

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

The Executive Committee of the Board of Regents, Midwestern State University, met in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 10:18 a.m., Thursday, May 14, 2015. Executive Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; and Ms. Tiffany Burks, Member-at-Large. Other regents attending the meeting were Mr. Caven Crosnoe, Dr. Lynwood Givens, Mr. Jeff Gregg, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Dr. Kristen Garrison, Writing Program Administrator; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

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

Reading and Approval of Minutes

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

Campus Master Plan and Construction Update

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

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

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

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

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

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

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

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

Joe B. Hood Research Lab at Dalquest

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

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

Texas Public Finance Authority (TPFA) MSU Bond Resolution

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

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

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

Student Housing Project

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

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

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

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

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

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

There being no further discussion the motion was approved.

Student Housing - Master Lease with Mustangs Village

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

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

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

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

There being no further discussion the motion was approved.

Parking Plan – 2015-2016

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

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

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

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

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

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

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

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

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

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

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

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

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

There being no further discussion the motion was approved.

Holiday Schedules for Staff Employees – 2015-2016

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

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

Wichita Falls Museum of Art at Midwestern State University Mission Statement

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

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

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

There being no further discussion the motion was approved.

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

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

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

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

There being no further discussion, the motion was approved.

Adjournment

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

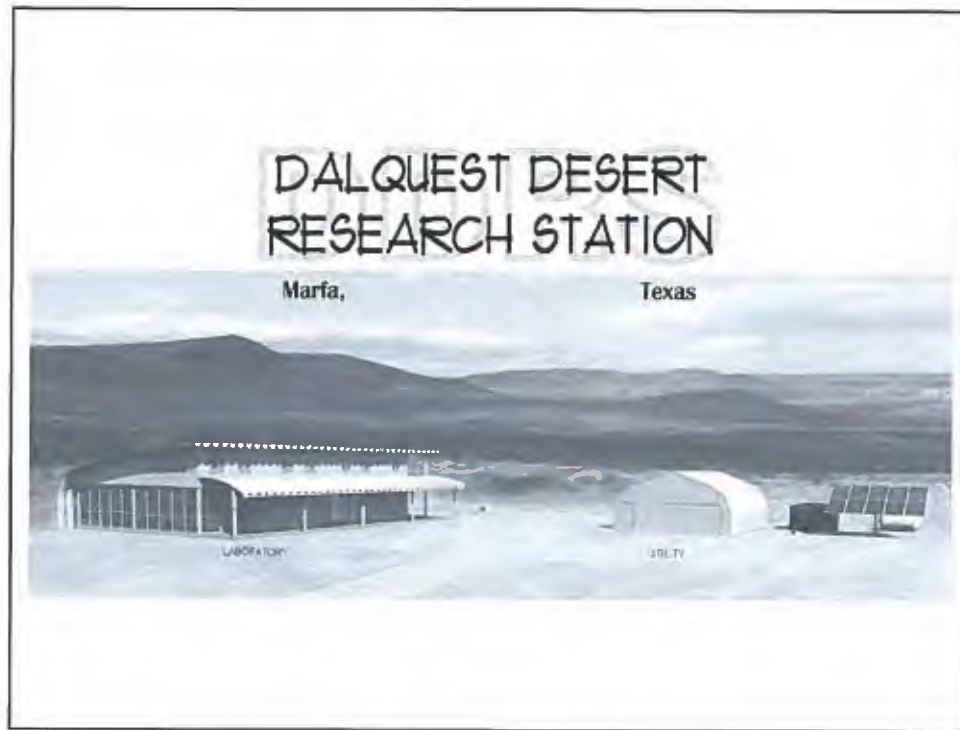
Reviewed for submission:

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

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

ATTACHMENTS:

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



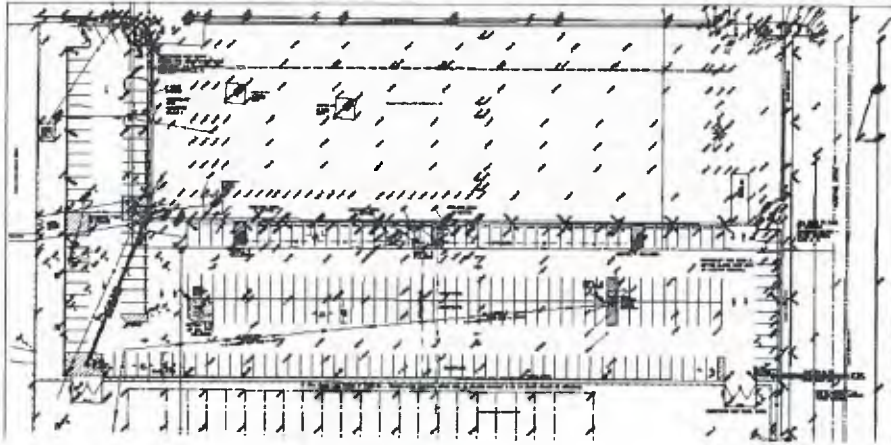




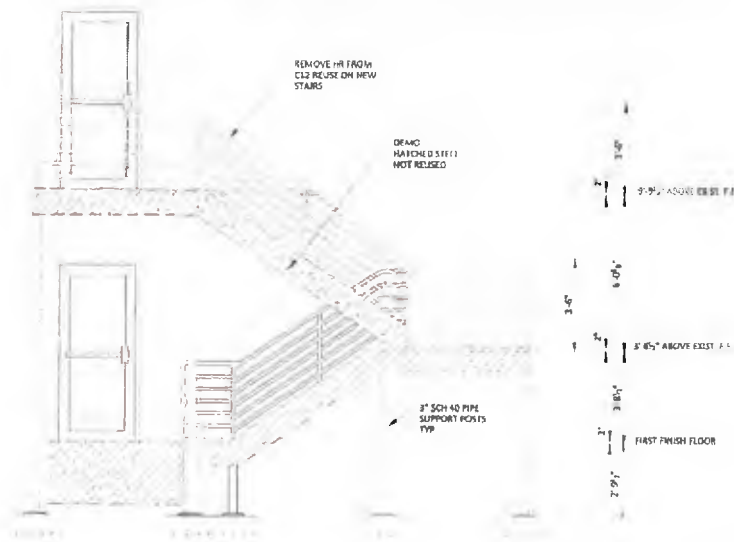
STUDENT HOUSING PROJECT



PARKING LOT 6S EXPANSION

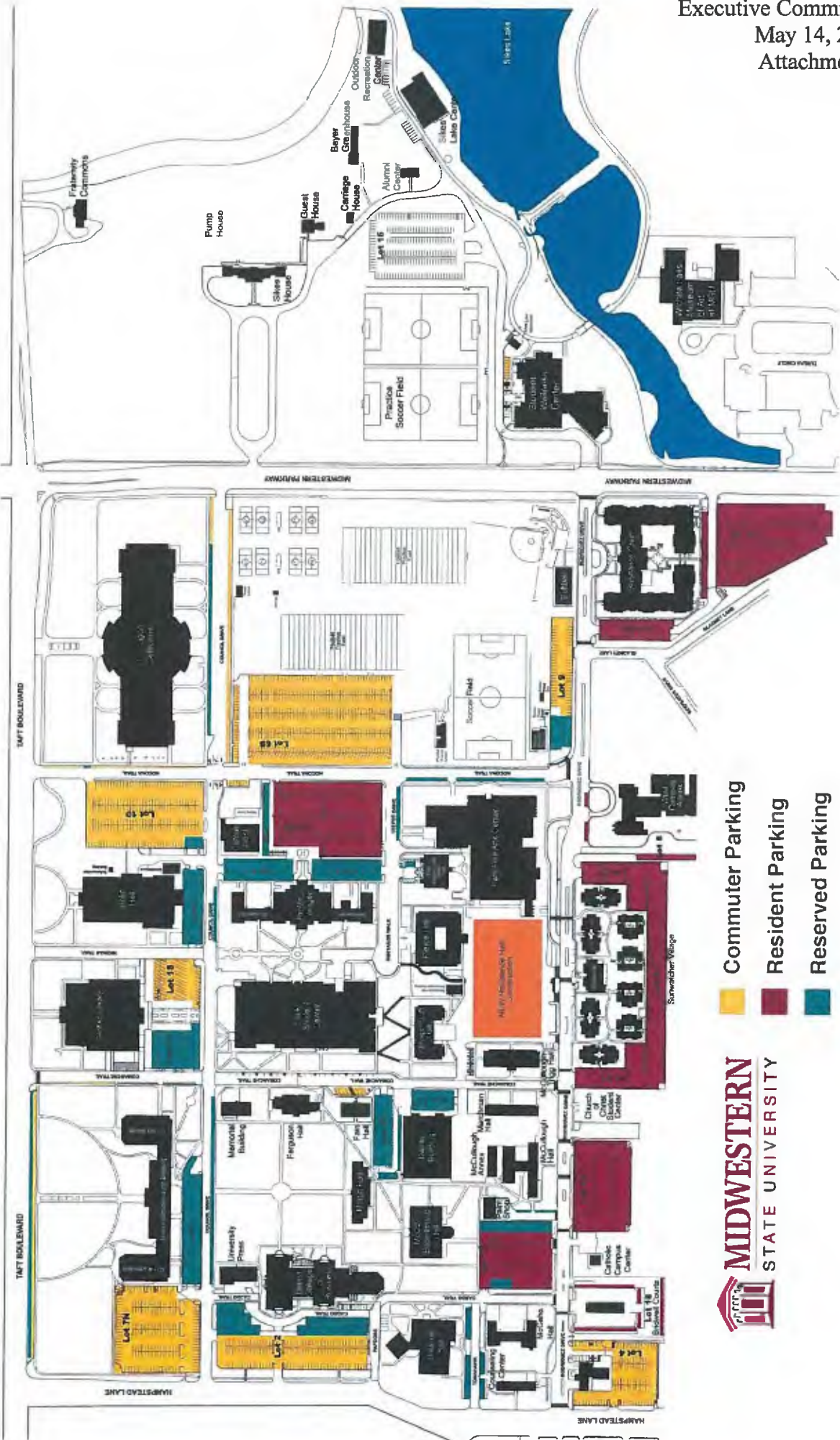


PYBO STAIR REPLACEMENT



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

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



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

The Academic and Student Affairs Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 11:20 a.m., Thursday, May 14, 2015. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman, Mr. Kenny Bryant, Ms. Tiffany Burks, and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Shawn Hessing, Ms. Nancy Marks, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Dr. Kristen Garrison, Writing Program Administrator; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, *Wichita Falls Times Record News*.

Reading and Approval of Minutes

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

Faculty Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Staff Report

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

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

Dr. Givens thanked Mr. Welch for his report.

Athletics Report

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

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

Dr. Givens thanked Mr. Carr for his report.

Recess

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

Student Government Report

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

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

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

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

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

Student Initiated Naming Opportunity

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

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

Naming Opportunity

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

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

May 2015 Graduating Class

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

Addition of a Minor in Sociology

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

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

Addition of a Computed Tomography Certificate Program

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

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

Housing and Dining Service Rates

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

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

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

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

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

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

There being no further discussion the motion was approved.

MSU Policies and Procedures Manual Change

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

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

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

There being no further discussion the motion was approved.

Emeritus Status

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

Faculty Promotions and Faculty Tenure

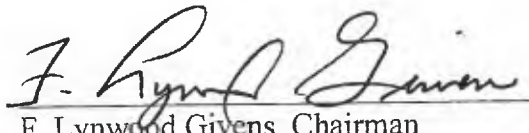
15-133& 134. Dr. Givens noted that these items would also be discussed in closed session and asked Dr. Rogers to discuss the policies. Dr. Rogers noted that a faculty member with a Ph.D. and no experience will normally be hired as an assistant professor. Faculty members are then considered for promotion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

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

Adjournment

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

Reviewed for submission:

A handwritten signature in black ink, reading "F. Lynwood Givens". The signature is fluid and cursive, with the first name "F." and last name "Givens" clearly legible.

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

ATTACHMENT:

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

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

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

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

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

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

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

The Finance Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 1:40 p.m., Thursday, May 14, 2015. Committee members in attendance were Mr. Mike Bernhardt, Chairman; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Kenny Bryant, Ms. Tiffany Burks, Mr. Shawn Hessing, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matt Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) was President Rebecca Stogner. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

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

Reading and Approval of Minutes

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

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

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

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

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

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

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

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

Review and Acceptance of Financial Report

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

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

Review and Acceptance of Investment Report

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

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

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

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

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

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

There being no further discussion the motion was approved.

Mustangs Guarantee Program

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

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

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

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

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

There being no further discussion the motion was approved.

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

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

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

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

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

Summer Budget 2015

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

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

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

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

There being no further discussion the motion carried.

Student Orientation Fee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2015-2016 Tuition and Fee Review and Recommendations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

New Faculty and Staff Positions – FY 16

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

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

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

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

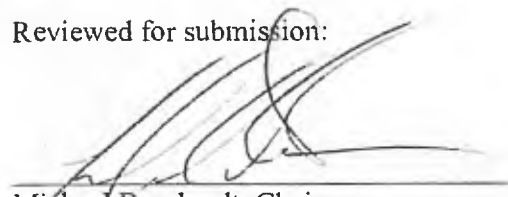
Dr. Rogers stated that the final item on the list was an additional Information Technology position that would be discussed during the Audit, Compliance, and Management Review Committee meeting.

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

Adjournment

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

Reviewed for submission:

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

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

ATTACHMENTS:

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

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

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

Source: THECB Accountability System

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

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

New Faculty and Staff Positions – FY 16

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

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

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

The Audit, Compliance, and Management Review Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 3:55 p.m., Thursday, May 14, 2015. Committee members in attendance were Mr. Sam Sanchez, Chairman; Ms. Tiffany Burks, Mr. Jeff Gregg, and Ms. Nancy Marks. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. Kenny Bryant, Mr. R. Caven Crosnoe, Dr. Lynwood Givens, Mr. Shawn Hessing, and Student Regent Jesse Brown.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association was President Rebecca Stogner. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

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

Reading and Approval of Minutes

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

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

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

Audit Activities

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

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

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

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

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

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

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

A. Immediately

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

B. No later than FY 17

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

C. No later than FY 18

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

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

MSU Policies and Procedures Manual Changes

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

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

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

There being no further discussion the motion was approved.

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

Adjournment

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

Reviewed for submission:



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

ATTACHMENT:

1. Revised Update on Audit and Compliance (RECOMMENDATIONS)



Office of the Internal Auditor

3410 Taft Boulevard Wichita Falls, Texas 76308-2099

o 940.397.4914 f 940.397.4037

Date: May 08, 2015

To: MSU Board of Regents – Audit & Compliance Subcommittee

From: Michael Taylor, Internal Auditor

Re: Update on Internal Audit and Compliance

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

RECOMMENDATIONS:

Year 1: 2015-2016 \$ Amount

A. Specific IT training for current internal auditor	\$ 50,000
B. Outsource <u>IT assessment</u> and <u>construction cost recovery</u> audits	
C. Outsource Hotline for fraud, waste & abuse (\$5k year 1)	

Year 2: 2016-2017

A. Specific IT training for current internal auditor	\$ 50,000
B. Outsource <u>Title IX</u> and <u>Clergy</u> compliance audits	
C. Outsource Hotline for fraud, waste & abuse (\$2.5k /yr)	

Year 3: 2017-2018

A. Hire additional staff auditor full time	\$ 60,000
B. Share administrative assistant with General Counsel	
C. Purchase electronic work-paper and data mining software	

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

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

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Dean of the McAda Graduate School; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Mike Taylor, Internal Auditor; Ms. Dawn Fisher, Director of Human Resources; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

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

Opening Comments

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

Public Comment

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

Discussion of Higher Education Issues

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

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

MSU Priorities

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

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

Recess

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

Executive Session

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

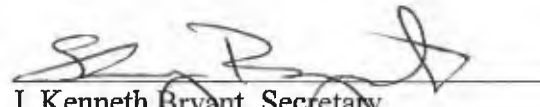
Open Meeting Resumes

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

Adjournment

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

Reviewed for submission:

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

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

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

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

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Dr. Deborah Garrison, Associate Vice President for Academic Affairs and Graduate Dean; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Dr. David Carlston, Chairman of the Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Mr. Mark McClendon, Director of Institutional Research and Assessment; Ms. Dawn Fisher, Director of Human Resources; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, *Times Record News*.

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

Opening Comments

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

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

Public Comment

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

Reading and Approval of Minutes

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

Executive Committee Report

Mr. Hessing noted the items presented at the Executive Committee meeting for committee approval and information only. Information concerning these items may be found in the minutes of the Executive Committee meeting held May 14, 2015.

Item Presented for Committee Approval Only

15-108. Committee Minutes

Item Presented for Information Only

15-109. Campus Master Plan and Construction Update

Executive Committee Consent Agenda

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

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

- 15-119. Wichita Falls Museum of Art at MSU Ratification of Accessioned Artworks – ratified the accession of items presented.

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

Academic and Student Affairs Committee Report

Dr. Givens noted the items presented at the Academic and Student Affairs Committee meeting for committee approval, information only, and items not considered by the committee. Information concerning these items can be found in the minutes of the committee meeting held May 14, 2015.

Item Presented for Committee Approval Only

- 15-120. Committee Minutes

Items Presented for Information Only

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

Items Not Considered by the Committee

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

Academic and Student Affairs Committee Consent Agenda

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

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

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

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

Finance Committee Report

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

Item Presented for Committee Approval Only

- 15-135. Committee Minutes

Item Presented for Information Only

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

Finance Committee Consent Agenda

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

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

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

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

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

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

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

Student Orientation Fee

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

2015-2016 Tuition and Fee Review and Recommendations

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

Audit, Compliance, and Management Review Committee Report

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

Item Presented for Committee Approval Only

15-147. Committee Minutes

Item Presented for Information Only

15-148. Potential Conflict of Interest of Regent

Audit, Compliance, and Management Review Committee Consent Agenda

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

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

A. Immediately

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

B. No later than FY 17

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

C. No later than FY 18

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

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

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

Other Business

President's Report and Discussion

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

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

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

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

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

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

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

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

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

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

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

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

Recess

The meeting went into recess at 9:22 a.m. and the board reconvened at 9:55 a.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Section 551.074, to consider Items 15-132 (Emeritus Status), 15-133 (Faculty Promotions), 15-134 (Faculty Tenure), 15-156 (Board of Regents Officers) and 15-157 (University President's Contract). The closed session began at 9:56 a.m. Mr. Hessing, Mr. Bernhardt, Mrs. Burks, Mr. Bryant, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Brown, Mr. Macha, and Ms. Barrow remained for the entire closed session. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Clark, and Dr. Farrell remained through discussion of the first three items, leaving the meeting at 11:20 a.m.

Open Meeting Resumes

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

Emeritus Status

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

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

Mr. Sanchez seconded the motion and it was approved.

Faculty Promotions

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

From the Rank of Assistant Professor to Associate Professor:

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

From the Rank of Associate Professor to Professor:

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

Mr. Bernhardt seconded the motion and it was approved.

Faculty Tenure

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

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

Mr. Gregg seconded the motion and it was approved.

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

Greg Giddings, Ph.D. English

Mrs. Marks seconded the motion and it was approved with Mr. Sanchez, Mrs. Burks, and Dr. Givens voting nay.

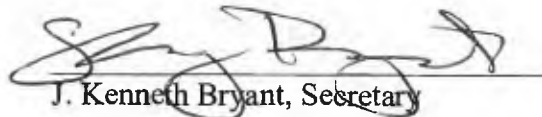
University President's Contract

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

Adjournment

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

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting May 15, 2015


J. Kenneth Bryant, Secretary

ATTACHMENT:

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

Comparison with COPLAC



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

COPLAC Comparison



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

*2013-14 Tuition

** Lowest Out-of-State Price

NSSE

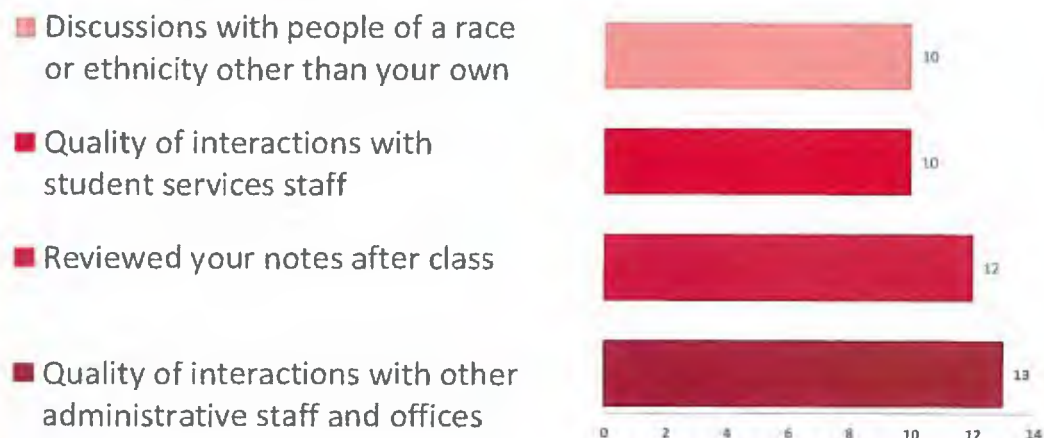


- National Survey of Student Engagement
 - Given every other Spring to First-year and Seniors (Spring 2014)
- 23 of 29 schools participated
- Engagement – 2 features of collegiate quality
 - Time and effort students put into their studies
 - How the institution gets the students to participate in activities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

NSSE Comparison



MSU Highest Performing Relative to COPLAC

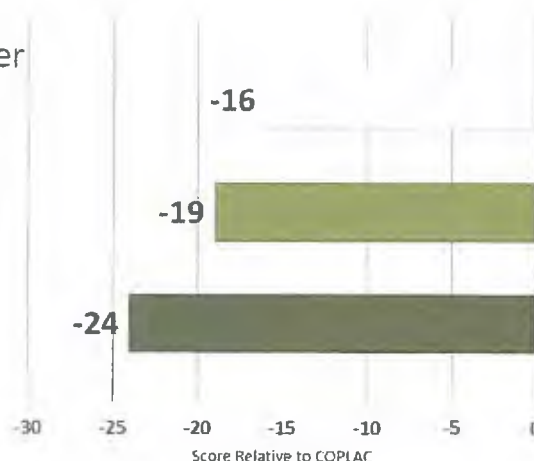


NSSE Comparison



MSU Lowest Performing Relative to COPLAC

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



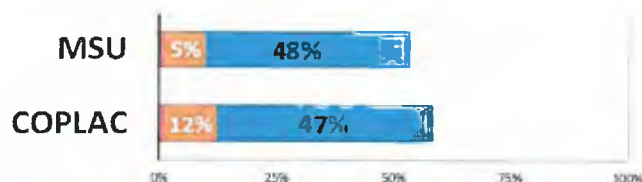
NSSE Comparison



High-Impact Practices (HIPs)

First-year

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



Senior

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



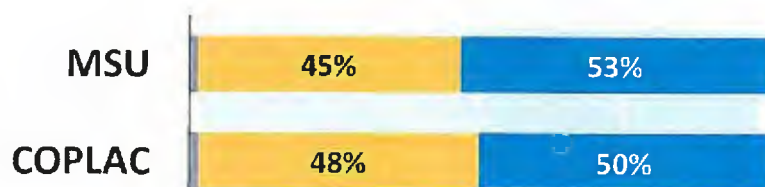
- Participated in two or more HIPs
- Participated in one HIP

NSSE Comparison

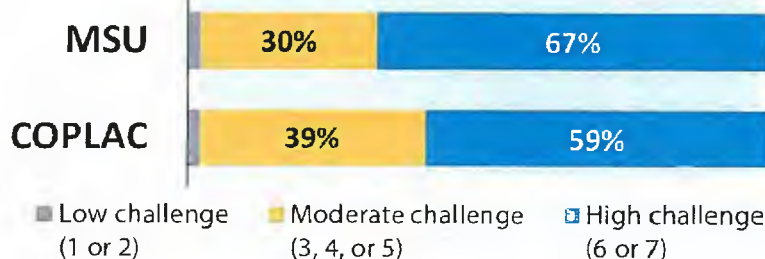


Challenging Students to Do Their Best Work

First-year



Senior



■ Low challenge (1 or 2) ■ Moderate challenge (3, 4, or 5) ■ High challenge (6 or 7)

NSSE Comparison



Academic Emphasis

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

First-year



Senior



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

NSSE Comparison



Academic Challenge: Seniors

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

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



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

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

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

Administrative staff members present at the university included Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Mr. Barry Macha, General Counsel, participated in the meeting via telephone connection. Representing the news media at the meeting was Mr. Landry Russell, KFDX-TV III.

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

Opening Comments

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

Public Comment

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

Revision of Board of Regents By-Laws

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

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

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

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

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

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

Suspension of Board of Regents By-Laws

15-160. This item was not considered.

Board Officers

15-161. This item was not considered.

Real Property

15-162. This item was not considered.

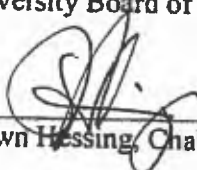
Executive Session

15-163. No executive session was deemed necessary.

Adjournment

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

I, Shawn Hessing, the fully appointed and qualified Chairman of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting June 1, 2015.



Shawn Hessing, Chairman

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

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Wednesday, June 17, 2015. Regents in attendance were Mr. Shawn Hessing, Chairman (via teleconference); Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; and Mr. Sam Sanchez.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Dr. Robert Clark, Vice President for Administration and Institutional Effectiveness. Other university personnel attending the meeting included Mr. Kyle Owen, Associate Vice President for Facilities Services; Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Dawn Fisher, Director of Human Resources; Ms. Valarie Maxwell, Director of Budget and Management; Dr. David Carlston, Chairman of the MSU Faculty Senate; Mr. Dirk Welch, Chairman of the MSU Staff Senate; Ms. Sara Webb, Business Manager for Facilities Services; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media were Ms. Lana Sweeten-Shults, *Times Record News*, and Mr. Cody King, KAUZ News Channel 6.

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

Opening Comments

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

Public Comment

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

Electrical Utility Contract

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

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

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

FY 16 Budget Workshop

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. Gregg asked if he was correct in saying that the budget plan did not include outsourcing of the Facilities Services employees. Dr. Rogers responded that his statement was correct. Dr. Givens noted that Mr. Owen and his area were taking on a heavy load with the reduction of \$370,000 in his operation.

Mr. Sanchez asked what the increase to the athletics budget would be used for. Dr. Rogers responded that the increase would cover increased travel costs. He stated that athletics was getting an increase but that it was not as much as they could get from the \$1.20 included in the \$6 fee increase that was approved in May.

Mr. Park asked the administration and board to consider not delaying the funding for the Office of Student Transition. He noted that this office would work closely with the first-year experience efforts to better connect and engage students, particularly during their first year.

Dr. Fowlé noted that the next page of the budget presentation outlined budget concerns in FY 17 and FY 18. Dr. Rogers stated that he reviewed this information with Dr. Shipley so that she would have an idea of future issues that would need to be addressed. The next page presented information regarding HEAF allocations in FY 15, 16, and 17. The final page showed restricted funds and what they were used for in the current budget.

Mr. Hessing expressed appreciation to the administration for their efforts in putting the information together for this meeting. He indicated it was very helpful and well done.

Mrs. Marks stated that the session was extremely beneficial to her as a relatively new board member.

Recess

The meeting recessed at 11:25 a.m. and reconvened at 11:32 a.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by the Texas Government Code Chapter 551, Section 551.072 and 551.074, to consider Items 15-165 (Fiscal Year 16 Budget) and 15-166 (Real Property). The closed session began at 11:32 a.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Mr. Macha, and Ms. Barrow remained for the entire session. Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Clark, Mr. Owen, and Mr. Park remained for a portion of the discussion, leaving the meeting at 11:43 a.m.


Open Meeting Resumes

The closed session ended at 11:58 a.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

Adjournment

There being no further business, the meeting was adjourned at 11:59 a.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting June 17, 2015.


J. Kenneth Bryant, Secretary

ATTACHMENT:

1. MSU FY 16 Budget Information

**MSU FY16 Budget Information
Prepared for the Board of Regents
June 17, 2015**

The attached packet of information was used in developing the general outline of the FY16 budget. Below is an explanation of each page in the packet.

Page One – Enrollment Projection Data

The main driver of the university's budget is enrollment. This page displays historical and projected enrollment levels by class during the fall semesters. The predictions are based on 1) new freshmen levels derived from the number of applications, summer orientation attendance, housing reservations, etc. and 2) the historical tracking of one class to the next. For example, beginning and re-enrolling classes historically track to the next year's sophomore class at about 80%. Sophomore to the next year's junior class tracks at about 100% (because transfers are also affecting class size at this point). This continues through the classes. Individual graduate programs are predicted separately.

For FY16 (Fall 2015), enrollment is predicted to remain flat. The last several years have produced extraordinarily large senior graduating classes. Even with record-breaking freshmen enrollment, the growth will not build on itself until FY17 (Fall 2016), when the model predicts an increase of 69 head count. After that point, freshmen class size grows a small amount each year, as well as graduate programs, but the large freshmen classes build on themselves enough to realize an enrollment of 6,501 by 2021.

Page Two – Revenue Projections Summary

The university's budget office has built a sophisticated tuition and fee revenue projection model based on the information from the enrollment projections discussed above. The model is complicated by the fixed rate tuition program; students fall into a fixed rate "cohort" that may not match with the class status they identify with. Each cohort pays a different rate of designated tuition for four years. An example is a junior class student may be in a "first-year" fixed-tuition cohort because they just transferred to the institution and are therefore considered a new student.

The model also contains exemptions, waivers, and state-mandated set asides netted against the tuition and fees shown on the summary. Exemptions and waivers decrease the amount of tuition and fees collected by approximately 8%. The Hazlewood exemption is one that is included and decreases the amount of tuition and fees the university collects. State-mandated set-asides from designated tuition above \$46, which must be spent on financial aid, have

reduced tuition further by 20%. In FY16, this amount will be reduced to 15% and the institution will thus receive additional net tuition.

The information is grouped into two categories: General Tuition and Fees and Other Fees. General Tuition and Fees is the revenue the institution can use to cover general expenses of the university. Other fees are collected for specific purposes and cannot be used for anything other than what the fees were originally established to cover.

FY16 Revenue from tuition and fees is projected to increase overall by \$1,222,724. The General Tuition and Fees the university can use to offset centrally supported budgets will increase by more than \$1M. Other fee budgets will remain flat generally with an overall increase of only \$124,000.

Page Three – Comparison of FY15 – FY16

This sheet outlines the revenue sources that are used to pay for the centrally-supported areas of the university, which would include such areas as faculty, college operations, most administrative offices, and academic and administrative facilities. When analyzing year-to-year changes, the administration is most concerned with the funding of these areas from centrally-collected revenues. Areas not factored in are those that collect their own revenue and must live within their own means. Examples would be housing, student recreation center, and student union.

Pages Four and Five – FY16 Budget Review

These two pages contain the essence of reconciling the FY16 budget. The FY16 budget starts with the FY15 budget. Reconciling FY16 is done by listing items that increase or decrease various centrally-funded items to the FY15 budget.

The FY15 budget was balanced by using \$2.2M in one-time funds. To balance FY16's budget, this shortfall must first be covered. This is shown as a negative on the listing. The next category on the listing is increased revenues. Between increased appropriations, additional tuition, etc., new revenues to the university are projected to be more than \$2.8M. Therefore, the \$2.2M shortfall from FY15's budget will be covered in FY16 through these new revenues and provide an additional \$600K of new funds.

The next category includes cuts to the FY15 budgeted expenses. These are grouped by type of cut; some cuts are because the funding was only one-time, other cuts are because the expense will be moved off the centrally-funded revenues to another restricted source, etc. Total cuts amount to more than \$700K. After new revenue, budget cuts, and the \$2.2M in one-time FY15

funding is covered, the university is projected to have \$1.3M of available resources to cover “new” expenses in FY16.

The next section includes new expenses which have been approved by board action or are required by the state, university policy, or contract. Also included are those items which are an adjustment to the FY15 budget because original expense budget estimates were short. The last item on the list is the net difference (still unknown) of new faculty hires to faculty vacancies. Each year the university loses about 8% of its faculty through retirement or resignation. Because of the academic schedule of hiring, many times the faculty line will remain vacant for a year and the classes are covered by adjunct faculty, thus saving the university money. The balance from year-to-year of the number of vacancies can change and thus the amount of savings varies. Overall, the total of new, mandatory expenses is \$1.9M.

The last section of new expenses shows items the administration has identified as “high priority.” This section includes faculty and staff pay raises, and increases to various budgets or programs. The total of this group is an additional \$1.1M.

The net of the surplus funds of \$1.3M to new expenses of \$3M results in the university being \$1.7M short of balancing. The administration has outlined possible solutions for balancing the \$1.7M difference. The proposed solution includes a section of additional cuts, one-year temporary reduction in cuts, and the delaying of some of some new desired expense items. Reserves in the amount of \$135,000 are proposed to be used for two of the new one-time expenses in FY16. It should be noted that the university still needs to identify an additional \$130,000 in cuts from next year’s budget to be fully balanced.

Page Six – FY17 and FY18 Concerns

Part of a good budget process includes anticipating future year changes. While FY16 is still of main priority, FY17 will present additional budget challenges. The university will experience a minimum of \$2M in increased centrally-funded costs that will need to be covered by additional revenues or cuts to existing budgets. This does not include any pay raises or additional funds for new positions, or the expansion of existing programs. FY18 will also require an additional \$900K as a best guess of known items. Also in FY18, the legislature will have met and the possibility exists for additional state appropriations.

Page Seven – HEAF Allocations

While the university’s HEAF allocation will increase by \$1.5M in FY 17, the amount remains relatively flat in FY 16. In order to cover the budget shortfall in FY16, the administration proposes decreasing its regular allocations to departments and instead picking up existing debt

service that in the past was paid from designated tuition. Designated tuition can be used to pay centrally-funded salaries and operating budgets; HEAF can only be used for capital expenses (including debt service). By temporarily decreasing HEAF allocations to the university departments and reallocating these funds to pick up the tuition-paid debt service, the administration is able to use \$950,000 to help cover centrally-funded budgets. In FY17, HEAF will continue to pay the debt service, but with the additional HEAF appropriation, the allocations to departments will be restored to the former (if not increased) levels.

Pages Eight and Nine – Restricted Funds

Although restricted funds are not included in the centrally-funded category, their use does have an effect on these budgets. The university receives more than \$17M a year in restricted funds. The majority of these funds are from federal and state financial aid benefits (\$12.2M), with the balance of these funds made up from gifts, endowed funds, and grants. Additionally, some of the restricted funds pay for faculty salaries and scholarships. The university is able to invest \$1.8M in salaries, wages, and benefits from restricted fund sources and more than \$800K in scholarships is paid from donated funds.

As noted on the FY17-18 Concerns page, some restricted funds have a limited life, and once the gift/grant is spent down, the institution must cover the expense from other funds if the programs are to continue.

Page nine breaks out the restricted funds by general source and also shows the expenditure categories the funds are used to support (faculty salary, scholarships, M&O, etc.).

Midwestern State University
Fall Semester Enrollment Projection Data

	Actual Fall Enrollments			Projected Fall Enrollments						
	2012	2013	2014	2015	2016^	2017	2018	2019	2020	2021
BEG FRESHMAN	612	817	813	825	855	865	870	875	875	875
RE-ENR FRESHMAN	427	358	468	511	533	552	565	573	578	580
SOPHOMORE	1,049	991	1,011	1,077	1,134	1,183	1,222	1,249	1,267	1,278
JUNIOR	1,227	1,175	1,095	1,066	1,084	1,123	1,167	1,209	1,244	1,271
SENIOR	1,923	1,852	1,757	1,654	1,577	1,544	1,547	1,574	1,614	1,657
POST-BACCALAUREATE	63	75	58	58	60	60	60	60	60	60
GRADUATE	615	602	672	684	700	725	745	760	770	780
Total Fall Headcount	5,916	5,870	5,874	5,875	5,944	6,051	6,176	6,299	6,407	6,501

^ Open new freshmen residence hall

New Graduate Programs:

Master's in CJ	20	25	35	40	45	50	50	50
MBA Energy Mgmt	0	5	10	15	20	25	25	25
Master's in Geosciences	0	4	10	15	20	25	25	25
	20	34	55	70	85	100	100	100

Midwestern State University Revenue Projections

June 1, 2015

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Fall Headcount	5,874	5,875	5,944
Annual Semester Credit Hours (SCH)	146,956	149,440*	151,148*
General Tuition and Fees:			
Net Designated Tuition	14,603,684	15,661,595	16,165,207
University Services Fee	7,701,310	7,831,475	7,920,987
Distance Learning Fee	1,307,849	1,321,245	1,406,591
Tier 2	506,719	415,129	415,129
3-Peat Tuition	176,361	162,252	154,139
Distance Learning Tuition	134,931	137,651	142,988
Excessive Hours Fee	60,000	60,000	60,000
Subtotal General Tuition/Fees	<u>24,490,854</u>	<u>25,589,347</u>	<u>26,265,041</u>
<i>Change from prior year</i>		<i>1,098,493</i>	<i>675,694</i>
Other Fees:			
Instructional Enhancement Fees	2,581,055	2,638,437	2,605,646
Student Service Fee	2,268,253	2,306,591	2,332,954
Athletic Fee	1,268,199	1,285,228	1,299,918
Rec Center Fee	1,192,763	1,200,834	1,209,519
Student Union/Center Fee	549,287	552,698	556,673
Application Fee	124,595	124,595	124,595
Int'l Advising Fee	58,200	58,200	58,200
Subtotal Other Fees:	<u>8,042,352</u>	<u>8,166,583</u>	<u>8,187,505</u>
<i>Change from prior year</i>		<i>124,231</i>	<i>20,922</i>
Total Local Revenues	<u><u>32,533,206</u></u>	<u><u>33,755,930</u></u>	<u><u>34,452,546</u></u>
<i>Change from prior year</i>		<i>1,222,724</i>	<i>696,616</i>

Note: Projections include a 2% increase in designated tuition in FY17 for incoming students. Based on Fall FY16 and FY17 projected enrollment numbers. No other increases for FY17 are included.

* Includes additional SCH projected from adding lecturer positions in core areas.

Comparison of FY15 to FY16

Comparisons are based on budgets centrally funded, including those paid from:

- *State Appropriations
- *Designated Tuition
- *University Service Fee (not including \$6/SCH designated for intramural/athletic facilities)
- *Distance Education Fee
- *Tier Two
- *3-Peat Tuition
- *Distance Learning Tuition
- *Athletic Fee
- *Excessive Hours Fee
- *Investment Income
- *Endowed funds income (primarily scholarships)
- *Vending income
- *Miscellaneous Fees (returned check fees, late fees, etc.)

Comparisons do NOT include self-funded operations, such as:

- *Student Service Fee
- *Student Union/Center Fee
- *Recreation Center Fee
- *Housing
- *Food Service
- *Application Fee
- *International Advising Fee
- *Grant funded operations

FY16 Budget Review

FY15 one-time monies used **(\$2,253,913)**

FY16 Projected Revenue Changes

Funds Received Through Legislative Action	
Hazlewood Reimbursement Funds	\$195,000 Est.
Formula Funding/Appropriations Increase	865,650
Be-On-Time Fund Set-Aside Elimination	375,000
Increase in core class sections taught by new Lecturers	660,000
Designated tuition increase for new students	225,000
Redwine Endowment earning increase for merit scholarships (TAMUS investment)	263,000
Vending income increase from new contract	25,000
Food Service income increase from new contract	200,000
Increased University Services Fee (USF) swap for Ligon debt	121,850
Returned Check Fee rate increase	3,000
Projected decrease in Tier II Tuition	(90,000)

Total Additional Revenue **\$2,843,500**

FY16 Proposed Budget Cuts

Eliminate funding of one-time or limited time items

One-time Noel Levitz money from admissions	\$50,000
One-time Presidential Search expenses	160,000
Eliminate scoreboard payment (paid-off)	49,700

Change funding source

Self-fund Bureau of Business and Governmental Research in College	13,715
Move science field trips to Instructional Enhancement Fee (IEF) funds	2,216
Move funding for Teaching and Learning Resource Center to PEC	5,000
Move funding for Speakers and issues to PEC	5,000
Move funding for Study Abroad scholarships to University's Greatest Need	50,000

Reduce funding for currently overfunded areas

On-line course fee - course development funds	20,000
Accreditation budget	14,200
Degree completion scholarships	20,000
Eliminate TRS Surcharge savings (from hiring back retirees) - overbudget	20,000

Temporary funding suspensions/reductions

Eliminate transfer to Plant Funds Reserve	50,000
Reduce funding for summer school athletic scholarships	15,000
Reduce Dependent Education Waiver funding	20,000
Reduce funding for Employee Education Incentive Program	13,000

Other necessary budget reductions or elimination of funding

Reduce university support of museum 10%	20,000
Reduce travel budgets	50,000
Reduce cell phone stipends	35,000
Reduce non-auxiliary utilities (recalculated amounts)	100,000
Eliminate funding for Center for Study of Reform	4,500

Total Budget Cuts **\$717,331**

Total Available After Covering FY15 One-Time Monies **\$1,306,918**

FY16 Proposed Additional Expenses

IT technician plus benefits (per Board action 5/15)	55,000
Five new lecturer positions plus benefits (per Board action 5/15)	260,000
Asst/Assoc Professor of Computer Science (per Board action 5/15)	93,600
Compliance Audit (per Board action 5/15)	50,000
Estimated increase in staff longevity (required by state law)	25,000

Increase in group Insurance costs (required by state)	200,000	
Faculty promotions/adjustments (includes difference for new faculty hire)	154,600	
Admissions Director plus benefits (position vacant for two years)	\$118,880	
Volleyball Coach plus benefits	70,000	
McAllister and Quinn balance of two-year contract through Feb 2016	48,000	
Telephone switch maintenance	100,000	
Chiller maintenance	56,000	
IT Software maintenance increases (includes 9K for Marketing software)	70,416	
Replace marketing and development funds no longer funded by Foundation	168,500	
General Merit Scholarship increases	155,000	
Increase cost of International Recruiting Fees	60,000	
Increase cost of International Legal Fees	40,000	
Police parking fee shortfall	80,000	
Continue additional pay for full-time assistant soccer coach (added in FY 15)	6,850	
Building Insurance, credit cards, and workers comp	100,000	Est.
Net difference in faculty vacancies/hires year-to-year	?	
Total	\$1,911,846	

Administration's High-Priority Budget Items		
Faculty Pay Raise (\$500K pool with benefits)	\$572,250	
Staff Pay Raises (2% with \$700/min w/o aux) - one-half year	200,000	*
One-Time faculty stipends for Freshmen Seminar development	85,000	**
Increased Student Tutoring	50,000	**/*
Fain College of Fine Arts increase in travel (underfunded compared to all other colleges)	10,000	
Reorganization - Office of Student Transition	38,000	
McAllister and Quinn new 2-year contract (beginning Feb. 2016)	48,000	
Increase engineering DOE for accreditation	14,400	
Athletic budget increase	45,000	
Subtotal High Priority	\$1,062,650	

Total Shortfall after Administration's High-Priority Budget Items

\$1,667,578

Possible Solution

1 Permanent Base Cuts		
Budget cuts in facilities (Delay chiller maintenance one year, consolidate purchases with Housing/Clark Student Center, and other reductions)	\$370,000	
Other cuts not yet identified	\$130,000	
2 One-Year Temporary Reduction In Expenses		
HEAF cuts from existing allocations (funds will be used to pay existing debt service that is currently paid from Designated Tuition)	\$950,000	***
3 One-Year delay in funding priority increases in the budget		
Reorganization - Office of Student Transition	38,000	
Athletics increase	45,000	
Subtotal	\$83,000	*
4 Use of Reserves	135,000	**

Total Found to Balance

\$1,668,000

* Commits new resources to FY17 in this plan.

** \$85K of one-time faculty stipends for development of freshmen seminar will be taken from reserves.

If funding is needed beyond that, it should be included in the base budget and additional on-going funds will need to be identified. \$50K for additional tutoring will also be provided from reserves, with the expectation that this funding will be added as a base expense in FY17.

***Use \$1.25M of additional \$1.7M allocation in HEAF in FY17 to cover FY16 HEAF cuts and mass comm debt service.

FY 17 Concerns

Note: Amounts in both years do not include any faculty and staff payraises or additional faculty positions as might be required with growth in program areas.

Gunn funds for Health Sciences salaries end	\$550,000
Bolin funds for Geosciences end	183,263
Must find funds for full year of FY16 staff payraise (1/2 year in FY 16)	200,000
If wish to pursue new items delayed for one year in FY 16	83,000
Continue with additional tutoring money taken from reserves in FY 16	50,000
Funds no longer available from Foundation	100,000
Summer school shortfall	100,000
Add additional internal auditor (per Board action 5/15)	80,000
Reinstate some cuts from FY16	?
Subtotal	<u>1,346,263</u>
Normal Increases to expect:	
Health Insurance costs	200,000
Longevity increases	20,000
Software Maintenance Agreements	70,000
Chiller Maintenance (delayed one year in FY 16)	56,000
General Merit Scholarship Increase	200,000
Faculty Promotions	80,000
Subtotal	<u>626,000</u>
Total	<u>\$1,972,263</u>

FY18 Concerns

Note: FY18 will be the start of a new biennium with a change in state appropriations.

McCoy funds for EUREKA terminate	\$150,000
Utilities and maintenance for new HSHS building	300,000
Reinstate some cuts from FY16	?
Subtotal	<u>450,000</u>
Normal Increases to expect:	
Health Insurance costs	200,000
Longevity increases	20,000
Software Maintenance Agreements	70,000
General Merit Scholarship Increase (may stabilize)	100,000
Faculty Promotions	80,000
Subtotal	<u>470,000</u>
Total	<u>\$920,000</u>

MSU Proposed HEAF Allocations - FY 2016 & FY 2017

General:	FY 2016		FY 2017 Draft
	Final 2015	Proposed	
Master Plan project funding	\$ 369,638	\$ -	\$ 249,926
Debt service (relief for operating budget)		950,000	900,000
Mass Communication debt service		290,000	290,000
Mass Communication furniture			200,000
University landscape/hardscape repairs		250,000	150,000
Prothro Yeager room renovation		31,900	
Fain Fine Arts theater dimming project		169,300	
West Campus Annex infrastructure	100,000		
Museum parking lot project	73,000		
Jesse Rogers Promenade - phase 2			125,000
Hardin South office renovation			250,000
Parking and Library consultants	58,000		
Landscape project	100,000		
Total General University	700,638	1,691,200	2,164,926
Provost and VP Academic Affairs			
Allocations to Colleges	410,000	240,000	500,000
Library - books and materials	550,000	500,000	550,000
Total Provost	960,000	740,000	1,050,000
VP Business Affairs & Finance			
Technology/equipment support	7,000		4,300
Business Office security upgrade			15,000
Capital lease - vehicles	30,000	30,000	30,000
Human Resource suite renovation	40,000		
Physical Plant (deferred maintenance)	1,000,000	579,805	1,010,000
Total VP Business Affairs & Finance	1,077,000	609,805	1,059,300
VP Student Affairs & Enrollment Management			
Testing computers	9,775		
Disability Support Services	4,000		
Admissions electric cart			20,000
University Police equipment			14,809
Total VP Student Affairs & Enrollment Mgmt.	13,775	0	34,809
VP University Advancement & Public Affairs			
Technology/equipment support	8,020		1,156
Webmaster - new calendar software		13,200	
Total VP University Adv. & Public Affairs	8,020	13,200	1,156
VP Administration & Institutional Effectiveness			
VP Office			1,221
Information Technology:			
Classroom technology	250,000	169,070	360,000
Hardware replacements	400,000	36,000	40,000
Wireless expansion	50,000	35,000	50,000
Computer labs	100,000	60,000	80,000
Degree Works		20,000	20,000
Hardin South 1st and 2nd floor rewire			200,000
Total VP Administration & Institutional Eff.	800,000	320,070	751,221
Total	\$ 3,559,433	\$ 3,374,275	\$ 5,061,412

Midwestern State University
FY15 Donor and Other Restricted Fund Fund Summary

FY15 Expenses:

Faculty	1,099,031
Adjunct Faculty	32,592
Staff	216,487
Wages	204,586
Fringe Benefits	383,445
Maintenance & Operations (M&O)	2,233,180
Travel	41,250
Capital Outlay	152,320
Longevity	4,727
Scholarships	839,518
Pell Grants	8,500,000
College Work Study	142,927
Supplemental Education Opportunity Grant (SEOG)	124,825
Texas Grants	3,331,667
	<u>17,306,555</u>

FY 15 Revenue:

<u>Sources</u>	<u>Amounts</u>	<u>Comments</u>
<u>Donor Funds</u>		
MSU Foundation	880,420	Unrestricted reduced by \$312,000 in FY16.
Charitable Trust	423,731	Endowed fund revenue.
Dillard Family	420,708	Gifts outside of foundation.
Gunn Family	1,000,000	This gift ends after FY16.
McCoy EURECA	150,000	3-year grant that ends after FY17.
Bolin Petroleum	183,263	Gift will end after FY15, however, there is a balance.
Redwine Interest	310,446	Used for scholarships. Will increase by \$280,000 in FY16.
Mustangs Club	110,974	Donations for Athletics
Gifts to Annual Fund - University's Greatest Need	80,000	Used for merit scholarship (\$70,000) and Rainforest Study (\$10,000).
Miscellaneous Gifts	1,257,326	One-time gifts used for merit scholarships and M&O.
<u>State, Federal or Government Funds</u>		
US Dept of Education	8,980,932	Funds SEOG, Federal College Workstudy, Pell Grants
Caribbean State	15,000	Funds travel expenses for international recruiting.
Small Business Development Center (SBDC)	108,451	Federal passthrough grant for SBDC
Texas Higher Education Coordinating Board (THECB)	3,331,667	Funds Texas Grants.
University of Texas	15,000	Passthrough grant for JAMP program.
<u>Local Tuition</u>	38,637	Local tuition used for salary and fringe not covered by donor funds.
	<u>17,306,555</u>	

Midwestern State University
Current Restricted Funds Summary
FY15

Current Restricted Funds:

International Recruiting
Rainforest Study
Mustangs Athletic Club
Mustangs Club Special Reserve
MAC- Post Season
Deferred Compensation - Maskill
SBDC
SEOG FY 14-15
Federal CWS 14-15
Pell 14-15
Student Support Services Grant
Joint Admission Medical Program
THECB - Texas Grants
Honors Scholarships
Merit Scholarships
Fndtn - Wilson Professorship
Fndtn - University Activities
Fndtn - D.P. Bolin Piano Chair
Fndtn - Madera Professorship
Fndtn - Raborn/Economic Educ
Fndtn - McCoy Engineering
Fndtn - Other Allocations
CT - International Scholarships
CT - Dillard Special Fund
CT - Finance Chair
CT - Lalani Center
CT - Other Allocations
McCoy EURECA 3 Yr Grant
Bolin Petroleum Geology
Dillard Distinguished Professor
Dillard Energy Center
Gunn - Health Sciences
Miscellaneous Gifts and Donations

Budgeted Expense Total

MSU Foundation	Charitable Trust	Dillard Family	Gunn Family	McCoy EURECA	Bolin Petroleum	Redwine Interest	Mustangs Club	US Dept of Education	Caribbean State	Small Business Assoc	THECB	The Univ of Texas	Local Tuition	UGN Annual Fund	Misc Gifts	Total
							2,000 38,974 70,000		15,000					10,000		15,000
										108,451			15,000			10,000
								124,825 142,927 8,500,000 213,180								2,000
																38,974
																70,000
																15,000
																108,451
																124,825
																142,927
																8,500,000
																213,180
												15,000				15,000
						310,446					3,331,667					3,331,667
41,986	114,506															310,446
6,169														70,000	257,326	483,818
35,000																6,169
50,046																35,000
8,000													13,837			63,883
8,829																8,000
217,263																8,829
513,127																217,263
	60,000															513,127
	84,438															60,000
	9,136															84,438
	8,630															9,136
	147,021															8,630
				150,000												147,021
					183,263											150,000
		75,000														183,263
		345,708											9,800			84,800
			1,000,000													345,708
																1,000,000
																1,000,000
880,420	423,731	420,708	1,000,000	150,000	183,263	310,446	110,974	8,980,932	15,000	108,451	3,331,667	15,000	38,637	80,000	1,257,326	\$17,306,555

Uses:

Faculty	228,429	74,325	339,150	351,950		104,000													
Adjunct				15,588			17,000										1,177		
Staff				50,076				28,000	96,000			42,411					8		
Wages				0	92,000				51,759			38,323							
Fringe	51,865	16,249	56,558	131,933	2,000	26,943	2,746	10,974	36,560				9,504	15,000					
M&O	552,140	158,651	25,000	350,000	42,000			72,000	14,951			24,704	459	22,454					
Travel	6,000			0	14,000							4,101	4,337			10,000	1,000,000		
Capital Outlay				100,000		52,320			5,550	15,000				700					
Longevity				455															
Scholarships	41,986	174,506					290,700		8,772,752			912							
Total	880,420	423,731	420,708	1,000,000	150,000	183,263	310,446	110,974	8,980,932	15,000	108,451	3,331,667	15,000	38,637	80,000	1,257,326	17,308,555		