

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Executive Committee
August 6, 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 2:00 p.m., Thursday, August 6, 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, and Student Regent Megan Piehler.

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; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Faculty Senate Secretary; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; 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*. Attending the first portion of the meeting were Mr. Mike Trammell, Vice President, Buford-Thompson Company (BTC), and Mr. Joe Stramberg with Treanor Architects.

Chairman Hessing called the meeting to order at 2:00 p.m.

Reading and Approval of Minutes

15-174. The minutes of the Executive Committee meeting May 14, 2015 were approved by the committee as presented.

Student Housing Project

15-176. Mr. Hessing stated that this item would be taken out of order to accommodate guests who were attending the meeting to answer questions that might be asked. He noted that bids on this project were higher than estimated. The administration worked with the architects and the construction manager on value engineering options. He asked Dr. Lamb to comment on the current status of the project. Dr. Lamb stated that the university employed the use of three estimating firms and set the project budget at the highest of the estimates received. He noted that between the time the budget was set and the time bids were received the construction market shifted and bids came in higher than expected. The administration, architect, and construction manager worked on value engineering the project. Dr. Lamb indicated he was pleased to report that the project was now within the budget approved by the board and was on schedule for a fall 2016 opening. He complimented Dr. Fowlé, Mr. Park, and Mr. Owen for their efforts and added thanks to Mike Trammell, Buford Thompson, and Joe Stramberg, Treanor, for their work on the project.

Mr. Hessing referred the board to the packet of information they previously received regarding the project (see Attachment 1). He indicated that the administration, architect, and construction manager worked diligently to bring the project within budget.

Ms. Piehler noted her concern that funding for the landscaping was removed from the project and that the landscaping would now be completed over time. She stated that current students were particularly looking forward to the outdoor spaces and noted that not having these areas might adversely affect recruiting. She asked for additional information about the plans. Dr. Lamb responded that while the landscaping had been removed from the project, the administration planned to rebid that portion of the project and pay for it over time from other sources of funds. He stated that sidewalks and grass would be installed when the hall opens. He added that the other outdoor features, such as arbors and study bars, would likely be added during the following two or three years. Dr. Lamb stated that the outdoor features were very high on the students' wish list and were important in the design. He noted that the overall project is designed to pull students out of their rooms and into community spaces.

Mrs. Marks asked about the texture of the stucco, which was the secondary option to brick. Mr. Stramberg responded that it is a sand type texture that has a smooth plaster look. Mrs. Marks asked if there were any examples of the stucco on campus. Dr. Lamb asked if the south side of the Wellness Center had a similar treatment. Mr. Stramberg indicated that he was not familiar with the Wellness Center stucco treatment. Mrs. Marks asked if the decision had been made on the use of stucco versus brick. Mr. Stramberg responded that stucco on the courtyard side of the building was included in the base bid. He added that mockups of various textures and colors would be available for review. Dr. Lamb noted that the decision had not been finalized regarding the west side of the building. Mr. Hessing asked if it was safe to say that the integrity of the campus look and style would not be impaired by the design choices made on the new residence hall. Dr. Lamb responded that the building would strongly identify Midwestern State University. He added that through the value engineering process the integrity of the look, the function, and the student experience were not altered.

Mr. Hessing noted that this item was presented for information only and no action was necessary. He thanked Mr. Stramberg and Mr. Trammell for attending the meeting and providing information for the board.

Campus Master Plan and Construction Update

15-175. 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 2. The photographs showed the progress on the Dalquest Desert Research Station, the Priddy Pavilion addition at the museum, the student housing project, and the expansion of parking lot 6S. Mr. Owen noted that the Joe B. Hood Laboratory at the Dalquest Desert Research Station is approximately 3,500 square feet. It includes a kitchen facility, conference room, running water, a sewer system, electricity, and satellite internet service. Mr. Hessing asked how many spaces were added with the expansion of parking lot 6S. Mr. Owen responded that the lot increased by 260 spaces. He added that with the loss of parking for the residence hall construction site, there was a net gain of approximately 50 parking spaces.

Wichita Falls Museum of Art at Midwestern State University Advisory Board

15-177. Mr. Hessing noted that the agenda contained the names of the individuals recommended for reappointment to the Museum Advisory Board. He stated that all of the individuals have experience on the board. He added that the Advisory Board had requested and the administration had recommended that Mrs. Marks be reappointed as Board Liaison until her tenure on the Board of Regents ends.

Mr. Bryant moved approval of these appointments as presented in the agenda. Mrs. Burks seconded the motion and it was approved.

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

15-178. Mr. Hessing stated that the administration recommended the ratification of the accession of artworks shown in the agenda. He added that the museum was continuing to catch up on a backlog of items that need to be accessioned.

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

Adjournment

The Executive Committee discussion concluded at 2:15 p.m.

Reviewed for submission:



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

ATTACHMENTS:

1. Residence Hall Update
2. Construction Update - Project Photographs



Vice President for Student Affairs and Enrollment Management
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4291 f 940.397.4938

July 29, 2015

TO: Dr. Jesse W. Rogers
FROM: Dr. Keith W. Lamb
RE: Residence Hall Update

Construction of the new residence hall, scheduled to open for the fall 2016 semester, has officially begun with the demolition of the parking lot and subsequent site work. The project is on-schedule.

The Board of Regents, at the request of the administration, set the budget for the project at \$35,250,000, with bonding capacity at \$33,250,000. The \$35,250,000 budget, which includes construction costs of \$30,400,000 and soft costs of \$4,850,000, was requested and approved based on the work of three professional estimators:

- The architect, Treanor Architects, employed the use of CCS International;
- The construction manager at-risk, Buford Thompson Construction, utilized a company estimator; and,
- MSU contracted with an additional estimator, HPW.

The budget requested of the Board was that of the highest estimate received. When bids were opened, the total of the bids exceeded the approved budget by \$2,900,000. Representatives from Treanor Architects and Buford-Thompson Construction will be present at the Board of Regents meeting and will be able to address the conditions that led to the bids exceeding the three estimates.

Since that time, an aggressive value engineering program has occurred in an attempt to get the project within budget. Please note the following efforts:

- The landscaping of the area around the project, which is public space available to the entire university, was pulled from the project and will be re-scoped and bid as a separate project to be completed over time. It is anticipated that Higher Education Assistance Funds (HEAF) will be utilized for the exterior landscaping.
- Mechanical systems were evaluated and, where appropriate, altered. It is not anticipated that the alterations will materially affect the function of the facility.
- Finishes and furnishings were scrutinized and, where appropriate, altered or reduced.
- Windows and doorframes were re-scoped.
- Some packages have either been rebid or renegotiated, as appropriate.
- The multipurpose room will not be delivered as finished, although it is highly preferred that this space be completed as it is crucial from a programmatic and educational

standpoint. It will also soften the forthcoming loss of student meeting/programming space in the Clark Student Center as a result of necessary dining renovations.

- Cast stone has been modified to an alternate material, where possible, reduced in certain areas, and removed from the windowsills, with alternate brick patterns replacing (similar to that of Sundance Court).
- Brick has been reduced on the building exterior, utilizing alternate materials that blend well with the campus.

The last bullet point deserves further explanation, as heavy use of “Midwestern Blend” brick is important to the campus. For the last several years, including the last two residence halls constructed at MSU (Sunwatcher Village and Sundance Court), the trend in residence hall construction has been facilities with shorter life spans than the traditional 100-year campus construction project. As such, these facilities, similar to the proposed residence hall, are wood-framed projects versus the steel-framed projects of the past. There are two intersecting reasons for the change in approach.

The first reason is that student desires in living quarters change from generation-to-generation. When the Baby Boomers entered universities in the mid-to-late 1960s, a flurry of residence hall construction ensued, including MSU’s Pierce and Killingsworth Halls. What has been learned when renovating these steel-framed facilities in recent years is that today’s student does not want to live in the same arrangement as students of the past, and it is very expensive to adapt these steel facilities to current students’ desires. Wood-framed facilities are less expensive to construct and, in theory, allow the university some flexibility in 30 to 50 years; the university can elect to raze the facilities at that time and construct ones that better meet the desires and tastes of tomorrow’s student, whatever those may be.

The second reason is that of cost. As higher education is becoming increasingly expensive, it is incumbent that institutions provide housing that meets desires at an affordable cost. This reason is likely more important at an institution with MSU’s student profile. Wood frame construction is less expensive than steel.

The amount of brick typically used at MSU is integral to this decision, as it is simply not cost effective to spend significant resources for brick veneer on a project with a shorter useful life than the academic buildings constructed on-campus. In order to build a residence hall students can afford and include heavy use of brick, it will be necessary to shift resources from inside of the building, which directly impacts the student experience, to the outside of the facility (brick veneer). If MSU compromises on student space, the student experience will be negatively impacted and the building will lose desirability, not to mention the role it is intended to play for a growing residential population.

Based on the most recent value engineering discussion, the project is still nearly \$350,000 over budget. The administration has determined it best to use less brick on the west elevation (Louis J. Rodriguez Drive), with alternate materials that blend well with the surrounding campus. Buford Thompson Construction is currently calculating cost savings; however, we anticipate the savings to afford the opportunity to complete the multi-purpose room and be within budget. Architectural renderings of the project exterior as well as cost savings will be provided at the Board of Regents meeting.

New Residence Hall Financing

As of August 6, 2015

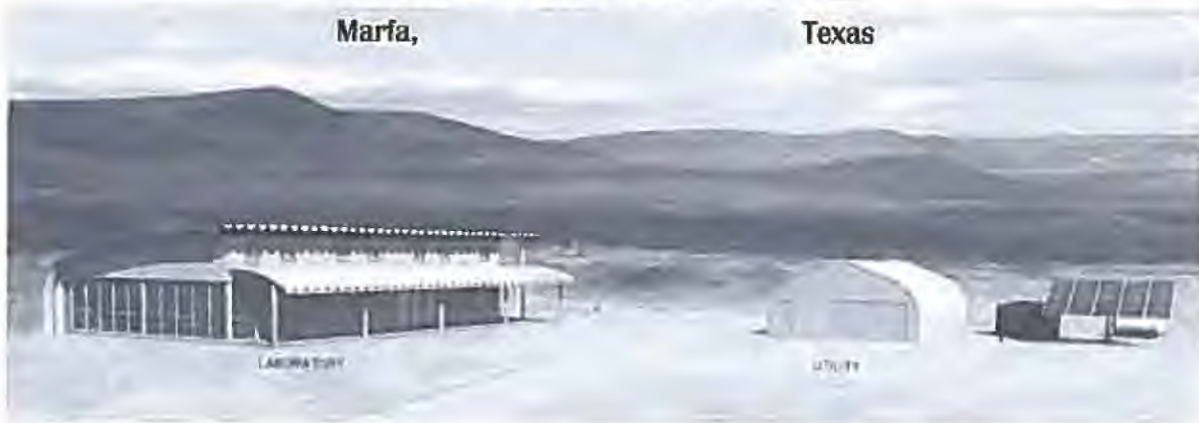
Description	\$	Comment
Bond Proceeds	\$33,250,000	
Chartwells One-time Bonus	350,000	Bonus for signing new food service contract
First year bond payment savings	500,000	Budgeted \$1.6M, first year will be \$1.1M, thereafter debt service will be \$1.6M+
Interest earnings on bond proceeds during construction	120,000	Invested in flexible repurchase agreement at 48.6 bp for approx. 12 months
Housing reserves	356,000	Balance will be \$1,029,000, would reduce to \$673,000
Gift	500,000	
Student center fee debt service savings	174,000	Debt service decreases by \$174K in FY17, will use to finish out multipurpose room on first floor
Total	\$35,250,000	

Note: Landscaping will be a separate project and is not included in these numbers.

DALQUEST DESERT RESEARCH STATION

Marfa,

Texas





PAVILION ADDITION

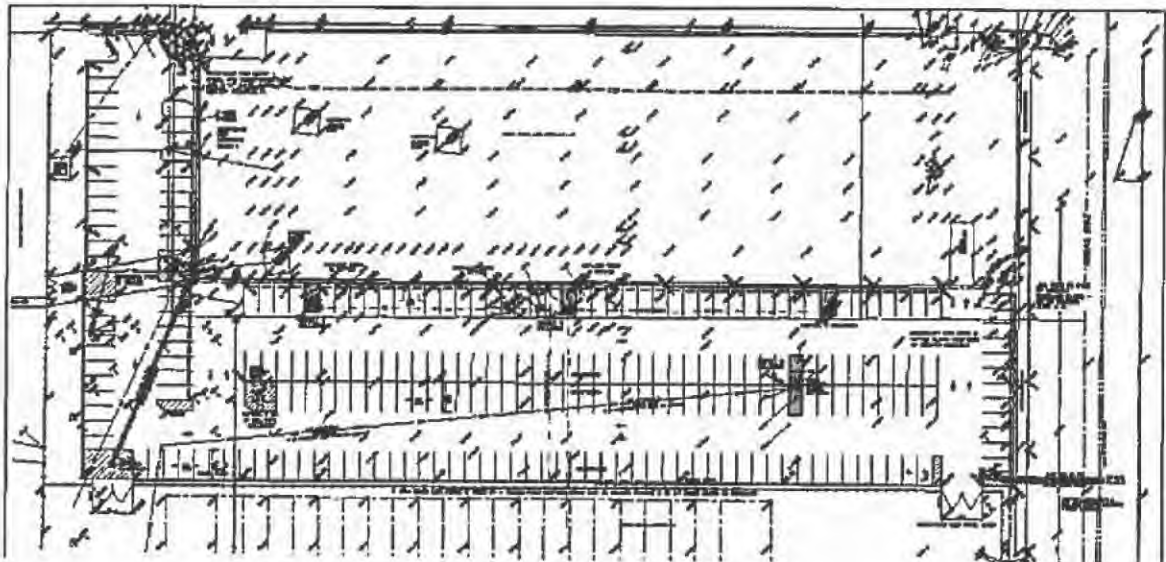


STUDENT HOUSING PROJECT





PARKING LOT 6S EXPANSION





MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Academic and Student Affairs Committee
August 6, 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 2:15 p.m., Thursday, August 6, 2015. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman; Mr. Kenny Bryant; and Ms. Tiffany Burks. 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 Megan Piehler.

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; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; 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

15-179. The minutes of the Academic and Student Affairs Committee meeting May 14, 2015, were approved by the committee as presented.

Faculty Report

15-180. Dr. Jeremy Duff, Secretary of the MSU Faculty Senate, expressed appreciation to the administration and board for continuing the third installment of raises that were part of the three-year Faculty Salary Enhancement Plan. He added that the administration and faculty had communicated well on a number of issues, including the Faculty Salary Enhancement Plan, the academic lecturer positions, and outsourcing. He expressed appreciation to the administration for the open lines of communication. Dr. Duff mentioned that with the legislature's approval of Tuition Revenue Bond funding, the faculty in the Gunn College of Health Sciences and Human Services had expressed the desire to collaborate with the administration and the board on the design of the facility. On behalf of the Faculty Senate, he expressed appreciation to Dr. Rogers for his years of service to MSU. He added that the senate looked forward to working with Dr. Shipley as she transitions into the new presidential role.

Dr. Duff then introduced Dr. Stacia Miller, Assistant Professor of Kinesiology, in the West College of Education. He noted that Dr. Miller is a former K-12 educator and coach and that she has taught physical education at all levels, from elementary to higher

education. Her research includes movement integration, pedagogical field experiences, and physical activity programs.

Dr. Miller thanked the board for the opportunity to meet with them and presented information shown in Attachment 1. She reported that she was a graduate of MSU and was beginning her sixth year as a faculty member. She indicated that upon graduation from MSU she entered the K-12 system teaching physical education and science, and coaching girls' athletics. She indicated that MSU prepared her to be a good teacher and she was glad to have the opportunity to return to MSU as part of the faculty. She stated that she is very student-centered and learner-centered and that she believes in teaching for the purpose of learning. She indicated that it was wonderful to work with people who have the same values.

Dr. Miller stated that her research agenda had been dictated by students' needs, her community collaborations, and by learning that occurs in her classroom. She added that her approach to research had also been influenced by her work through the Enhancing Undergraduate Research Endeavors and Creative Activities (EURECA) program. She noted that she has had the privilege of working with outstanding students. She indicated that they have been doing movement integration research and are working on an interdisciplinary textbook. She discussed the work some of her student researchers did within a local elementary school studying the effect of movement-integrated lessons in the classroom. She also shared information of collaboration with another kinesiology faculty member whereby students in their summer classes host a one-week Boosting Exercise and Activity Time (BEAT) Camp each summer for elementary school children. This program is funded by community sponsors and MSU faculty grant funding. The children are nominated by their elementary school teachers and participate in the camp free of charge. Dr. Miller stated that this has been a meaningful program for the elementary school students, the MSU students, and the faculty members involved.

Dr. Miller noted that she is learning to juggle her responsibilities of teaching, scholarship, and service. She added that she was fortunate that her teaching and research coincide and that she has great colleagues.

Dr. Givens expressed appreciation to Dr. Duff for his report and thanked Dr. Miller for her work at MSU.

Staff Report

15-181. Ms. Reagan Foster, newly elected Chair of the Faculty Senate, thanked Mr. Dirk Welch for his service as Chair during the last four years. She distributed a list of the FY 16 senators as shown in Attachment 2. She indicated that the newly elected officers, in addition to herself, were as follows:

- Vice Chair – Angie Reay, Interim Director of Residence Life
- Secretary – Sue Witherspoon, Administrative Assistant, Student Development and Orientation
- Parliamentarian – Newman Wong, Research Analyst, Institutional Research and Assessment

Ms. Foster noted that the Staff Senate is fully supportive of the Compensation and Classification Survey that was underway and encouraged staff participation. She added thanks to Dr. Rogers for his service at MSU and noted that he had always been a champion for the staff.

Dr. Givens thanked Ms. Foster for her report and indicated that the board looked forward to working with her in the coming year.

Student Government Report

15-182. Dr. Givens stated that the Student Government report would be given by new Student Government Association (SGA) President Jesse Brown. Mr. Brown expressed appreciation to the board for the opportunity to visit with them. He reported that he recently returned from Washington, D.C. where he interned with the National Republican Congressional Committee for two months. He indicated it was a great experience. He expressed appreciation to Mark Brown, SGA Vice President, and Laura Flores, SGA Secretary, for their work and planning during the summer. He reported that the SGA goal for the year was to expand awareness of and respect for SGA across campus. He indicated that they intended to make SGA more visible and to interact more with the students. He reported that they planned to work on legislation regarding a centralized tutoring center and to work to improve student leadership on campus through training opportunities. He added that they would also work to revise the SGA by-laws.

Mr. Brown reported that he had an opportunity to visit with Dr. Shipley on the campus of Shepherd University during the summer. He indicated that everyone he spoke with had only good things to say about her.

Dr. Givens thanked Mr. Brown and noted that the board looked forward to working with him and the SGA during the coming year.

Athletics Report

15-183. Mr. Charlie Carr, Director of Athletics, presented information regarding athletics. He noted that the MSU athletics program ranked 60th out of 330 schools in the Director's Cup for the last school year. He added that this ranking was approximately 20 lower than the program had achieved during the previous four years. He stated that while the athletics program had hoped for a team national championship during Dr. Rogers' final year, the program produced an individual national champion in Brenna Moore, who won the Division II Women's Golf Individual Championship. This was MSU's first NCAA championship. Mr. Carr invited board members to the 2015 Welcome Back Dinner Sunday, August 23. He noted that the special guest speaker would be former Dallas Cowboy and five-time super bowl player Charles Haley. He added that the first home football game would be played September 6.

Dr. Givens thanked Mr. Carr for his report.

Enrollment Report – Summer 2015

15-184. Dr. Givens reported that the enrollment report was sent to the board earlier in the week and was presented as shown as Attachment 3. He noted that there was a slight increase in Summer I and a decrease in Summer II. He asked Dr. Stewart to discuss any changes

in course offerings that may have affected the summer enrollment and asked Dr. Lamb to talk about projections for the fall. Dr. Stewart stated that the administration and faculty were appreciative of the board's approval of additional funding for summer school offerings. She indicated that while there was an increase in Summer I classes, 15 fewer classes were offered in Summer II when compared to the previous year. She stated that this was the result of student need as well as the requisite enrollment levels that were established for courses to be offered. She reminded the board that these levels were 15 students in lower-level courses and 10 students in upper-level classes.

Dr. Lamb reported that the budget was established based on an enrollment of 5,875, which is growth of one student more than fall 2014. He noted that while the number of enrolled new students was up 17% and overall enrollment was up 8% over 2014, these were not accurate comparisons owing to the change in summer orientation. He added that the number of enrolled returning students was up 4% which was a good indicator. Dr. Lamb reported that housing was full, including the 249 beds the university sub-leased off campus. He added that they are currently wait listing individuals for campus housing. Mrs. Burks asked how many students were waitlisted for housing. Mr. Park responded that nine males had been guaranteed a bed but had not yet been assigned space while an additional 14 male students were waitlisted with no guarantee. He added that 14 female beds were still available in housing, primarily in Killingsworth Hall.

August 2015 Graduating Class

15-185. Dr. Givens reported that the administration recommended approval of the candidates for August 2015 graduation as presented in the agenda. He noted that 193 students were on the list compared to 195 in 2014. Mrs. Burks moved approval of these candidates as presented. Mr. Bryant seconded the motion and it was approved.

Realignment of Academic Departments

15-186. Dr. Givens reported that the administration recommended the realigning of the Department of Chemistry, Geosciences, and Physics, into a Department of Chemistry and Physics and a Department of Geosciences. He asked Dr. Rogers and Dr. Stewart to comment on this recommendation. Dr. Rogers indicated that the university combined the three academic programs into one department a few years ago. He noted that since that time, significant gifts had been made to support the area of geosciences and the establishing of the Kimbell School of Geosciences and the Bolin Graduate School of Petroleum Geology. He added that the geosciences program had continued to grow significantly in spite of the downturn in the oil and gas business. Dr. Stewart reported that the combining of the programs a few years prior was at a time when the Texas Higher Education Coordinating Board (THECB) was holding universities accountable for the number of majors and graduates being produced. During that time MSU lost its major in physics and the chemistry program had not met its target of the number of graduates for three years. At that time the administration recommended that the three academic programs (chemistry, geosciences, and physics) be combined. Dr. Stewart indicated that the programs had since grown and the administration recommended that they be realigned.

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

MSU Policies and Procedures Manual Changes

15-187. Dr. Givens noted that two policy changes were listed in item 15-187A for the board's information only. These changes were made to reflect new laws passed during the recent legislative session. He added that the change shown in item 15-187C was the deletion of an out-of-date policy.

Dr. Givens asked Dr. Stewart to explain the proposed new academic lecturers policy outlined in item 15-187B. Dr. Stewart noted that this new policy dealt with the hiring of the new academic lecturers. She reminded the board that the university began offering a new general education core curriculum in the fall of 2014 as required by the THECB. The new core was offered to incoming freshmen while the previous core curriculum was still offered for sophomores, juniors, and seniors. The offering of two curricula put a great deal of strain on faculty resources. Dr. Stewart reported that she and the deans determined the need for temporary, one-year, full-time faculty positions. She indicated that they worked with the Business Office to develop a model for paying the salaries of the new positions without taking resources from the university. The five lecturer positions were approved by the board in May and the faculty were involved in developing the policy that was recommended for approval. She noted that these were one-year, non-tenure track positions. She added that the need for lecturer positions would be reviewed every two years.

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

Mrs. Marks asked if this type of position was unique to MSU. Dr. Stewart responded that this was a common title at larger universities where they have a large number of incoming students and do not have as many tenure-track positions. Dr. Givens asked if the number of lecturer positions might be expanded in the future. Dr. Stewart responded that it was possible but that the administration was not looking to expand at this time. Dr. Givens stated that if the university had an increase in enrollment this might be a way to satisfy the need for faculty while determining if the increased enrollment would continue. Dr. Stewart noted that she originally wanted nine positions but that she had settled for five at this time. She added that the administration would like to limit the lecturer positions to the general education curriculum. Dr. Givens noted that this could provide the university with an opportunity to attract very talented individuals who are in an interim state or are in a period of transition. Dr. Stewart reported that three of the individuals hired to fill these positions were moving to MSU from out of state.

There being no further discussion the motion was approved.

Tenure

15-188. Dr. Givens noted that discussion regarding this item would take place in closed session later in the meeting.

Recess

The committee went into recess at 3:00 p.m. The committee reconvened at 4:27 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 072 and 074 to consider Items 15-172 (Real Property), 15-188 (Tenure), and 15-197 (FY 16 Budget Approval). The closed session began at 4:27 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Ms. Piehler, Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, Mr. Macha and Ms. Barrow remained for all of the discussion. Mr. Owen remained for the discussion of item 15-172 only and left the closed session at 4:46 p.m.

Open Meeting Resumes

The closed session ended at 4:55 p.m. with an announcement by Mr. Hessing that no action was taken during the session.

Tenure

15-188. Mrs. Burks moved approval of granting tenure to the following faculty:

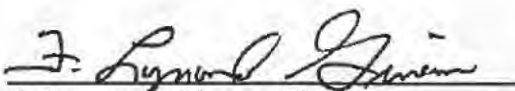
Margaret Brown Marsden, Ph.D.	Biological Science
Raj Desai, DIT	Industrial Technology

Mr. Bryant seconded the motion and it was approved.

Adjournment

There being no further business, the meeting of the Academic and Student Affairs Committee adjourned at 4:56 p.m.

Reviewed for submission:



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

ATTACHMENT:

1. Dr. Stacia Miller – Faculty Presentation
2. FY 16 Staff Senate Roster
3. Enrollment Report – Summer 2015

A Purpose to Serve



MIDWESTERN
STATE UNIVERSITY

Dr. Stacia Miller
Board of Regents Meeting
August 6, 2015

mwsu.edu

Choosing MSU



- Wichita Falls Native, Alumni, and Faculty Member
- Landing my “dream job”
- Life is full of surprises
- Learner Centered



The Balancing Act

- Research Agenda



- Student Connections

- EURECA



- Community Collaborations



A Sum of All Things



EEO Class 1 – Officials and Administrators

Mark McClendon – 2nd Term

Clara Latham – 1st Term

EEO Class 3 – Non-faculty Professional

Reagan Foster – 4th Term

Linda Knox – 2nd Term

Angie Reay – 3rd Term

Newman Wong – 2nd Term

Jim Hall – 2nd Term

EEO Class 4 – Administrative Support

Sue Witherspoon – 4th Term

Sheila Barrett – 2nd Term

Jesika Fisher – 3rd Term

Johnna Weigand – 1st Term

EEO Class 5 – Technicians and Paraprofessionals

Jesse Johnson – 1st Term

EEO Class 6 – Skilled Craft Workers

Kim Forbess – 1st Term

EEO Class 7 – Service and Maintenance

Shane Black – 2nd Term

Robert Entrekin – 1st Term

Vinita Bohnenkamp – 2nd Term

Enrollment Reports

Summer I 2015

	2014	2015
New First-Time Freshmen	13	10
Freshmen	106	125
Sophomore	291	317
Junior	442	459
Senior	843	831
Graduate/Post-Baccalaureate	<u>385</u>	<u>362</u>
TOTAL	2,080	2,150

Summer II 2015

	2014	2015
New First-Time Freshmen	6	6
Freshmen	57	62
Sophomore	205	207
Junior	290	293
Senior	678	562
Graduate/Post-Baccalaureate	<u>202</u>	<u>216</u>
TOTAL	1,438	1,346

Semester Credit Hours	16,165	15,521
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**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Finance Committee
August 6, 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 3:00 p.m., Thursday, August 6, 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, and Student Regent Megan Piehler.

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; 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. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; 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 Bernhardt called the meeting to order at 3:00 p.m.

Reading and Approval of Minutes

15-189. The minutes of the Finance Committee meeting May 14, 2015, were approved by the committee as presented.

Ms. Piehler commented that the minutes indicated that with the expansion of the 6S parking lot the outdoor basketball court was eliminated. She reported that students had expressed concern about the removal of the basketball court and asked if it was something that could be discussed in the future. Mr. Bernhardt asked Dr. Lamb to look into the matter.

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

15-190. 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.

- a. Mr. and Mrs. James N. McCoy contributed \$111,150 to the Lamar D. Fain College of Fine Arts for the MSU Band to purchase marching band uniforms and instruments.
- b. The City of Wichita Falls contributed \$30,000 for Idea Wichita Falls sponsored by the Dillard College of Business Administration and the Lalani Center. The city also provided an additional \$6,000 for the Wichita Falls Airport Art Scholarships.

- c. Ms. Gretta Robb donated \$20,000 for scholarships.
- d. American National Bank and Trust awarded \$16,800 to the Wichita Falls Museum of Art at Midwestern State University to underwrite the expenses of the "Wichita Falls Collects" exhibit.
- e. Mr. and Mrs. Ted Smith, Jr. contributed \$15,000 to MSU athletics for women's soccer and the Mustangs Athletic Club.

Mr. Bernhardt expressed appreciation for the outstanding support received from the community, alumni, and friends. 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.

Report on Texas Public Investment Act Changes

- 15-191. Mr. Bernhardt reported that Texas statute requires that the board receive a report following each legislative session of any changes made to the Texas Public Funds Investment Act. He noted that the agenda indicated that no changes were made to the act that had an effect on higher education institutions. He stated that this item was presented as a point of information only and no action was required.

Financial Reports

- 15-192. Mr. Bernhardt reported that the administration recommended acceptance of the April, May, and June 2015 financial reports which were presented in the agenda. Dr. Fowlé noted that Schedule One highlighted total revenue for the institution at \$86.8 million, an increase of 3.9% compared to the same period the prior year. Increases in tuition and fees, gifts, and auxiliary enterprises comprised \$3.7 million of the increase. Expenses also increased from \$86.4 million to \$93.6 million, an increase of 8.4%. She noted that the largest increase was in depreciation expense of \$2.6 million. She added that the majority of the depreciation resulted from the \$8.5 million proprietary software donation that was received and will be amortized over three years. Dr. Fowlé reported that salary, wages, and benefits also increased by more than \$2 million and scholarships increased by \$1 million. Repairs and maintenance increased by \$900,000 owing to a large roofing project caused by hail damage. She added that the project was paid by insurance proceeds. Schedules Two and Three showed that revenue and expenses were tracking closely to the budget with revenue at 100% and expenses only at 74.5% compared to the expected 83.3% at the end of June. Schedule Three showed that MSU did not meet its tuition and fee revenue goals for the fall; however, the spring semester produced approximately \$370,000 more than was predicted. With summer tuition and fees, the university's tuition and fees were expected to exceed budget by more than \$300,000. She noted that auxiliaries were short of meeting fall and spring budget revenue projections and that summer revenue had not yet been reported. Dr. Fowlé noted that Schedule Four presented ending balances of the university's working capital. She added that while \$2.4 million was committed to the FY 15 budget, the university would retain \$5.8 million in working capital funds. She indicated her anticipation that the ending balance on capital funds would be greater than that amount since not all budgeted funds are expended.

Dr. Fowlé noted that when she presents the report on the Annual Financial Report (AFR) in November a new liability would be shown. She stated that new Governmental Accounting Standards Board (GASB) Statements 68 and 71 require institutions to post the employee Teacher's Retirement System (TRS) pension liability. She added that these funds are held at the state and the state currently funds TRS at 82% of the commitments to the retirees. This liability will now be pushed to the institutions that contribute to TRS. MSU's liability would be tentatively \$13 million. She noted that this would result in a decrease in the university's net assets. Mr. Gregg asked if the majority of the liability would be a prior period adjustment. Dr. Fowlé responded affirmatively. Mr. Hessing recommended that Dr. Fowlé talk to Dr. Patton about this owing to Patton's experience on the GASB board. Dr. Fowlé noted that MSU Controller Chris Stovall was attending a Moody workshop and would talk to their representatives about how this change might affect MSU's bond ratings in the future.

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

Investment Report

15-193. Mr. Bernhardt noted that the board had received a report on the Texas A&M University System (TAMUS) investments earlier in the meeting. Additionally, the third 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). The report showed that at the end of May the university held \$36.4 million in cash investments. The TAMUS held \$25.7 million of those funds which earned approximately \$196,000 in interest and dividends during the quarter. The institution held \$1 million in Texpool and Logic and \$2 million in a Wells Fargo Money Market account. She noted that these were all short-term overnight investment vehicles. The balance of the funds totaling \$2.2 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 yet been sold. Dr. Fowlé noted that on the cash holdings MSU had yielded between 2.16% and 2.99% each month, compared to the 12 basis points earned through Texpool and Logic.

Dr. Fowlé reported that the university's endowed funds were held at American National Bank (ANB) with \$8.8 million and the TAMUS with \$12.1 million. She noted that the funds held by ANB had remained flat since last quarter but had an overall appreciated market value of 20.4% since the funds were first invested with them. The TAMUS endowment pool gained .8% in market value for the quarter. The university received \$121,000 in distributions in addition to the market gain.

Dr. Fowlé noted that the agenda included a national economic update published by the Dallas Federal Reserve Bank as of June 19, 2015. She stated that the report provided an outlook on the U.S. economy.

Mr. Crosnoe asked if the distributions received were put into the budget or if they were reinvested. Dr. Fowlé responded that the administration budgets an estimated amount of earnings from the endowed funds. If earnings exceed the budgeted amount they can be spent or held in reserve. Mr. Hessing asked if budgeted investment earnings were included in the normal budget process. Dr. Fowlé responded that the current budget includes \$750,000 in earnings from the Cash Concentration Pool held with the TAMUS.

She added that earnings received in the previous year totaled \$950,000. The additional \$200,000 was placed in reserve in case earnings of \$750,000 were not realized in the current year. Mr. Hessing noted that if earnings continue to exceed the budgeted amount the administration should likely develop a policy regarding how these funds are handled and whether the budgeted amount should be adjusted.

Mr. Gregg moved acceptance of the investment report as presented. Dr. Givens seconded the motion and it was approved.

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

15-194. Mr. Bernhardt asked Dr. Rogers to comment on this report. Dr. Rogers reviewed the report included in the agenda. He noted that the first item was a title change only with a corresponding adjustment in duties. He reported that four staff positions remained open for some time during the year resulting in an overall savings in the current year budget and an increase to the FY 16 budget. The salary of an assistant football coach was adjusted during the year in an effort to retain the employee. He added that the new salary was more in line with the duties of the position within the program. The new laboratory technician position in the engineering program was required by ABET, the engineering program accrediting body. Dr. Rogers stated that all of the changes resulted in current year savings of \$65,512 and additional cost in FY 16 of \$32,358.

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

University Accounts/Signature Authorizations

15-195. Mr. Bernhardt noted that each year the board is asked to approve the individuals authorized to sign on university bank accounts, purchase and sell investment instruments, perform normal banking transactions, and sign appropriate personnel retirement documents. The specific recommendations were listed in the agenda document and included Dr. Suzanne Shipley as MSU's new president.

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

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

15-196. Mr. Bernhardt reported that the administration recommended approval of the firms listed in the agenda. Mr. Gregg moved approval of these firms as presented. Dr. Givens seconded the motion and it was approved.

Fiscal Year 2016 Budget Approval

15-197. Mr. Bernhardt noted that the administration recommended approval of a \$103,352,620 operating budget for fiscal year 2016. Mr. Gregg moved approval of the budget as presented and Dr. Givens seconded the motion.

Dr. Rogers thanked the board and the board chair for suggesting that a budget workshop be held during the summer. He noted that the budget generally followed the guidelines that were discussed during the workshop. He reported that the FY 15 budget included \$2.2 million in one-time funds. He indicated that the administration began planning the FY 16 budget with the knowledge that these one-time funds were not available for use in the FY 16 budget. Dr. Rogers reviewed the budget highlights that were included in the

agenda. He reported that while the budget was based on flat enrollment, the legislative session resulted in increased funding from the state. Dr. Rogers noted that \$950,000 in debt service would be paid from the Higher Education Assistance Fund (HEAF) allocation in FY 16. He added that the HEAF allocation would increase from \$3.4 million in FY 16 to \$5 million in FY 17. Dr. Rogers stated that the proposed budget was balanced reasonably and conservatively.

Dr. Fowlé reviewed the budget presentation shown as Attachment 1. She stated that the budget was balanced without the use of reserves or one-time monies. Slide Three showed the budgeted sources of funds. She noted that the increase in tuition and fees was the result of tuition and fee increases approved by the board and not because of any anticipated increase in enrollment. She reported that auxiliaries showed an increase owing to the overflow of students being housed off-campus. She added that restricted funds dropped because one-time sources for the budget were utilized in previous years. Slide Four presented a pie chart of the budgeted sources of funds in FY 16, with comparison figures for FY 15.

Slide Five showed the budgeted uses of funds. Dr. Fowlé noted that faculty salaries increased with the three-year Faculty Salary Enhancement Plan. She added that staff salaries also increased and that the \$225,000 pool was included in the budget for distribution following the completion of the staff compensation and classification study. She indicated that a report of the findings would be presented to the board in November. The graduate assistant (GA)/scholarship column increased owing to additional GA's in the geosciences graduate program and additional funding in the merit scholarship program. Slide Six presented the pie chart of budgeted uses of funds. Dr. Fowlé noted that more than 52% of the budget provides funding for salaries, wages, and fringe benefits, and these costs increased by 1% over the previous year. Mr. Hessing asked how this number compared to other universities in the state. Dr. Fowlé responded that it was about the same. Mr. Hessing asked how MSU compared when looking at Maintenance and Operation (M&O), excluding travel. Dr. Fowlé responded that when comparing percentages it was important to remember that the size of the pieces were relative to the other parts. She noted that when debt service increases everything else will get smaller. Ms. Maxwell reported that travel costs are approximately \$1 million, regular M&O totals \$12.7 million, and fringe benefits are \$13.6 million. Mr. Hessing stated that he would like to understand how MSU compares to other universities related to these costs. Dr. Fowlé indicated that she could provide this information relative to some of MSU's peers.

Dr. Fowlé noted that during the budget workshop the administration reviewed a list of high priority funding that needed to be included in the budget. Slide Seven showed the strategic investments that were included in the proposed budget while Slide Eight showed the one-time investments that were included in the budget. Mr. Hessing asked if the university was covering the cost of the grant writer with the amount of grants received. Dr. Stewart responded that the administration hoped to cover the costs as grants are funded. Mrs. Marks asked if hiring a firm to provide assistance with grant writing was typical in higher education. Dr. Stewart responded that most universities of moderate to large size have a grant office with several employees. MSU entered into a contract with McAllister and Quinn to assist in the grant writing process. Dr. Rogers asked Dr. Stewart about the amount of the grant that had been received. Dr. Stewart responded that the university had received a two-year \$606,155 grant from the National

Science Foundation (NSF). This grant is designed to attract more students into Science, Technology, Engineering, and Math (STEM) disciplines.

Slide Nine reviewed the HEAF allocation for the year and Slide 10 showed the personnel increases in the new budget. She noted that the reduction in staff positions was through attrition and the consolidation of facilities services under Mr. Owen. Dr. Fowlé stated that board members asked about university reserves during the budget workshop. She noted that this information was presented in Slide 11.

Dr. Givens asked how MSU's reserves compared to its peer institutions. He asked if there was a typical amount as a percent of the overall budget. Dr. Fowlé responded that some universities look at maintaining an 8% reserve pool in state appropriations and designated tuition. She indicated that she would need to review the numbers and calculate MSU's percentage. She noted that much of the reserves are held for specific purposes, such as housing maintaining a \$1 million reserve for capital needs. She added that 8% is a target for the flexible money that is not designated specifically for another purpose. Mr. Hessing asked Dr. Fowlé to provide this information to the board in November. Dr. Givens added that he would be interested in knowing what a healthy reserve balance would be. Dr. Fowlé responded that some institutions look at maintaining a certain number of months of operating expenses. She indicated that she would provide information to the board in November.

Ms. Piehler indicated that she was pleased to see the increase in scholarship money and asked how the total of scholarships compared to other universities. Dr. Lamb responded that it depended on the institution but that MSU is still low compared to many of MSU's competitors. He indicated that this could be quantified at the November meeting. Ms. Maxwell noted that MSU has \$20 million in scholarships, to include Pell grants, merit scholarships, and other aid. Dr. Lamb asked Ms. Piehler if she was asking about the institutional scholarship funds that are used for recruiting students. Ms. Piehler responded in the affirmative.

Mr. Crosnoe noted that the cost of fringe benefits was a large part of the budget that was increasing dramatically. He asked how MSU's fringe benefits compare to other universities. Dr. Fowlé responded that all institutions of higher education, with the exception of the University of Texas and Texas A&M systems, have the same insurance coverage offered through the Employee's Retirement System (ERS). Ms. Maxwell added that state agencies are also covered through the same insurance and that the insurance benefits and options are determined by the state.

Mr. Bernhardt stated that the committee would go into closed session later in the meeting to discuss personnel matters related to the budget as necessary.

Recess

The committee meeting recessed at 4:15 p.m. The committee reconvened at 4:27 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 072 and 074 to consider Items 15-172 (Real Property), 15-188 (Tenure), and 15-197 (FY 16 Budget Approval). The closed session began at 4:27 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr.

Gregg, Mrs. Marks, Ms. Piehler, Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, Mr. Macha and Ms. Barrow remained for all of the discussion. Mr. Owen remained for the discussion of item 15-172 only and left the closed session at 4:46 p.m.

Open Meeting Resumes

The closed session ended at 4:55 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

Fiscal Year 2016 Budget Approval

15-197. Mr. Bernhardt reported that a motion and second had already been made to approve the FY 2016 budget as presented. There being no further discussion, the motion was approved.

Adjournment

The Finance Committee discussion concluded at 4:57 p.m.

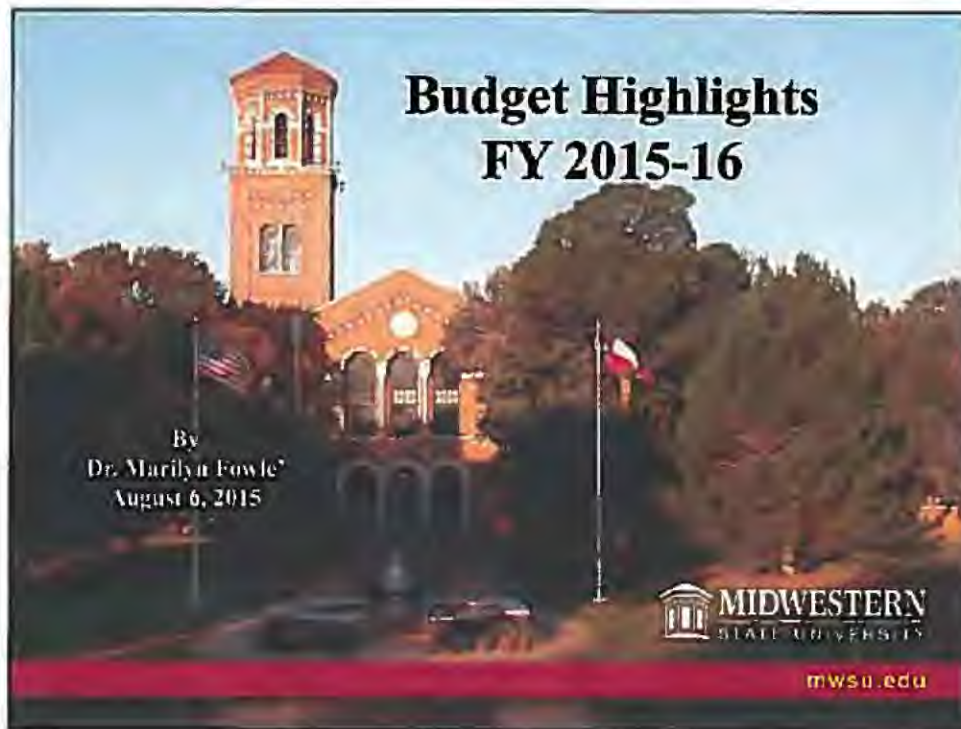
Reviewed for submission:

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

ATTACHMENT:

1. FY 16 Budget Presentation



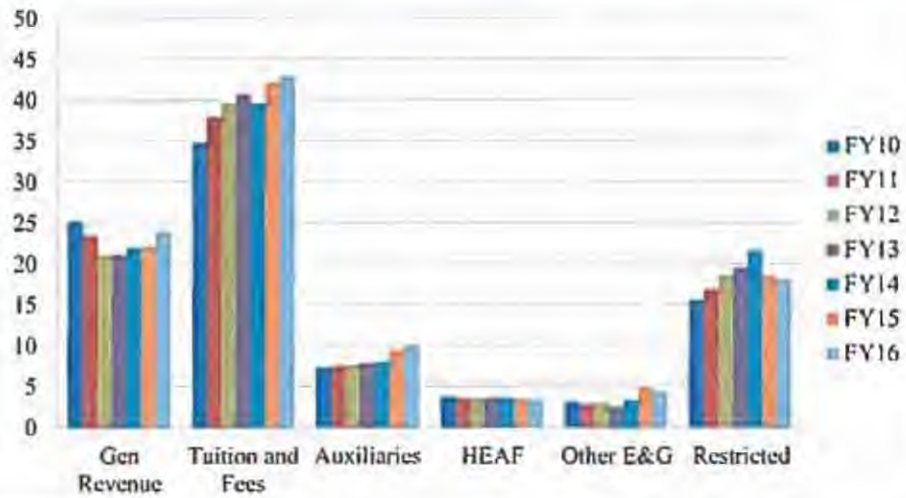
Recommended Budget



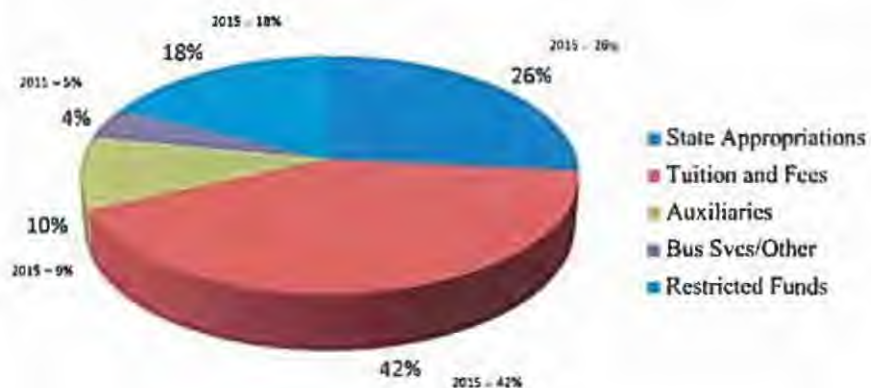
- Total proposed \$103,352,620
- Assuming 5,875 fall enrollment
- Significant investment in faculty and staff – salaries and benefits make up over one-half of the proposed budget
- With the exception of four one-time items totaling \$312,000, this is a balanced budget.

Budgeted Sources of Funds

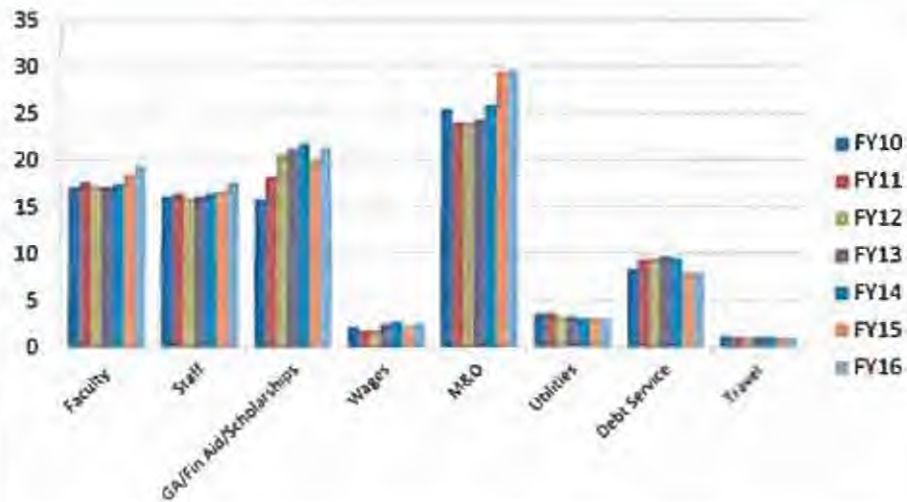
In \$Millions



FY 16 Budgeted Sources of Funds



Budgeted Uses of Funds In \$Millions



FY 16 Budgeted Uses of Funds



FY16 Investments



Faculty and staff pay raises	\$ 805,000
Increased benefit costs	\$ 700,000
Additional faculty (6.5 positions new in FY16)	\$ 411,000
Additional staff (3.5 positions new in FY16)	\$ 300,000
Graduate assistants and scholarships increase	\$ 200,000
Increased IT maintenance agreements	\$ 175,000
Grant-writing assistance	\$ 96,000
Fee set-aside for intramural/athletic fields	\$ 700,000

FY16 One-time Investments



Faculty stipends for freshmen seminar curriculum	\$ 75,000
Increased Tutoring	\$ 50,000
Admissions consulting for direct marketing – last year	\$ 100,000
Clean-up of prior years' deficit accounts	\$ 87,000
Total One-time Investments	\$ 312,000

HEAF Allocation



Information technology	\$ 333,270
Deferred maintenance projects	1,061,005
Master plan projects/reserve	290,000
Library materials	500,000
Academic equipment	240,000
Debt service	<u>950,000</u>
Total	<u>\$ 3,374,275</u>

FTE Increases - 13



FTE at August 31, 2014	672.88
Secretary - Undergraduate Research (approved by BOR during FY15)	1.00
Lab Technician - Engineering (restricted funds) (approved by BOR during FY15)	1.00
Lead Technician - Information Technology (approved by BOR during FY15)	1.00
New Core Curriculum Lecturers	5.00
Faculty in Computer Science	1.00
Faculty in Intensive English Language Institute	1.00
Faculty in Engineering (restricted funds)	1.00
Temporary faculty decreases for retirements and searches for administrative positions	(1.50)
AVP Undergraduate Education and Assessment	1.00
Assistant Softball Coach	1.00
Facilities Manager, Museum	1.00
Assistant Director Admissions	1.00
Admissions Counselor	1.00
Staff reduction	(1.50)
FTE at September 1, 2015	685.88

Analysis of MSU Reserves

Estimated fund balances at August 31, 2016

State Appropriated Funds	\$ 1,274,715
Designated Funds (incl. tuition, fees, operational budgets, museum, athletics, library, scholarships, wellness center, etc.)	11,015,107
Auxiliary Funds (housing, food service, etc.)	1,538,726
Gifts/Grants/Federal Support	6,268,671
Plant Funds (Renewal & Replacement)	<u>1,748,339</u>
Total All Funds	<u>\$ 21,845,558</u>



MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Audit, Compliance, and Management Review Committee
August 6, 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 4:15 p.m., Thursday, August 6, 2015. Committee members in attendance were Ms. Tiffany Burks, Acting Chair; 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 Megan Piehler.

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; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; 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*.

Acting Chair Burks called the meeting to order at 4:15 p.m.

Reading and Approval of Minutes

15-198. The minutes of the Audit, Compliance, and Management Review Committee meeting May 14, 2015, were approved as presented.

Audit Activities

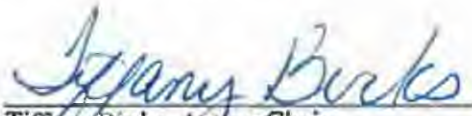
15-199. Mrs. Burks noted that MSU Internal Auditor Mike Taylor resigned effective July 31. She stated that while Mr. Taylor's proposed audit plans for FY 16 and FY 17 were included in the agenda, the administration recommended that action on the proposed plans be delayed until a new auditor is hired. She asked Dr. Rogers and Mr. Macha to comment. Dr. Rogers reported that the position had not yet been opened owing to the presidential transition. Mr. Macha reviewed Mr. Taylor's final update (see Attachment 1). With regard to current priorities, he noted that representatives of the State Auditor's Office (SAO) would be on campus beginning August 24 to work on the benefits proportionality state audit. Mr. Macha stated that the SAO is aware of Mr. Taylor's resignation and that he would serve as liaison during their visit. Mr. Macha reported that he was working on an updated internal audit charter, but that finalizing the charter would be the responsibility of the new auditor. He reported that the investment report audit was due to the state in January 2016. He noted that the administration would

ensure that this required audit is completed in a timely manner. Mr. Macha indicated that he and Controller Chris Stovall would continue working on compliance issues.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 4:22 p.m.

Reviewed for submission:



Tiffany Burks, Acting Chair
Midwestern State University
Board of Regents Audit, Compliance, and
Management Review Committee

ATTACHMENT:

1. Update on Internal Audit and Compliance



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

Date: July 29, 2015
To: Dr. Jesse Rogers, President
From: Michael Taylor, Internal Auditor
Re: Update on Internal Audit and Compliance

During 2015, internal audit has focused on the following:

1. Compliance
 - a. Quarterly Investment Reports
 - b. TAC 202 – Information Technology
 - c. Establishing Compliance Work Group
2. Risk Analysis
 - a. Overall Assessment
 - b. Determination of risk areas to employ additional resources:
 - i. Information Technology assessment
 - ii. New construction cost management
 - iii. Title IX compliance
 - iv. Clery compliance
3. Selection of third party hotline provider
 - a. Navex Global selected to provide hotline for fraud, waste & abuse reporting.

Current Priorities:

1. State Auditor Audit on Benefits Proportionality
 - a. Set to start August 24, 2015.
2. Construction Cost Management
 - a. Need to select consultants who have expertise
3. Information Technology Assessment
 - a. Need to select consultants who have expertise
4. Update of internal audit charter
5. Quarterly investment reports

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
August 6, 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 1:30 p.m., August 6, 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; and Student Regent Megan Piehler.

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; Mr. Kyle Owen, Associate Vice President for Facilities Services; Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Gayonne Beavers, Director of Admissions; 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*. Also attending the meeting were Mr. Mike Trammell, Vice President, Buford-Thompson Company (BTC), and Mr. Joe Stramberg with Treanor Architects. Attending the first portion of the meeting was Mr. Kevin McGinnis, Executive Director of Risk Management and Benefits, Texas A&M University System.

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

Opening Comments

Mr. Hessing welcomed everyone to the meeting and recognized Dr. Lamb to make a special introduction. Dr. Lamb introduced Ms. Gayonne Beavers, MSU's new Director of Admissions. He noted that Ms. Beavers brings a great deal of experience to the position. Ms. Beavers stated that she had been on the job for approximately two months and was excited to be at Midwestern State University. She stated that she worked previously at the University of Texas at Arlington for 13 years where she was Associate Director of Recruitment. Prior to that time she worked at James Madison University in Virginia. She noted that she looked forward to bringing her skills and experience to MSU.

Mr. Hessing welcomed new student regent Megan Piehler and asked her to tell the board about herself. Ms. Piehler reported that she is from Plano, is majoring in mass communications, and double minoring in public relations/advertising and Spanish. She is membership vice president for Gamma Phi Beta sorority and serves as a senator in the Student Government Association (SGA) representing the American Advertising Federation. She is also in the Honor's program

and recently joined the Model United Nations Team. Megan stated that her focus is public relations and she would like to pursue a career in that field. Mr. Hessing noted that the board looked forward to working with her.

He reminded the meeting 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.

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

15-167. Mr. Hessing reported that Mr. Kevin McGinnis, Executive Director of Risk Management and Benefits at the TAMUS, would present his yearly update on MSU funds that are invested with the TAMUS. Mr. McGinnis thanked the board for the opportunity to visit with them and reviewed his presentation (see Attachment 1). He reported that MSU invests two groups of assets with the TAMUS. He noted that the TAMUS Cash Concentration Pool manages MSU's operating assets and the TAMUS endowment fund manages MSU's endowed assets. Slide two showed the investment objective of the Cash Concentration Pool. Mr. McGinnis reported that this is a long-term, low risk pool. The slide showed one-year, five-year, ten-year, and fifteen-year performance. The third slide showed the target allocation compared to the actual allocation as of 6/30/15 and slide four showed the performance of MSU funds since they were moved to the TAMUS in October 2013. He reported that for the end of July, MSU would receive \$100,000 in extra income from capital gains. He added that the TAMUS advises boards to set some of the earnings aside so that they will be prepared when there is a financial market correction or some other occurrence.

Mr. McGinnis reported that slides five and six showed the System Endowment Fund investment objectives and performance over time, as well as the target and actual asset allocation. He noted that these are longer term investments. Slide seven showed the investment and market value since the funds were transferred to the TAMUS in the spring 2015. Slide eight showed how income is distributed and the market value per unit over time. Slide nine presented the quarterly endowment spending rate since FY 2012 and slide 10 showed a comparison of the Cash Concentration Pool and the System Endowment Fund objectives and target allocations.

Dr. Fowlé asked Mr. McGinnis to remind the board of the size of the pools of funds invested through the TAMUS. He reported that the Cash Concentration Pool has approximately \$3 billion and the System Endowment Fund recently reached \$1 billion.

Mr. McGinnis thanked the board for the opportunity to visit with them.

Modification of Midwestern State University Organization Chart

15-168. Mr. Hessing reported that a copy of a new MSU organization chart was included in the front of the agenda. He noted that the changes reflected the realignment of duties in Dr. Stewart's and Dr. Lamb's areas. Dr. Stewart reported that the office of Associate Vice President for Academic Affairs and Graduate Dean had been reorganized to an Associate Vice President for Undergraduate Education and Assessment and a separate Graduate Dean position. She added that this was done in an effort to enhance university retention efforts and the first year seminar, and to ensure academic efforts are better aligned with student affairs efforts. Dr. Lamb reported that Associate Vice President for Student Affairs and Dean of Students Matthew Park also serves as the university's Title IX Coordinator. He noted that this is an increasingly complex and difficult job that requires much of Mr. Park's time. The reorganization in the area of student affairs will allow Mr. Park additional time to address Title IX issues. Mr. Hessing stated that this item was presented as a point of information only.

Discussion of Higher Education Issues

15-169. Mr. Hessing reported that this was the board's opportunity to discuss current issues and trends in higher education. He indicated that one of the key higher education topics is the presidential transition and that robust communication promotes a smooth transition. He noted his belief that this is being accomplished.

MSU Priorities

15-170. Mr. Hessing reported that this item was an update on the administration's "Top Ten List" for MSU. Dr. Rogers reviewed the report presented in the agenda. With regard to the Campus Master Plan, he added that the mass communication addition is in the planning stage and the new museum pavilion is complete. MSU received Tuition Revenue Bond (TRB) authorization of \$58.4 million from the Texas Legislature for capital construction. With regard to the Athletics/Lone Star Conference (LSC) item, Dr. Rogers reported that the conference has a balanced budget and that Jay Poerner has been hired to serve as commissioner. He added that the LSC football tournament would be held at Cowboy's Stadium September 19, with MSU playing the first game of the day.

Ms. Piehler noted that with the new parking lot the administration would redistribute resident and commuter parking. She asked if there was a plan to inform students of these changes. Dr. Lamb responded that new parking maps were being finalized and would be distributed via Postmaster, OrgSync, and the portal. He added that information would also be included in packets for campus residents and would also be distributed with new parking decals.

Board Resolutions

15-171. Mr. Hessing noted that two resolutions were prepared and previously submitted to the board for their review. The first resolution recognized Jesse Brown for his service as student regent. Mr. Hessing thanked Mr. Brown for his service and indicated the board looked forward to working with him as Student Government Association (SGA) president in the coming year. The second resolution recognized MSU President Jesse

Rogers upon his retirement following 48 years of service to the institution. Mr. Hessing expressed the board's appreciation to Dr. Rogers for his years of service to MSU and particularly for his 14 years as president.

Mr. Bernhardt moved approval of these resolutions as presented. Dr. Givens seconded the motion and it was approved. Copies of the resolutions are shown in Attachment 2.

Recess

The meeting recessed at 2:00 p.m. The committee reconvened at 4:27 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 072 and 074 to consider Items 15-172 (Real Property), 15-188 (Tenure), and 15-197 (FY 16 Budget Approval). The closed session began at 4:27 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Ms. Piehler, Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, Mr. Macha, and Ms. Barrow remained for all of the discussion. Mr. Owen remained for the discussion of item 15-172 only and left the closed session at 4:46 p.m.

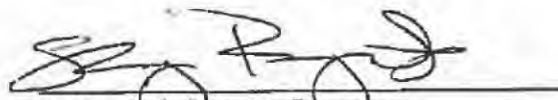
Open Meeting Resumes

The closed session ended at 4:55 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 4:55 p.m. with no additional action taken.

Reviewed for submission:


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

ATTACHMENT

1. Texas A&M University System (TAMUS) Investment Update Presentation
2. Resolutions of Appreciation – Student Regent Jesse Brown and MSU President Jesse Rogers

Midwestern State University Investment Overview

August 5, 2015



Kevin McGinnis
Executive Director, Risk Management

The Texas A&M University System

Cash Concentration Pool

Investment Objective

Invest the funds in a manner as to achieve a reasonable balance of growing corpus and meeting the operating needs of the system, while maintaining the system's objective of the safety and preservation of capital.

Performance Periods Ended June 30, 2015

	<u>1-YR</u>	<u>5-YR</u>	<u>10-YR</u>	<u>15-YR</u>
Cash Concentration Pool	3.2%	7.2%	5.1%	5.2%
Balanced Index	2.0%	7.1%	4.8%	4.8%



The Texas A&M University System

Cash Concentration Pool Asset Allocation

Asset Class	Target Allocation	6/30/2015 Allocation
Short Term Portfolio	8.0%	7.5%
Liquidity Portfolio	10.0%	10.0%
Fixed Income	22.0%	22.5%
Domestic Equity	20.0%	21.0%
International Equity	20.0%	18.7%
Absolute Return	20.0%	20.3%



The Texas A&M University System

Cash Concentration Pool

Midwestern State – Operating Funds October 1, 2013 to June 30, 2015

Net Investment Transfers	\$21,000,000
Net Earnings Added Back*	1,665,632
Book Value as of June 30, 2015	\$22,665,632
Unrealized Appreciation	880,373
Market Value as of June 30, 2015	\$23,546,005

* Interest, dividends and realized gains, less fees



The Texas A&M University System

System Endowment Fund

Investment Objectives

Provide a continuing and dependable cash payout, stable and preferably growing in real terms.

Cause the total value of the fund to appreciate, over time, exclusive of growth derived from donations.

Performance Periods Ended June 30, 2015

	<u>1-YR</u>	<u>5-YR</u>	<u>10-YR</u>	<u>15-YR</u>
System Endowment Fund	5.0%	10.3%	6.5%	5.8%
Balanced Index	2.1%	8.0%	5.2%	4.6%

The Texas A&M University System



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The Texas A&M University System

System Endowment Fund

Asset Allocation

<u>Asset Class</u>	<u>Target Allocation</u>	<u>6/30/2015 Allocation</u>
Fixed Income	15.0%	15.9%
Domestic Equity	20.0%	20.2%
International Equity	20.0%	19.9%
Real Assets*	15.0%	11.8%
Absolute Return	15.0%	15.6%
Private Equity	15.0%	16.1%
Money Market	0%	0.5%

*Real Assets includes timber, real estate, and energy investments.

The Texas A&M University System



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The Texas A&M University System

System Endowment Fund

Midwestern State Endowment Accounts

May 31, 2015

Investment Transfers	\$11,905,678
Market Value	\$12,129,169
Units	1,903,550.49
3Q FY 2015 Payout	\$126,874
4Q FY 2015 Payout (estimated)	\$127,481
FY 2016 Quarterly Payout (estimated)	\$133,753

The Texas A&M University System



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The Texas A&M University System

System Endowment Fund

- Income is distributed to each endowment account on a quarterly basis in accordance with the spending policy outlined in the System Investment Policy.
- The quarterly payout is calculated on an annual basis and is the average of the quarterly market value for the 20 fiscal quarters ending the previous February, multiplied by 5.0% and divided by 4.
- The market value per unit as of 5/31/2015 was \$6.37 and the values for the last five years are as follows:

2/28/2011	\$5.62
2/29/2012	\$5.47
2/28/2013	\$5.57
2/28/2014	\$6.00
2/28/2015	\$6.25

The Texas A&M University System



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The Texas A&M University System

System Endowment Fund

Quarterly Endowment Spending Rate



The Texas A&M University System



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The Texas A&M University System

Investment Pool Comparison

	Asset Class	CCP Target Allocation	SEF Target Allocation
CCP Objectives:	Short Term Portfolio	8.0%	-
	Liquidity Portfolio	10.0%	-
	Fixed Income	22.0%	15.0%
	Domestic Equity	20.0%	20.0%
SEF Objectives:	International Equity	20.0%	20.0%
	Absolute Return	20.0%	15.0%
	Real Assets	-	15.0%
	Private Equity	-	15.0%

CCP Objectives:

- Grow corpus
- Meet operating needs
- Preserve capital

SEF Objectives:

- Dependable payout
- Increase fund value

The Texas A&M University System



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MIDWESTERN STATE UNIVERSITY
RESOLUTION OF APPRECIATION

August 6, 2015

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

WHEREAS, Mr. Brown served in this position with distinction from June 1, 2014, until July 2, 2015, and

WHEREAS, he represented the students of Midwestern State University admirably, worked diligently to increase student involvement on campus, expanded the awareness of the Student Regent on campus, and provided input regarding decisions affecting the future of the university,

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

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


Shawn Hession, Chairman


Michael Bernhardt, Vice Chairman


J. Kenneth Bryant, Secretary


Tiffany Burks


R. Caven Crosnoe


F. Lynwood Givens


Jeff Gregg


Nancy Marks


Samuel M. Sanchez


Megan Piehler, Student Regent


Jesse W. Rogers, President



MIDWESTERN STATE UNIVERSITY
RESOLUTION OF APPRECIATION

August 6, 2015

WHEREAS, Dr. Jesse W. Rogers began service to Midwestern State University in 1967 as an Assistant Professor of Chemistry, was promoted to Associate Professor (1970) and Professor (1977), and served as Chair of the Department of Chemistry from 1969 until 1978; and

WHEREAS, in 1978 he assumed the position of Vice President for Academic Affairs where he served until 2001, having also served as Interim President in 1980; and

WHEREAS, Dr. Rogers was elected as the 10th president of Midwestern State University by the Board of Regents November 9, 2001; and

WHEREAS, during his presidency and through his leadership, MSU was accepted as the only Texas member of the Council of Public Liberal Arts Colleges (COPLAC) and has expanded its academic programs, including the addition of a degree program in mechanical engineering and accreditation of the Dillard College of Business Administration by the AACSB International; and

WHEREAS, gifts and grants received by MSU during Dr. Rogers' tenure as president have totaled more than \$90 million, and

WHEREAS, Dr. Rogers will retire August 31, 2015, following a 48-year career of outstanding leadership and commitment to the mission of Midwestern State University, and

WHEREAS, Dr. Rogers' vision and efforts on behalf of this institution have brought local, state, and national recognition to Midwestern State University students and programs,

NOW THEREFORE BE IT RESOLVED that the Board of Regents of Midwestern State University hereby express their most sincere appreciation to Dr. Jesse W. Rogers for his commitment and dedication to the students, faculty, staff, and alumni of MSU, and

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


Shawn Hessing, Chairman


Michael Bernhardt, Vice Chairman


J. Kenneth Bryant, Secretary


Tiffany Burks



R. Caven Crosnoe


F. Lynwood Givens


Jeff Gregg


Nancy Marks


Samuel M. Sanchez


Megan Piehler, Student Regent



**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
August 7, 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, August 7, 2015. Regents in attendance were 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; and Student Regent Megan Piehler.

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; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Dr. Jeremy Duff, Secretary of the Faculty Senate; Ms. Reagan Foster, Chair of the MSU Staff Senate; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, *Times Record News*.

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

Opening Comments

Mr. Bernhardt welcomed individuals 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.

Public Comment

Mr. Bernhardt 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

15-200, 201, and 202. Minutes of the Board of Regents meetings May 14, May 15, June 1, and June 17, 2015 were approved as presented.

Executive Committee Report

Mr. Bernhardt 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 August 7, 2015.

Item Presented for Committee Approval Only

15-174. Committee Minutes

Items Presented for Information Only

15-175. Campus Master Plan and Construction Update

15-176. Student Housing Project

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.

15-177. Wichita Falls Museum of Art at MSU Advisory Board – approved appointments to the advisory board as presented.

15-178. Wichita Falls Museum of Art at MSU Ratification of Accessioned Artworks – ratified the accession of the items presented

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

Academic and Student Affairs Committee Report

Dr. Givens noted the items presented at the Academic and Student Affairs Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held August 7, 2015.

Item Presented for Committee Approval Only

15-179. Committee Minutes

Items Presented for Information Only

15-180. Faculty Report

15-181. Staff Report

15-182. Student Government Report

15-183. Athletics Report

15-184. Enrollment Reports – Summer 2015

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.

15-185. August 2015 Graduating Class – approved the list of candidates for graduation.

15-186. Realignment of Academic Departments – approved realigning the Department of Chemistry, Geosciences, and Physics to a Department of Chemistry and Physics and a Department of Geosciences as presented.

15-187. *MSU Policies and Procedures Manual* – accepted and approved changes to the policies noted below as presented:

- A. Policy 3.217 – Donation of Sick Leave
- B. Policy 3.220 – Work Breaks
- C. New Policy – Academic Lecturers
- D. Deletion of Policy 4.170 – Weight Training Room

15-188. Tenure – approved granting tenure to the following faculty:

Margaret Brown Marsden, Ph.D. Biological Sciences
Raj Desai, DIT Industrial Technology

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

Finance Committee Report

Mr. Bernhardt noted the items presented at the Finance Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Finance Committee meeting held August 7, 2015.

Item Presented for Committee Approval Only

15-189. Committee Minutes

Item Presented for Information Only

15-190. Summary of Financial Support

15-191. Report on Texas Public Investment Act Changes

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.

- 15-192. Financial Reports – accepted the monthly financial reports for April through June, 2015.
- 15-193. Investment Report – accepted the third quarter 2015 Investment Report.
- 15-194. Personnel Reports and Changes in FY 15 Budget – ratified the changes as presented.
- 15-195. University Accounts – approved signature authorizations as presented.
- 15-196. Approval of Asset Holding Accounts, Investment Vehicles, and Brokers/Dealers – approved the lists as presented.
- 15-197. Operating Budget for Fiscal Year 2016 – approved the \$103,352,620 operating budget for the 2015-2016 fiscal year as presented.

Mr. Bernhardt asked if there were items any member wanted to remove from the Consent Agenda. Mr. Bryant seconded Mr. Bernhardt's motion to approve the Consent Agenda as presented. The motion was approved.

Audit, Compliance, and Management Review Committee Report

Mrs. Burks 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 August 7, 2015

Item Presented for Committee Approval Only

15-198. Committee Minutes

Item Presented for Information Only

15-199. Audit Activities and Audit Plan

Other Business

Board of Regents Meeting Dates – 2015-2016

15-203. Mr. Bernhardt reported that the proposed meeting dates for the upcoming year were listed in the agenda. He asked if any member of the board knew of conflicts with these proposed dates. There being no conflicts, the dates were approved as presented.

President's Report and Discussion

15-204. Information regarding the following items was presented.

- A. Legislative Session Update – Ms. Barrow noted that a summary of key higher education legislation was included in the agenda. She stated various university offices would work to ensure the legislation was appropriately implemented. She added that policy changes would likely result in a number of areas. She stated that she would be glad to answer questions regarding her report.

Dr. Givens asked for additional information regarding the "Campus Carry" or "Guns on Campus" legislation and the next steps the university would take. Ms. Barrow responded that the legislation will go into effect August 1, 2016 and that no policy changes would be made until that time. She stated that the legislation requires the administration to develop a plan for the campus with input from faculty, staff, and students. She noted that Dr. Shipley would begin working on how the matter should be addressed at MSU when she arrives. Dr. Rogers added that the legislation stated that universities could not put policies in place that resulted in the prohibition of guns on campus.

- B. Report on Dalquest Media Day – Dr. Rogers provided background information on Dr. Walter W. Dalquest, the Dalquest Desert Research Station (DDRS), and the Joe B. Hood Research Laboratory (see Attachment 1). He stated that this research station is the type of thing that separates Midwestern State University from other institutions of higher education. He reported that Ms. Gaynor scheduled a media day for representatives of the campus and local media and asked her to provide information to the board. Ms. Gaynor presented a report on the visit as shown in Attachment 2. She expressed appreciation to the members of the media who traveled to the site and reported on the visit. She added that Ms. Sweeten-Shults story in the Wichita Falls *Times Record News* was picked up in the Abilene and San Angelo papers. She also thanked the Kimbell family for providing air transportation

for the group. In addition to Ms. Gaynor and Dr. Rogers, the media group was joined by architect Dick Bundy, contractors Dee and Glen Perkins, Director of the DDRS Norman Horner, MSU faculty members Bill Cook and Raymond Willis, and graduate student Erica Mitchell. Ms. Gaynor noted that each of these individuals helped the visitors understand the value of the site and the research that is being conducted.

Dr. Rogers thanked Ms. Gaynor for her efforts in putting the media day together. Dr. Givens stated his understanding that Jim McCoy provided funding for a water well on the property and asked if there were other donors who were not recognized. Dr. Rogers acknowledged Mr. McCoy's gift and indicated it was an important addition to the DDRS early in the process. Dr. Givens noted that Dr. Horner had been important to the development of the DDRS and asked if the board could express its appreciation to him. Dr. Rogers stated that a resolution could be prepared for the board's approval in November.

- C. President's Comments – Dr. Rogers shared with the board a communication he received from a former faculty member when he became president in 2001. The letter stated that “in the last 33 years you have shown your ability to understand this university and the people who make it work. Your challenge now is not to understand us, but to “overstand” us; to do more than understand. To not only know us, but to reach deeper within yourself to place the goals and needs of the university, both physical and living, ahead of your own goals and needs.” Dr. Rogers stated his hope that he had lived up to this charge. He indicated that he had been fortunate enough to have been surrounded by great students, a talented faculty and administration, great boards, and a very generous and trusting community. He added that Midwestern State University had given him huge professional opportunities and he was leaving with a great and positive belief in Midwestern State University's future.

Board members thanked Dr. Rogers for his dedication to Midwestern State University as a faculty member, department head, vice president, and president. On behalf of the Board of Regents Mr. Bernhardt presented a framed resolution to Dr. Rogers and wished him the best in his retirement.

Adjournment

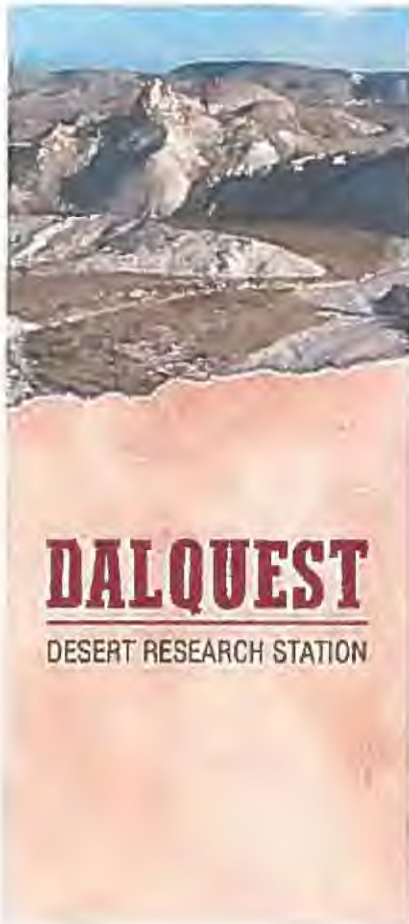
Mr. Bernhardt noted that the next regular board meetings would be held November 12 and 13. There being no further business, the meeting was adjourned at 9:42 a.m.

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 August 7, 2015.


J. Kenneth Bryant, Secretary

ATTACHMENTS:

1. Dalquest Media Day Presentation
2. Dalquest Desert Research Station Brochure



Media Day

July 1, 2015



Three local media outlets
traveled to the DDRS on
July 1, 2015:

Lana Sweeten-Shults, TRN
Lauren Roberts, TRN
Taylor Barnes, KAUZ
Joshua Rowe, KAUZ
Kristana Abeyta, Wichitan

An additional interview was
conducted by Travis Bubenik with
the Marfa Public Radio.





Celebrated the completion of the
Joe B. Hood Research Laboratory



Visited the site and
toured the new
research laboratory





Dick Bundy



**Dee and
Glen
Perkins**



Learned about the design and construction of the field station



Promoted the research opportunities available to MSU students and faculty as well as scientists across the United States.





ABOUT WALTER DALQUEST

Dr. Walter Dalquest joined the Midwestern University faculty in 1952 and retired from full-time service in 1984, but he continued to work part-time until his death in 2000. He was one of the most productive scholars in the history of Midwestern State having produced 160 scientific publications.

"The field station would not have occurred without the generosity of the late Dr. Walter Dalquest and his wife, Rose. Dr. Dalquest understood that the place was unique in biological and geological features. He understood the importance of the Eocene fossils of early primates that had been found on the site, and he was aware that the Chihuahuan Desert flora and fauna needed extensive study," says Dr. Norman Homer.



DONORS

The construction of the new field station would not have been possible without the generous support of our donors. These individuals and foundation made this much-dreamed about and long-awaited project a reality for Midwestern State University.

JOE B. HOOD
MR. AND MRS. ROBERT D. GUNN
RUTH ANN KIMBELL FOUNDATION
MRS. ROBERT L. BOLIN

Recognized the
efforts of our
faculty, staff,
and donors who
made this site a
reality.



DALQUEST

DESERT RESEARCH STATION



Daquest Desert Research Station
College of Science and Mathematics
940-397-4163

mwsu.edu/academics/scienceandmath/ddrs



THE DALQUEST DESERT RESEARCH STATION AND THE JOE B. HOOD RESEARCH LABORATORY

In 1968, Dr. Walter Dalquest purchased two sections of rugged canyon lands in far West Texas located on the Presidio/Brewster County line. The Midwestern University biology professor used the land to hunt deer and collect small mammals, geodes, and agates, but he also realized the scientific value of his purchase. In 1996, he and his wife Rose donated the land to Midwestern State University with a deed restriction that the land only be used for scientific research by biologists and geologists. In 2004, Rose provided the funding for the university to purchase an additional adjacent 2 2/3 sections from the State of Texas.

Since 1996, researchers from across the United States have traveled to the Dalquest Desert Research Station (DDRS) to explore and study the site. Findings have been extensive, and projects have ranged from floral and faunal surveys to a remote sensing field study conducted by a student from Texas Christian University. From these students have come 11 master's theses, one book, and eight publications in scientific journals. Scientists who have visited the DDRS note that the land presents unique research opportunities within the Chihuahuan Desert in the United States. Until now, the extensive and intensive research at the site has been constrained because of the lack of infrastructure.

With the construction of the Joe B. Hood Research Laboratory, scientists and students will now have a fully equipped field station from which to conduct their research. The facility houses a six-person dormitory, men's and women's restrooms, a conference and computer lab, a kitchen, a living area, and the research laboratory. Covered porches are located on the north, south, and east sides of the building that will be used for shade, shelter from precipitation and insects, as well as cot sleeping.

Construction plans for the field station were designed to be as environmentally friendly as possible to limit damage to the desert. The station was designed using solar energy, recycled materials, satellite receivers, and fixtures that are water-efficient. The desert biome is very fragile and it can take many years for any type of human disturbance to the soil and vegetation to return to normal.

With the building of this facility comes an increased opportunity for students, faculty, and the research community. One of the benefits of such a facility will be on-site university courses in the summer in biology and geosciences, as well as field and geology courses for public school science teachers. The intent is for teachers to be able to incorporate the learned information into their science curriculum at their respective schools.

The development of this field station adds one more important educational opportunity to the university's laboratory program and distinguishes Midwestern State from other universities that educate future scientists. The DDRS field station will pay dividends for years to come and play an important role in the education of hundreds of future scientists.

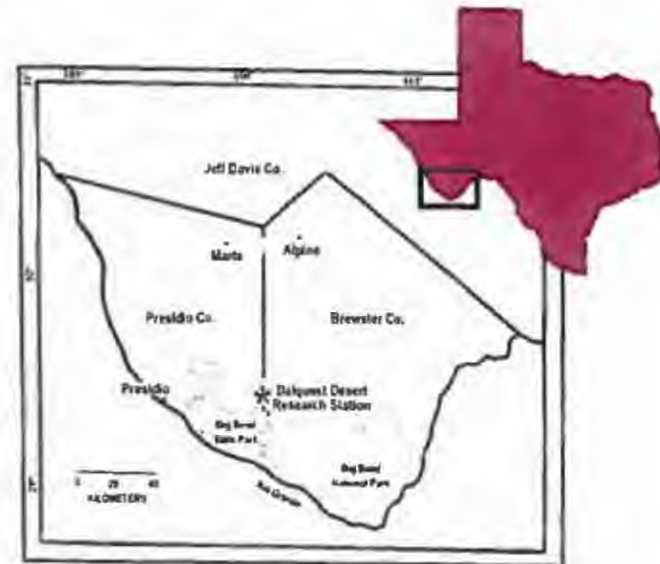
FACTS ABOUT THE DALQUEST DESERT RESEARCH STATION

THE LAND

- Canyon land of the Chihuahuan Desert
- Located on the Presidio/Brewster County line
- North of and adjoining Big Bend Ranch State Park
- Located 55 miles south-southwest of Marfa, Texas
- 1,200 hectares (3,000 acres)

UTILITY BUILDING

- 800-square-foot structure
- Small office
- Vehicle storage
- Battery storage for photovoltaic collection system with propane generator backup
- Full restroom facility
- Anaerobic septic system
- Additional water storage
- Liquid propane gas



RESEARCH LABORATORY BUILDING

- 2,000-square-foot structure
- Building within a building
- Quonset-style exterior shell
- Corrugated galvanized metal skin built on a concrete slab
- Galvanized metal-stud framed building under the shell
- Solid back blocking extreme heat of the west
- Covered porches on the north, south, and east
- Screened porch on the south
- Six-person dormitory
- Men's and women's restrooms
- Conference room
- Computer lab
- Powered by solar energy
- 450-foot water well
- 1,200-gallon anaerobic septic system
- LPG gas for cooking and electrical backup
- Satellite communication system
- The buildings have no refrigerated air-conditioning, so the lab building was designed to be completely separated from its exterior shell by ventilation space creating a thermal break between the shell and the livable space.
- Native termites are a major threat from the environment so no wood products were incorporated in the construction.
- Rainwater that is accumulated on the roofs of the buildings is carefully collected, slowed down in rock-filled ground gutters and slowly released back into natural drainage creeks.
- The project cost was \$840,000.
- The project began in June 2014 and was completed over a 12-month period.



FROM THE EXPERTS IN THE FIELD

Very few, if any, universities the size of Midwestern State University have 3,000 acres of land, let alone a totally off-grid field station with state-of-the-art construction, internet service, research laboratory, full kitchen, and dorm rooms. Based on research conducted at the DDRS, we know that new species are being described and added to the fauna and flora of not only the state and U.S., but also to the world. I believe in the years to come, the significance of the DDRS will increase among scientists and this site will continue to make major contributions to our scientific knowledge of the area.

— Norman Homer, Ph.D.
*Director of Natural Laboratories
Midwestern State University*

The opportunity to work at DDRS has been one of the most incredible strokes of good luck in my career as a biological anthropologist. DDRS has some very important fossil localities from the Uintan, the time period in North America from about 46 to 42 million years ago. West Texas was warmer and wetter back then than it is today, and the community of ancient animals found at DDRS is like no other. More than a decade of fieldwork collecting fossils has led to the discovery of numerous types of mammals that are known only from DDRS, including new species of insectivores, artiodactyls, and the primates *Diabromys dalquesti* and *Mescalerolemur homeri*. We're also working to describe new species of reptiles from DDRS, including crocodilians and worm lizards.

The fact that DDRS is less than a day's drive from most parts of Texas has made it an ideal site to train undergraduate and graduate students in paleontological methods. In March 2015, three undergraduates joined my field crew and had their first experience with paleontological fieldwork at DDRS. MSU's long-term support for research at DDRS is incredibly forward-thinking and shows a strong commitment to education across a range of scientific disciplines. I expect this investment to pay dividends for many decades to come.

— E. Christopher Kirk, Ph.D.
*Associate Professor of Anthropology
The University of Texas at Austin*

Scientists in a variety of academic fields from across the United States who have visited the DDRS have described it as unique, remarkable, and providing incomparable opportunities for research in biology, ecology, geology, and related disciplines. Not only has the site already yielded a number of species that are new to science, but also it offers opportunities for a breadth and depth of research that will occupy scientists well into the future. The addition of a fully equipped research station to this stunning Chihuahuan Desert terrain will dramatically enhance its impact as a training ground for students and scientists trying to learn the lessons of the harsh and rugged desert environment.

— William B. Cook, Ph.D.
*Chair and Professor of Biology
Midwestern State University*

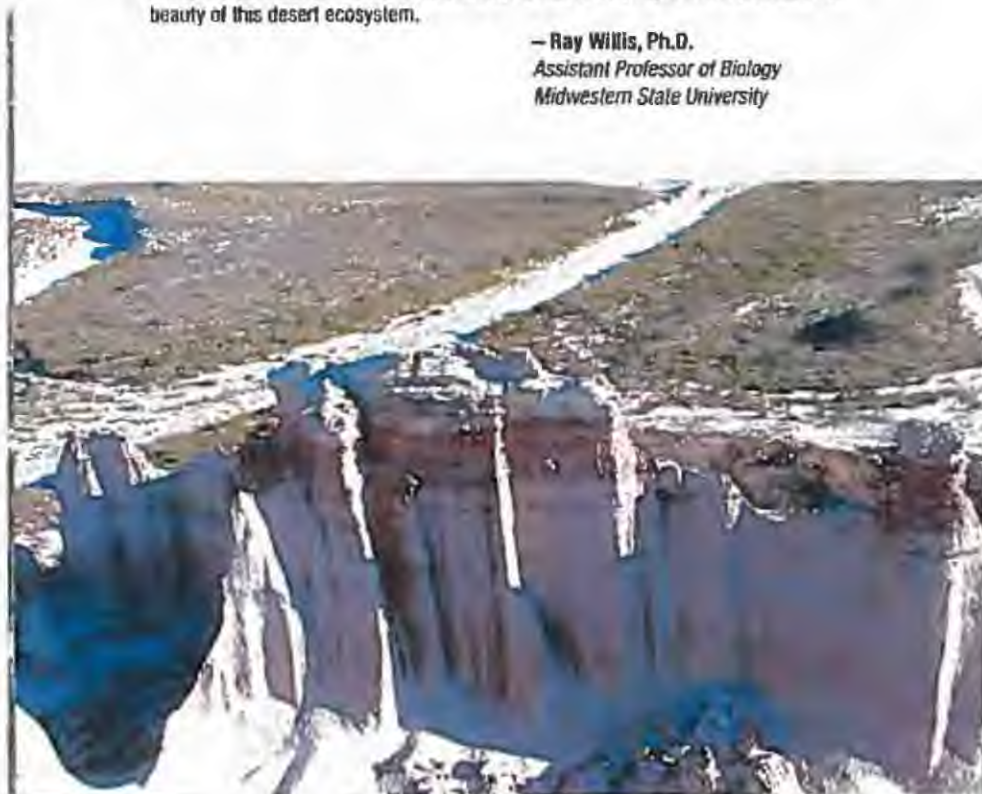
The Dalquest Desert Research Station was one of the most challenging design expeditions I have undertaken in over 40 years as a practicing architect. In collaboration with local contractor Glen Perkins of Alpine, we successfully designed and constructed a sustainable field station that lightly rests on the desert floor. The DDRS is a testimony to the human ingenuity and cooperation necessary to build sensitive architecture in a virtually unbuildable environment.

— Dick Bundy, FAIA
Principal, Design Architect

The Dalquest Desert Research Station enables experiments and observations to be performed in an isolated, primitive environment. The Dalquest site has limited visitors, no man-made trails and has not been affected by intentional grazing of domestic animals. Every effort has been made to keep human presence unobtrusive and low-impact on the surrounding environment. The Dalquest Desert Research Station is comprised of more than 1,500 acres of eroded badlands enabling a direct comparison of the flora and fauna that inhabit it and the higher elevation desert scrub.

The new field station allows researchers to stay on site longer, encouraging them to explore an area that might not have been utilized if it had remained a rustic camping experience. My goal is to recruit more undergraduate and graduate students, as well as outside universities, to utilize this area for their research. Additionally, plans are to conduct future classes in this environment, so that more people can experience the beauty of this desert ecosystem.

— Ray Willis, Ph.D.
*Assistant Professor of Biology
Midwestern State University*



ABOUT THE ARCHITECT

Bundy, Young, Simms & Potter, Inc. provided the architectural plans for the Hood Research Laboratory at the DARS. The remote location and rugged terrain provided unique challenges for the firm.

Bundy, Young, Simms & Potter Inc. is a professional architectural firm providing a full spectrum of architecture, planning, and interior design services to a diverse client base comprised of nationally recognized local and regional entities. Founded in Wichita Falls in 1982, the company is known for its experience and expertise in the design of medical clinics, assisted living centers, nursing facilities, college campuses, K-12 schools, office buildings, municipal buildings, churches, and hospital design. The firm is licensed to practice architecture in Texas and nine other states.

Other projects the firm has designed for Midwestern State University include:

- Ruby & Robert Priddy Pavilion at the Wichita Falls Museum of Art at MSU
- Women's softball field house and batting cages
- Dillard College of Business Administration building
- Fain Instrumental Music Hall

ABOUT THE BUILDER

Perkins Construction Services (PCS) in Marfa, Texas, is owned and operated by the husband and wife team of Glen and Dee Perkins. From complete infrastructure installations on remote West Texas ranches to the rehabilitation of saddle shops on the main city thoroughfare, the complexity and difficulty of projects overseen by PCS run the gamut. PCS builds conventional residential homes as well as elaborate, custom compounds with high-end features located at the end of miles of dirt road. The company takes great pride in its accomplishments and craftsmanship. The 20-plus-year-old construction firm employs fine craftsmen who are part of the PCS family, many having worked for the company since its beginning.



ABOUT WALTER DALQUEST

Dr. Walter Dalquest joined the Midwestern University faculty in 1952 and retired from full-time service in 1984, but he continued to work part-time until his death in 2000. He was one of the most productive scholars in the history of Midwestern State having produced 180 scientific publications.

"The field station would not have occurred without the generosity of the late Dr. Walter Dalquest and his wife, Rose. Dr. Dalquest understood that the place was unique in biological and geological features. He understood the importance of the Eocene fossils of early primates that had been found on the site, and he was aware that the Chihuahuan Desert flora and fauna needed extensive study," says Dr. Norman Horner.



DONORS

The construction of the new field station would not have been possible without the generous support of our donors. These individuals and foundation made this much-dreamed about and long-awaited project a reality for Midwestern State University.

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