figures from the appropriations bill were known, the administration reviewed projected revenue changes. The changes totaled \$2.8 million and covered the \$2.2 million in one-time funds that were no longer available. The administration also determined areas of funding that could be reduced. He stated that the categories of budget reductions included one-time items, areas that did not use the funds currently allocated, and temporary reductions in funding. These reductions totaled approximately \$717,000 and, together with the \$590,000 remaining after covering the one-time monies used, the university had \$1.3 million to fund budget priorities. Dr. Rogers stated that MSU's budget generally increases by approximately \$2 million each year before any program or employee additions. The anticipated increased cost for FY 16 was estimated at \$1.9 million. He noted that the cabinet then reviewed the administration's high-priority budget items, which included salary increases for faculty and staff. He reminded the board that three years ago the administration changed the

rate of summer pay for faculty and moved the difference in funding into the regular academic year salaries. His commitment to the faculty was that the administration would allocate \$500,000 to faculty salaries for the next three years. He added that the 2016 budget was the third year of the commitment. He noted that \$200,000 was in the budget for staff salary increases that would be made at mid-year.

Dr. Rogers reported that in order to meet the majority of the administration's high priority budget items a solution totaling \$1.67 million was needed. The administration determined that HEAF could be used as part of the solution. Dr. Rogers explained that HEAF dollars can be used to pay debt on the construction and renovation of E&G facilities. Such debt can also be paid with designated tuition. MSU's HEAF allocation will increase by \$1.5 million in FY 17 when compared to the allocation in FY 15. During FY 16 a portion of HEAF will be used to pay debt rather than the university using designated tuition. This change will provide \$950,000 for the operating budget. Dr. Rogers stated that work on the budget continues and that he was pleased with the work that had been done thus far.

Mr. Hessing asked for additional information regarding the source of funds for the one-time money in the current year budget. Dr. Fowlé responded that the one-time funds included \$735,000 in undesignated donations, \$400,000 in lease money that the university receives periodically, a one-time Hazlewood appropriation of \$270,000 that was not previously budgeted, and \$865,000 in left over tuition and fee dollars. Mr. Hessing asked about the balance of the university's reserves. Dr. Fowlé responded that the university maintains restricted reserves that cannot generally be used to fund the central budget. She added that at the end of the current fiscal year MSU's centrally funded reserves would total approximately \$6.7 million. Dr. Fowlé indicated that she would provide information to the board regarding reserve balances. Dr. Rogers stated that he felt Dr. Shipley would have a good workable budget for FY 16.

Dr. Givens noted that Dr. Rogers mentioned that university costs increase by approximately \$2 million each year. He asked how many new students would be needed to cover that increased cost. Ms. Maxwell provided information indicating that approximately 117 full-time equivalent students would generate approximately \$2 million.

Dr. Rogers asked Ms. Barrow to present information regarding the legislative session. She reported that there were a number of items in the session that were critical to MSU and higher education as a whole. She outlined the major changes as follows:

- A. Formula Funding – Ms. Barrow reported that formula funding for public higher education institutions increased by approximately 3%. While higher education is still not receiving funding at the level experienced prior to 2011, the legislature worked to increase funding for higher education during the session. Universities are funded according to their enrollment during a base period. For the 2015 session the base period included enrollment in the summer and fall 2014 and spring 2015. With the approval of the appropriations bill MSU will receive an additional \$865,000 each year of the biennium to fund the operation of the university.

- B. Higher Education Assistance Fund (HEAF) – HEAF is a constitutionally dedicated fund that provides consistent funding to HEAF schools for infrastructure projects, capital equipment, and library books and materials. The legislature reviews the amount of funds appropriated for this purpose every ten years and reviews the allocation of funds to institutions every five years. The Texas Higher Education Coordinating Board (THECB) appointed a committee to make recommendations as required. The THECB recommended a 50% increase, which is the amount the fund was increased 10 years ago. The legislature approved a 50% increase; however, the increase will not be allocated until FY 17.
- C. Hazlewood Act Funding – Ms. Barrow reported that MSU’s foregone tuition and fees in FY 2014 for the Hazlewood program was \$1.2 million, with the Legacy portion totaling \$800,000. Dr. Rogers commented that he had hoped the state would allocate funds to cover the cost of the program. Unfortunately, such funding was not approved. Ms. Barrow stated that legislators worked to address some of the policy issues related to this exemption but such legislation was not approved. She added that funding established in 2013 was continued and MSU’s portion of the allocation was estimated to be \$195,000.
- D. Be-On-Time Program – Ms. Barrow reported that this program will be discontinued beginning in FY 16. State universities must currently transfer 5% of its undergraduate tuition above \$46 per semester credit hour (SCH) to the state for this program. Some institutions were sending funds to the state and not getting the benefit of the money owing to the fact that they did not have enough students taking advantage of the program. With this change state universities will no longer be required to set aside this 5% and MSU’s funds will be available for MSU’s use. This policy change results in an additional \$375,000 for MSU.

Mr. Barrow reported that from a fiscal standpoint this was a good session for higher education and for Midwestern State University.

Mr. Sanchez asked about the status of the campus carry bill. Ms. Barrow responded that the bill passed and the law goes into effect August 1, 2016. She noted that this would give the campus time to communicate and provide input in determining what is best for MSU. The law requires the president of each institution to consult with students, faculty, and staff regarding the nature of the student population, safety considerations, and the campus environment. The president must establish rules regarding the carrying of concealed handguns on campus, but the president may not “establish provisions that generally prohibit or have the effect of generally prohibiting CHL holders from carrying concealed handguns on the campus.” The rules must then be reviewed and approved by the Board of Regents.

Mr. Sanchez asked about the university’s Tuition Revenue Bond (TRB) request. Dr. Fowlé responded that MSU’s capital construction request of \$73 million was approved in the amount of \$58.4 million. Ms. Barrow added that the legislature had not approved TRB funding authorization for all higher education institutions since 2006. The value of the projects authorized totaled \$3.1 billion. Dr. Fowlé reported that the details of how the funds will be allocated had not yet been worked out and that the THECB would work with the institutions on the allocation of funds. She stated that each institution was



instructed to submit the original request based on 20 year financing and 6% interest. She noted that MSU's most recent bond issue was just below 4%. She reported that funds needed to cover \$3.1 billion in projects at 6% would total \$260 million. The legislature appropriated \$240 million beginning in FY 2017. She stated that the administration was waiting on information from the THECB with regard to how funds will be allocated. Dr. Fowlé added that institutions may issue bonds for these projects as early as September 1, 2016. Dr. Givens asked if the institution had to pledge its funds to bond the \$58.4 million. Dr. Fowlé responded that the bonding agency would look at whether the institution has resources to pay the debt service, which would be approximately \$5 million each year. Dr. Rogers added that they also understand that the state appropriates funds to pay the debt service. Dr. Givens asked if the institution had to pledge certain funds or pledged the pool of funds. Dr. Fowlé responded that the university pledges the pool of funds. Dr. Crosnoe asked what the \$58.4 million would be used for. Dr. Rogers responded that the original request for \$73 million was for a new health sciences and human services building as well as ADA and fire safety projects in several university buildings. He noted that the administration and board would have to determine how to best utilize the \$58.4 million to address these needs.

Dr. Givens asked if there was any possibility that the increase in HEAF might be delayed beyond FY 17. Dr. Rogers responded that the increase was included in the appropriations bill and was essentially guaranteed in FY 17. It would take a special session of the legislature and new legislation to make a change to the HEAF funding. He added that HEAF is authorized by the Texas Constitution. While the amount of funding could be changed when the funding is reviewed in 10 years, a constitutional amendment would have to be approved by the voters if there was a movement to abolish HEAF. Mr. Hessing noted that he understood that it was constitutional but he wanted to be certain that this action with HEAF would not hurt the university budget in 2017. Dr. Rogers responded that it would not.

Dr. Fowlé then reviewed the budget planning document shown in Attachment 1. She reminded the board that the budget was not yet final and this was a working document.

She first presented the enrollment projections. She indicated that the budget would be developed based on the fall 2015 projected enrollment. Dr. Fowlé reported that Ms. Valarie Maxwell, Director of Budget and Management, had tracked these numbers since 1999, and the projections were based on historical trends. Mr. Gregg asked why the number of juniors to seniors increased so much from one year to the next. Dr. Fowlé responded that a senior is anyone with more than 90 hours and can also include new transfer students. She reported that the graduate student numbers were calculated based on input from the provost and deans. She added that outside of the graduate programs, several freshmen classes of 900 students would be needed for the university to reach enrollment of 7,000. Dr. Rogers added that the university continues to suffer from the years of very small freshmen classes and very large graduating classes.

Mr. Hessing expressed concern that the enrollment projection for the fall of 2015 showed an increase of only one student when compared to the fall of 2014. Dr. Rogers responded that the administration was being very conservative with its projections. He stated that the worst thing the administration could do is to be overly optimistic in its enrollment projections and start the year with a budget deficit. Dr. Rogers noted that



funds were included in the budget planning to help with student retention, which also affects enrollment. Mr. Hessing stated that based on the figures previously given eight additional students, assuming they generate \$17,000 in revenue, could make up for the projected \$135,000 budget deficit.

Mr. Bernhardt indicated that while he understood the projections were based on historical trends, he asked the administration to bring the board some ideas on how these enrollment projects could be accelerated by two or three percent. Dr. Rogers reported that a new Director of Admissions was recently hired. He stated that she had a great deal of experience in the Dallas-Ft. Worth area and had good ideas that would help grow MSU enrollment. Dr. Givens encouraged the administration to look at creative ways to increase enrollment. He indicated that many state universities have increased enrollment through dual-credit and online courses. He stated his belief that it was going to take more than getting more students from the Metroplex. He challenged the administration to be more aggressive in the areas of dual-credit and online offerings and to bring the board more ideas to consider. Dr. Rogers commented that other institutions in the state have also grown by opening educational centers in larger communities. He stated that universities are definitely growing with dual enrollment, online courses, and extension campuses. Dr. Givens commented that he had not seen those ideas brought to the board for consideration. Dr. Rogers stated that the university had put a great deal of effort into distance education but not into dual enrollment. Dr. Stewart added that in her initial conversations with Dr. Shipley they had discussed the possibility of an education center in the Metroplex. She added that retention is also a big part of enrollment growth. She reported that for every 10 students who enroll at MSU, three are not retained. She noted that one of the administration's new initiatives is the new First-Year Seminar. Funds in the budget have been designated to implement this program for freshmen. She stated that the program would get students engaged on campus early to help them identify with the campus and want to stay here. She noted that this is a proven method that is used at institutions across the United States. She commented that another effort that is needed to retain students is to provide tutoring. Funding has been added to the budget to provide additional student tutoring.

Mr. Sanchez noted that while it was good to be conservative, he worried that the new academic programs might have great growth and the university might not be prepared with the necessary faculty. Dr. Rogers commented that the budget would include five new lecturer positions to teach lower level courses. Dr. Fowlé added that the university would begin moving to the DegreeWorks software program in FY 16. She stated that this program will provide chairs and deans better information in planning courses that need to be offered each semester. She noted that this would be an important planning tool for the academic administration.

Mr. Crosnoe stated that in looking at the enrollment plan it was apparent that without increasing tuition the university was not planning on enrolling enough students to cover a \$2 million budget increase each year. Dr. Rogers responded that other sources of revenue can increase, including appropriations from the state. He added that MSU cannot continue raising tuition and fees to meet its budget needs each year. Dr. Stewart commented that the enrollment projections were based on the university's historical retention rates. She noted that retaining a greater number of students would result in increased enrollment.

Dr. Fowlé then reviewed the Revenue Projections Summary. She stated that the projected SCH projections were used to calculate the tuition and fees revenue. She noted that while the headcount was not projected to increase by more than one student between FY 15 and FY 16, the SCH were predicted to increase by 2,500. She explained that this increase was the result of adding the five lecturer positions. Mrs. Marks asked about the Excessive Hours Fee. Dr. Fowlé responded that MSU does not receive formula funding for hours a student takes beyond 150 SCH and students pay this fee to make up for the lost formula funding. Mrs. Marks asked about the background on the fee. Dr. Fowlé responded that the state took action several years ago to penalize students for staying in school too long without graduating. It was intended to be an incentive for students to graduate. Dr. Rogers added that at the same time the state mandated the Three-peat Tuition. MSU does not receive formula funding if a student takes the same class for the fourth time and the student must pay additional tuition for these hours. Mr. Crosnoe asked if there were a lot of students that take a course more than three times. Dr. Rogers responded there were more than he thought and noted that the Three-peat Tuition generated \$176,000 in FY 15.

Dr. Fowlé reported that the summary showed revenue grouped into two categories: General Tuition and Fees, and Other Fees. She explained that General Tuition and Fees was money that can be used to fund the centrally-funded budget. The Other Fees are restricted to the use for which they were established. She noted that the Instructional Enhancement Fees can only be used for instructional expenses related to college courses. These funds could not be taken and used to pay for faculty or the Business Office operation. Dr. Fowlé commented that the board approved the University Services Fee increase at the May board meeting. She noted that the increase was not included in the revenue projections because the funds were designated to be used for intramural and athletics facilities. Mr. Bernhardt asked about the slight decline in the Instructional Enhancement Fees (IEF) between FY 16 and FY 17. Ms. Maxwell responded that as the IEF continues over time the number of bad debts against it would increase and would reduce the funding that is available.

Page three outlined the revenue sources used to pay for the centrally funded budget as well as the self-funded operations. She noted that the self-funded operations, such as Housing and the Recreation Center, must live within its own budget. Dr. Rogers added that the centrally-funded revenue is used to fund the academic operation. These funds are not used to supplement housing, student centers, or other self-funded operations. Dr. Fowlé noted that the administration charges a small portion of overhead to some of the self-funded areas, such as housing. These funds are then used to help fund the centrally funded areas. She noted that the Student Service Fee pays for student services such as the Counseling Center, Disability Services, Recreational Sports, some aspects of the Clark Student Center, Student Development, and other types of student programming. Dr. Givens asked if perhaps the administration should consider a model wherein the self-funded areas would support themselves and produce an additional percentage that could be used to support the centrally funded budget. He noted that the auxiliary areas could be challenged to put money into the general revenue. Ms. Maxwell noted that the auxiliaries are charged an administrative overhead of approximately 4%. She added that the fee is based on their expenditures. Dr. Givens indicated that he was referring to a percentage beyond the overhead fee. He asked if that was a model the university should

consider in the future. Mr. Park responded that 60% of all housing revenue is used currently to pay debt service. He indicated that institutions that do not have a debt load in their housing operations have excess funds that can be used to help fund the university. Dr. Rogers stated that it was important for MSU to maintain adequate reserves to maintain housing facilities over time. Dr. Fowlé mentioned that when she was at another university they were able to fully fund a new residence hall with gift dollars. The hall opened without any debt service and the majority of the revenue went into the university's operating budget. She indicated it was a great strategy. Dr. Givens commented that donors would be more likely to contribute to a new residence hall as opposed to contributing to the operating costs of the university. Dr. Rogers responded that MSU donors have been very generous and the majority of the institution's donors have specific academic interests to which they want to contribute.

Mr. Bernhardt asked how MSU housing costs compared to those charged at other Texas universities. Mr. Park indicated that the May board packet included a comparison sheet with this information. He stated that MSU room rates were in the middle in the comparison and that when board rates were included MSU ranked toward the bottom in the comparison. Mr. Bernhardt asked if the administration would consider increasing room and board rates by 10% to help fund the budget. He indicated that he understood that if costs increased too much the university might lose students, but asked if a model could be developed for consideration. Mr. Park indicated that the university had worked to remain competitive in its pricing. He noted that the cost of room and board affects the overall cost of attendance for students. Mr. Bernhardt indicated that he would like to see MSU's overall cost of attendance compared with university peers.

Dr. Fowlé reviewed the FY 16 Budget Review and noted this was the information Dr. Rogers spoke about at the beginning of the meeting. The document showed projected revenue changes. She noted the anticipated decline in Tier II Tuition owing to a drop in international students. She stated that the university experienced an increase in international students in the graduate computer science program. Owing to the fact that the SCH generated by graduate computer science courses is funded at a high level, the international students in this program were taken off of Tier II and were given scholarships. In so doing, the SCH generated by these students would be recognized by the state and MSU could receive formula funding for these hours. The SCH generated by Tier II students are not recognized by the state and MSU does not receive formula funding for those hours. Dr. Rogers asked Dr. Fowlé to explain international student tuition. Dr. Fowlé explained that all students pay statutory tuition and designated tuition. The Board of Regents sets MSU's designated tuition and the funds collected are kept by the institution. Statutory tuition is set by the legislature and is currently \$50 per SCH for in-state students. International students are required to pay approximately \$400 per SCH. The money paid for international tuition is sent to the state to help pay a portion of the formula funding the institution receives. This results in the university receiving less general revenue rather than benefitting from additional student. Dr Fowlé gave the following example. If MSU was to receive \$1000 in formula funding and collected \$50 in statutory tuition, the state would give the university \$950 only rather than \$1000. If MSU was to receive \$1000 and an international student enrolled and paid \$450, the state would send \$550 to the university rather than \$1000. She indicated that international students paying the full rate do not benefit the university from a financial perspective. She stated that the university is generally better off putting the international



student on Tier II even though they are not counted by the state for headcount or SCH. Dr. Fowlé added that if an international student qualifies for a teaching assistantship or a competitive scholarship of \$1,000, the students may pay in-state tuition and are counted by the state.

Dr. Fowlé noted the next section outlined proposed budget cuts. She indicated they were grouped into various categories and totaled \$717,000. She stated that after covering the one-time monies, adding the projected revenue changes, and considering the proposed budget cuts, \$1.3 million was available for new expenditures. The next section showed proposed additional expenses, to include items previously approved by the board and items required by state law or by contract. These items totaled \$1.9 million. The next section listed the administration's high-priority budget items. The largest two items were salary increases for faculty and staff. She noted that the two items Dr. Stewart referred to for the freshmen seminar development and student tutoring were included in this section. She added that if necessary these two items would be funded by university reserves in FY 16. The addition of the high-priority items left the university over-budget by \$1.6 million.

The next section showed possible solutions to this shortfall. Dr. Fowlé noted that the administration was considering consolidating and reorganizing the facilities area for an anticipated savings of approximately \$370,000. She stated that the change in HEAF was previously discussed and noted that two priority items would be delayed until FY 17. She noted that \$130,000 in additional budget reductions would need to be made and added that the budget would be fine-tuned during the next month.

Mr. Gregg asked if he was correct in saying that the budget plan did not include outsourcing of the Facilities Services employees. Dr. Rogers responded that his statement was correct. Dr. Givens noted that Mr. Owen and his area were taking on a heavy load with the reduction of \$370,000 in his operation.

Mr. Sanchez asked what the increase to the athletics budget would be used for. Dr. Rogers responded that the increase would cover increased travel costs. He stated that athletics was getting an increase but that it was not as much as they could get from the \$1.20 included in the \$6 fee increase that was approved in May.

Mr. Park asked the administration and board to consider not delaying the funding for the Office of Student Transition. He noted that this office would work closely with the first-year experience efforts to better connect and engage students, particularly during their first year.

Dr. Fowlé noted that the next page of the budget presentation outlined budget concerns in FY 17 and FY 18. Dr. Rogers stated that he reviewed this information with Dr. Shipley so that she would have an idea of future issues that would need to be addressed. The next page presented information regarding HEAF allocations in FY 15, 16, and 17. The final page showed restricted funds and what they were used for in the current budget.

Mr. Hessing expressed appreciation to the administration for their efforts in putting the information together for this meeting. He indicated it was very helpful and well done.



Mrs. Marks stated that the session was extremely beneficial to her as a relatively new board member.

#### Recess

The meeting recessed at 11:25 a.m. and reconvened at 11:32 a.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, Section 551.072 and 551.074, to consider Items 15-165 (Fiscal Year 16 Budget) and 15-166 (Real Property). The closed session began at 11:32 a.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Macha, and Ms. Barrow remained for the entire session. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Clark, Mr. Owen, and Mr. Park remained for a portion of the discussion, leaving the meeting at 11:43 a.m.


#### Open Meeting Resumes

The closed session ended at 11:58 a.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

#### Adjournment

There being no further business, the meeting was adjourned at 11:59 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 June 17, 2015.

  
J. Kenneth Bryant, Secretary

#### ATTACHMENT:

1. MSU FY 16 Budget Information

**MSU FY16 Budget Information  
Prepared for the Board of Regents  
June 17, 2015**

The attached packet of information was used in developing the general outline of the FY16 budget. Below is an explanation of each page in the packet.

**Page One – Enrollment Projection Data**

The main driver of the university's budget is enrollment. This page displays historical and projected enrollment levels by class during the fall semesters. The predictions are based on 1) new freshmen levels derived from the number of applications, summer orientation attendance, housing reservations, etc. and 2) the historical tracking of one class to the next. For example, beginning and re-enrolling classes historically track to the next year's sophomore class at about 80%. Sophomore to the next year's junior class tracks at about 100% (because transfers are also affecting class size at this point). This continues through the classes. Individual graduate programs are predicted separately.

For FY16 (Fall 2015), enrollment is predicted to remain flat. The last several years have produced extraordinarily large senior graduating classes. Even with record-breaking freshmen enrollment, the growth will not build on itself until FY17 (Fall 2016), when the model predicts an increase of 69 head count. After that point, freshmen class size grows a small amount each year, as well as graduate programs, but the large freshmen classes build on themselves enough to realize an enrollment of 6,501 by 2021.

**Page Two – Revenue Projections Summary**

The university's budget office has built a sophisticated tuition and fee revenue projection model based on the information from the enrollment projections discussed above. The model is complicated by the fixed rate tuition program; students fall into a fixed rate "cohort" that may not match with the class status they identify with. Each cohort pays a different rate of designated tuition for four years. An example is a junior class student may be in a "first-year" fixed-tuition cohort because they just transferred to the institution and are therefore considered a new student.

The model also contains exemptions, waivers, and state-mandated set asides netted against the tuition and fees shown on the summary. Exemptions and waivers decrease the amount of tuition and fees collected by approximately 8%. The Hazlewood exemption is one that is included and decreases the amount of tuition and fees the university collects. State-mandated set-asides from designated tuition above \$46, which must be spent on financial aid, have

reduced tuition further by 20%. In FY16, this amount will be reduced to 15% and the institution will thus receive additional net tuition.

The information is grouped into two categories: General Tuition and Fees and Other Fees. General Tuition and Fees is the revenue the institution can use to cover general expenses of the university. Other fees are collected for specific purposes and cannot be used for anything other than what the fees were originally established to cover.

FY16 Revenue from tuition and fees is projected to increase overall by \$1,222,724. The General Tuition and Fees the university can use to offset centrally supported budgets will increase by more than \$1M. Other fee budgets will remain flat generally with an overall increase of only \$124,000.

#### **Page Three – Comparison of FY15 – FY16**

This sheet outlines the revenue sources that are used to pay for the centrally-supported areas of the university, which would include such areas as faculty, college operations, most administrative offices, and academic and administrative facilities. When analyzing year-to-year changes, the administration is most concerned with the funding of these areas from centrally-collected revenues. Areas not factored in are those that collect their own revenue and must live within their own means. Examples would be housing, student recreation center, and student union.

#### **Pages Four and Five – FY16 Budget Review**

These two pages contain the essence of reconciling the FY16 budget. The FY16 budget starts with the FY15 budget. Reconciling FY16 is done by listing items that increase or decrease various centrally-funded items to the FY15 budget.

The FY15 budget was balanced by using \$2.2M in one-time funds. To balance FY16's budget, this shortfall must first be covered. This is shown as a negative on the listing. The next category on the listing is increased revenues. Between increased appropriations, additional tuition, etc., new revenues to the university are projected to be more than \$2.8M. Therefore, the \$2.2M shortfall from FY15's budget will be covered in FY16 through these new revenues and provide an additional \$600K of new funds.

The next category includes cuts to the FY15 budgeted expenses. These are grouped by type of cut; some cuts are because the funding was only one-time, other cuts are because the expense will be moved off the centrally-funded revenues to another restricted source, etc. Total cuts amount to more than \$700K. After new revenue, budget cuts, and the \$2.2M in one-time FY15

funding is covered, the university is projected to have \$1.3M of available resources to cover "new" expenses in FY16.

The next section includes new expenses which have been approved by board action or are required by the state, university policy, or contract. Also included are those items which are an adjustment to the FY15 budget because original expense budget estimates were short. The last item on the list is the net difference (still unknown) of new faculty hires to faculty vacancies. Each year the university loses about 8% of its faculty through retirement or resignation. Because of the academic schedule of hiring, many times the faculty line will remain vacant for a year and the classes are covered by adjunct faculty, thus saving the university money. The balance from year-to-year of the number of vacancies can change and thus the amount of savings varies. Overall, the total of new, mandatory expenses is \$1.9M.

The last section of new expenses shows items the administration has identified as "high priority." This section includes faculty and staff pay raises, and increases to various budgets or programs. The total of this group is an additional \$1.1M.

The net of the surplus funds of \$1.3M to new expenses of \$3M results in the university being \$1.7M short of balancing. The administration has outlined possible solutions for balancing the \$1.7M difference. The proposed solution includes a section of additional cuts, one-year temporary reduction in cuts, and the delaying of some of some new desired expense items. Reserves in the amount of \$135,000 are proposed to be used for two of the new one-time expenses in FY16. It should be noted that the university still needs to identify an additional \$130,000 in cuts from next year's budget to be fully balanced.

#### **Page Six – FY17 and FY18 Concerns**

Part of a good budget process includes anticipating future year changes. While FY16 is still of main priority, FY17 will present additional budget challenges. The university will experience a minimum of \$2M in increased centrally-funded costs that will need to be covered by additional revenues or cuts to existing budgets. This does not include any pay raises or additional funds for new positions, or the expansion of existing programs. FY18 will also require an additional \$900K as a best guess of known items. Also in FY18, the legislature will have met and the possibility exists for additional state appropriations.

#### **Page Seven – HEAF Allocations**

While the university's HEAF allocation will increase by \$1.5M in FY 17, the amount remains relatively flat in FY 16. In order to cover the budget shortfall in FY16, the administration proposes decreasing its regular allocations to departments and instead picking up existing debt



service that in the past was paid from designated tuition. Designated tuition can be used to pay centrally-funded salaries and operating budgets; HEAF can only be used for capital expenses (including debt service). By temporarily decreasing HEAF allocations to the university departments and reallocating these funds to pick up the tuition-paid debt service, the administration is able to use \$950,000 to help cover centrally-funded budgets. In FY17, HEAF will continue to pay the debt service, but with the additional HEAF appropriation, the allocations to departments will be restored to the former (if not increased) levels.

#### **Pages Eight and Nine – Restricted Funds**

Although restricted funds are not included in the centrally-funded category, their use does have an effect on these budgets. The university receives more than \$17M a year in restricted funds. The majority of these funds are from federal and state financial aid benefits (\$12.2M), with the balance of these funds made up from gifts, endowed funds, and grants. Additionally, some of the restricted funds pay for faculty salaries and scholarships. The university is able to invest \$1.8M in salaries, wages, and benefits from restricted fund sources and more than \$800K in scholarships is paid from donated funds.

As noted on the FY17-18 Concerns page, some restricted funds have a limited life, and once the gift/grant is spent down, the institution must cover the expense from other funds if the programs are to continue.

Page nine breaks out the restricted funds by general source and also shows the expenditure categories the funds are used to support (faculty salary, scholarships, M&O, etc.).

**Midwestern State University**  
Fall Semester Enrollment Projection Data

	Actual Fall Enrollments			Projected Fall Enrollments						
	2012	2013	2014	2015	2016^	2017	2018	2019	2020	2021
BEG FRESHMAN	612	817	813	825	855	865	870	875	875	875
RE-ENR FRESHMAN	427	358	468	511	533	552	565	573	578	580
SOPHOMORE	1,049	991	1,011	1,077	1,134	1,183	1,222	1,249	1,267	1,278
JUNIOR	1,227	1,175	1,095	1,066	1,084	1,123	1,167	1,209	1,244	1,271
SENIOR	1,923	1,852	1,757	1,654	1,577	1,544	1,547	1,574	1,614	1,657
POST-BACCALAUREATE	63	75	58	58	60	60	60	60	60	60
GRADUATE	615	602	672	684	700	725	745	760	770	780
<b>Total Fall Headcount</b>	<b>5,916</b>	<b>5,870</b>	<b>5,874</b>	<b>5,875</b>	<b>5,944</b>	<b>6,051</b>	<b>6,176</b>	<b>6,299</b>	<b>6,407</b>	<b>6,501</b>

^ Open new freshmen residence hall

**New Graduate Programs:**

Master's in CJ	20	25	35	40	45	50	50	50
MBA Energy Mgmt	0	5	10	15	20	25	25	25
Master's in Geosciences	<u>0</u>	<u>4</u>	<u>10</u>	<u>15</u>	<u>20</u>	<u>25</u>	<u>25</u>	<u>25</u>
	20	34	55	70	85	100	100	100

## Midwestern State University Revenue Projections

June 1, 2015

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Fall Headcount	5,874	5,875	5,944
Annual Semester Credit Hours (SCH)	146,956	149,440*	151,148*
<b>General Tuition and Fees:</b>			
Net Designated Tuition	14,603,684	15,661,595	16,165,207
University Services Fee	7,701,310	7,831,475	7,920,987
Distance Learning Fee	1,307,849	1,321,245	1,406,591
Tier 2	506,719	415,129	415,129
3-Peat Tuition	176,361	162,252	154,139
Distance Learning Tuition	134,931	137,651	142,988
Excessive Hours Fee	60,000	60,000	60,000
Subtotal General Tuition/Fees	<u>24,490,854</u>	<u>25,589,347</u>	<u>26,265,041</u>
<i>Change from prior year</i>		<i>1,098,493</i>	<i>675,694</i>
<b>Other Fees:</b>			
Instructional Enhancement Fees	2,581,055	2,638,437	2,605,646
Student Service Fee	2,268,253	2,306,591	2,332,954
Athletic Fee	1,268,199	1,285,228	1,299,918
Rec Center Fee	1,192,763	1,200,834	1,209,519
Student Union/Center Fee	549,287	552,698	556,673
Application Fee	124,595	124,595	124,595
Int'l Advising Fee	58,200	58,200	58,200
Subtotal Other Fees:	<u>8,042,352</u>	<u>8,166,583</u>	<u>8,187,505</u>
<i>Change from prior year</i>		<i>124,231</i>	<i>20,922</i>
<b>Total Local Revenues</b>	<u><u>32,533,206</u></u>	<u><u>33,755,930</u></u>	<u><u>34,452,546</u></u>
<i>Change from prior year</i>		<i>1,222,724</i>	<i>696,616</i>

Note: Projections include a 2% increase in designated tuition in FY17 for incoming students. Based on Fall FY16 and FY17 projected enrollment numbers. No other increases for FY17 are included.

\* Includes additional SCH projected from adding lecturer positions in core areas.

## Comparison of FY15 to FY16

Comparisons are based on budgets centrally funded, including those paid from:

- \*State Appropriations
- \*Designated Tuition
- \*University Service Fee (not including \$6/SCH designated for intramural/athletic facilities)
- \*Distance Education Fee
- \*Tier Two
- \*3-Peat Tuition
- \*Distance Learning Tuition
- \*Athletic Fee
- \*Excessive Hours Fee
- \*Investment Income
- \*Endowed funds income (primarily scholarships)
- \*Vending income
- \*Miscellaneous Fees (returned check fees, late fees, etc.)

Comparisons do NOT include self-funded operations, such as:

- \*Student Service Fee
- \*Student Union/Center Fee
- \*Recreation Center Fee
- \*Housing
- \*Food Service
- \*Application Fee
- \*International Advising Fee
- \*Grant funded operations



## FY16 Budget Review

**FY15 one-time monies used** **(\$2,253,913)**

### FY16 Projected Revenue Changes

Funds Received Through Legislative Action	
Hazlewood Reimbursement Funds	\$195,000 Est.
Formula Funding/Appropriations Increase	865,650
Be-On-Time Fund Set-Aside Elimination	375,000
Increase in core class sections taught by new Lecturers	660,000
Designated tuition increase for new students	225,000
Redwine Endowment earning increase for merit scholarships (TAMUS investment)	263,000
Vending income increase from new contract	25,000
Food Service income increase from new contract	200,000
Increased University Services Fee (USF) swap for Ligon debt	121,850
Returned Check Fee rate increase	3,000
Projected decrease in Tier II Tuition	(90,000)

**Total Additional Revenue** **\$2,843,500**

### FY16 Proposed Budget Cuts

#### Eliminate funding of one-time or limited time items

One-time Noel Levitz money from admissions	\$50,000
One-time Presidential Search expenses	160,000
Eliminate scoreboard payment (paid-off)	49,700

#### Change funding source

Self-fund Bureau of Business and Governmental Research in College	13,715
Move science field trips to Instructional Enhancement Fee (IEF) funds	2,216
Move funding for Teaching and Learning Resource Center to PEC	5,000
Move funding for Speakers and Issues to PEC	5,000
Move funding for Study Abroad scholarships to University's Greatest Need	50,000

#### Reduce funding for currently overfunded areas

On-line course fee - course development funds	20,000
Accreditation budget	14,200
Degree completion scholarships	20,000
Eliminate TRS Surcharge savings (from hiring back retirees) - overbudget	20,000

#### Temporary funding suspensions/reductions

Eliminate transfer to Plant Funds Reserve	50,000
Reduce funding for summer school athletic scholarships	15,000
Reduce Dependent Education Waiver funding	20,000
Reduce funding for Employee Education Incentive Program	13,000

#### Other necessary budget reductions or elimination of funding

Reduce university support of museum 10%	20,000
Reduce travel budgets	50,000
Reduce cell phone stipends	35,000
Reduce non-auxiliary utilities (recalculated amounts)	100,000
Eliminate funding for Center for Study of Reform	4,500

**Total Budget Cuts** **\$717,331**

**Total Available After Covering FY15 One-Time Monies** **\$1,306,918**

### FY16 Proposed Additional Expenses

IT technician plus benefits (per Board action 5/15)	55,000
Five new lecturer positions plus benefits (per Board action 5/15)	260,000
Asst/Assoc Professor of Computer Science (per Board action 5/15)	93,600
Compliance Audit (per Board action 5/15)	50,000
Estimated increase in staff longevity (required by state law)	25,000

Increase in group insurance costs (required by state)	200,000	
Faculty promotions/adjustments (includes difference for new faculty hire)	154,600	
Admissions Director plus benefits (position vacant for two years)	\$118,880	
Volleyball Coach plus benefits	70,000	
McAllister and Quinn balance of two-year contract through Feb 2016	48,000	
Telephone switch maintenance	100,000	
Chiller maintenance	56,000	
IT Software maintenance increases (includes 9K for Marketing software)	70,416	
Replace marketing and development funds no longer funded by Foundation	168,500	
General Merit Scholarship increases	155,000	
Increase cost of International Recruiting Fees	60,000	
Increase cost of International Legal Fees	40,000	
Police parking fee shortfall	80,000	
Continue additional pay for full-time assistant soccer coach (added in FY 15)	6,850	
Building insurance, credit cards, and workers comp	100,000	Est.
Net difference in faculty vacancies/hires year-to-year	?	
<b>Total</b>	<b>\$1,911,846</b>	

<b>Administration's High-Priority Budget Items</b>		
Faculty Pay Raise (\$500K pool with benefits)	\$572,250	
Staff Pay Raises (2% with \$700/min w/o aux) - one-half year	200,000	*
One-Time faculty stipends for Freshmen Seminar development	85,000	**
Increased Student Tutoring	50,000	**/*
Fain College of Fine Arts increase in travel (underfunded compared to all other colleges)	10,000	
Reorganization - Office of Student Transition	38,000	
McAllister and Quinn new 2-year contract (beginning Feb. 2016)	48,000	
Increase engineering DOE for accreditation	14,400	
Athletic budget increase	45,000	
<b>Subtotal High Priority</b>	<b>\$1,062,650</b>	

**Total Shortfall after Administration's High-Priority Budget Items** **\$1,667,578**

#### Possible Solution

<b>1 Permanent Base Cuts</b>		
Budget cuts in facilities (Delay chiller maintenance one year, consolidate purchases with Housing/Clark Student Center, and other reductions)	\$370,000	
Other cuts not yet identified	\$130,000	
<b>2 One-Year Temporary Reduction in Expenses</b>		
HEAF cuts from existing allocations (funds will be used to pay existing debt service that is currently paid from Designated Tuition)	\$950,000	***
<b>3 One-Year delay in funding priority increases in the budget</b>		
Reorganization - Office of Student Transition	38,000	
Athletics increase	45,000	
Subtotal	\$83,000	*
<b>4 Use of Reserves</b>	135,000	**

**Total Found to Balance** **\$1,668,000**

\* Commits new resources to FY17 in this plan.

\*\* \$85K of one-time faculty stipends for development of freshmen seminar will be taken from reserves.

If funding is needed beyond that, it should be included in the base budget and additional on-going funds will need to be identified. \$50K for additional tutoring will also be provided from reserves, with the expectation that this funding will be added as a base expense in FY17.

\*\*\*Use \$1.25M of additional \$1.7M allocation in HEAF in FY17 to cover FY16 HEAF cuts and mass comm debt service.

### FY 17 Concerns

**Note:** Amounts in both years do not include any faculty and staff payraises or additional faculty positions as might be required with growth in program areas.

Gunn funds for Health Sciences salaries end	\$550,000
Bolin funds for Geosciences end	183,263
Must find funds for full year of FY16 staff payraise (1/2 year in FY 16)	200,000
If wish to pursue new items delayed for one year in FY 16	83,000
Continue with additional tutoring money taken from reserves in FY 16	50,000
Funds no longer available from Foundation	100,000
Summer school shortfall	100,000
Add additional internal auditor (per Board action 5/15)	80,000
Reinstate some cuts from FY16	?
Subtotal	<u>1,346,263</u>
Normal Increases to expect:	
Health Insurance costs	200,000
Longevity increases	20,000
Software Maintenance Agreements	70,000
Chiller Maintenance (delayed one year in FY 16)	56,000
General Merit Scholarship Increase	200,000
Faculty Promotions	80,000
Subtotal	<u>626,000</u>
<b>Total</b>	<b><u><u>\$1,972,263</u></u></b>

### FY18 Concerns

**Note:** FY18 will be the start of a new biennium with a change in state appropriations.

McCoy funds for EUREKA terminate	\$150,000
Utilities and maintenance for new HSHS building	300,000
Reinstate some cuts from FY16	?
Subtotal	<u>450,000</u>
Normal Increases to expect:	
Health Insurance costs	200,000
Longevity increases	20,000
Software Maintenance Agreements	70,000
General Merit Scholarship Increase (may stabilize)	100,000
Faculty Promotions	80,000
Subtotal	<u>470,000</u>
<b>Total</b>	<b><u><u>\$920,000</u></u></b>

## MSU Proposed HEAF Allocations - FY 2016 & FY 2017

General:	Final 2015	FY 2016 Proposed	FY 2017 Draft
Master Plan project funding	\$ 369,638	\$ -	\$ 249,926
Debt service (relief for operating budget)		950,000	900,000
Mass Communication debt service		290,000	290,000
Mass Communication furniture			200,000
University landscape/hardscape repairs		250,000	150,000
Prothro Yeager room renovation		31,900	
Fain Fine Arts theater dimming project		169,300	
West Campus Annex infrastructure	100,000		
Museum parking lot project	73,000		
Jesse Rogers Promenade - phase 2			125,000
Hardin South office renovation			250,000
Parking and Library consultants	58,000		
Landscape project	100,000		
<b>Total General University</b>	<b>700,638</b>	<b>1,691,200</b>	<b>2,164,926</b>
<b>Provost and VP Academic Affairs</b>			
Allocations to Colleges	410,000	240,000	500,000
Library - books and materials	550,000	500,000	550,000
<b>Total Provost</b>	<b>960,000</b>	<b>740,000</b>	<b>1,050,000</b>
<b>VP Business Affairs &amp; Finance</b>			
Technology/equipment support	7,000		4,300
Business Office security upgrade			15,000
Capital lease - vehicles	30,000	30,000	30,000
Human Resource suite renovation	40,000		
Physical Plant (deferred maintenance)	1,000,000	579,805	1,010,000
<b>Total VP Business Affairs &amp; Finance</b>	<b>1,077,000</b>	<b>609,805</b>	<b>1,059,300</b>
<b>VP Student Affairs &amp; Enrollment Management</b>			
Testing computers	9,775		
Disability Support Services	4,000		
Admissions electric cart			20,000
University Police equipment			14,809
<b>Total VP Student Affairs &amp; Enrollment Mgmt.</b>	<b>13,775</b>	<b>0</b>	<b>34,809</b>
<b>VP University Advancement &amp; Public Affairs</b>			
Technology/equipment support	8,020		1,156
Webmaster - new calendar software		13,200	
<b>Total VP University Adv. &amp; Public Affairs</b>	<b>8,020</b>	<b>13,200</b>	<b>1,156</b>
<b>VP Administration &amp; Institutional Effectiveness</b>			
VP Office			1,221
Information Technology:			
Classroom technology	250,000	169,070	360,000
Hardware replacements	400,000	36,000	40,000
Wireless expansion	50,000	35,000	50,000
Computer labs	100,000	60,000	80,000
Degree Works		20,000	20,000
Hardin South 1st and 2nd floor rewire			200,000
<b>Total VP Administration &amp; Institutional Eff.</b>	<b>800,000</b>	<b>320,070</b>	<b>751,221</b>
<b>Total</b>	<b>\$ 3,559,433</b>	<b>\$ 3,374,275</b>	<b>\$ 5,061,412</b>



**Midwestern State University**  
**FY15 Donor and Other Restricted Fund Fund Summary**

**FY15 Expenses:**

Faculty	1,099,031
Adjunct Faculty	32,592
Staff	216,487
Wages	204,586
Fringe Benefits	383,445
Maintenance & Operations (M&O)	2,233,180
Travel	41,250
Capital Outlay	152,320
Longevity	4,727
Scholarships	839,518
Pell Grants	8,500,000
College Work Study	142,927
Supplemental Education Opportunity Grant (SEOG)	124,825
Texas Grants	3,331,667
	<u>17,306,555</u>

**FY 15 Revenue:**

<u>Sources</u>	<u>Amounts</u>	<u>Comments</u>
<b><u>Donor Funds</u></b>		
MSU Foundation	880,420	Unrestricted reduced by \$312,000 in FY16.
Charitable Trust	423,731	Endowed fund revenue.
Dillard Family	420,708	Gifts outside of foundation.
Gunn Family	1,000,000	This gift ends after FY16.
McCoy EURECA	150,000	3-year grant that ends after FY17.
Bolin Petroleum	183,263	Gift will end after FY15, however, there is a balance.
Redwine Interest	310,446	Used for scholarships. Will increase by \$280,000 in FY16.
Mustangs Club	110,974	Donations for Athletics
Gifts to Annual Fund - University's Greatest Need	80,000	Used for merit scholarship (\$70,000) and Rainforest Study (\$10,000).
Miscellaneous Gifts	1,257,326	One-time gifts used for merit scholarships and M&O.
<b><u>State, Federal, or Government Funds</u></b>		
US Dept of Education	8,980,932	Funds SEOG, Federal College Workstudy, Pell Grants
Caribbean State	15,000	Funds travel expenses for international recruiting.
Small Business Development Center (SBDC)	108,451	Federal passthrough grant for SBDC
Texas Higher Education Coordinating Board (THECB)	3,331,667	Funds Texas Grants.
University of Texas	15,000	Passthrough grant for JAMP program.
<b><u>Local Tuition</u></b>	38,637	Local tuition used for salary and fringe not covered by donor funds.
	<u>17,306,555</u>	

Midwestern State University  
Current Restricted Funds Summary  
FY15

Current Restricted Funds:	MSU Foundation	Charitable Trust	Dillard Family	Gunn Family	McCoy EURECA	Bolin Petroleum	Redwine Interest	Mustangs Club	US Dept of Education	Caribbean State	Small Business Assoc	THECB	The Univ of Texas	Local Tuition	UGN Annual Fund	Misc Gifts	Total
International Recruiting										15,000					10,000		15,000
Rainforest Study								2,000									10,000
Mustangs Athletic Club								38,974									2,000
Mustangs Club Special Reserve								70,000									38,974
MAC- Post Season														15,000			70,000
Deferred Compensation - Maskill																	15,000
SBDC											108,451						108,451
SEOG FY 14-15									124,825								124,825
Federal CWS 14-15									142,927								142,927
Pell 14-15									8,500,000								8,500,000
Student Support Services Grant									213,180				15,000				213,180
Joint Admission Medical Program												3,331,667					15,000
THECB - Texas Grants																	3,331,667
Honors Scholarships							310,446										310,446
Merit Scholarships	41,986	114,506														257,326	483,818
Fndtn - Wilson Professorship	6,169														70,000		6,169
Fndtn - University Activities	35,000																35,000
Fndtn - D.P. Bolin Piano Chair	50,046													13,837			63,883
Fndtn - Madera Professorship	8,000																8,000
Fndtn - Raborn/Economic Educ	8,829																8,829
Fndtn - McCoy Engineering	217,263																217,263
Fndtn - Other Allocations	513,127																513,127
CT - International Scholarships		60,000															60,000
CT - Dillard Special Fund		84,438															84,438
CT - Finance Chair		9,136															9,136
CT - Lalani Center		8,630															8,630
CT - Other Allocations		147,021															147,021
McCoy EURECA 3 Yr Grant					150,000												150,000
Bolin Petroleum Geology						183,263											183,263
Dillard Distinguished Professor			75,000														75,000
Dillard Energy Center			345,708											9,800			345,708
Gunn - Health Sciences				1,000,000													1,000,000
Miscellaneous Gifts and Donations																	1,000,000
<b>Budgeted Expense Total</b>	<b>880,420</b>	<b>423,731</b>	<b>420,708</b>	<b>1,000,000</b>	<b>150,000</b>	<b>183,263</b>	<b>310,446</b>	<b>110,974</b>	<b>8,980,932</b>	<b>15,000</b>	<b>108,451</b>	<b>3,331,667</b>	<b>15,000</b>	<b>38,637</b>	<b>80,000</b>	<b>1,257,326</b>	<b>\$17,306,555</b>

Uses:	MSU Foundation	Charitable Trust	Dillard Family	Gunn Family	McCoy EURECA	Bolin Petroleum	Redwine Interest	Mustangs Club	US Dept of Education	Caribbean State	Small Business Assoc	THECB	The Univ of Texas	Local Tuition	UGN Annual Fund	Misc Gifts	Total
Faculty	228,429	74,325	339,150	351,950		104,000											
Adjunct				15,588			17,000							1,177			8
Staff				50,076				28,000	96,000		42,411						
Wages				0	92,000				51,759		36,323		9,504	15,000			
Fringe	51,865	16,249	56,558	131,933	2,000	26,943	2,746	10,974	36,560		24,704		459	22,454			
M&O	552,140	158,851	25,000	350,000	42,000			72,000	14,951		4,101		4,337		10,000	1,000,000	
Travel	6,000			0	14,000				5,550	15,000			700				
Capital Outlay				100,000		52,320											
Longevity				455					3,360		912						
Scholarships	41,986	174,506					290,700		8,772,752			3,331,667			70,000	257,326	
<b>Total</b>	<b>880,420</b>	<b>423,731</b>	<b>420,708</b>	<b>1,000,000</b>	<b>150,000</b>	<b>183,263</b>	<b>310,446</b>	<b>110,974</b>	<b>8,980,932</b>	<b>15,000</b>	<b>108,451</b>	<b>3,331,667</b>	<b>15,000</b>	<b>38,637</b>	<b>80,000</b>	<b>1,257,326</b>	<b>17,306,555</b>