

Midwestern State University Board of Regents Meetings



November 12 and 13, 2015

Midwestern State University

Board of Regents Meetings

Schedule

Thursday, November 12, 2015

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

Friday, November 13, 2015

9:00 a.m. Board of Regents Meeting

**MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

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

REFERENCE PAGES

Midwestern State University Administration

Dr. Suzanne Shipley, President

Ms. Debbie Barrow, Director, Board and Government Relations

Dr. Francine Carraro, Director, Museum

Mr. Barry Macha, General Counsel

Vacant, Director, Internal Audits

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

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

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

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

Ms. Darla English, Registrar

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

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

Dr. Clara Latham, University Librarian

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

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

Vacant, Associate Vice President for Undergraduate Education and Assessment

Ms. Naoma Clark, Director, Academic Success Center

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

Dr. Kristen Garrison, Director, University Writing Center

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

Dr. Michael Mills, Director, International Education

Dr. Magaly Rincón-Zachary, Director, Undergraduate Research

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

Ms. Dawn Fisher, Director, Human Resources

Ms. Valarie Maxwell, Director, Budget and Management

Mr. Kyle Owen, Associate Vice President for Facilities Services

Ms. Kathy Rice, Director, Payroll

Mr. Stephen Shelley, Director, Purchasing

Mr. Chris Stovall, Controller

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

Ms. Gayonne Beavers, Director, Admissions

Dr. Randy Glean, Director, International Services

Ms. Debra Higginbotham, Director, Disability Support Services

Mr. Jon Lane, Postal Services Supervisor

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

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

Mr. Dan Williams, Chief, University Police

Dr. Keith Williamson, Medical Director, Vinson Health Center

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

Ms. Cammie Dean, Director of Student Development and Orientation

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

Dr. Pam Midgett, Director, Counseling Center

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

Ms. Angie Reay, Interim Director, Residence Life and Housing

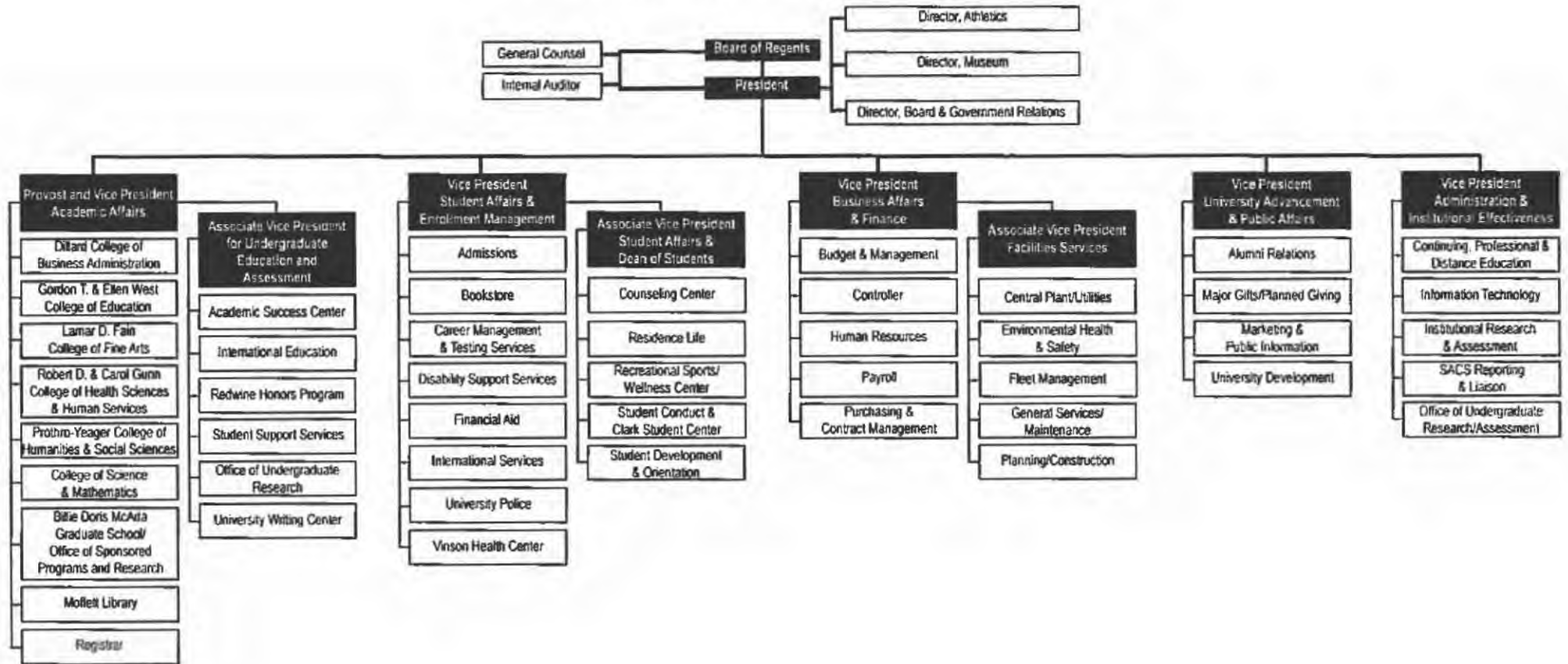
Dr. Robert E. Clark, Vice President for Administration and Institutional Effectiveness
Mr. Randy Kirkpatrick, Chief Information Officer
Mr. Mark McClendon, Director, Institutional Research and Assessment
Dr. Pam Morgan, Director, Center for Continuing, Professional, and Distance Education

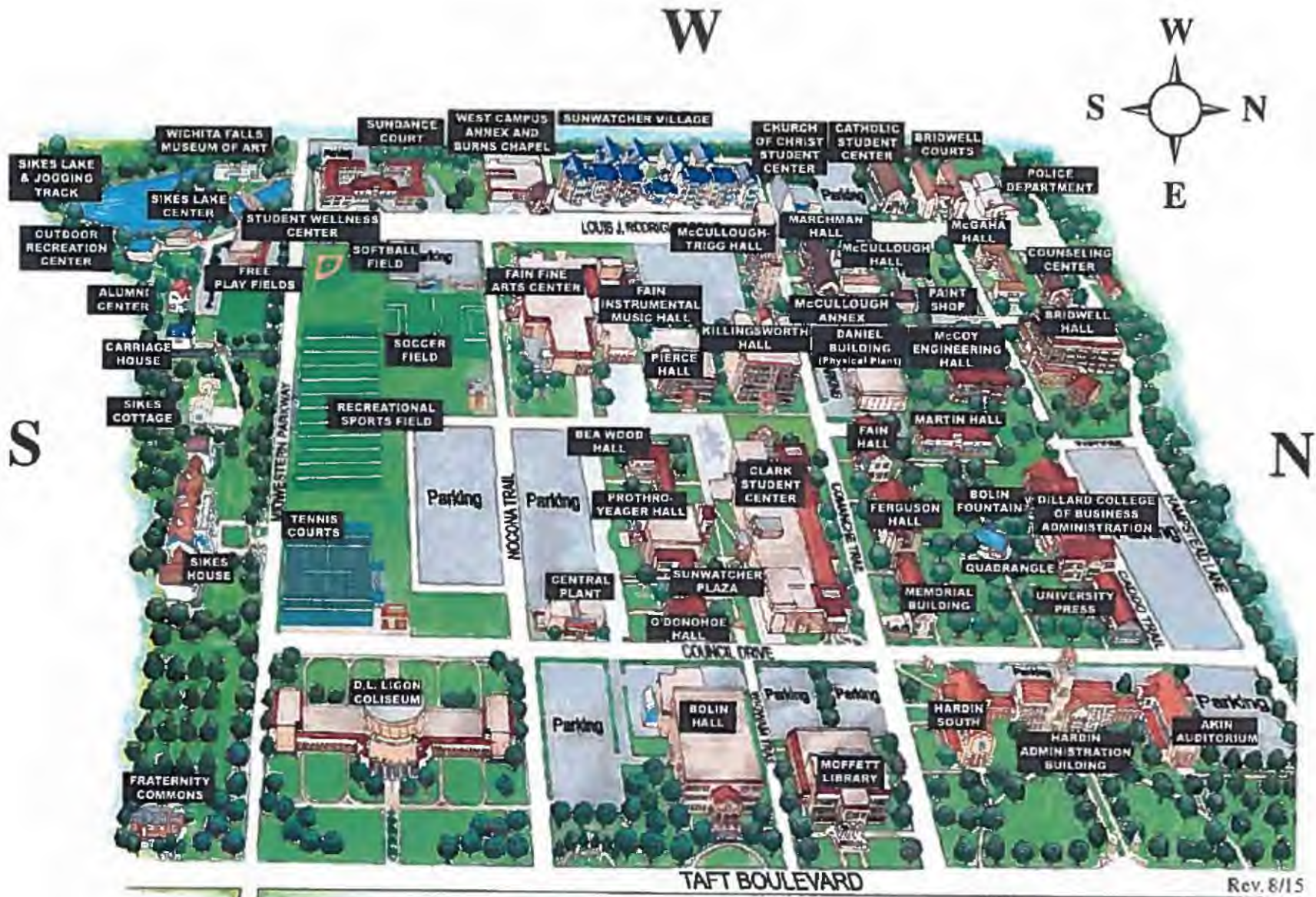
Dr. Howard Farrell, Vice President for University Advancement and Public Affairs
Ms. Julie Gaynor, Director, Marketing and Public Information
Ms. Leslee Ponder, Director, Alumni Relations
Mr. Steve Shipp, Director, University Development

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

Dr. David Carlston, Chairman, MSU Faculty Senate
Ms. Reagan Foster, Chair, MSU Staff Senate
Mr. Jesse Brown, President, MSU Student Government Association

Midwestern State University Organization Chart





Online Resume for Legislators and Other Policymakers MIDWESTERN STATE UNIVERSITY

Location: Wichita Falls, Northwest Region

Master's Accountability Peer Group: Angelo State Univ, Sul Ross Rio Grande, Sul Ross State Univ, Texas A&M - Central Texas, Texas A&M - Galveston, Texas A&M - San Antonio, Texas A&M - Texarkana, UNT Dallas, UT

Brownsville, UT Permian Basin, UT Tyler, Univ of H - Clear Lake, Univ of H - Downtown, Univ of H - Victoria

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

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

[Institutional Resumes](#)

[Accountability System](#)

[Definitions](#)

[Institution Home Page](#)

Enrollment

Race/Ethnicity	Fall 2009		Fall 2013		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent
White	3,962	65.6%	3,299	59.5%	3,167	56.7%
Hispanic	645	10.7%	798	14.4%	856	15.3%
African American	769	12.7%	777	14.0%	838	15.0%
Asian	219	3.6%	181	3.3%	163	2.9%
International	353	5.8%	264	4.8%	239	4.3%
Other & Unknown	94	1.6%	229	4.1%	326	5.8%
Total	6,042	100.0%	5,548	100.0%	5,589	100.0%
TX First Time Transfers	Number	% of UG	Number	% of UG	Number	% of UG
Two-Year Institutions	364	6.7%	327	6.8%	320	6.5%
Other Institutions	79	1.5%	67	1.4%	43	.9%

Costs

Average Annual Total Academic Costs for Resident Undergraduate Student Taking 30 SCH				
Texas Rates				
Fiscal Year	Institution Average	Percent Increase	Peer Group Average	Percent Increase
2010	\$6,544	.0%	\$5,460	.0%
2011	\$7,038	7.5%	\$5,877	7.6%
2012	\$7,304	3.8%	\$6,174	5.1%
2013	\$7,832	4.5%	\$6,200	.4%
2014	\$7,764	1.7%	\$6,418	3.5%
2015	\$8,088	4.2%	\$6,992	8.9%

Financial Aid

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

Student Success

One-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates			
Enter Fall 2008		Enter Fall 2012	Enter Fall 2013
Cohort	671	626	635
Total	84.9%	79.9%	82.8%
Same	73.3%	67.4%	71.5%
Other	11.6%	12.5%	11.3%
Two-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates			
Enter Fall 2007		Enter Fall 2011	Enter Fall 2012
Institution Persistence			
Cohort	716	626	617
Total	74.4%	72.8%	70.8%
Same	57.3%	55.1%	52.4%
Other	17.2%	17.7%	18.5%
Peer Group Persistence			
Cohort	606	493	507
Total	70.1%	69.0%	68.4%
Same	44.6%	45.8%	45.2%
Other	25.6%	22.9%	23.3%
Average Number of Fall & Spring Semesters and SCH Attempted for Bachelor's Degree			
Institution	Peer Group Average		
FY 2010	569	569	569
FY 2013	626	626	626
FY 2014	564	564	564

Graduation Rates		
Cohort	Institution Rate	Peer Group Rate
Fall 2005 4-year	14.3%	17.5%
Fall 2009 4-year	24.3%	20.0%
Fall 2010 4-year	21.4%	19.8%
Fall 2004 5-year	29.5%	31.6%
Fall 2008 5-year	41.9%	37.4%
Fall 2009 5-year	43.0%	35.7%
Fall 2003 6-year	42.5%	36.3%
Fall 2007 6-year	49.4%	42.4%
Fall 2008 6-year	50.1%	45.3%
National Comparison (IPEDS Definition)		
Cohort	Institution Rate	OOS Peers Rate
Fall 2004 4-year	11.0%	19.8%
Fall 2008 4-year	17.0%	22.0%
Fall 2009 4-year	17.0%	23.0%
Fall 2003 5-year	24.0%	34.0%
Fall 2007 5-year	33.0%	38.2%
Fall 2008 5-year	37.0%	37.0%
Fall 2002 6-year	31.8%	40.2%
Fall 2006 6-year	40.0%	43.6%
Fall 2007 6-year	44.0%	42.2%

Six-year Graduation & Persistence Rate, Fall 2005

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

*Peer Group data is average for peer group.

Funding

Source	FY 2009 Amount	Pct of Total	FY 2013 Amount	Pct of Total	FY 2014 Amount	Pct of Total
Appropriated Funds	\$30,444,009	41.2%	\$27,889,021	34.1%	\$29,323,163	34.8%
Federal Funds	\$7,484,568	10.1%	\$8,663,929	10.8%	\$8,989,635	10.7%
Tuition & Fees	\$26,518,675	35.9%	\$31,130,657	38.1%	\$31,048,868	36.9%
Total Revenue	\$73,869,379	100.0%	\$81,713,820	100.0%	\$84,240,667	100.0%

MSU and Higher Education Acronyms

AACSB, Intl.	Association to Advance Collegiate Schools of Business – The accrediting body for the Dillard College of Business Administration.
ABET	Engineering program accrediting body, previously the Accreditation Board for Engineering and Technology.
AFR	Annual Financial Report – This report is prepared at the conclusion of MSU's fiscal year – August 31 each year.
COPLAC	Council of Public Liberal Arts Colleges – This organization advances the aims of its member institutions -MSU is the only Texas member - and drives awareness of the value of high-quality, public liberal arts education in a student-centered residential environment.
CPUPC	Council of Public University Presidents and Chancellors – An organization made up of the presidents and chancellors of all Texas public universities.
EURECA	Enhancing Undergraduate Research and Creative Activities – An MSU program designed to promote and facilitate undergraduate research by providing incentives and a support system for undergraduate students to engage in high-quality research and creative activities in an interdisciplinary environment.
E&G	Educational and General – A fund group, these funds are used to provide educational services to MSU students.
FERPA	Family Educational Rights and Privacy Act – A Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U. S. Department of Education.
HEAF or HEF	Higher Education Assistance Fund – These funds, appropriated by the state to non-Permanent University Fund [PUF] schools, including MSU, can be used to acquire land; construct, repair, and rehabilitate buildings; and purchase capital equipment and library materials.
IPEDS	Integrated Post-Secondary Education Data System – A postsecondary education data collection program within the U.S. Department of Education.
LAR	Legislative Appropriations Request – Texas state agencies, including MSU, submit this request for funding to the legislature every two years, prior to the biennial legislative session.
LBB	Legislative Budget Board – A joint committee of the Texas Legislature that develops budget and policy recommendations for legislative appropriations, completes fiscal analyses for proposed legislation, and conducts evaluations and reviews to improve the efficiency and performance of state and local operations.

LSC	Lone Star Conference – MSU is a member of this NCAA Division II athletics conference.
NCATE	National Council for Accreditation of Teacher Education – Accrediting body for MSU’s teacher education programs.
NSSE	National Survey of Student Engagement – A survey MSU students participate in that reports participation in programs and activities that are provided for students’ learning and personal development. The results provide an estimate of how undergraduate students spend their time and what they gain from attending college.
PUF	Permanent University Fund – A public endowment that provides support to 21 institutions of The University of Texas and the Texas A&M University Systems that were members of those systems prior to the creation of the HEF. These funds can be used to pay interest and principal due on PUF bonds; to provide support for a wide range of programs intended to develop excellence at The University of Texas at Austin, Texas A&M University, Prairie View University, and any new universities; and to provide for the expenses of the two respective System administrations.
SACSCOC	Southern Association of Colleges and Schools Commission on Colleges – One of six regional accreditation organizations recognized by the U.S. Department of Education and the Council for Higher Education Accreditation. SACSCOC accredits public and private institutions of higher education, including MSU. Midwestern State University’s accreditation was reaffirmed in 2013.
SGA	Student Government Association – the MSU SGA is a representative body of MSU students. Elections are held each year for a President, Vice President, Secretary, and various Student Senate positions. The Student Senate is made up of senators from registered student organizations, residence halls/apartments, and student classifications (freshman, sophomore, junior, senior, and graduate).
SORM	State Office of Risk Management provides risk management and insurance services to Texas state agencies, including MSU.
THECB	Texas Higher Education Coordinating Board oversees public higher education in Texas including developing and overseeing the state master plan for higher education.
TPFA	Texas Public Finance Authority must review requests by MSU to bond funds and administers the issuance of all MSU debt)
TRB	Tuition Revenue Bond – A vehicle for funding capital improvement projects in Texas higher education. These bonds are paid from state appropriations specifically for this purpose.

Financial Certification

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



Suzanne Shipley, President



Marilyn Fowlé, Vice President for
Business Affairs and Finance

October 28, 2015

Date

COMMITTEE OF THE WHOLE

**Board of Regents Meeting
November 12, 2015
1:30 p.m.**

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

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

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

Call to Order

Introduction of Visitors

Opening Comments

Public Comment

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

Discussion of Higher Education Issues: Presidential Transition Survey

16-01. During the last two weeks of August, shortly after President Shipley's arrival on campus, the campus community and select external constituents were invited to participate in a Presidential Transition Survey. The survey was conducted by ModernThink LLC, a strategic consulting firm that specializes in workplace excellence. This firm was recognized in *The Chronicle of Higher Education* for their work in recognizing the "Best Places to Work." ModernThink then partnered with *The Chronicle* to develop the ModernThink Higher Education Insight Survey through which the "Great Colleges to Work For" are recognized each year. The MSU survey was developed to provide Dr. Shipley with insight into the campus culture and perceptions. Eighty percent of MSU faculty and staff and approximately 100 external constituents participated in the survey. Mr. Rich Boyer, founding partner of ModernThink, will present a summary and interpretation of survey findings for the board's information and discussion.

MSU Priorities: Development of MSU Strategic Priorities

16-02. President Shipley will provide information regarding the administration's timetable for determining the university's strategic priorities for presentation to the Board of Regents.

Board Resolutions

16-03. Resolutions will be presented for approval as necessary, including a resolution honoring Dr. Norman Horner for his work with the Dalquest Desert Research Station.

Executive Session

16-04. The Board will convene in Executive Session as necessary to consider any matters permissible under Chapter 551 of the Texas Government Code, including:

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

EXECUTIVE COMMITTEE

Executive Committee

Membership

Shawn Hessing, Chairman

Mike Bernhardt, Vice Chairman

Kenny Bryant, Secretary

Tiffany Burks, Member-At-Large

Reading and Approval of Minutes

- 16-05. The minutes of the Executive Committee meeting August 6, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 16-05.

MSU Deferred Maintenance Reports – Campus Condition Index

- 16-06. The Texas Education Code (Section 61.05821) requires institutions of higher education to report deferred maintenance information to the Texas Higher Education Coordinating Board (THECB) and the university's governing board each year. The required reports are presented as information only as shown in Attachment 16-06A (THECB Summary Report of Deferred Maintenance Data), Attachment 16-06B (FY 15 Deferred Maintenance Expenditures), and Attachment 16-06C (FY 16- FY 20 Deferred Maintenance List). Deferred Maintenance Expenditures during FY 15 totaled \$2,055,360 while projects listed for the FY 16 – FY 20 years total \$16,667,048. Priority items 1-108 shown on the FY 16 - FY 20 list should be addressed during FY 16 and total \$2,243,053. The increased expenditures in FY 15 and planned expenditures in FY 16 are the result of the roofing project and the projects related to the Tuition Revenue Bond (TRB) funding.

Campus Facilities Implementation Plan and Campus Construction Updates

- 16-07. Information regarding the status of current construction and repair and rehabilitation projects will be presented (see Attachment 16-07).

Mass Communication Addition Construction Contract

- 16-08. The administration will request authorization to enter into a contract with Buford Thompson Construction for the addition to the Fain Fine Arts Center for the mass communications program at a guaranteed maximum price (GMP) not to exceed \$4.6 million. The board previously approved the project at a total project cost of \$5 million. Furniture and equipment are excluded from this total and will be paid from Higher Education Assistance Funds (HEAF).

Athletics/Intramural Facilities Plan

- 16-09. In May 2015 the Board of Regents authorized a \$6 per semester credit hour (SCH) increase to the University Services Fee. The funds generated by this increase were designated specifically for the improvement of MSU athletics and intramural facilities. Specific action was deferred until President Shipley had an opportunity to review the various options and considerations with the administration. A plan for the improvement of athletics and intramural sports facilities at an estimated cost of \$5.4 million has been developed and will be presented to the board. Attachment 16-09 provides information regarding the financing of the plan as well as the location study for the soccer complex on the south campus. The plan includes the following.

- A. Construct a new outdoor free-play basketball court on the West Campus Annex property.
- B. Place artificial turf on the current softball field.
- C. Build a new soccer complex on the south campus with two artificial turf fields.

The administration will recommend approval of this plan and will additionally recommend the following.

- A. Approve a state contract with AstroTurf LLC in the amount of \$450,000 for the artificial turf for the softball field.
- B. Approve a contract with SLA Architects of Wichita Falls in an amount not to exceed \$120,000 for the design of a new soccer complex on the south campus. SLA Architects was selected through a competitive bid process and was chosen because of their similar project experience and successful history with MSU.
- C. Approve financing the plan through the use of the state's master lease program in the amount of \$3.6 million over 12 years and self-funding the balance of the projects (\$1.9 million) over six years.

Tuition Revenue Bond Projects

16-10. During the 84th session of the Texas Legislature, Midwestern State University requested authorization for an Academic Expansion and Revitalization Project totaling \$73 million. Funding was authorized for a project totaling \$58.4 million. The administration worked with consultants from Holzmann Moss Bottino to review with campus representatives the university's legislative request, university planning documents, and current campus building priorities. Based on the input received the consultant developed options for the administration to consider.

The administration determined that the basic plan shown in Attachment 16-10 was the most optimal to meet the current and future needs of the campus; address ADA, fire marshal, and deferred maintenance required updates of buildings; and further beautify the campus. The plan includes construction of a new health science and human services building; relocation of information technology into vacated space (to be determined); relocation of various offices into the vacated Bridwell Hall; a major renovation of Moffett Library; and, at a minimum, code updates in the Fain Fine Arts Center, Bolin Hall, and the Hardin Administration Building.

At the time of printing the agenda, the administration had determined that its recommendation would be to proceed with planning a new building for the Gunn College of Health Sciences and Human Services as shown in the attachment. It was also decided that broader conversations with various academic and administrative representatives would be necessary to determine the best use of space vacated in Bridwell Hall. While the plan shown in the attachment offers possible options for the Bridwell space, it should be noted that other combinations could emerge through campus deliberations. A final recommendation regarding the vacated space will be presented to the board at a later time.

The administration will request authorization to proceed with the plan presented.

EXECUTIVE COMMITTEE ATTACHMENTS

Summary by Period and Category

	Critical	Deferred	Planned	Adaptation	Total
Budgeted - Current Year	\$0	\$120,000	\$1,853,674	\$10,000	\$1,983,674 (1)
Expenditures - Previous Year	\$0	\$97,587	\$1,745,962	\$211,811	\$2,055,360 (2)
Projected - Years 2 through 5	\$0	\$0	\$16,062,000	\$3,282,016	\$19,344,016 (3)

Summary by Type and Category

Architectural	\$0	\$15,141	\$8,658,877	\$1,002,614	\$9,676,632
HVAC	\$0	\$138,869	\$1,265,430	\$0	\$1,404,299
Plumbing and Electrical	\$0	\$63,577	\$2,746,783	\$0	\$2,810,360
Safety	\$0	\$0	\$3,101,530	\$31,520	\$3,133,050
Legal and Mandatory	\$0	\$0	\$592,000	\$2,027,677	\$2,619,677
Other	\$0	\$0	\$3,297,016	\$422,016	\$3,739,032
Total	\$0	\$217,587	\$19,661,636	\$3,503,827	\$23,383,050

Top Five Priority Projects

Pri	Name	Period	Category	Type	Amount
1	Overhaul and rotor replacement on ch	Budgeted - Current Year	Deferred Maintenance	HVAC	\$120,000
2	Purchase and install a time clock syste	Budgeted - Current Year	Planned Maintenance	Other	\$80,000
3	Purchase new work order system for	Budgeted - Current Year	Planned Maintenance	Other	\$100,000
4	Replace sump pumps in basement of	Budgeted - Current Year	Planned Maintenance	Plumbing and Electrical	\$6,000
5	Repair roofing damage from May 2013	Budgeted - Current Year	Planned Maintenance	Architectural	\$236,105

(1) Minus completed roofing work=\$583k.

(2) Minus planned roofing work=\$1,467k.

(3) Minus TRB work=\$12.738k.

Board Agenda - November 2015
Executive Attachment 16-06B

10/18/2015

FY15 DEFERRED MAINTENANCE EXPENDITURES

Deferred Maintenance List, BOR, 10-3-15

Building	Comments	Expenditure \$	HEAF: Facilities	Auxiliary: CSC	Auxiliary: Housing	Info Tech	Other \$ Sources
2504 Hampstead	Repair roofing damage from May 2013 hail storm.	\$14,755					\$14,755
2508 Hampstead	Repair roofing damage from May 2013 hail storm.	\$6,440					\$6,440
2510 Hampstead	Repair roofing damage from May 2013 hail storm.	\$9,140					\$9,140
3311 Taft	Repair roofing damage from May 2013 hail storm.	\$12,943					\$12,943
Bridwell Hall	Chilled water line replacement.	\$9,346	\$9,346				
Bridwell Hall	Heat exchanger replacement.	\$14,361	\$14,361				
Central Plant	Replace electric feed to cooling tower pump	\$3,242	\$3,242				
Central Plant	Replace cooling tower drive shaft	\$4,508	\$4,508				
Central Plant	Replace boiler controller display; failed August 2014	\$14,683	\$14,683				
Christ Academy	Repaint walls in Football Administration area	\$3,399					\$3,399
Christ Academy	Fire alarm system for Football Administration area	\$6,520					\$6,520
Christ Academy	Repair roofing damage from May 2013 hail storm.	\$9,398					\$9,398
Christ Academy	Replace carpet in Football Administration area.	\$75,860					\$75,860
Christ Academy	Repair restrooms, replace doorways, replace hardware in Football Administration area for ADA/TAS compliance	\$87,677					\$87,677
Clark Student Center	Cafeteria serving line walls in kitchen area need to be painted.	\$2,000		\$2,000			
Clark Student Center	Many pavers on food court exterior porch (north side of bldg.) are missing; need to be replaced.	\$4,950		\$4,950			
Clark Student Center	Replace green/teal meeting room chairs with additional gray stack chairs	\$12,359		\$12,359			
Clark Student Center	Replace maroon lounge furniture in Arapahoe and Commuter with SW Contract atrium furniture. Use lifetime warranty Integra furniture w/ casters	\$23,290		\$23,290			
Counseling Center	Repair roofing damage from May 2013 hail storm.	\$10,728					\$10,728
D.L. Ligon Coliseum	Hot water and cold water coil replacements.	\$5,895	\$5,895				
Daniel Building	Roof leaks around perimeter at parapet wall base need to be repaired (water coming into the second floor warehouse area).	\$3,548	\$3,548				
Fain Fine Arts Center	Ceramics lab exhaust fan replacement.	\$3,860	\$3,860				
Fain Fine Arts Center	C109A renovation.	\$3,861	\$3,861				
Fain Fine Arts Center	Roof and gutter box repairs.	\$5,656	\$5,656				
Fain Fine Arts Center	Replacement of Strand Century dimming system for Fine Arts and Studio Theatres	\$158,009	\$158,009				
Hardin Administration Building	Akin: Cleanup/repair/refresh dressing rooms backstage. (Replace Formica tops, flooring, paint)	\$32,262	\$32,262				
Hardin Administration Building	Install backup power generator (27 kW) for phone switch equipment in basement.	\$64,674	\$64,674				

FY15 DEFERRED MAINTENANCE EXPENDITURES

Building	Comments	Expenditure \$	HEAF: Facilities	Auxiliary: CSC	Auxiliary: Housing	Info Tech	Other \$ Sources
Hardin Administration Building	Replace electrical switchgear for arc flash compliance. Equipment is very old and may not reset if exercised.	\$95,910	\$95,910				
Honors House (Fraternity Commons)	Columns on west porch need shimming on bottom. Southern most column is rotted and needs replacing.	\$702			\$702		
Honors House (Fraternity Commons)	Repair roofing damage from May 2013 hail storm.	\$9,680					\$9,680
Infrastructure	Water main repair and concrete repair after water main failure under lot.	\$8,600	\$8,600				
Infrastructure	Replace 50' section of 6" water main in front of Band Hall.	\$9,200	\$9,200				
Infrastructure	Replaced Bolin fountain electrical panel, wind panel, and various electrical & mech components.	\$15,853	\$15,853				
Infrastructure	Power Logic meter and software installations; new electric meters in Bolin, Moffett, and Hardin	\$72,261	\$72,261				
Infrastructure	Roadways: Wigwam Trail reconstruction and drainage improvements.	\$165,516	\$165,516				
Marchman Hall	Repair roofing damage from May 2013 hail storm.	\$16,532					\$16,532
McCullough Hall	Repair roofing damage from May 2013 hail storm.	\$25,725					\$25,725
McGaha Hall	Repair roofing damage from May 2013 hail storm.	\$19,509					\$19,509
Memorial Building	Replace Banner hardware.	\$253,191				\$253,191	
Paint Shop	Repair roofing damage from May 2013 hail storm.	\$6,421					\$6,421
Physical Education Restrooms (i.e., concession)	Repair roofing damage from May 2013 hail storm.	\$4,107					\$4,107
Physical Training Building	Repair roofing damage from May 2013 hail storm.	\$1,360					\$1,360
Pierce Hall	Recaulk windows on west side (both floors) and vertical expansion joint on south side, western end.	\$10,182			\$10,182		
Prothro-Yeager-Beawood-Odonohoe	Installed new ductwork in PC lab to improve temp control thru out room.	\$2,430	\$2,430				
Prothro-Yeager-Beawood-Odonohoe	Fiber Replacement from IDF to computer lab.	\$13,496				\$13,496	
Prothro-Yeager-Beawood-Odonohoe	Partitions in room 201.	\$34,494	\$34,494				
Prothro-Yeager-Beawood-O'Donohoe	All four of the exterior staircases on the south side need to have many of their treads replaced due to water damage (rust, warping of steel). Replace parts of structural steel, too. Safety issue.	\$209,170	\$209,170				
Regional Simulation Center	Exterior wall repairs.	\$9,485	\$9,485				
Robotics Lab (Engineering lab - Welding Shop)	Repair roofing damage from May 2013 hail storm.	\$10,020					\$10,020
Sikes Lake Center	Repair roofing damage from May 2013 hail storm.	\$42,726					\$42,726
Sikes Lake Restroom	Repair roofing damage from May 2013 hail storm.	\$10,267					\$10,267

FY15 DEFERRED MAINTENANCE EXPENDITURES

Deferred Maintenance List, BOR, 10-3-15

Building	Comments	Expenditure \$	HEAF: Facilities	Auxiliary: CSC	Auxiliary: Housing	Info Tech	Other \$ Sources
Softball Locker Room	Repair roofing damage from May 2013 hail storm.	\$29,445					\$29,445
Sundance Court	Repair roofing damage from May 2013 hail storm.	\$176,557					\$176,557
Sunwatcher Village, 2	Repair roofing damage from May 2013 hail storm.	\$22,143					\$22,143
Sunwatcher Village, 3	Repair roofing damage from May 2013 hail storm.	\$21,867					\$21,867
Sunwatcher Village, 4	Repair roofing damage from May 2013 hail storm.	\$17,805					\$17,805
Sunwatcher Village, 5	Repair roofing damage from May 2013 hail storm.	\$18,240					\$18,240
Sunwatcher Village, 6	Repair roofing damage from May 2013 hail storm.	\$20,088					\$20,088
Sunwatcher Village, 7	Repair roofing damage from May 2013 hail storm.	\$18,047					\$18,047
Sunwatcher Village, 8	Repair roofing damage from May 2013 hail storm.	\$21,813					\$21,813
Sunwatcher Village, 9	Repair roofing damage from May 2013 hail storm.	\$21,128					\$21,128
Sunwatcher Village, Clubhouse	Repair roofing damage from May 2013 hail storm.	\$29,328					\$29,328
University Police	Repair roofing damage from May 2013 hail storm.	\$2,380					\$2,380
WF Museum and Arts at MSU	Replace hardware in interior with ADA compliant hardware	\$6,318					\$6,318
TOTALS:	\$2,055,360		\$946,824	\$42,599	\$10,884	\$266,687	\$788,366

Board Agenda - November 2015

Executive Attachment 16-06C

11/16/2015

FY 16-FY20 DEFERRED MAINTENANCE LIST

Deferred Maintenance List (8/16/15) (p. 4 of 5)

Building	Comments	Expenditure \$	Priority	HEAF: Facilities	Auxiliary: CSC	Auxiliary: Housing	Info Tech	Other Sources	TBD Total
Facilities' Equipment	Carts, truck, mowers, buffers, extractors, etc	\$211,521		\$211,521					
Clark Student Center Equipment	Scrubber, riding vacuum, buffer	\$14,440			\$14,440				
Housing Equipment	Scrubber, extractors, riding vacuum	\$33,418				\$33,418			
BUILDING DEFERRED MAINTENANCE ISSUES:									
Central Plant	Overhaul and rotor replacement on circuit 1 on chiller #1, west chiller (other circuit was overhauled in fall of 2012)	\$120,000	1	\$331,521					
Infrastructure	Purchase and install a time clock system for all Facilities Services employees. Includes clocks, electrical, and IT needs for the system	\$80,000	2	\$411,521					
Infrastructure	Purchase new work order system for Facilities Services.	\$100,000	3	\$511,521					
Dillard College of Business Admin	Replace sump pumps in basement. Requires installing 110 V power for lower cost pumps.	\$6,000	4	\$517,521					
Fain Fine Arts Center	Repair roofing damage from May 2013 hail storm.	\$236,105	4					\$236,105	
Beyer Greenhouse	Repair roofing damage from May 2013 hail storm	\$3,965	5					\$240,070	
Bolin Hall	Repair roofing damage from May 2013 hail storm, including greenhouse damage.	\$262,356	5					\$502,426	
Bridwell Courts	Repair roofing damage from May 2013 hail storm.	\$59,572	5					\$561,998	
Bridwell Hall	Repair roofing damage from May 2013 hail storm	\$14,095	5					\$576,093	
Central Plant	Repair roofing damage from May 2013 hail storm	\$36,111	5					\$612,204	
Clark Student Center	Repair roofing damage from May 2013 hail storm.	\$214,990	5					\$827,194	
D L Ligon Coliseum	Repair roofing damage from May 2013 hail storm.	\$29,387	5					\$856,581	
Dillard College of Business Admin	Repair roofing damage from May 2013 hail storm.	\$65,128	5					\$921,709	
Fain Hall	Repair roofing damage from May 2013 hail storm.	\$5,378	5					\$927,087	
Fain Instrumental Band Hall	Repair roofing damage from May 2013 hail storm.	\$10,400	5					\$937,487	
Ferguson Hall	Repair roofing damage from May 2013 hail storm.	\$11,864	5					\$949,351	
Hardin Administration Building	Repair roofing damage from May 2013 hail storm.	\$74,993	5					\$1,024,344	
Infrastructure	Deductible for roofing repairs due to hail damage	\$100,000	5	\$617,521					
Infrastructure	Roofing repairs due to hail damage not covered by insurance	\$100,000	5	\$717,521					
Killingsworth	Repair roofing damage from May 2013 hail storm.	\$11,530	5					\$1,035,874	
Martin Hall	Repair roofing damage from May 2013 hail storm.	\$17,868	5					\$1,053,742	
McCoy Engineering Hall	Repair roofing damage from May 2013 hail storm.	\$10,148	5					\$1,063,890	
McCullough-Trigg Hall	Repair roofing damage from May 2013 hail storm.	\$6,830	5					\$1,070,720	
Memorial Building	Repair roofing damage from May 2013 hail storm.	\$5,652	5					\$1,076,372	
Moffett Library	Repair roofing damage from May 2013 hail storm	\$18,830	5					\$1,095,202	
Pierce Hall	Repair roofing damage from May 2013 hail storm.	\$77,980	5					\$1,173,182	
Prothro-Yeager-Beawood-O'Donohoe	Repair roofing damage from May 2013 hail storm.	\$157,723	5					\$1,330,905	
Redwine Rec and Wellness Center	Repair roofing damage from May 2013 hail storm	\$14,195	5					\$1,345,100	
Regional Simulation Center	Repair roofing damage from May 2013 hail storm	\$1,800	5					\$1,346,900	
Residence Hall Mechanical Building	Repair roofing damage from May 2013 hail storm	\$4,770	5					\$1,351,670	
Sismometer Building	Repair roofing damage from May 2013 hail storm.	\$735	5					\$1,352,405	
Soccer Press Box	Repair roofing damage from May 2013 hail storm.	\$8,554	5					\$1,360,959	
Tennis Center	Repair roofing damage from May 2013 hail storm.	\$12,120	5					\$1,373,079	
University Press	Repair roofing damage from May 2013 hail storm.	\$11,322	5					\$1,384,401	
WF Museum and Arts at MSU	Repair roofing damage from May 2013 hail storm.	\$16,273	5					\$1,400,674	
Sikes House	Paint window sills on south side, center portion of structure (paint peeling).	\$4,000	10	\$721,521					
Regional Simulation Center	Exterior brown trim structure needs to be painted (1-2 yr)	\$8,000	100	\$729,521					
Infrastructure	Install wide angle peep holes in many classroom and office doors for security	\$10,000	101	\$739,521					
Clark Student Center	Repair/replace damaged rain gutter downspouts, particularly on the north side of the building.	\$7,000	102		\$21,440				
Clark Student Center	Drainage problem - build up soil on north of Career Mgmt and taper it out -4" to keep water from accumulating against foundation.	\$3,000	103		\$24,440				
Clark Student Center	Repair windows and walls on north side of bldg damaged from water leaks	\$1,500	104		\$25,940				
Clark Student Center	Repair/replace restroom countertops and partitions where they are delaminating, damaged, or swollen.	\$12,500	105		\$38,440				
Clark Student Center	Fix dining service door-does not close properly	\$2,500	106		\$40,940				
Clark Student Center	Interior doors, paint/refinish, add kick plates where appropriate.	\$10,500	107		\$51,440				
Killingsworth Hall	Repair pavers on east entrance	\$5,000	107			\$38,418			
Pierce Hall	Repair pavers and stairs on east entrance.	\$6,000	107			\$44,418			
Infrastructure	Add a sidewalk to the north side of the east-west street, north of Redwine (~260 LF). Include ramp down street at Redwine's front entrance.	\$7,000	108	\$746,521					
Hardin Administration Building	Abate and paint all exterior windows.	\$125,000	109	\$871,521					
Hardin Administration Building	Renovations for Admissions in South Hardin. (Could spend \$800k+ very easily)	\$75,000	110	\$946,521					
Infrastructure	Repair unsafe campus sidewalks	\$40,000	111	\$986,521					

FY16-FY20 DEFERRED MAINTENANCE LIST

Building	Comments	Expenditure \$	Priority	HEAF: Facilities	Auxiliary: CSC	Auxiliary: Housing	Info Tech	Other Sources	TRB Total
Central Plant	Replace boiler's control system to one that does not require several thousand dollars a year to recalibrate. Have to ship it to Europe every year. Existing are faulty and obsolete.	\$15,000	112	\$1,031,521					
Infrastructure	Facilities Condition Audit.	\$150,000	113						\$150,000
Clark Student Center	Wiring for network	\$64,000	114		\$115,440				
Killingsworth	Replace hallway carpet on 1st and 2nd floor (~2500 SF).	\$13,000	115			\$57,418			
Pierce Hall	Repair bathroom sinks pulling away from the wall.	\$15,000	116			\$72,418			
Sunwatcher Village, Clubhouse	Renovate building for Housing administrative offices	\$125,000	117			\$197,418			
Sunwatcher Village, 4	Recarpet remaining apartments in this building (~50%).	\$14,000	118			\$211,418			
Sunwatcher Village, 5	Recarpet remaining apartments in this building (~50%).	\$14,000	119			\$225,418			
Sunwatcher Village, 6	Recarpet remaining apartments in this building (~50%).	\$14,000	120			\$239,418			
Sunwatcher Village, 7	Recarpet remaining apartments in this building (~50%).	\$14,000	121			\$253,418			
Bridwell Courts	Install emergency egress lights for the building per fire marshal requirement	\$8,500	122			\$261,918			
Prothro-Yeager-Beawood-ODonohoe	Renovate space formerly used by Housing administration for academic needs.	\$125,000	122	\$1,156,521					
Sunwatcher Village, 2	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$266,918			
Sunwatcher Village, 3	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$271,918			
Sunwatcher Village, 4	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$276,918			
Sunwatcher Village, 5	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$281,918			
Sunwatcher Village, 6	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$286,918			
Sunwatcher Village, 7	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$291,918			
Sunwatcher Village, 8	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$296,918			
Sunwatcher Village, 9	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$301,918			
Sunwatcher Village, Clubhouse	Install emergency egress lights for the building per fire marshal requirement	\$5,000	122			\$306,918			
Bridwell Courts	Steps (northwestern), to 2nd floor delaminating. Replace entire stairwell. Replace ~5 trends on southeast stairwell.	\$40,000	123			\$346,918			
Fain Fine Arts Center	Install hydraulic elevator	\$600,000	124						\$750,000
Fain Fine Arts Center	Corridor walls throughout covered with carpet not meeting class A or B fire code rating. Replace with fire rated material.	\$75,000	125						\$825,000
Fain Fine Arts Center	Both stairwells discharge directly into the building interior. Make stairwell by B120 discharge to east.	\$125,000	126						\$950,000
Fain Fine Arts Center	Auditorium stage, workshop, storerooms, dressing rooms lack fire sprinkler protection. Auditorium stage area lacks standpipe protection.	\$350,000	127						\$1,300,000
Fain Fine Arts Center	Add smoke detection throughout the building.	\$40,000	128						\$1,340,000
Fain Fine Arts Center	Auditorium entrance area not ADA accessible.	\$125,000	129						\$1,465,000
Fain Fine Arts Center	ADA restroom upgrades-plumbing fixtures	\$80,000	130						\$1,545,000
Fain Fine Arts Center	Hardware is not ADA compliant	\$50,000	131						\$1,595,000
Fain Fine Arts Center	ADA Compliant sinks/fountain installations	\$35,000	132						\$1,630,000
Fain Fine Arts Center	Handrails not ADA compliant.	\$60,000	133						\$1,690,000
Fain Fine Arts Center	Correct ADA/code violations @ exterior sidewalks/stairs/ramps.	\$140,000	134						\$1,830,000
Moffett Library	Both elevators are not ADA compliant; will require structural mods to building to correct. Replace eastern elevator for ADA access to all 3 floors.	\$450,000	135						\$2,280,000
Moffett Library	Restrooms (6) not ADA compliant.	\$360,000	136						\$2,640,000
Moffett Library	Stairwell handrails not ADA compliant.	\$30,000	137						\$2,670,000
Moffett Library	Upgrade door hardware throughout building for ADA compliance	\$100,000	138						\$2,770,000
Moffett Library	Stacks too close together for ADA compliance.	\$50,000	139						\$2,820,000
--- 217 additional rows hidden for brevity ---									
TOTALS	\$16,667,048			\$6,629,816	\$1,025,840	\$643,718	\$287,000	\$1,474,674	\$6,606,000

Projects Status

ID	Task Name	Start	Finish	2014												2015												2016															
				S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J											
1	Museum External Improvements	Mon 3/3/14	Fri 5/8/15																																								
2	Pavilion	Mon 3/3/14	Fri 5/8/15																																								
3	Design (Original completion= 6/20/14)	Mon 3/3/14	Wed 7/30/14																																								
4	Bid (Original completion= 8/15/14)	Thu 7/31/14	Wed 9/10/14																																								
5	Construction (Original completion= 3/3/15, +59 weather days; +20 days CO #1 for Terrace)	Thu 9/11/14	Fri 5/8/15																																								
6																																											
7	Student Housing Project	Mon 8/18/14	Mon 8/1/16																																								
8	Design Site Package	Mon 8/18/14	Tue 4/21/15																																								
9	Bid - Site Package	Tue 4/21/15	Fri 5/15/15																																								
10	Construction, Site Package	Mon 5/18/15	Mon 7/13/15																																								
11	Design Building Package	Mon 8/18/14	Tue 5/26/15																																								
12	Bid - Building Package	Tue 5/26/15	Thu 6/18/15																																								
13	Construction, Building Package	Wed 7/1/15	Mon 8/1/16																																								
14																																											
15	Mass Communications Extension to Fain Fine Arts	Mon 2/16/15	Thu 12/1/16																																								
16	Design (Original completion=7/31/15)	Mon 2/16/15	Tue 9/15/15																																								
17	Bid (Original completion=9/18/15)	Wed 9/16/15	Thu 11/5/15																																								
18	Construction (original completion= 10/6/16)	Fri 11/6/15	Thu 12/1/16																																								
19																																											
20	Roofing Project	Mon 11/3/14	Fri 4/29/16																																								
21	Shingles Design, Bidding, Mobilization	Mon 11/3/14	Thu 6/18/15																																								
22	Shingles Roof Repair (original completion=8/14/15)	Fri 6/12/15	Mon 11/16/15																																								
23	Metal Roofing Design, Bidding, Mobilization	Mon 11/17/14	Fri 7/3/15																																								
24	Metal Roofing Repairs (original completion=8/21/15)	Mon 6/29/15	Tue 11/17/15																																								
25	Flat Roofing Design, Bidding, Mobilization (Original completion= 7/31/15)	Mon 2/9/15	Thu 12/31/15																																								
26	Flat Roofing Repairs (Original completion=10/15/15)	Fri 1/1/16	Mon 4/25/16																																								
27	Clay Tile Roofing Design, Bidding, Mobilization (original completion= 8/21/15)	Mon 2/9/15	Fri 10/9/15																																								
28	Clay Tile Roofing Repairs (original completion=11/30/15)	Mon 10/5/15	Fri 4/29/16																																								
29																																											
30	Parking Lot 6S Expansion	Mon 3/2/15	Fri 8/14/15																																								
31	Design	Mon 3/2/15	Mon 5/4/15																																								
32	Bid	Tue 5/5/15	Thu 5/28/15																																								
33	Construction	Mon 6/1/15	Fri 8/14/15																																								

Status of Board-Approved Construction Projects

Project	BOR Project Approval Date	Architect/Engineering Firm Approved	BOR Approved Project Budget	Encumbered/ Spent Dollars	Additional Projected Costs	Total Project Cost	Over/Under Budget
Museum External Improvements	2/14/2014, 5/15/15	1/17/2006 Bundy, Young, Sims, & Potter Local Vendor	\$910,000	\$908,700	\$0	\$908,700	\$1,300 (1)
Student Housing Project	11/7/2014, 5/15/15	8/8/2014 Treanor Architects	\$35,250,000	\$33,165,323	\$2,084,677	\$35,250,000	\$0 (2)
Mass Comm Extension	11/7/2014	2/13/2015 Rees Associates	\$5,000,000	\$851,343	\$4,148,657	\$5,000,000	\$0
Roofing Project	2/13/2015	*	\$2,654,209	\$1,070,923	\$1,583,286	\$2,654,209	\$0
Parking Lot 6S Expansion	5/15/2015	ID/IQ: Cornerstone Engineering	\$650,000	\$507,848	\$0	\$507,848	\$142,152

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

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



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

Construction Projects Status Report – Item 16-07

Projects completed since August 2015 Board of Regents meeting include:

1. Exterior staircase replacements at Prothro-Yeager (\$215,000).
2. Wigwam Trail reconstruction and drainage improvements (\$165,000).
3. Electric meters and monitoring software installation (\$73,000).
4. Bolin Fountain repairs and electrical panel replacement (\$16,000).
5. Football practice field relocation for parking lot 6S expansion (\$15,000).
6. Paver repairs at Killingsworth and Pierce East entrances (\$10,000).
7. Sidewalk extension from Redwine entrance to Midwestern Parkway (\$5,000).
8. Clark Student Center Food Court upgrades (Chartwells).
9. Coffee shop installation at Moffett Library (Chartwells).
10. Einstein's Bagels conversion in Dillard 133 (Chartwells).

Ongoing projects (limited HEAF available in FY16 for deferred maintenance projects):

CHILLER #1 COMPRESSOR OVERHAUL: - \$120,000

1. Testing in FY15 determined excessive vibration in a compressor rotor for chiller #1.
2. Replacing rotor and overhauling the compressor over Christmas break; completion by late February.

ADDITIONAL PROJECTS <\$100,000:

Projects in process scheduled for completion over the winter include:

1. Exterior basketball court with lights installation on West Campus Annex greenspace (\$85,000).
2. Install wide angle viewers/peep holes in faculty office (\$10,000).
3. Dishwasher installation in Clark Student Center Dining Services (\$20,000).
4. Clark Student Center corridor door refinishing of ~1/3 the doors (\$15,000).
5. Clark Student Center restroom countertop and partition repairs (\$14,000).
6. Clark Student Center kitchen repairs for code compliance (\$8,000).

**Athletics/Intramural Facilities
Cost Estimate**

Soccer

Dirtwork	\$150,000
Hardscaping	150,000
Utilities/Lights	600,000
Artificial Turf	2,000,000
Bleachers	300,000
Press Box	65,000
Concessions/RR/Storage	350,000
Team locker rooms/umpire	250,000
Fencing	80,000
Scoreboard	25,000
Signage	25,000
	<hr/>
	\$3,995,000

Softball

Artificial Turf	450,000
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Outdoor basketball court	75,000
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Subtotal	\$4,520,000
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Architect/General Conditions (20% w/o scoreboard)	814,000
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Insurance and Bonds	44,450
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Project management fee (construction only - 1%)	45,200
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Total	<hr/> \$5,423,650
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Source of Funds

Fee Revenue

140,000 SCH * \$6.00 * 80%	\$672,000
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Master Lease (turf, bleachers, fencing, signage, scoreboard, lights)

Amount to finance	\$3,560,000
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12 year lease at .5%	306,026
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Balance to finance	\$1,863,650
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Annual Fee Balance available after master lease	365,974
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Annual Payoff at 5% for 6 years (Use own cash)	363,364
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Soccer Stadium & Rec Field Location Study

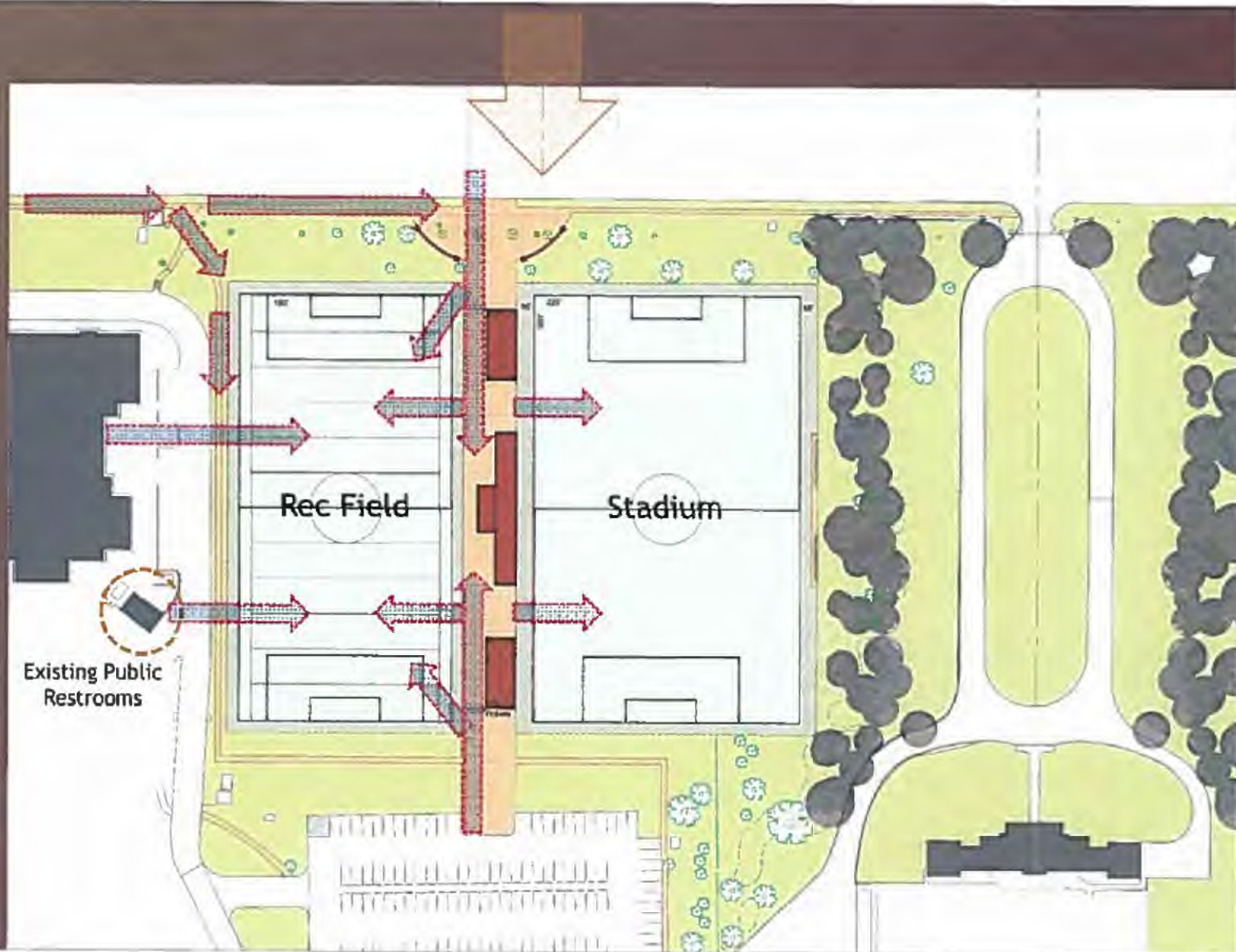


Board of Regents

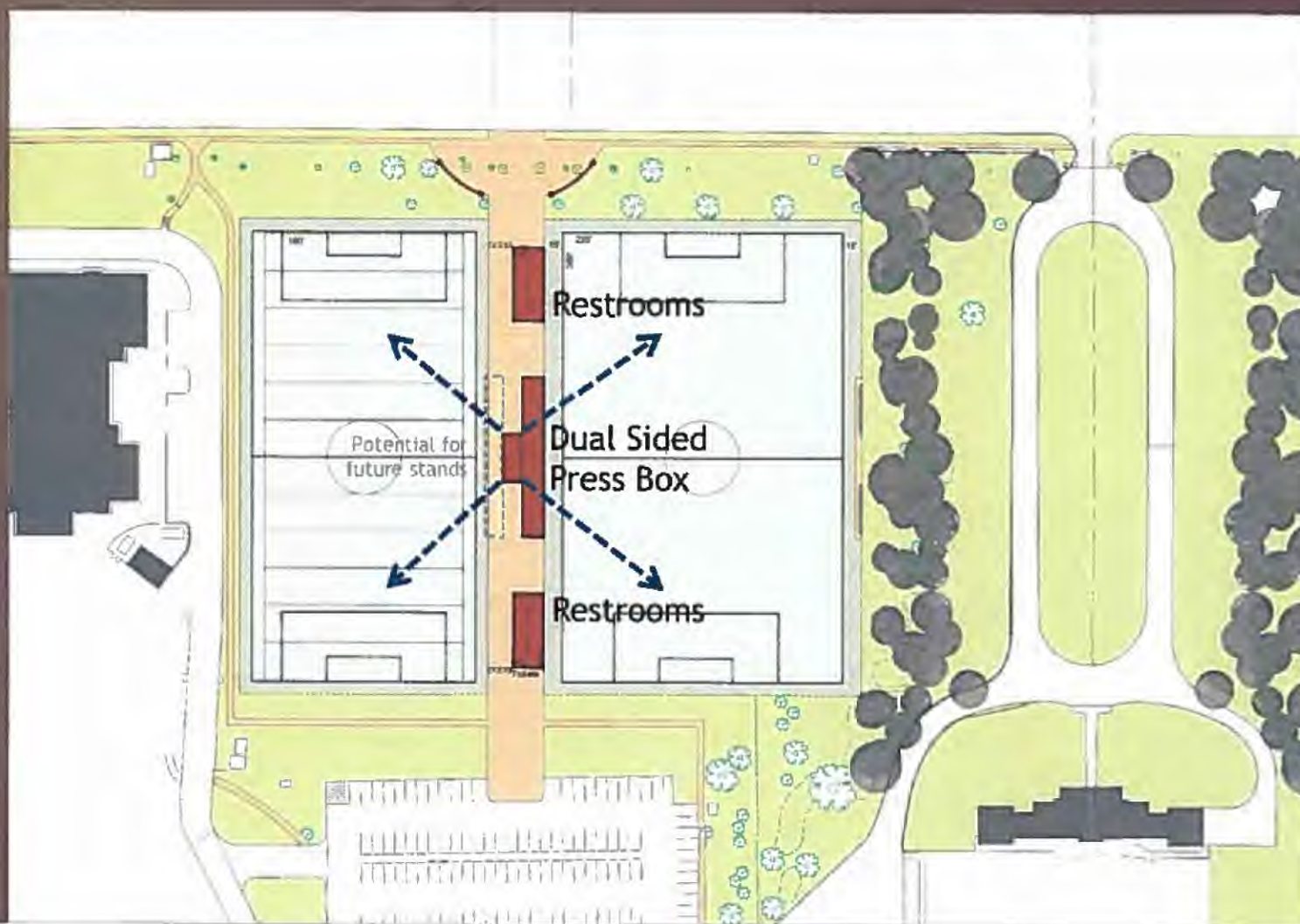
November 12–13, 2015

Rec Field will be used throughout the year more than the Stadium

- ❑ Rec Field located near Wellness Center to allow better access for students walking from residential areas of campus, Wellness Center & public restrooms
- ❑ Existing Restrooms south of Wellness Center could be used without keeping Stadium restrooms open
- ❑ Direct access from South Parking lot (could be expanded in future by 50 spaces)



- ❑ Centralized Stadium Pedestrian Promenade allows for restrooms to be accessed by events occurring on both fields
- ❑ Press Box could be designed as dual sided in order to view events on both fields at the same time
- ❑ Additional Stands could be added in the future that faced Rec Field and back up against Press Box.
- ❑ Pedestrian Circulation could still occur between and underneath stands



- ❑ Existing Fence line will need to be moved approx. 95' toward Sikes House

- ❑ 25 existing trees would need to be removed or relocated

Removed: 10" to 26"
 (11) Large Evergreens
 (3) Large Pines
 Evergreen shrubs

Relocated: 6" to 8" to help
 buffer Sikes House
 (7) Small Evergreens
 (1) Burr Oak
 (1) Peach Tree



Possible Solutions for Screening Sikes House

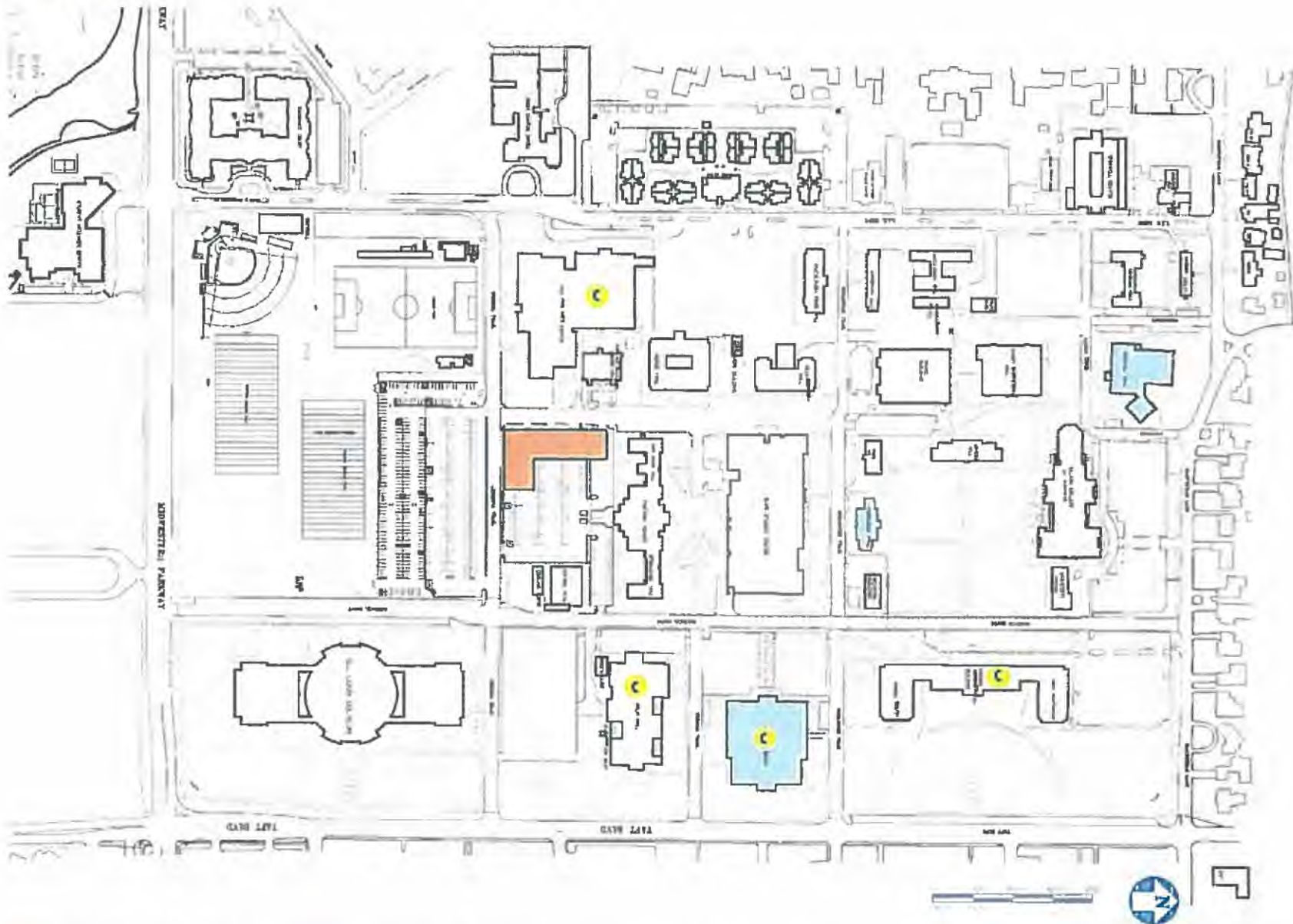
- ❑ Privacy for Sikes House - Add landscaping in key locations
- ❑ Lighting Concerns - Add landscaping, ensure most effective lights that reduce light pollution, change windows in Sikes House to block out any extraneous light (e.g. new polarized windows)
- ❑ New lighting technology controls light spilling over into Sikes House
- ❑ Symmetry of Sikes House lawn - can be addressed with strategic planting of additional trees on the west side of the drive to match eastern tree line.
- ❑ Entertaining side yard - could be recreated on the east side of Sikes House (e.g. southwest corner of pecan grove)



OPTION #1

	PROJECT SCOPE	PROPOSED PROGRAM	PHYSICAL IMPACT	CAMPUS BEAUTIFICATION
HEALTH SCIENCE AND HUMAN SERVICES	<ul style="list-style-type: none"> New 84,000 GSF Building Consolidation of Sim Center 	<ul style="list-style-type: none"> College of Health Science and Human Services 	<ul style="list-style-type: none"> Displacement of 45 Parking Spots Existing Sim Center Vacant 	<ul style="list-style-type: none"> Strengthens New Mustang Walk Landscaping Along Teepee Drive and Nocona Trail
BRIDWELL HALL	<ul style="list-style-type: none"> Minor Renovation of 1/3 of Building 	<ul style="list-style-type: none"> College of Education/or IT Counseling Center TRIO Tutoring Center Veterans Affairs Student Commons Existing Lecture Hall 	<ul style="list-style-type: none"> Counseling Center Demolished McGaha Hall Demolished 	<ul style="list-style-type: none"> New Green Space on Campus Edge
MOFFETT LIBRARY	<ul style="list-style-type: none"> Substantial Renovation Code Improvements 	<ul style="list-style-type: none"> Academic Library Learning Commons Honor's Program Computer Lab 		<ul style="list-style-type: none"> Council Drive Closure with Streetscaping
HARDIN ADMINISTRATION BUILDING	<ul style="list-style-type: none"> Minor Renovation Code Improvements Relocation of Veterans Affairs 	<ul style="list-style-type: none"> Admissions Center As Is Graduate School Expansion 2nd Fl Hardin South As Is 	<ul style="list-style-type: none"> Displacement of 73 Parking Spots 	<ul style="list-style-type: none"> Council Drive Closure with Streetscaping
BOLIN SCIENCE HALL	<ul style="list-style-type: none"> Minor Renovation Code Improvements 	<ul style="list-style-type: none"> College of Science and Mathematics 		<ul style="list-style-type: none"> Council Drive Closure with Streetscaping
INFORMATION TECHNOLOGY	<ul style="list-style-type: none"> Relocation into Ferguson Hall Minor Renovation of Ferguson Hall Major Renovation of Server Room Code Improvements 	<ul style="list-style-type: none"> IT Services IT Help Desk 1,400 NSF of Available Space 	<ul style="list-style-type: none"> Memorial Hall Demolished 	<ul style="list-style-type: none"> New Green Space on Quad
FAIN FINE ARTS CENTER	<ul style="list-style-type: none"> Minor Renovation in Former Mass Communications Space Code Improvements 	<ul style="list-style-type: none"> College of Fine Arts 		

OPTION #1



NEW CONSTRUCTION

MAJOR RENOVATION

MINOR RENOVATION

BEAUTIFICATION

CODE

HOLZMAN MOSS BOTTINGO
ARCHITECTURE

MIDWESTERN STATE UNIVERSITY
WICHITA FALLS, TEXAS

OPINION OF PROBABLE COST - OPTION #1

	CONSTRUCTION COST	TOTAL PROJECT COST	CONTINGENCIES (INCLUDED)
HEALTH SCIENCE AND HUMAN SERVICES	\$35,289,525	\$39,731,093	\$4,230,354
BRIDWELL HALL	\$1,718,100	\$2,100,959	\$221,105
MOFFETT LIBRARY	\$6,011,682	\$8,128,976	\$844,350
HARDIN SOUTH ADMINISTRATION BUILDING	\$1,369,500	\$1,557,053	\$165,550
BOLIN SCIENCE HALL	\$1,929,750	\$2,194,029	\$233,275
INFORMATION TECHNOLOGY	\$847,845	\$2,396,746	\$232,744
FAIN FINE ARTS CENTER	\$1,774,125	\$2,092,422	\$221,311
<hr/>			
TOTAL COST OF ALL PROJECTS	\$48,940,527	\$58,201,278	\$6,148,691
TRB Differential from \$58.4M Budget		-\$198,722	

**ACADEMIC AND STUDENT
AFFAIRS COMMITTEE**

Academic and Student Affairs Committee

Membership

Lynwood Givens, Chairman
Kenny Bryant
Tiffany Burks
Sam Sanchez

Reading and Approval of Minutes

16-11. The minutes of the Academic and Student Affairs Committee meeting August 6, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 16-11.

University Dashboard

16-12. Each November the Office of Institutional and Assessment updates the University Dashboard. The results are then reviewed by the President's Cabinet and appropriate targets are determined. This updated document will be presented as shown in Attachment 16-12 for the board's information and review.

Enrollment Report – Fall 2015

16-13. The fall enrollment report will be presented as shown in Attachment 16-13. This item is presented as a point of information only.

December 2015 Graduating Class

16-14. The administration will recommend approval of the list of candidates for December 2015 graduation with the provision that they meet all requirements as prescribed by the faculty and administration (see Attachment 16-14).

Approval of 2016-2017 Academic Calendar

16-15. The proposed academic calendar for the 2016-2017 academic year will be presented for approval as shown in Attachment No. 16-15. The overall calendar is very similar to previous calendars and is in line with the Texas Higher Education Coordinating Board (THECB) common calendar. The proposed 2017 spring break coincides with the date being proposed by the Wichita Falls Independent School District (WFISD), although this date has not yet been approved by the WFISD school board. The fall and spring semesters each contain 15 weeks of instruction plus finals. The summer 2017 schedule was proposed with the four-day class week. The 2017-2018 calendar is being finalized and will be presented to the board in February.

Change Title of International Studies Major and Minor

16-16. The administration will recommend changing the title of the major and minor in International Studies to a major and minor in Global Studies. This change will better reflect the challenges facing a rapidly changing global society. Specialization in advanced studies of economics, history, and political science as well as study abroad and other cross-cultural experiences provide students with the intellectual foundations and analytical tools necessary to develop the solutions to the global problems of tomorrow. The total semester credit hours for the major (33, of which a minimum of 18 are

advanced) and minor (18, of which a minimum of 12 are advanced) would remain the same.

Admissions Policy Changes

16-17. An analysis of admission practices revealed some 95% of students graduating in the top 25% of their high school classes were being admitted to MSU, regardless of SAT and/or ACT scores. Further, students graduating in the top 25% of their high school classes who did not meet MSU's SAT and/or ACT requirements have a higher average first-year grade point average (GPA) than the average first-year GPA of students meeting SAT and/or ACT requirements. By automatically admitting students graduating in the top 25% of their high school classes, MSU will join a growing number of Texas institutions acknowledging the predictive value of high school class rank in college success. Changes to MSU's admissions policy are recommended as outlined in Attachment 16-17. These standards are recommended to take effect immediately and be applied to fall 2016 admission decisions.

MSU Policies and Procedures Manual Changes

16-18. A new policy regarding Consensual Relationships will be presented for approval as shown in Attachment 16-18. This policy was reviewed and approved by the Faculty Senate, Staff Senate, and Administrative Council.

ACADEMIC AND STUDENT
AFFAIRS COMMITTEE
ATTACHMENTS

Midwestern State University Dashboard Indicator and Projections

November 2015 Board of Regents Meeting

		Annual Performance				Target	
		Base Year (2008-09)	2013-2014	2014-2015	2015-16	2018-19	COPLAC 2014-15
1. Student Access							
1.a	Total Enrollment (Headcount)	6,093	5,870	5,874	6,043	6,230	3,845
1.b	FTE Enrollment (based on FT +1/3 PT)	4,819	4,605	4,653	4,886	4,922	3,569
1.c	Number of First-time, Full-time UG (Fall) (IPEDS definition)	706	831	828	820	900	629
1.d	Average Course Load of FT UG	13.85	14.06	13.92	13.91	13.97	N/A
1.e	Percent of Students Receiving Pell Grant (UG Fall)	24.6%	37.16%	37.90%	36.12%	41.72%	N/A
1.f	Number of Community College Transfer Students Enrolled (transfervar)	1952	2207	1950	2,235	2,000	N/A
1.g	Percentage of Hispanic students enrolled (enr/%)	9.2%	14.0%	14.8%	16.3%	20.0%	6.4% (UG)
1.h	Percentage of African American students enrolled (enr/%)	12.7%	14.1%	13.8%	13.6%	14.5%	4.8% (UG)
1.i	Online and Distance Education (courses offered per year)	367	637	642		968	N/A
1.j	Distance Education Only (Fall)(var-distd2)	777	967	950	1,063	1075	N/A
2. Student Success							
2.a	First Time Student Retention Rate (First year)	74.90%	68.28%	72.85%	69.40%	75.00%	77.10%
2.b	First Time Student Retention Rate (Second year)	61.00%	56.40%	53.21%	60.90%	55.00%	N/A
2.c	Transfer Student Retention Rate (First Year)	73.10%	68.30%	69.62%	72.70%	72.00%	N/A
2.d	Degree Efficiency Attainment ((AA*2+BA*4)/Fall UG FTE)	92.61%	97.79%	90.70%		95.00%	89.80%
2.e	First Time Student Graduation Rate (Four Year, Based on 4 year Cohort)	11.80%	20.64%	19.50%		32.15%	35.90%
2.f	First Time Student Graduation Rate (Six Year) (First Time Fulltime Cohort)	30.60%	45.47%	44.90%		52.00%	53.50%
2.g	Transfer Student Graduation Rate (Four Year)	50.80%	46.41%	43.20%		51.29%	N/A
2.h	Pass Rate on Certification Exam - Education	87.60%	97.00%	98.00%		95.00%	N/A
2.i	Pass Rate on Certification Exam - Nursing	73.48%	75.50%	76.98%		85.00%	N/A
2.j	Number of Degrees Awarded to At-Risk Students	814	877	778		958	N/A
2.k	Number of Degrees Awarded in STEM Fields	91	115	111		126	105
2.l	Number of Degrees Awarded in Health Science Fields	371	396	383		446	N/A
2.m	Total Degrees Awarded (Total)	1220	1270	1216		1300	956
3. Operational Effectiveness							
3.a	State Appropriations per FTE Student	\$4,935	\$4,765	\$4,742		\$5,225	N/A
3.b	Total Expenditures per FTE Student	\$15,860	\$20,680	\$21,409		\$26,640	N/A
3.c	Student /Faculty Ratio (Using CDS FTE/Faculty FTE for Fall)	19.0	17.0	16.8		19.0	16.40
3.d	Administrative Cost Rate (as percent of operating budget)	10.33%	10.51%	10.80%		10.00%	N/A
3.e	Average SCH to Bachelor's degree	146.87	145.7	145.9		140	N/A
4. Competitive Resources							
4.a	Total Annual Giving (AFR reported)	\$14,010,481	\$16,986,200	\$6,317,269		\$10,000,000	N/A
4.b	Total Endowment (university-held, Foundation, Charitable Trust)	\$44,588,397	\$73,514,557	\$68,154,607		\$80,087,716	20,918,741
4.c	Alumni Giving Rate	8%	5.30%	5.70%		6.00%	N/A
Gray shaded areas will not be updated until the end of FY 16		Target estimates are shown in gold				COPLAC - median score in green	

Enrollment Report

Fall 2015

	<u>2014</u>	<u>2015</u>
Beginning Freshmen	813	794
Re-enrolling Freshmen	468	473
Sophomore	1,011	1,083
Junior	1,095	1,192
Senior	1,757	1,745
Post-Baccalaureate	58	73
Graduate	<u>672</u>	<u>683</u>
TOTAL ENROLLMENT	5,874	6,043
 SEMESTER CREDIT HOURS	 67,275	 69,547

Candidates for Degrees

December 12, 2015

DILLARD COLLEGE OF BUSINESS ADMINISTRATION

Master of Business Administration

Jef R. Castillo
Chelbi Danielle Daily
Nicandro Delgado
Brett Alan Helm

Crystal Mae Hone
Adam Michael Roberts
Vanessa Rae Voelkel

GORDON T. AND ELLEN WEST COLLEGE OF EDUCATION

Master of Arts

Patrick Vincent Coyle
Lianna Marie Davis
Irma Escobedo
Andrew Todd Hebert
Christie M. Howeth

Keisha S. O'Marde
Charlotte Ann Owens
Kymn Renae Putman
Elizabeth Ann Rogers
Shelley Crampton Stubblefield

Master of Education

Amanda Kay Bailey Barrientes
Julianne Bess
Teri Leanne Campbell
Rhonda Rechea Demps
Johnnie Parker Freeman
Imelda Rojas Garza
Brenda Kay Gillespie
Renisha Anthonia Marisol James

Kiara Lachelle Jordan
Seth Raydon Newton
Gina Renee Parr
Citlaly del Carmen Rivas
Robyn Alicia Sanders
Tamara Elizabeth Stewart
Alisha Michelle Walker
Jessica Huddleston Wilds

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

Master of Arts in Criminal Justice

Bailey Alyce Hess
Samuel Oluwatosin Jegede

Lauren Elizabeth Molnoskey
Logan Scott Spidell

Master of Health Administration

Theona Honore

Rufaro Tildah Nyakudya

Master of Science in Exercise Physiology

Melody Alexis Caldwell
Rodney Ray Holmes

Parita Narendrabhai Lavingia

Master of Science in Radiologic Sciences

Melodi Danielle Alexander
Alisha Lynne Anderson
Brandi Nicole Baldwin
Autumn Capps Conner

Nicholas O'Bryan Evans
Bridgett Marlene Geist
Cody Lynn Grayson
John Scott Hatchett

Kendri L. Jones
Lamiis Magdi Khalifa
Kaye Lani Mariani-Hall
LaTanya Faye Rainey

Stacy Chippendale Sparks
Randy Lee Timmons
Teresa Michele Young

PROTHRO-YEAGER COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

Master of Arts

Tanner Lee Howard Colley
Amber Dawn Jacobi
Julia Rose Johnson

Rachael Maxon
Bradley Jason Morris

COLLEGE OF SCIENCE AND MATHEMATICS

Master of Science

Yaswanth Amaraneni
Varun Kumar Ayanala
Srikanth Reddy Beerelly
Nitant Ashwinkumar Gandhi
Akhilesh Kalaru
Jaydeep Lalasaheb Kolape
Sudha Mallavarapu

Sampath Kumar Manne
Pinkal Dilipbhai Patel
Vijay Kumar Pulivarthi
Vinesh Thummala
Nanda Kishore Tokala
Suchitra Yerramalla

DILLARD COLLEGE OF BUSINESS ADMINISTRATION

Bachelor of Business Administration

Jeremy Don Alexander
Andrew Patrick Alkhashvilly
Gregory Brian Allen
Bradley Scott Anderson
Drew D. Ashley
Brandon Kyle Banks
Caleb Farrell Born
Dallas R. Brown
Melisa Cabral
Benjamin Lee Cahayla
Matthew Robert Callahan
Peyton Ward Cannedy
Steven Wayne Conner
Ryan Emmanuel Costen
Bailey McKail Cotton
Keri Denise Cullens
Syr Rowan Daniel
Juan Pablo Farres Lopez
Amber Leigh Francisco
Demetrich Facione Gilliam
Alexandria Nicole Gooden
Alyson Erin Gwyn
Thomas Wayne Hammer
Nicole Renca Harris
Bryan Taylor Hines
Sydney Michelle Hoedebeck
Daniel P. Horohoe
Erin Marie Hudson
Lynzee Nicole Jordan
David Adrian Joseph, Jr.
Rebecca Ann Jowers
Kevin Sean Kopinski

Aspen Nicole Larson
Shanise Syslen Looby
Arghavan Majdinasab
Mary Catherine Martin
Oscar G. Martinez, Jr.
Riley Alexander Mason
Denver Zachary McClure
Darcelle Ava McIntyre
Iman Melany Mendes
Vaneza Menjivar
Tate Joseph Methvin
Alexis Danielle Morton
Mali Huey Newton
Jayson Howard Peyton
Arsenio Paul Phillips
Christopher Eustaquio Portillo
Drew Anthony Richard
Allison Mishelle Richardson
Kyler D. Ritchie
Daria Evelyn Deniece Allison Roach
Jameel Khamisi Roberts
Jherisa Roltricia Jana-Marie Roberts
Dennis Sebastian Roeder
Zviravirwa Jehu Rubaba
Brenda Estefani Saldaña Fuentes
Laura Olean Salsman
Mackisha Lesly Samuel
Albert William Slusher
Mary Mackenzie Smead
Leonard Phillip Smith III
Taylor Nicole Stinnett
James K. Tapscott

Ryne Garrett Thacker
Collin B. Vogt
Jonathan Gregory Weeks

Charlene Wetherill
Devin Nicole Williams
Michael S. Willis

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

Bachelor of Applied Arts and Sciences

Jasmine Andrea Barnes
Joshua Blake Bartlett
Liberty Lee Billingsley
Christine Selena Carrasco
Jose Inocencio Chavira
Eric James Christmas
April Lynn Conway
Courtney Gayle Cornell
Jennifer Ellen Craig
Cynthia Jean Haddock

Joshua Lee Higgins
Brandy Aline Honeycutt
Macgan Renee Honeycutt
Stephen Daniel Lee
Zowie Taylor O'Neal
Brooke Kristine Ottesen
Mandy LeeAnn Patlan
Hailey Lenae Purifoy
Lizbeth Ramirez-Gonzalez
Susan J. Yovonic

Bachelor of Arts

Rachael Erin Bigbie
Kailey Elaine Brown

Neiko Lee Conway
Eileen Mary Lee

Bachelor of Science

Katie Lynn Brown
Ian Scott Day
Jordan Re'Chele Mathis
Janae Diamond McJunkins

Kalynn McElroy Philipp
Shad Dillion Walker
Dianna Keyvonne Wilson-Jones

Bachelor of Science in Interdisciplinary Studies

Beth Jean Aduddell
Lauren Michelle Allard
Mackenzie Lynn Darter
Erin Leigh Dombkowski
Taylor Elayne Dowd
Kaila Rachelle Fox
Jessica M. Garza
Callie Elizabeth Grisham
Randall Lee Hardin
Winette Alyssa Hobson
Nereida Jaimes
Tully-Martine Prisca Lilite

Shana Dawn Maloney
Jordan Kaylie Peacock Marshall
Carly Jo Neal
Tulip Wilmene Nicholas
Jessica Danielle Richie
Kasey Ann Braddock Sams
Shamekia Patrece Smith
Ashleigh Genae Thompson
Regan Lee Tomme
Uyen Tu Vo
Heather LeAnne Wagner

LAMAR D. FAIN COLLEGE OF FINE ARTS

Bachelor of Arts

Stephanie Kayla Cyrus
Clancisha Afiya Gomes
Paden Laine Lemons
Edgar Joseph Miller III

Amber Michelle Moore-Mentavlos
Blake Nolan Muse
Eleanor Rose Randall

Bachelor of Fine Arts

Melanie Rae Byars
Jessica DeLucio
Jennifer J Lowell

Leanne Gael Ottaviano
Matthew Steven Potysman
Alanah Noelle Priolo

Amber Nicole Roe
Shannon Nicole Smith

Leisha Dawn Thornton
Cassandra Mae Toft

Bachelor of Music

Justin Paul Green

Alejandro Jaaziel Ochoa Ramirez

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

Bachelor of Science in Athletic Training

Darien John-Michael Roach

Bachelor of Science in Criminal Justice

Bernard Tuia Afutiti
Ashley Paige Albright
Souzi Assani
Nicholas Ryan Barajas
Shavodrick Quamaine Beaver
Robert Andrew Bedford
Kaly Marie Braiser
Jessica Rachelle Brown
Kenesha Rushae Buckner
Bernard Griffin, Jr.
Kyle Zachary Hasley
Jason Hale Hester

Charles David McLloyd
Georganne Johnston Mudd
Donald Ray Napoleon, Jr.
Japheth Jude Pierre
Bethany Marie Rhoades
Courtney Elizabeth Rudy
Eldridge Lee Sims
Matthew James Swiger
Samuel Garrison Wells
Sarah Renee Williams
Laurel Emmaline Wilson

Bachelor of Science in Exercise Physiology

Audrey Kristine Beach

Colton T. Sims

Bachelor of Science in Nursing

Taiwo Itunuoluwa Abioye
Kelsey Jo Allred
Brooke C. Anderson
Alice Loice Awino
Ashley Nicole Brown
Astri Carolina Burgos
Truphena Moraa Bwana
Ansa Ann Chacko
Jessica Margaret Damore
Alexandria Denise Davis
Roland Kindong Diom
Revel Skye Druessedow
Kelly Maria Eddington
Brittany Michelle Elliott
Kristen Danielle Ellis
Ehimwenma Kelly Enodunmwunben
Cindy Anai Espinoza
Ifunanya Ewulu
Erin Lea Fleming
Payton Elizabeth Fookes
Kurtin Francis Ford
Nathan William Gardner
Mary Lauren Guess
Marvin Quan Hoang
Christina Jennette Horn

Jonathan Brian Humphrey
Victoria I. Idio
Kelly Brianna Ireland
Kathryn Lauren Jeavons
Crystal Raychelle Johnson
Jamie Leigh Lopez
Melissa Dawn Lygren
Hillary Ann Maroney
Jade Simone Marshall
Leslie Jaclyn McDowell
Ebony Regina Miller
Timothy Katai Muongchanh
Chimataru Melody Nwabuko
Chinalurum Olekaifonma Ogbonna
Emily Adhiambo Ohuma
Emily Moragwa Onderi
Jessica Lauren Parker
Robert Dean Parkman
Elizabeth O. Paul
Simone Aruna Raj
Elizabeth Razo
Diana Ibilola Ricketts
Jessica Nicole Roney
Mayte Berenice Salinas
Gerald Sampson

Juby Mary Samuel
Candi Nacole Schroeder
Erica Renee Scott
Kendall Price Soendker
Melanie Marie Stolte
Ksanet Yohannes Tesfai
Malorie Lynn Tibbitts
Abigail Marie Todd

Jane Hanh Tran
Elizabeth Tristán
Junyang Tu
Sherrilyn April Tulagan
Melissa Rey Witherspoon
Rebecca Hight Wood
Alana Katarzyna Zakrzewski
Reem Hussein Zawi

Bachelor of Science in Radiologic Sciences

Merin Molly Abraham
Amy Scipper Allen
Krista Kay Andrews
Todd A. Betz
Gina Marie Bilpuch
Sidnee Leigh Blagg
Mary L. Booth
Amanda Lane Clark Brass
Clayton Reece Burgoon
Lisa Jane Butzer
Rebeca Lucero Camacho
Ann Elizabeth Cesnaitis
Tiffany Rose-Roy Currier
Johanna Caitlin Dawdy
Jamie Torres DeLeon
Andrea Kay Edgar
Nicholas John Eichner
Lauren Paige Foster
Christopher Lynn Herrin
Samuel Todd Kliewer
Jill Renee Krittenbrink
Madeleine Yvette LaPointe

Sara Marie Lowery
Nathan Gregory Lowther
Sarah Autumn McCourry
Karen J. McKinney
Amanda Jo Davis Merritt
Lauren Elizabeth Miller
Luke M. Miller
Lisa Marie Moeller
Bailey Alexa Polk
Juliet A. Roldán
Christian Rubio
Christine J. Sader
Dennis Wayne Scroggins, Jr.
Eryka Lynn Soares
Kali Elizabeth Stevenson
Marcus Orlando Surratt
Shanna Danielle Tole
Verna Carlene Unberhagen
Razan Saleh Valle
Robert Lee Webb
Heather L. Wiggins

Bachelor of Science in Respiratory Care

Erika Anderson Abmas
Jared Stephen Blevins
Lisa Dawn Clock
Bonnie Kathleen Davila
Raymond Rodriguez Duarte
Catherine Lynn Holland
Kristen Anne Hood
Jessica Sue Lambert
Victor Manuel Lopez, Sr.

Holly Lee Meo
Christa Marie Schneider Mitchell
April Kay Newman
Kimberly Nkechiyerem Onwukwe
Alysia Danielle Osorio
Amanda Shirin Rezai
Amy Kathryn Scott
Rafael Domingo Yanuaria II

Bachelor of Social Work

Lisa Mischelle Aguilar
Melissa Lea Alexander
Monica Lynn Avila
Sarah Elizabeth Karr

Stephanie Anne Portillo
Julie Sepeda Rueda
Meagan Renae Smith
Marina Angelica Wilson

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

Bachelor of Arts

A'Lisa Patrice Buckner
Samantha Alexandria Burk
Laura June Estrada
Christopher Lee Freeman

Gilda Sandra Garcia
Rhonda Michelle Gibbs
Tarrah Marie Jones
Luis Alberto Guzman Lopez

Silvia Guadalupe Martinez
Shirley Yvette Morataya
Garrett James Mudd
Kenley Thomas O'Brien
Natalia Quiroz

Emma Cristina Ramirez
Roylyka N. S. Roache
Dixon Gregory Stovall
Krysta Michele Woods

Bachelor of Science

Cassiel Angel Dillard
Robyn Ka'ai
Cheryl Lynn Ligon
Rheanna Dawn McKee

Anissa Lynette Mohammed
Natalie Chidiogo Onweagba
Rachel Nicole Thompson

COLLEGE OF SCIENCE AND MATHEMATICS

Bachelor of Arts

Robert Bartlett Brumley III
James Albert Miller

James Allen Troupe

Bachelor of Science

Sanan Aamir
Matthew Adam Aaron
Teon Iyendo Bedford
Vernon Eden Bird, Jr.
Arich Johann Adriel Brown
Collin Seth Buerger
Jassy L. Cooper
McKenzie Kay Corder
Chadrick Ronald Desir
Charlotte Marie Echols
Damali Shaquille Greenaway
Steven Joseph Hilmi
Lauren Frances Hudson
Samuel Collin Klose
Mudalinayake Angelo Shehan Kurukulasuriya

Kathy Lim
Brian Channing McCray
Kathleen Elizabeth Mills
Collins Njumo
Alejandro Jaaziel Ochoa Ramirez
Nneamaka Oyovwevotu Ojini
Zane Andrew Pollock
Christopher Charles Preston
Samantha Nichole Reeder
Tara Jade Riley
Christianah Oluwatobiloba Sobukonla
Marcos Antonio Tello
Aaliyah Kia Tuitt
Sarah Elaine Weary
Michael James Whitley

Bachelor of Science in Mechanical Engineering

Chukwudalu Onyibo Mokah

Emmanuel Acatch Ndem

**PROPOSED ACADEMIC CALENDAR
MIDWESTERN STATE UNIVERSITY**

2016 - 2017

(2nd Summer 2016 ends Aug. 11)

Fall Semester 2016

Tuesday	March 1	Priority Application Date for Admission
Monday	August 1	Application Deadline for Admission
Monday	August 22	Faculty Meetings
Mon.-Tues.	August 22-23	Re-enrolling Student Registration
Wed.-Thur.	Aug. 24-25	Orientation for new students Registration continues
Friday	August 26	Registration
Saturday	August 27	Classes begin 8:00 a.m.
Mon.-Wed.	Aug. 29-31	Change of Schedule and Late Registration
Monday	September 5	Labor Day - No classes
Monday	October 3	Deadline for December graduates to file for graduation
Monday	October 10	Deadline for May graduates to file for graduation
Tuesday	November 22	Thanksgiving Holiday begins at 10:00 p.m. (Saturday classes do not meet on November 26)
Monday	November 28	Classes resume 8:00 a.m.
Friday	December 9	Last day of classes
Saturday	December 10	Final examinations begin
Saturday	December 17	Commencement

End December 9 = 15 weeks

Class Meetings: MWF 42, TR 29, S 14 (includes Saturday after registration, but does not include Saturday after Thanksgiving.)

Spring Semester 2017

Tuesday	November 1	Priority Application Date for Admission
Thursday	December 1	Application Deadline for Admission
Mon.-Wed.	January 9-11	Re-enrolling Student Registration
Thursday	January 12	Orientation for new students Registration continues
Friday	January 13	Registration
Saturday	January 14	Classes begin 8:00 a.m.
Monday	January 16	Martin Luther King Day - No classes
Tue.-Thur.	January 17-19	Change of Schedule and Late Registration
Monday	February 20	Deadline for May graduates not enrolled for fall semester to file for graduation
Saturday	March 11	Spring Break begins at 5:00 p.m. March 13-18 – No classes
Monday	March 20	Classes resume
Wednesday	April 12	Holiday Break begins at 10:00 p.m. April 13-15 – No classes
Monday	April 17	Classes resume
Friday	May 5	Last day of classes
Saturday	May 6	Final examinations begin
Saturday	May 13	Commencement

End May 5 = 15 weeks

Class Meetings: MWF 43, TR 29, S 14 (includes Saturday after registration, but does not include Saturday during Spring Break or during Holiday Break.)

Summer Semesters 2017

First Term:

Monday	May 1	Application Deadline for Admission
Monday	May 29	Memorial Day Holiday – University Closed
Thursday	June 1	Orientation for new students Registration
Monday	June 5	Classes begin
Friday	July 7	Final examinations

Second Term:

Monday	June 1	Application Deadline for Admission
Monday	July 3	Last day to file for August graduation
Tuesday	July 4	Independence Day – University Closed
Thursday	July 6	Orientation for new students Registration
Monday	July 10	Classes begin
Thursday	August 10	Final examinations

Summer I & II Class Meetings: 20 (includes Finals) + Registration

Proposed Admissions Policy Changes

A. General Admissions Policy

Students will be admitted if they graduate in the top ~~ten~~**twenty-five** percent of their class from an accredited Texas public high school if they meet the following conditions:

1. graduated from high school within the two years prior to the academic year for which admission is sought; and
2. submitted a complete application before the deadline.

B. Home Study Program

~~Students who graduate from an unaccredited high school or home study program will be considered for admission on an individual basis. Official entrance exam scores must be submitted for evaluation to determine admission status.~~

Students who graduate from a home student program must have a minimum 3.0 unweighted grade point average and a minimum combined SAT score (math and critical reading scores only) of 990 or an ACT composite score of 21. If the 3.0 gpa benchmark is not met then the student must meet state college readiness benchmarks.

- C. Students from Non-Ranking High Schools – currently MSU does not have a policy for these students and a new policy is recommended owing to growing number of high schools that do not rank graduating students.

Students who graduate from an accredited high school that does not rank students must have a minimum 3.0 unweighted grade point average and a minimum combined SAT score (math and critical reading scores only) of 990 or an ACT composite score of 21. If the 3.0 gpa benchmark is not met then the student must meet state college readiness benchmarks.

NEW POLICY – General Policy CONSENSUAL RELATIONSHIPS

A. Policy Statement

It is the policy of Midwestern State University (“University”) that employees with direct teaching, supervisory, advisory, or evaluative responsibility over other employees, students and/or student employees recognize and respect the ethical and professional boundaries that must exist in such situations. Consensual relationships, as defined in this policy, create conflicts of interest and/or appearances of impropriety that impair the integrity of academic and employment decisions. Such relationships also contain the potential for exploitation of the subordinate employee, student or student employee and the possible professional or academic disadvantage of third parties, and can subject both the University and individuals to the risk of liability. Therefore the University strongly discourages consensual relationships between supervisors and subordinates, teachers and students and advisors and students. Should such a relationship develop, the teacher, supervisor or advisor has the obligation to disclose its existence to an immediate supervisor and cooperate in making alternative arrangements for the supervision, evaluation, teaching, grading, or advising of the employee, student and/or student employee.

B. Scope

This policy applies to all faculty, staff and students of Midwestern State University.

C. Definitions

A **consensual relationship** is a mutually acceptable, romantic and/or sexual relationship between a University employee with supervisory, teaching, evaluation or advisory authority and an employee, student and/or student employee who is directly supervised, taught, evaluated or advised by that employee.

A **conflict of interest** and/or an appearance of impropriety arises when individuals with the authority and the responsibility to evaluate the work or performance of an employee, student or student employee initiate, acquiesce or engage in an intimate romantic and/or sexual relationship with that employee, student or student employee.

D. Reporting Responsibility

In the event that a consensual relationship exists or begins to develop, the individual in the supervisory, teaching or advisory position shall immediately notify his or her immediate supervisor of the relationship and cooperate with that supervisor in making the arrangements necessary to resolve the conflict of interest.

E. Immediate Supervisor Responsibility

A supervisor who is notified, or becomes aware, of a consensual relationship, shall take immediate steps to alter the conditions that create the conflict of interest and/or the appearance of impropriety caused by the relationship. In most instances, that will be

accomplished by providing an alternative means for the supervision, teaching, advising, and/or evaluation of the subordinate employee, student or student employee.

F. Failure to Report or Cooperate

Employees in positions of authority who enter into or persist in consensual romantic or sexual relationships without reporting them, or who fail to cooperate in efforts to eliminate the conflict of interest or appearance of impropriety they present, will be subject to disciplinary action, up to and including termination. In the event that a complaint of sexual harassment or sexual misconduct is brought by the subordinate party regarding an unreported relationship, there will be no presumption that the relationship was consensual in nature.

G. Grievance of Disciplinary Actions

Disciplinary actions imposed for violations of this policy may be grieved or appealed by the individual who is disciplined pursuant to existing University policies and procedures.

FINANCE COMMITTEE

Finance Committee

Membership

Mike Bernhardt, Chairman
Caven Crosnoe
Lynwood Givens
Jeff Gregg

Reading and Approval of Minutes

16-19. The minutes of the Finance Committee meeting August 6, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 16-19.

Summaries of Financial Support 9/1/14-8/31/15 and 9/1/15-10/14/15

16-20. These reports will be presented for information only as shown in Attachment 16-20.

FY 15 Quasi-Endowment Fund Reports

16-21. Upon the establishment of two quasi-endowment funds, the Redwine Fund and the Frank and Nancy Harvey Student Development Fund, the board instructed that reports be presented to the board in November of each year concerning the use of these funds during the previous fiscal year. The reports concerning these funds for fiscal year 2015 are shown in Attachment 16-21 and are presented as a point of information only.

Financial Report

16-22. The administration will recommend the July 2015 Financial Report for acceptance (<http://www.mwsu.edu/Assets/documents/welcome/president/BOR/2015-Nov/Item%2016-22%20Financial%20Report%20Ended%2007-31-15.pdf>). This report was previously distributed to the board and a summary is shown in Attachment 16-22. The administration will also provide preliminary information regarding the FY 15 end-of-year report and the FY16 budget outlook.

Investment Report

16-23. The administration will recommend the fourth quarter FY 2015 investment report for acceptance (<http://www.mwsu.edu/Assets/documents/welcome/president/BOR/2015-Nov/Item%2016-23%20InvestRpt%204thQtr%20%2010-19-15.pdf>). This report was previously distributed to the board and a summary is shown in Attachment 16-23.

FY 2015-2016 Item \$50,000 & Under Approved Per Board Authorization

16-24. In accordance with board policy, the president authorized the following increase to the current budget. The administration will recommend ratification of this budget change.

From Account:

To Account:

<u>Number</u>	<u>Title</u>	<u>Number</u>	<u>Title</u>	<u>Purpose</u>	<u>Amount</u>
33011 3001	Housing Reserves	34830 34831	Housing Administration	Costs associated with the search for a new Director, Residence Life and Housing	\$24,926.81
Total					\$24,926.81

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

16-25. The reports of personnel changes in July and August 2015 will be presented for information as shown in Attachment 16-25. Salary changes will be presented for ratification as shown below.

<u>Current Position</u>	<u>Action</u>	<u>Additional Funding</u>	<u>Annual Budget Increase (Decrease)</u>	<u>Net Current FY Actual Cost (Savings)</u>
One faculty position and one staff position	Filled positions below budget		(\$19,007)	(\$37,683)
Total			(\$19,007)	(\$37,683)

Review of Personnel Report and Salary/Title/Position Changes in 2015-2016 Budget

16-26. The report of personnel changes in September 2015 will be presented for information as shown in Attachment 16-26. Salary and position changes will be presented for ratification as shown below.

<u>Current Position</u>	<u>Action</u>	<u>Additional Funding</u>	<u>Annual Budget Increase (Decrease)</u>	<u>Net Current FY Actual Cost(Savings)</u>
Director, Assistant Director, and Associate Director of Residence Life	Title/Department changed to Residence Life and Housing		0	0
Two Positions – Police Officer II	Titles changed to Police Office III.		0	0
Two staff positions and two faculty positions	Filled positions below budget		(\$12,114)	(\$15,114)
Three Lead Custodian Positions, Facilities	Salary adjustment above budget	Salary savings	\$2,400	\$2,400
Museum Facility Operations Manager	Title changed to Museum Facility Technician. Filled position above budget.	Salary savings	\$20	\$20
Secretary, Purchasing and Contract Management	Title changed to Purchasing Assistant. Filled position below budget.		(\$4,189)	(\$4,189)
Total			(\$13,883)	(\$16,883)

Funding for Market Study – Academic Expansion

16-27. Information will be provided regarding opportunities for academic expansion into the Dallas-Ft. Worth (DFW) area and the need for appropriate market research. The administration will recommend engaging a market research firm to study the efficacy of a DFW extension center. Specifically, the market research firm would study location and demand for various academic programs. The data received is critical towards any recommendation to operate in the DFW market. The administration will request

authorization in the amount of \$90,000 for this study. The source of funds would be designated tuition.

FINANCE COMMITTEE
ATTACHMENTS

**Summary of Financial Support
Midwestern State University, MSU Foundation
and MSU Charitable Trust
Fiscal Year 15**

	9/1/2014 10/14/2014	10/15/2014 1/15/2015	1/16/2015 4/17/2015	4/18/2015 7/9/2015	7/10/2015 8/31/2015	Total Year to Date
University Development	\$ 32,274	\$ 650,814	\$ 146,403	\$ 194,581	\$ 111,042	\$ 1,135,114
Gifts in Kind	\$ 1,049,307		\$ 547,551	\$ 41,865	\$ 4,315	\$ 1,643,038
MSU Endowments	\$ 75	\$ 362,390	\$ 7,973	\$ 620	\$ 100	\$ 371,158
Contributions to Foundation	\$ 5,250	\$ 16,890	\$ 550	\$ 20,500	\$ 2,600	\$ 45,790
President's Excellence Circle						
2013-2014	\$ 17,000					\$ 17,000
2014-2015	\$ 13,594	\$ 139,381	\$ 61,691	\$ 50,007	\$ 14,063	\$ 278,736
2015-2016		\$ 1,000			\$ 6,000	\$ 7,000
Wichita Falls Museum of Art	\$ 62,830	\$ 38,910	\$ 7,125	\$ 18,173	\$ 53,202	\$ 180,240
Annual Fund	\$ 90,657	\$ 161,331	\$ 53,678	\$ 36,781	\$ 61,937	\$ 404,384
Contributed Services			\$ 100			\$ 100
Alumni Association						
(2014-2015 Memberships 2,443)	\$ 3,600	\$ 3,985	\$ 1,210	\$ 355	\$ 3,250	\$ 12,400
(687 Lifetime Members)	\$ 1,500	\$ 2,300	\$ 300	\$ 1,900	\$ 3,300	\$ 9,300
Mustangs Athletic Club						
Cash	\$ 25,510	\$ 196,960	\$ 37,210	\$ 47,774	\$ 59,818	\$ 367,273
Corporate Sponsors - Athletics						
Cash	\$ 31,125	\$ 16,263	\$ 18,038	\$ 6,788	\$ 20,138	\$ 92,351
Contributed Services		\$ 5,800	\$ 1,500			\$ 7,300
Fantasy of Lights	\$ 20,095	\$ 29,394	\$ 1,000	\$ 11,159	\$ 7,400	\$ 69,048
Contributed Services		\$ 3,500				\$ 3,500
Scholarship Funds from Outside Sources	\$ 130,498	\$ 123,637	\$ 144,797	\$ 30,769	\$ 441,032	\$ 870,733
TOTAL	\$ 1,483,314	\$ 1,752,555	\$ 1,029,126	\$ 461,272	\$ 788,197	\$ 5,514,465

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

	9/1/2015 10/19/2015	Total Year to Date
University Development	\$ 87,449	\$ 87,449
Gifts in Kind	\$ 7,600	\$ 7,600
MSU Endowments	\$ 250	\$ 250
Contributions to Foundation	\$ 108,820	\$ 108,820
President's Excellence Circle		
2014-2015	\$ 1,110	\$ 1,110
2015-2016	\$ 34,257	\$ 34,257
Wichita Falls Museum of Art	\$ 1,135	\$ 1,135
Contributed Services	\$ 717	\$ 717
Annual Fund	\$ 53,954	\$ 53,954
Contributed Services		
Alumni Association		
(2015-2016 Memberships 1,598)	\$ 4,320	\$ 4,320
(695 Lifetime Members)	\$ 2,300	\$ 2,300
Mustangs Athletic Club		
Cash	\$ 31,843	\$ 31,843
Corporate Sponsors - Athletics		
Cash	\$ 15,925	\$ 15,925
Contributed Services	\$ 93,750	\$ 93,750
Fantasy of Lights	\$ 27,697	\$ 27,697
Contributed Services	\$ 639	\$ 639
Scholarship Funds from Outside Sources	\$ 103,478	\$ 103,478
TOTAL	\$ 575,244	\$ 575,244

Midwestern State University
Redwine Estate Quasi Endowment
August 31, 2015

	<u>Totals</u>	<u>Redwine Endowment</u>	<u>Redwine/Honor's Scholarships</u>
Beginning Fund Balance, 9-1-14	\$ 12,785,918.21	\$ 12,034,566.16	\$ 751,352.05
Unrealized gain(loss) on 231 Krugerrands	(38,230.50)	(38,230.50)	
Interest Earnings	322.05	59.77	262.28
Transfers out to Support:			
Communication Campaign			(404,243.00)
Graduate School Operations			(190,000.00)
Transfers in:			
Move Admissions Staff to State Payroll			105,474.00
Luther King Capital Management:			
Excess Distributions 9-1-14		(140,556.31)	
Interest & Dividend Income		88,226.09	
Net Realized Gains (Losses)		(20,038.84)	
Investment Fees		(23,523.00)	
Net Income		(95,892.06)	
Distribution of earnings		(102,824.22)	102,824.22
Unrealized Appreciation (Depreciation)		-	
Net change	(198,716.28)	(198,716.28)	
Texas A&M System Endowment Fund:			
Interest & Dividend Income		246,651.28	
Net Realized Gains (Losses)			
Investment Fees		(8,726.22)	
Net Income		237,925.06	
Distribution of earnings		(237,925.06)	237,925.06
Unrealized Appreciation (Depreciation)		(198,487.33)	
Net change		(198,487.33)	
Faculty Salaries			(6,000.00)
Non-Student Wages			(200.00)
Fringe Benefits			(1,325.07)
Membership Dues			(600.00)
Honor's Scholarships awarded			(244,200.00)
Total Net Change	(835,456.85)	(435,374.34)	(400,082.51)
Ending Fund Balance, 8-31-15	\$ 11,950,461.36	\$ 11,599,191.82	\$ 351,269.54

Midwestern State University
Frank and Nancy Harvey Student Development Fund
Status at August 31, 2015

	Totals	Quasi- Endowment	Scholarships
Balance of Fund 09-01-2014	\$ 796,110.42	\$ 796,110.42	
Transferred out for Freshman Scholarships 08/05/2015		(49,000.00)	\$ 49,000.00
Scholarships Awarded	(49,000.00)		(49,000.00)
Distribution of Earnings 08-04-2015	<u>30,442.80</u>	<u>30,442.80</u>	<u></u>
Balance of Fund 08-31-2015	<u>\$ 777,553.22</u>	<u>\$ 777,553.22</u>	<u>\$ -</u>

**Financial Report through July 31, 2015
Summary Report**

Schedule One highlights that total revenue for the institution was \$93.9 million, up \$1 million compared to the same period the previous year. Tuition and fees and auxiliary enterprises were up \$3 million but were offset by a decrease in gifts of \$2.1 million. Expenses increased from \$93.3 million to \$101 million, an increase of \$7.7 million or 8.2%. The largest increase was in depreciation of \$2.8 million, most of which was a result of the \$8.5 million proprietary software donation that a geosciences faculty member received and is amortized over three years. Salaries, wages, and benefits also increased by more than \$2 million. Scholarships increased by \$800,000 with the merit scholarship program. Repairs and maintenance increased by \$1.2 million as a result of a large roofing project caused by hail damage and paid for by insurance proceeds.

Schedules Two and Three show that revenues and expenses are tracking closely to budget, with revenue at 100.5% and expenses at only 79.6%, compared to an expected 83.3% at the end of June. Schedule Three shows that the institution did not meet its tuition and fee revenue goals for the fall, approximately \$80,000 short, because enrollment fell short of what was predicted. However, spring enrollment exceeded expectations, and spring tuition and fee revenues rebounded over budget by more than \$352,000. With summer tuition and fees, the university's tuition and fees are expected to exceed budget by \$250,000. Auxiliaries were short of meeting budgeted revenue as of July by \$369,000. It is still too early to tell what the final number will be with a few camps remaining in August.

Schedule Four presents the ending balances of working capital funds and indicates that with \$2.4 million committed to the current year's budget, the university will still retain \$5.8 million in working capital funds. It is anticipated that the year-end balance of working capital funds will be greater since not all budgeted funds are spent and may roll forward into the next year.

**Investment Report through August 31, 2015
Summary Report**

The quarterly investment report shows that at the end of July the university held a total of \$37.5 million in cash and cash investments with \$33 million in cash investments and \$4.5 million at the state treasury. Texas A&M University System (TAMUS) held \$22.7 million of the funds. The TAMUS cash investments earned \$452,000 in interest and dividends over the quarter and realized \$270,000 of losses since September 1, 2014. The institution kept \$1 million in Texpool/Logic and \$7 million in Wells Fargo money market accounts, all short-term, overnight investment vehicles. The balances of the funds, \$2.2 million, are held in securities purchased before the institution contracted with TAMUS and was managing its own cash. The agency notes are showing losses, thus the reason they have not been sold. The small amount of common stock, \$70,000 in book value, is showing a \$105,000 gain since being acquired. The university has yielded anywhere from 6.87% to .43% a month over the quarter on the overall cash holdings.

The university's endowed funds are held at American National Bank, with \$8.1 million, and, as of March 1, 2015, the TAMUS, with \$11.7 million. The funds held by American National Bank have lost approximately \$700,000 in market value since the last quarter but overall have appreciated market value of 9.9% since obtaining the funds. The university received a \$47,000 distribution from these funds for the quarter. The TAMUS Endowment Pool had an unrealized loss of 1.17% (\$205,000) in market value for the quarter. The university received \$123,000 in distributions net of fees in addition to the market loss.

The report also included reports provided by TAMUS on the Cash Concentration Pool and the System Endowment Funds.

Summary of the Personnel Position Status Reports for 9/1/14 – 8/31/15

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

Total net new positions as of 8/31/15 = +1.50

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
July 31, 2015

POSITIONS	APPROVED BUDGET		POSITIONS		TOTAL POSITIONS		SALARY	FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT	
	9/1/2014		ADDED	(DELETED)			(SAVED)					POSITIONS	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	ADDED	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
EXEC, ADMIN & MANAGERIAL	44.64	4,430,408			44.64	4,430,408	20,004	42.64	4,307,762	2.00	142,650	44.64	4,450,412
REGULAR FACULTY	250.70	17,047,095			250.70	17,047,095	(30,295)	236.20	16,187,480	14.50	829,320	250.70	17,016,800
PROFESSIONAL NON-FACULTY	150.46	6,607,284	(0.25)	(7,808)	150.21	6,599,476	4,789	145.71	6,401,512	4.50	202,753	150.21	6,604,265
CLERICAL AND SECRETARIAL	97.08	2,380,461	1.00	20,916	98.08	2,401,377	(1,875)	90.08	2,262,138	8.00	137,364	98.08	2,399,502
TECH & PARAPROFESSIONAL	22.00	954,050	0.75	38,000	22.75	990,050	(7,784)	22.75	982,266	0.00	0	22.75	982,266
SKILLED CRAFT	29.00	958,666			29.00	958,666	(1,774)	29.00	956,892	0.00	0	29.00	956,892
SERVICE & MAINTENANCE	65.00	1,377,960			65.00	1,377,960	840	61.00	1,304,040	4.00	74,760	65.00	1,378,800
POLICE	14.00	509,125			14.00	509,125	(2,939)	14.00	506,186			14.00	506,186
GRAND TOTALS	672.88	34,265,049	1.50	49,108	674.38	34,314,157	(19,034)	641.38	32,908,276	33.00	1,386,847	674.38	34,295,123

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
August 31, 2015

POSITIONS	APPROVED BUDGET		POSITIONS		TOTAL POSITIONS		SALARY	FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT POSITIONS	
	9/1/2014		ADDED	(DELETED)	FTE	AMOUNT	(SAVED)	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	ADDED	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
EXEC, ADMIN & MANAGERIAL	44.64	4,430,408			44.64	4,430,408	20,004	42.64	4,307,762	2.00	142,650	44.64	4,450,412
REGULAR FACULTY	250.70	17,047,095			250.70	17,047,095	(30,295)	236.20	16,187,480	14.50	829,320	250.70	17,016,800
PROFESSIONAL NON-FACULTY	150.46	6,607,284	(0.25)	(7,808)	150.21	6,599,476	(14,218)	145.71	6,382,505	4.50	202,753	150.21	6,585,258
CLERICAL AND SECRETARIAL	97.08	2,380,461	1.00	20,916	98.08	2,401,377	(1,875)	90.08	2,262,138	8.00	137,364	98.08	2,399,502
TECH & PARAPROFESSIONAL	22.00	954,050	0.75	36,000	22.75	990,050	(7,784)	22.75	982,266	0.00	0	22.75	982,266
SKILLED CRAFT	29.00	958,666			29.00	958,666	(1,774)	29.00	956,892	0.00	0	29.00	956,892
SERVICE & MAINTENANCE	65.00	1,377,960			65.00	1,377,960	840	61.00	1,304,040	4.00	74,760	65.00	1,378,800
POLICE	14.00	509,125			14.00	509,125	(2,939)	14.00	506,186			14.00	506,186
GRAND TOTALS	672.88	34,265,049	1.50	49,108	674.38	34,314,157	(38,041)	641.38	32,889,269	33.00	1,386,647	674.38	34,276,116

Midwestern State University Reporting of Personnel Changes
Fiscal Year 2014-2015
July - August

I. ENTERING EMPLOYEES

- A. Elizabeth Rogers – Human Resources Assistant II – 07/06/15
- B. Ashley Statham – Residence Hall Director, Residence Life and Housing – 08/01/15
- C. Suzanne Shipley – President – 08/08/15
- D. Paula Parks – BSN Nurse Educator, Simulation Center – 08/10/15
- E. Susan Anders – Associate Professor, Accounting – 08/17/15
- F. Blake Barington – Sports Information Director, Athletics – 08/17/15
- G. Hana Beloglavac – Visiting Instructor, Music - 08/17/15
- H. Eduardo Colmenares – Assistant Professor, Computer Science - 08/17/15
- I. Karen Dabney – Assistant Professor, Theater - 08/17/15
- J. Rajendra Desai – Associate Professor/Chair, Engineering - 08/17/15
- K. Christopher D'Amico – Lecturer, Mass Communication- 08/17/15
- L. Emily Graves – Assistant Professor, Education - 08/17/15
- M. Gordon Hicken – Assistant Professor, Music - 08/17/15
- N. Dale Heidebrecht Assistant Professor, Music - 08/17/15
- O. Brandi Joliff – Assistant Professor, Political Science - 08/17/15
- P. Kyle Keel – Lecturer, Political Science – 08/17/15
- Q. Marcos Lopez – Assistant Professor, Mathematics – 08/17/15
- R. Jiaxi Luo – Instructor, Management Information Systems - 08/17/15
- S. Scott Manley – Assistant Professor, DCOBA - 08/17/15
- T. Christie Maturo – Assistant Professor, Theater - 08/17/15
- U. Morgan Page – Visiting Professor, Art - 08/17/15
- V. Jonathon Quam – Assistant Professor, Mass Communication- 08/17/15
- W. Traci Rigdon – Instructor, Athletic Training/Exercise Physiology - 08/17/15
- X. John Schulze – Assistant Professor, English - 08/17/15
- Y. Mandy Sedden – Assistant Professor, Radiologic Science- 08/17/15\
- Z. Lequez Spearman – Assistant Professor, Kinesiology - 08/17/15
- AA. Susan Warley – Lecturer, English - 08/17/15
- BB. Bingyang Wei – Assistant Professor, Computer Science- 08/17/15
- CC. Ronald Young Associate Professor, DCOBA - 08/17/15
- DD. Syed Zaidi – Assistant Professor, Accounting - 08/17/15
- EE. Amanda Bell – Program Coordinator, Student Support Svc – 08/24/15

II. EXITING EMPLOYEES

- A. Jennifer Yucus – Assistant Professor, Art – 07/03/15
- B. Annise Nalepa – Instructor, Athletic Training/Exercise Physiology – 07/03/15
- C. Dana Davis – Administrative Assistant, Registrar – 07/30/15
- D. Mirdza Reyes – Lead Custodian, Facilities Services – 07/16/15

- E. Michael Taylor – Internal Auditor – 07/31/15
- F. Christopher Wertz – Assistant Professor, Radiologic Science – 07/31/15
- G. Kurt Morgan – Custodian, Facilities – 08/19/15
- H. Jamie Buchanan – Assistant Professor, Nursing – 08/31/15
- I. Leon Clark – Groundskeeper, Facilities – 08/31/15
- J. Laura Spiller – Associate Professor, Psychology – 08/31/15
- K. Debra Walker – Assistant Professor, Nursing – 08/31/15
- L. Yangmei Wang – Instructor, Accounting – 08/31/15

III. RETIRING EMPLOYEES

- A. Aline Edwards – Custodian, Facilities Services – 07/31/15
- B. Gary Lewis – Associate Professor, Music – 07/31/15
- C. Timothy Donovan – Professor, computer Science – 08/31/15
- D. Vicky Hodges – Secretary, Purchasing and Contract Mgmt – 08/31/15
- E. Laura Jefferson – Associate Professor, Theater – 08/31/15
- F. Charles Johnston – Associate Professor, Dillard College of Business - 08/31/15
- G. Ted Paddack – Instructor – Criminal Justice – 08/31/15
- H. Jesse Rogers – President – 08/31/15
- I. James Schuppener – Professor, Music – 08/31/15

Summary of the Personnel Position Status Reports for 9/1/15 – 9/30/15

Total net new positions as of 9/30/15 = +0.00

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
September 30, 2015

POSITIONS	APPROVED BUDGET		POSITIONS		TOTAL POSITIONS		SALARY	FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT POSITIONS	
	9/1/2015		ADDED (DELETED)				(SAVED)						
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	ADDED	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
EXEC, ADMIN & MANAGERIAL	45.23	4,553,126			45.23	4,553,126	0	42.23	4,309,426	3.00	243,700	45.23	4,553,126
REGULAR FACULTY	257.61	17,779,863			257.61	17,779,863	(11,100) 1	243.11	17,256,800	14.50	511,963	257.61	17,768,763
PROFESSIONAL NON-FACULTY	150.21	6,705,029			150.21	6,705,029	(1,000) 2	144.21	6,490,409	6.00	213,620	150.21	6,704,029
CLERICAL AND SECRETARIAL	101.08	2,399,502			101.08	2,399,502	(4,189) 3	95.08	2,304,953	6.00	90,360	101.08	2,395,313
TECH & PARAPROFESSIONAL	23.75	1,024,566			23.75	1,024,566	6 4	23.75	1,024,572	0.00	0	23.75	1,024,572
SKILLED CRAFT	29.00	956,892			29.00	956,892	0	29.00	956,892	0.00	0	29.00	956,892
SERVICE & MAINTENANCE	65.00	1,378,668			65.00	1,378,668	2,400 5	61.00	1,307,148	4.00	73,920	65.00	1,381,068
POLICE	<u>14.00</u>	<u>506,186</u>			<u>14.00</u>	<u>506,186</u>	<u>0</u>	14.00	506,186	<u>0.00</u>	<u>0</u>	<u>14.00</u>	<u>506,186</u>
GRAND TOTALS	685.88	35,303,832	0	0	685.88	35,303,832	(13,883)	652.38	34,156,386	33.50	1,133,563	685.88	35,289,949

Midwestern State University Reporting of Personnel Changes
Fiscal Year 2015-2016
September

I. ENTERING EMPLOYEES

- A. Jami Hogue – BSN Nurse Educator, Simulation Center – 09/01/15
- B. Michael Ivie – Museum Facility Technician – 09/01/15
- C. Rebekah Jones – Hardware Technician, Information Technology – 09/03/15
- D. Margaret Brown Marsden – Dean/Professor, Science and Mathematics – 09/14/15
- E. Brigitte Mitchell – Assistant Professor, Nursing – 09/14/15
- F. Timothy Grant– Custodian, Facilities Services – 09/16/15

II. EXITING EMPLOYEES

- A. Danny Boren – PC Network Service Technician, Information Technology – 09/11/15

AUDIT, COMPLIANCE, AND
MANAGEMENT REVIEW
COMMITTEE

Audit, Compliance, and Management Review Committee

Membership

Sam Sanchez, Chairman

Tiffany Burks

Jeff Gregg

Nancy Marks

Reading and Approval of Minutes

16-28. The minutes of the Audit, Compliance, and Management Review Committee meeting August 6, 2015, will be recommended for approval of the committee as shown in the minutes' section of this agenda as Minutes Attachment 16-28.

Historically Underutilized Business Year-End Report – FY 2015

16-29. The university is required to report on its use of Historically Underutilized Businesses (HUBs) each year. MSU's FY 2015 report is shown in Attachment 16-29 as a point of information only. The report includes goals established by the state for each HUB category. In every category, with the exception of heavy construction, the percentage of MSU HUB purchases exceeded the state's goals as shown on the far left column of the report. Overall, the institution has increased the amount of expenditures with HUBs from \$1.1 million, 36%, in FY 14 to \$2.6 million, 48%, in FY 15.

Contract Management Activities Year-End Report – FY 2015

16-30. Four hundred twenty-eight contracts were processed through the Contract Management System in FY 15. A total of 1,714 contracts are included in the repository with 781 being active. A chart showing the monthly and average contracts included in the repository is shown in Attachment 16-30.

Audit and Compliance Activities

16-31. The Director of Internal Audits position has been posted and advertisements have been placed in the following websites and publications: Higher Ed Jobs, Texas Association of College and University Auditors (TACUA), Texas Association of State Senior College and University Business Officers (TASSCUBO), Texas Society of Certified Public Accountants (TSCPA); and the Wichita Falls *Times Record News*. The board will receive information regarding the search. Information may also be provided regarding audit and compliance activities.

Internal Audit Charter

16-32. The Internal Audit Peer Review determined that the MSU Internal Audit Charter should be updated. Upon the resignation of Mr. Taylor in July, University Counsel Barry Macha took on this responsibility. The administration will recommend approval of a new charter shown in Attachment 16-32.

Affiliation Agreement Between MSU and the MSU Foundation, Inc. and the MSU Charitable Trust

16-33. Texas Government Code §2255.001 requires a state agency for which a private organization exists that is designed to further the purposes and duties of the agency to adopt rules governing the relationship between the organization and the agency.

Proposed affiliation agreements between MSU and the MSU Foundation, Inc. and the MSU Charitable Trust are presented in Attachment 16-33. The administration requests the board approve these agreements and authorize Mr. Macha to work with the chairman of the board to finalize these agreements with the foundation and trust.

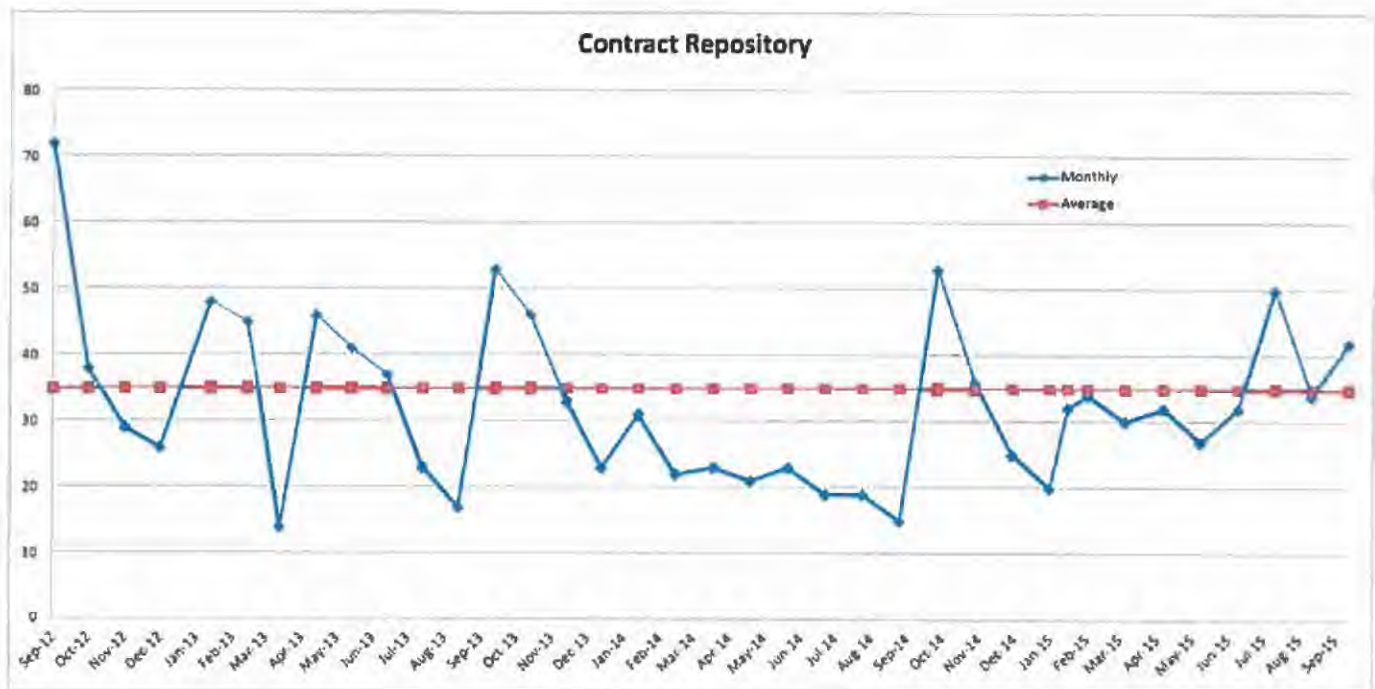
**AUDIT, COMPLIANCE, AND
MANAGEMENT REVIEW
COMMITTEE ATTACHMENTS**

**MIDWESTERN STATE UNIVERSITY
HISTORICALLY UNDERUTILIZED BUSINESSES (HUB) EXPENDITURES
COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS**

State Wide HUB Goals	Procurement Category	MSU HUB Expenditures FY 2014		Total Expenditures FY 2014	MSU HUB Expenditures FY 2015		Total Expenditures FY 2015
		Actual %	Actual \$		Actual %	Actual \$	
11.20%	Heavy Construction	0	\$ -	\$ 27,024	9.14%	\$ 35,966	\$ 393,450
21.10%	Building Construction	71.13	\$ 45,209	\$ 63,558	29.79%	\$ 203,555	\$ 683,401
32.70%	Special Trades Construction	41.14	\$ 256,643	\$ 623,804	34.08%	\$ 310,019	\$ 909,699
23.60%	Professional Services	31.26	\$ 36,571	\$ 116,972	84.54%	\$ 158,625	\$ 187,640
24.60%	Other Services	23.86	\$ 138,815	\$ 581,901	63.89%	\$ 869,828	\$1,361,504
21.00%	Commodities	39.19	\$ 649,079	\$ 1,656,303	55.66%	\$1,052,382	\$1,890,885

MSU Annual HUB Expenditures FY 2015 By ETHNICITY

Black Dollars	Hispanic Dollars	Woman Dollars	Asian Pacific Dollars	Native American Dollars	Disabled American Dollars
\$ 819,168	\$ 1,094,878	\$574,091	\$ 125,239	\$ 17,000	\$ -



MIDWESTERN STATE UNIVERSITY OFFICE OF INTERNAL AUDITS CHARTER

ORGANIZATIONAL STRUCTURE

The Office of Internal Audits (OIA) is a vital part of Midwestern State University and functions in accordance with the policies established by the Board of Regents. The Director of Internal Audits is appointed by the Board of Regents and reports functionally (directly) to the Board of Regents and administratively to the President. All Office of Internal Audits personnel shall report directly to the Director of Internal Audits. The organizational status and the support accorded to the Director of Internal Audits by the executive management are major determinants of the scope and value of the internal audit function to the institution.

PURPOSE

The OIA provides independent, objective assurance, and consulting services designed to add value and improve the University's operations. The OIA was established within the University to bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes as a service to the Board of Regents and the President to assist all entities in accomplishing their objectives.

The OIA is responsible for providing executive management with information about the adequacy and effectiveness of the institution's system of internal administrative and accounting controls and the quality of operating performance when compared with established standards.

INDEPENDENCE

To provide for the independence of the Director of Internal Audits, she or he reports directly to the Board of Regents (through its Audit, Compliance, and Management Review Committee) and administratively to the President and must be free of all operational and management responsibilities that would impair the internal auditor's ability to review independently all aspects of the University's operation (per the Texas Internal Auditing Act – Texas Government Code, Chapter 2102).

AUTHORITY

The Director of Internal Audits must have a high degree of independence and not be assigned duties or engage in any activities that the OIA would normally be expected to review or appraise. To accomplish these activities the Director of Internal Audits is authorized to have full, free, and unrestricted access to all functions, activities, property, information systems, personnel, and records (including medical). The examination of patient medical records must serve a genuine audit need; and individual patients will not be identified in any audit report.

The Director of Internal Audits is not authorized to perform any operational duties, initiate or approve accounting transactions external to the OIA, or direct the activities of any employee not appropriately assigned to auditing teams or to otherwise assist the OIA.

SCOPE OF ACTIVITIES

The scope of work of the OIA is to determine whether the University's network of risk management, control, and processes, as designed and represented by management, is adequate and functioning in a manner to help ensure:

- Risks, including strategic risks, are appropriately identified and managed.

- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the University's control process.

Opportunities for improving internal control may be identified during audits. These opportunities will be communicated to the appropriate level of management.

Consulting services means advisory and related client service activities, the nature and scope of which are agreed upon with the client and are intended to add value and improve the University's operations. Consulting services include counsel, advice, facilitation, and training, and may range from formal engagements with defined scope and objectives, to advisory activities, such as participating in standing or ad hoc committees or project teams; consulting may also include informal guidance on an as needed basis. In all cases, the OIA functions only as an advisor, with the University's management deciding on final direction.

RESPONSIBILITY

The Office of Internal Audits has responsibility to:

- Ensure compliance with the Texas Internal Auditing Act.
- Develop a flexible annual audit plan using an appropriate risk-based methodology and that identifies the individual audits to be conducted during the year, including any risks or control concerns identified by management, and submit that plan to the President for review and to the Board of Regents for approval; and submit any changes in the approved annual audit plan to the President for review and to the Board of Regents for approval.
- Implement the annual audit plan, as approved, including as appropriate any special projects requested by the Board of Regents or the President and time to follow-up on significant findings from previous audits; deviations shall be documented.
- Perform periodic audits of the University's major systems and controls, including: accounting systems and controls; administrative (governance) systems and controls; and electronic data processing systems and controls. In accordance with the Public Investment Act (PFIA), Texas Government Code Section 2256.005(n), at least once every two years the University is required to audit management controls on investments and adherence to its established investment policies.
- Annually assess whether the University has adopted the rules and policies relating to state agency contracting as required by S.B. 20 (2015), and shall submit a report of findings to the State Auditor. Such annual assessment shall be a systematic, disciplined approach to evaluate and improve the effectiveness of the University's risk management, control, and governance processes related to contracts and to require risk-based testing of contract administration. The Director of Internal Audits shall have full and unrestricted access to all institutional property, personnel, and records.
- Have and maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter and the Texas Internal Auditing Act, and submit an annual staffing plan to the Board of Regents and the President reviewing the resources dedicated to the internal audit program to determine if adequate

resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame.

- Communicate the results of engagements promptly and to the appropriate individuals.
- Issue periodic reports (on at least a quarterly basis) to the President and the Board of Regents summarizing results of audit activities, including progress on the annual audit plan, audit accomplishments, and highlights of any significant audit findings and recommendations.
- Conduct special audits and special consultations requested by the Board of Regents or the President (e.g., economy and efficiency audits and program results audits).
- Ensure that an appropriate internal quality control system (quality assurance review) is in place and undergoes a comprehensive external peer review of its auditing and attestation engagement practices at least once every three years by reviewers independent of the audit organization.
- Provide consulting and advisory services as appropriate.
- Guide the University on control self-assessments by assisting managers with self-assessments and conducting self-audits.
- Manage and direct the implementation of Enterprise Risk Management by assisting in the process of identifying and analyzing risk from an integrated, University-wide perspective, including assessing the potential risk of fraud, abuse, or waste (e.g., in the contractor selection process, contract provisions, and payment and reimbursement rates and methods for the different types of goods and services for which the University contracts) and the management of such risk.
- Assist in the investigation of suspected fraudulent activities at the University (e.g., defalcation, misappropriation, and other fiscal irregularities), including possible improvements (e.g., policies, procedures, and compliance reviews) to prevent the likelihood of potential frauds occurring, and notify the President and the Board of Regents of the results.
- File internal audit reports and related responses or action plans as required with the Office of the Governor, the State Auditor's Office, the Sunset Advisory Commission, and the Legislative Budget Board within thirty days after presenting such reports for review by the University's Board of Regents and President.
- Prepare the annual report required by the Texas Internal Auditing Act and submit the report before November 1 of each year to the Governor, the Legislative Budget Board, the Sunset Advisory Commission, the State Auditor, and the University's Board of Regents and President.

STANDARDS OF AUDIT PRACTICE

In performing its internal audit activities, the Office of Internal Audits is required by the Texas Internal Auditing Act to conform to the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing and the Code of Ethics, and generally accepted governmental auditing standards of the Government Accountability Office.

Approved by the Midwestern State University Board of Regents on: _____

**AFFILIATION AGREEMENT BETWEEN
MIDWESTERN STATE UNIVERSITY
AND
MIDWESTERN STATE UNIVERSITY FOUNDATION, INC.**

This Affiliation Agreement ("Agreement") is made and entered into this _____ day of _____, 2015 by and between Midwestern State University ("University") and the Midwestern State University Foundation, Inc. ("Foundation").

RECITALS

The University is an agency of the State of Texas, organized and existing under Chapter 103 of the Texas Education Code as a coeducational institution of higher learning located in Wichita Falls, Texas. The governing body of the University is the Board of Regents (collectively, the "Regents").

The Foundation was organized and incorporated in 1960 as a Texas non-profit corporation and is eligible to receive tax-deductible contributions in accordance with section 170(b)(1)(A)(iv) of the Internal Revenue Code for the exclusive benefit of the University.

Texas Government Code §2255.001 requires a state agency for which a private organization exists that is designed to further the purposes and duties of the agency to adopt rules governing the relationship between the organization and the agency. The rules adopted shall govern all aspects of conduct of the agency and its employees in the relationship, including: (1) administration and investment of funds received by the organization for the benefit of the agency; (2) use of an employee or property of the agency by the organization; (3) service by an officer or employee of the agency as an officer or director of the organization; and (4) monetary enrichment of an officer or employee of the agency by the organization.

The parties are entering into this Agreement for the purpose of defining the relationship between them pursuant to Chapter 2255 of the Texas Government Code, and to implement the University's Policy 4.145, which governs the University's relationship with affiliated entities.

While this Agreement is in effect, the University recognizes the Foundation as existing solely for the support of the University. The parties agree that the Foundation is a necessary and beneficial component of the University's overall program for university advancement and for the development and management of private sources of funding for capital acquisition, operations, endowments, and other purposes relating to the mission and priorities of the University, and to provide opportunities for students and a margin of institutional excellence unavailable with state funds.

The Foundation is dedicated to assisting the University in the building of the endowments and in addressing, through financial support, the long-term academic and other priorities of the University.

As stated in its articles of incorporation, the Foundation is a separately incorporated 501(c)(3) organization and is responsible for receiving contributions by means of donations, gifts and bequests and to expand such funds for the advancement of the literary, scientific and other educational endeavors of the University.

In consideration of the mutual covenants, conditions, and commitments herein contained and subject to review and approval of the Foundation's tax exempt status by the Internal Revenue Service, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1.0 FOUNDATION NAME, SEAL, AND LOGOTYPE

- 1.1 Consistent with its mission to help to advance the plans and objectives of the University, the Foundation is granted use of the name "Midwestern State University," however, the Foundation will operate under its own seal and logotype and shall not use the University seal or other identifying marks in the promotion of its business and activities without specific written approval by the University.

2.0 UNIVERSITY GOVERNANCE

- 2.1 The Board of Regents is responsible for: (1) overseeing the mission, leadership, and operations of the University; (2) setting priorities and long-term plans for the University; and (3) the employment, compensation, and evaluation of all University employees, including the President of the University.
- 2.2 The Board of Regents is legally responsible for the performance and oversight of all aspects of University operations.

3.0 THE FOUNDATION'S RELATIONSHIP TO THE UNIVERSITY

- 3.1 The Foundation is a separately incorporated 501(c)(3) non-profit organization created to raise, manage, distribute, and steward private resources to support the various missions of the University.
- 3.2 The Foundation's Board of Trustees is responsible for the control and management of all assets of the Foundation, including the prudent management of all gifts consistent with donor intent.
- 3.3 The Foundation's Board of Trustees is responsible for the performance and oversight of all aspects of the Foundation's operations based on a comprehensive set of bylaws that clearly address the Board's fiduciary responsibilities, including expectations of individual board members based upon ethical guidelines and policies.
- 3.4 The University's Vice President for University Advancement also shall serve as the Foundation's Director of Development and shall oversee, coordinate and have decision making authority over the fund-raising activities of both the University and the Foundation. In this dual position, the University's Vice President for University Advancement/Foundation's Director of Development shall not have any decision making authority in regard to operations of the Foundation except in the area of fund-raising. Specifically, the University's Vice President for University Advancement/Foundation's Director of Development shall not have any decision making authority in regard to governance of the Foundation or expenditure of funds by the Foundation.
- 3.5 The University's Vice President for University Advancement/Foundation's Director of Development shall serve in the dual position capacity as an employee of the University. As the Foundation's Director of Development, the person occupying the dual position shall provide services on behalf of the University to the Foundation under the terms of this Agreement and not as an employee of the Foundation. Services provided by the University's Vice President for University Advancement/Foundation's Director of Development to the Foundation shall be of mutual benefit to both entities and shall focus on improving the efficiency and effectiveness of both entities in regard to fund-raising. The Board of Trustees may evaluate the performance of the Foundation's Director of Development and provide the evaluation to the University's President for the President's consideration. However, the President of the University shall retain ultimate authority over employment, compensation, supervision, evaluation, hiring and firing decisions regarding the dual position and all decisions shall be made in accordance with state law and University policy. Evaluation of the dual position by the Foundation shall be considered by the

University President in the President's evaluation of the University's Vice President for University Advancement.

- 3.6 The Foundation currently has no employees, but relies on University employees to fulfill its responsibilities. All salary related decisions for University employees, including the University's Vice President for University Advancement/Foundation's Director of Development, shall remain solely with the University's President and compensation for said individuals shall be the sole obligation of the University. The Foundation shall not be obligated to compensate said individuals or otherwise reimburse the University for the services rendered by said individuals unless such payments shall have been negotiated in advance between the University and the Foundation and reduced to a written agreement. Any payments (other than reimbursements of expenses) made by the Foundation to the Foundation's Director of Development or any other University employee shall first be submitted to the University's President for approval. The University's President will consider these payments within the overall salary scales of the University to determine whether they should be awarded to the University employee; if approved, such payments shall be channeled through a University account (see MSU Policy 4.134(D)(1)) with a Vice President's payments requiring approval of the Board of Regents (see MSU Policy 3.314(I)(1)).
- 3.7 The University's Vice President for University Advancement/Foundation's Director of Development shall be entitled to use both titles of the dual position, but shall not represent herself or himself to be an employee of the Foundation nor shall be deemed as such by the parties.
- 3.8 In accordance with MSU Policy 4.145 adopted by the Board of Regents, the Foundation agrees that during the term of this Agreement it shall comply with the organizational, governance, and fiscal guidelines for affiliated entities that are included in the policies of the University or shall inform the University's President if unable to do so.

4.0 THE UNIVERSITY'S RELATIONSHIP TO THE FOUNDATION

- 4.1 The University's President is responsible for communicating the University's priorities and long-term plans, as approved by the Board of Regents, to the Foundation. Further, the University's President shall have the responsibility and authority to identify the University projects and programs that shall receive priority in development activities.
- 4.2 The University recognizes that the Foundation is a private corporation with the authority to keep all records and data confidential consistent with the law. In turn, the Foundation recognizes that some University records may be public information under the law and others may be confidential by statute (e.g., confidentiality of student records are protected by FERPA). To the extent that University employees assisting the Foundation may have access to certain confidential, student or other University records, such information will be confidentially maintained and utilized only in accordance with state and federal laws.
- 4.3 The University shall establish and enforce policies that support the Foundation's ability to respect the privacy and confidentiality of donor records, to the extent permitted under Texas law.
- 4.4 The University's Vice President for University Advancement/Foundation's Director of Development shall be included as a member of the University President's cabinet and senior administrative team, within the discretion of the University's President.
- 4.5 The University shall include the Foundation as an active and prominent participant in the strategic planning for the University.

- 4.6 In consideration for Foundation services including but not limited to endowment fund management and donor stewardship, the University will provide the Foundation without charge fair and reasonable in-kind support including office space, furnishings, computer services, equipment, technology, maintenance services, utilities, and telephone services as necessary in the determination of the University's President for the Foundation to carry out its responsibilities and activities.
- 4.7 The University's President, or her/his designee, shall serve as a non-voting member of the Foundation's Board of Trustees.

5.0 FOUNDATION RESPONSIBILITIES

5.1 Fund-Raising

- a. The Foundation shall create, in the areas of its operations, an environment conducive to increasing levels of private support for the mission and priorities of the University.
- b. The Foundation shall coordinate its fundraising activities with the University through the University's Vice President for University Advancement/Foundation's Director of Development.
- c. The Foundation will establish, adhere to, and periodically assess its gift management and acceptance policies. Such policies will be shared with the University upon request.
- d. The Foundation shall not accept grants from state or federal agencies, except in special circumstances that are approved by the Foundation's Board of Trustees and the governmental agency.
- e. The Foundation shall establish and enforce policies to protect donor confidentiality and rights.

5.2 Asset Management

- a. The Foundation will establish asset-allocation, disbursement, and spending policies that adhere to applicable federal and state laws including the Uniform Prudent Investor Act (UPIA) and the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Such policies will be shared with the University upon request.
- b. The Foundation will receive, hold, manage, invest, and disperse contributions of cash, securities, patents, copyrights, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments.
- c. The Foundation shall maintain endowment files in an organized and timely manner.
- d. The Foundation shall be responsible for managing donor stewardship for endowment assets in Foundation accounts.
- e. The Foundation will timely report endowment distribution amounts to the appropriate University accounts for use in fulfilling the donor's original purpose and shall regularly communicate with applicable account holders to properly utilize such assets appropriately.
- f. The Foundation shall make endowment, gift and other asset reports on a quarterly basis to the Board of Regents. The University reserves the right to request specific information about the Foundation's assets, policies, investments, contracts and other relationships or information at any time.
- g. The Foundation may designate the University as its fiscal agent for purposes of investing Foundation funds in the Texas A&M University System Endowment Fund pursuant to the University's services agreement with the Texas A&M University System. All accounting

transactions will be processed through the University's financial accounting system in accordance with State law and University policies and procedures. Such Foundation funds will be maintained in separate accounts within the agency fund group of the University accounting system and the University will provide financial reports to the Foundation Board on a quarterly basis (or more frequently upon mutual agreement of the University and the Foundation).

- h. The Foundation will engage an independent accounting firm annually to conduct an audit of the Foundation's financial and operational records and will provide the University with a copy of the annual audited financial statements, including management letters.

5.3 Institutional Flexibility

- a. At the discretion of the Board of Trustees, the Foundation may serve as an instrument for entrepreneurial activities for the University. It also may hold licensing agreements and other forms of intellectual property, borrow or guarantee debt issued by third parties, or engage in other activities to increase Foundation revenue with no direct connection to a University purpose.
- b. When distributing gift funds to the University, the Foundation will disclose any terms, conditions, or limitations imposed by donor or legal determination on the gift. The University will abide by such restrictions and provide appropriate documentation.

5.4 Transfer of Funds

- a. The Foundation is a primary depository of private gifts and will transfer funds to the designated entity within the University in compliance with applicable laws, University policies, and gift agreements. The Foundation shall be responsible for knowing and understanding applicable laws, applicable University policies, and gift agreements to guide the Foundation's decisions.
- b. The Foundation's disbursements on behalf of the University must be reasonable business expenses that support the University, are consistent with donor intent, and do not conflict with the law. Reasonableness shall initially be defined by the Board of Trustees in making its disbursement decisions, but the University reserves the right to request additional information on the question of reasonableness of business expenses.
- c. Funds gifted to the University for a restricted purpose are considered a charitable trust. Legal titles to such funds cannot be transferred to the Foundation without petitioning a court of competent jurisdiction as outlined under state law.

6.0 FOUNDATION FUNDING AND ADMINISTRATION

- 6.1 The Foundation is responsible for establishing a financial plan to underwrite the cost of Foundation programs, operations, and services.
- 6.2 The Foundation has the right to use a reasonable percentage of all endowment assets and charitable trusts under its management, assess fees for services, or impose gift taxes, to support its operations. Such assessments shall be in accordance with properly approved Foundation policies and fully disclosed to the University at least annually, or when a material change has been imposed.
- 6.3 The Foundation, at its own expense, will provide adequate personnel, office supplies, and other such services that may be necessary or required to fulfill its responsibilities and obligations.
- 6.4 The Foundation shall maintain copies of the plans, budgets, and donor and alumni records

developed in connection with the performance of its obligations.

- 6.5 Upon request by the University's President, and with reasonable advance notice to the Foundation, the Foundation will provide reasonable access to data and records of the Foundation to the University. The Foundation also will provide copies of its annual report and other information that may be publicly released to the University.

7.0 INDEMNIFICATION

- 7.1 The University, to the extent authorized and not prohibited under the constitution and laws of the State of Texas and without waiver of any defenses, shall indemnify and hold harmless the Foundation from liability resulting from the acts or omissions of the University's Vice President for University Advancement/Foundation's Director of Development directly related to this Agreement; provided, however, that the University shall not hold the Foundation harmless from claims arising out of the negligence or willful malfeasance of the Foundation and its officers, agents, or employees other than the Foundation's Director of Development. Notwithstanding the foregoing, this indemnification provision shall be considered null and void for all purposes in the event that the Foundation obtains insurance coverage from the University that protects against liability resulting from the acts or omissions of the University's Vice President for University Advancement/Foundation's Director of Development directly related to this Agreement.

8.0 GENERAL PROVISIONS

- 8.1 It is the intention of the parties hereto that this Agreement set forth policies and procedures that will contribute to the coordination of their mutual activities.
- 8.2 To ensure effective achievement of the terms and conditions of this Agreement, the University and the Foundation officers and board representatives shall hold periodic meetings to foster and maintain productive relationships and to ensure open and continuing communications and alignment of priorities.
- 8.3 Provided the Foundation has first executed this Agreement, this Agreement is effective upon its approval by the University's Board of Regents.
- 8.4 Either party may, upon 90 days prior written notice to the other, terminate this Agreement. Notwithstanding the foregoing, either party may terminate this Agreement in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.
- 8.5 Should the University choose to terminate this Agreement, the Foundation may require the University to pay, within 180 days of written notice, all debt incurred by the Foundation on the University's behalf including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives, unless the Foundation continues to maintain sufficient assets and resources available to pay its debts or unless University payment of such debts is otherwise prohibited under law. Should the Foundation choose to terminate this Agreement, the University may require the Foundation to pay debt or obligations it holds on behalf of the Foundation in like manner. Upon termination, the parties shall reasonably attempt to negotiate whether dissolution of the Foundation is appropriate and how endowed funds and assets collected for the benefit of the University and controlled by the Foundation should be handled thereafter.
- 8.6 Consistent with provisions appearing in the Foundation's bylaws and its articles of incorporation, should the Foundation cease to exist or cease to be an Internal Revenue Code §501(c)(3) organization, the Foundation will transfer its assets and property to the

University, to a reincorporated successor Foundation, or to the state government for public purposes, in accordance with the law and donor intent.

- 8.7 This Agreement is solely entered into by and between the parties and cannot be assigned to another party without prior written approval from the non-assigning party.
- 8.8 This Agreement shall be enforced in accordance with the laws of the State of Texas. Venue for any disputes arising hereunder shall be in Wichita County, Texas.
- 8.9 This Agreement is subject to and shall be construed in accordance with the laws of the State of Texas. The invalidity or illegality of any provision in this Agreement shall not affect other terms or conditions of the Agreement.
- 8.10 Chapter 2260 of the Texas Government Code establishes a dispute resolution process for contracts involving goods, services and certain types of projects. If Chapter 2260 applies to this Agreement, the parties must use the statutory dispute resolution process to attempt to resolve disputes arising under this Agreement.
- 8.11 This Agreement contains the entire agreement of the parties and no change or modification of this Agreement is binding unless in writing and signed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers to be effective as of the day and date first above written.

MIDWESTERN STATE UNIVERSITY
FOUNDATION, INC.

MIDWESTERN STATE UNIVESITY

Stephen A. Gustafson, Chairman

Shawn G. Hessing, Board of Regents' Chairman

Date: _____

Date: _____

ATTEST:

ATTEST:

Henry L. (Hank) Rugeley III, Secretary

J. Kenneth Bryant, Secretary

Date: _____

Date: _____

Approved as to Form and Legal Sufficiency:

Barry L. Macha, General Counsel
Midwestern State University

Date: _____

**AFFILIATION AGREEMENT BETWEEN
MIDWESTERN STATE UNIVERSITY
AND
THE MSU CHARITABLE TRUST**

This Affiliation Agreement ("Agreement") is made and entered into this _____ day of _____, 2015 by and between Midwestern State University ("University") and The MSU Charitable Trust ("Trust").

RECITALS

The University is an agency of the State of Texas, organized and existing under Chapter 103 of the Texas Education Code as a coeducational institution of higher learning located in Wichita Falls, Texas. The governing body of the University is the Board of Regents ("Board of Regents").

The Trust was organized in 1989 as a charitable trust under the laws of the State of Texas (see the Texas Trust Code, codified at Title IX, Subtitle B of the Texas Property Code) for the exclusive support of the University. The United States Internal Revenue Service has determined that the Trust is exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3), and the Trust is not a private foundation within the meaning of section 509(a) of the Code because the Trust is an organization described in section 509(a)(3). The governing body of the Trust is its Board of Trustees ("Board of Trustees").

Texas Government Code §2255.001 requires a state agency for which a private organization exists that is designed to further the purposes and duties of the agency to adopt rules governing the relationship between the organization and the agency. The rules adopted shall govern all aspects of conduct of the agency and its employees in the relationship, including: (1) administration and investment of funds received by the organization for the benefit of the agency; (2) use of an employee or property of the agency by the organization; (3) service by an officer or employee of the agency as an officer or director/trustee of the organization; and (4) monetary enrichment of an officer or employee of the agency by the organization.

The parties are entering into this Agreement for the purpose of defining the relationship between them pursuant to Chapter 2255 of the Texas Government Code, and to implement the University's Policy 4.145, which governs the University's relationship with affiliated entities.

While this Agreement is in effect, the University recognizes the Trust as existing solely for the support of the University. The parties agree that the Trust is a necessary and beneficial component of the University's overall program for university advancement and for the development and management of private sources of funding for capital acquisition, operations, endowments, and other purposes relating to the mission and priorities of the University, and to provide opportunities for students and a margin of institutional excellence unavailable with state funds.

The Trust is dedicated to assisting the University in the building of the endowments and in addressing, through financial support, the long-term academic and other priorities of the University.

In consideration of the mutual covenants, conditions, and commitments herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1.0 TRUST NAME, SEAL, AND LOGOTYPE

- 1.1 Consistent with its mission to help to advance the plans and objectives of the University, the Trust is granted use of the name "Midwestern State University," however, the Trust will operate under

its own seal and logotype and shall not use the University seal or other identifying marks in the promotion of its business and activities without specific written approval by the University.

2.0 UNIVERSITY GOVERNANCE

- 2.1 The Board of Regents is responsible for: (1) overseeing the mission, leadership, and operations of the University; (2) setting priorities and long-term plans for the University; and (3) the employment, compensation, and evaluation of all University employees, including the President of the University.
- 2.2 The Board of Regents is legally responsible for the performance and oversight of all aspects of University operations.

3.0 THE TRUST'S RELATIONSHIP TO THE UNIVERSITY

- 3.1 The Trust is a 501(c)(3) nonprofit organization created to raise, manage, distribute, and steward private resources to support the various missions of the University.
- 3.2 The Trust's Board of Trustees is responsible for the control and management of all assets of the Trust, including the prudent management of all gifts consistent with donor intent.
- 3.3 The Trust's Board of Trustees is responsible for the performance and oversight of all aspects of the Trust's operations, including the Board's fiduciary responsibilities and expectations of individual board members based upon ethical guidelines and policies.
- 3.4 The University's Vice President for University Advancement also shall serve as the Trust's Director of Development and shall oversee, coordinate and have decision making authority over the fund-raising activities of both the University and the Trust. In this dual position, the University's Vice President for University Advancement/Trust's Director of Development shall not have any decision making authority in regard to operations of the Trust except in the area of fund-raising. Specifically, the University's Vice President for University Advancement/Trust's Director of Development shall not have any decision making authority in regard to governance of the Trust or expenditure of funds by the Trust.
- 3.5 The University's Vice President for University Advancement/Trust's Director of Development shall serve in the dual position capacity as an employee of the University. As the Trust's Director of Development, the person occupying the dual position shall provide services on behalf of the University to the Trust under the terms of this Agreement and not as an employee of the Trust. Services provided by the University's Vice President for University Advancement/Trust's Director of Development to the Trust shall be of mutual benefit to both entities and shall focus on improving the efficiency and effectiveness of both entities in regard to fund-raising. The Board of Trustees may evaluate the performance of the Trust's Director of Development and provide the evaluation to the University's President for the President's consideration. However, the President of the University shall retain ultimate authority over employment, compensation, supervision, evaluation, hiring and firing decisions regarding the dual position and all decisions shall be made in accordance with state law and University policy. Evaluation of the dual position by the Trust shall be considered by the University President in the President's evaluation of the University's Vice President for University Advancement.
- 3.6 The Trust currently has no employees, but relies on University employees to fulfill its responsibilities. All salary related decisions for University employees, including the University's Vice President for University Advancement/Trust's Director of Development, shall remain solely with the University's President and compensation for said individuals shall be the sole obligation of the University. The Trust shall not be obligated to compensate said individuals or otherwise

reimburse the University for the services rendered by said individuals unless such payments shall have been negotiated in advance between the University and the Trust and reduced to a written agreement. Any payments (other than reimbursements of expenses) made by the Trust to the Trust's Director of Development or any other University employee shall first be submitted to the University's President for approval. The University's President will consider these payments within the overall salary scales of the University to determine whether they should be awarded to the University employee; if approved, such payments shall be channeled through a University account (see MSU Policy 4.134(D)(1)) with a Vice President's payments requiring approval of the Board of Regents (see MSU Policy 3.314(I)(1)).

- 3.7 The University's Vice President for University Advancement/Trust's Director of Development shall be entitled to use both titles of the dual position, but shall not represent herself or himself to be an employee of the Trust nor shall be deemed as such by the parties.
- 3.8 In accordance with MSU Policy 4.145 adopted by the Board of Regents, the Trust agrees that during the term of this Agreement it shall comply with the organizational, governance, and fiscal guidelines for affiliated entities that are included in the policies of the University or shall inform the University's President if unable to do so.

4.0 THE UNIVERSITY'S RELATIONSHIP TO THE TRUST

- 4.1 The University's President is responsible for communicating the University's priorities and long-term plans, as approved by the Board of Regents, to the Trust. Further, the University's President shall have the responsibility and authority to identify the University projects and programs that shall receive priority in development activities.
- 4.2 The University recognizes the Trust's authority to keep all records and data confidential consistent with the law. In turn, the Trust recognizes that some University records may be public information under the law and others may be confidential by statute (e.g., confidentiality of student records are protected by FERPA). To the extent that University employees assisting the Trust may have access to certain confidential, student or other University records, such information will be confidentially maintained and utilized only in accordance with state and federal laws.
- 4.3 The University shall establish and enforce policies that support the Trust's ability to respect the privacy and confidentiality of donor records, to the extent permitted under Texas law.
- 4.4 The University's Vice President for University Advancement/Trust's Director of Development shall be included as a member of the University President's cabinet and senior administrative team, within the discretion of the University's President.
- 4.5 The University shall include the Trust as an active and prominent participant in the strategic planning for the University.
- 4.6 In consideration for Trust services including but not limited to endowment fund management and donor stewardship, the University will provide the Trust without charge fair and reasonable in-kind support including office space, furnishings, computer services, equipment, technology, maintenance services, utilities, and telephone services as necessary in the determination of the University's President for the Trust to carry out its responsibilities and activities.

5.0 TRUST RESPONSIBILITIES

- 5.1 Fund-Raising
 - a. The Trust shall create, in the areas of its operations, an environment conducive to increasing

levels of private support for the mission and priorities of the University.

- b. The Trust shall coordinate its fundraising activities with the University through the University's Vice President for University Advancement/Trust's Director of Development.
- c. The Trust will establish, adhere to, and periodically assess its gift management and acceptance policies. Such policies will be shared with the University upon request.
- d. The Trust shall not accept grants from state or federal agencies, except in special circumstances that are approved by the Trust's Board of Trustees and the governmental agency.
- e. The Trust shall establish and enforce policies to protect donor confidentiality and rights.

5.2 Asset Management

- a. The Trust will establish asset-allocation, disbursement, and spending policies that adhere to applicable federal and state laws including the Uniform Prudent Investor Act (UPIA) and the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Such policies will be shared with the University upon request.
- b. The Trust will receive, hold, manage, invest, and disperse contributions of cash, securities, patents, copyrights, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments.
- c. The Trust shall maintain endowment files in an organized and timely manner.
- d. The Trust shall be responsible for managing donor stewardship for endowment assets in Trust accounts.
- e. The Trust will timely report endowment distribution amounts to the appropriate University accounts for use in fulfilling the donor's original purpose and shall regularly communicate with applicable account holders to properly utilize such assets appropriately.
- f. The Trust shall make endowment, gift and other asset reports on a quarterly basis to the Board of Regents. The University reserves the right to request specific information about the Trust's assets, policies, investments, contracts and other relationships or information at any time.
- g. The Trust may designate the University as its fiscal agent for purposes of investing Trust funds in the Texas A&M University System Endowment Fund pursuant to the University's services agreement with the Texas A&M University System. All accounting transactions will be processed through the University's financial accounting system in accordance with State law and University policies and procedures. Such Trust funds will be maintained in separate accounts within the agency fund group of the University accounting system and the University will provide financial reports to the Trust Board on a quarterly basis (or more frequently upon mutual agreement of the University and the Trust).
- h. The Trust will engage an independent accounting firm annually to conduct an audit of the Trust's financial and operational records and will provide the University with a copy of the annual audited financial statements, including management letters.

5.3 Institutional Flexibility

- a. At the discretion of the Board of Trustees, the Trust may serve as an instrument for entrepreneurial activities for the University. It also may hold licensing agreements and other forms of intellectual property, borrow or guarantee debt issued by third parties, or engage in other activities to increase Trust revenue with no direct connection to a University

purpose.

- b. When distributing gift funds to the University, the Trust will disclose any terms, conditions, or limitations imposed by donor or legal determination on the gift. The University will abide by such restrictions and provide appropriate documentation.

5.4 Transfer of Funds

- a. The Trust is a primary depository of private gifts and will transfer funds to the designated entity within the University in compliance with applicable laws, University policies, and gift agreements. The Trust shall be responsible for knowing and understanding applicable laws, applicable University policies, and gift agreements to guide the Trust's decisions.
- b. The Trust's disbursements on behalf of the University must be reasonable business expenses that support the University, are consistent with donor intent, and do not conflict with the law. Reasonableness shall initially be defined by the Board of Trustees in making its disbursement decisions, but the University reserves the right to request additional information on the question of reasonableness of business expenses.
- c. Funds gifted to the University for a restricted purpose are considered a charitable trust. Legal titles to such funds cannot be transferred to the Trust without petitioning a court of competent jurisdiction as outlined under state law.

6.0 TRUST FUNDING AND ADMINISTRATION

- 6.1 The Trust is responsible for establishing a financial plan to underwrite the cost of Trust programs, operations, and services.
- 6.2 The Trust has the right to use a reasonable percentage of all endowment assets and charitable trusts under its management, assess fees for services, or impose gift taxes, to support its operations. Such assessments shall be in accordance with properly approved Trust policies and fully disclosed to the University at least annually, or when a material change has been imposed.
- 6.3 The Trust, at its own expense, will provide adequate personnel, office supplies, and other such services that may be necessary or required to fulfill its responsibilities and obligations.
- 6.4 The Trust shall maintain copies of the plans, budgets, and donor and alumni records developed in connection with the performance of its obligations.
- 6.5 Upon request by the University's President, and with reasonable advance notice to the Trust, the Trust will provide reasonable access to data and records of the Trust to the University. The Trust also will provide copies of its annual report and other information that may be publicly released to the University.

7.0 INDEMNIFICATION

- 7.1 The University, to the extent authorized and not prohibited under the constitution and laws of the State of Texas and without waiver of any defenses, shall indemnify and hold harmless the Trust from liability resulting from the acts or omissions of the University's Vice President for University Advancement/Trust's Director of Development directly related to this Agreement; provided, however, that the University shall not hold the Trust harmless from claims arising out of the negligence or willful malfeasance of the Trust and its officers, agents, or employees other than the Trust's Director of Development. Notwithstanding the foregoing, this indemnification

provision shall be considered null and void for all purposes in the event that the Trust obtains insurance coverage from the University that protects against liability resulting from the acts or

omissions of the University's Vice President for University Advancement/Trust's Director of Development directly related to this Agreement.

8.0 GENERAL PROVISIONS

- 8.1 It is the intention of the parties hereto that this Agreement set forth policies and procedures that will contribute to the coordination of their mutual activities.
- 8.2 To ensure effective achievement of the terms and conditions of this Agreement, the University and the Trust officers and board representatives shall hold periodic meetings to foster and maintain productive relationships and to ensure open and continuing communications and alignment of priorities.
- 8.3 Provided the Trust has first executed this Agreement, this Agreement is effective upon its approval by the University's Board of Regents.
- 8.4 Either party may, upon 90 days prior written notice to the other, terminate this Agreement. Notwithstanding the forgoing, either party may terminate this Agreement in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.
- 8.5 Should the University choose to terminate this Agreement, the Trust may require the University to pay, within 180 days of written notice, all debt incurred by the Trust on the University's behalf including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives, unless the Trust continues to maintain sufficient assets and resources available to pay its debts or unless University payment of such debts is otherwise prohibited under law. Should the Trust choose to terminate this Agreement, the University may require the Trust to pay debt or obligations it holds on behalf of the Trust in like manner. Upon termination, the parties shall reasonably attempt to negotiate whether dissolution of the Trust is appropriate and how endowed funds and assets collected for the benefit of the University and controlled by the Trust should be handled thereafter.
- 8.6 Consistent with provisions appearing in the Trust's amended declaration of trust, should the Trust cease to exist or cease to be an Internal Revenue Code §501(c)(3) organization, the Trust will transfer its assets and property to the University, to a successor charitable trust or incorporated foundation, or to the state government for public purposes, in accordance with the law and donor intent.
- 8.7 This Agreement is solely entered into by and between the parties and cannot be assigned to another party without prior written approval from the non-assigning party.
- 8.8 This Agreement shall be enforced in accordance with the laws of the State of Texas. Venue for any disputes arising hereunder shall be in Wichita County, Texas.
- 8.9 This Agreement is subject to and shall be construed in accordance with the laws of the State of Texas. The invalidity or illegality of any provision in this Agreement shall not affect other terms or conditions of the Agreement.
- 8.10 Chapter 2260 of the Texas Government Code establishes a dispute resolution process for contracts involving goods, services and certain types of projects. If Chapter 2260 applies to this

Agreement, the parties must use the statutory dispute resolution process to attempt to resolve disputes arising under this Agreement.

- 8.11 This Agreement contains the entire agreement of the parties and no change or modification of this Agreement is binding unless in writing and signed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers to be effective as of the day and date first above written.

THE MSU CHARITABLE TRUST

MIDWESTERN STATE UNIVESITY

Mac Cannedy, Chairman

Shawn G. Hessing, Board of Regents' Chairman

Date: _____

Date: _____

ATTEST:

ATTEST:

Linda Wilson, Secretary

J. Kenneth Bryant, Secretary

Date: _____

Date: _____

Approved as to Form and Legal Sufficiency:

Barry L. Macha, General Counsel
Midwestern State University

Date: _____

**BOARD OF REGENTS
MEETING AGENDA**

**Board of Regents Meeting Agenda
November 13, 2015
9:00 a.m.**

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

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

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

Call to Order

Introduction of Visitors

Opening Comments

Public Comment

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

Reading and Approval of Minutes

16-34. Minutes of the regular Board of Regents meeting August 6, 2015, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 16-34.

Reading and Approval of Minutes

16-35. Minutes of the regular Board of Regents meeting August 7, 2015, will be recommended for approval as shown in the minutes' section of this agenda as Minutes Attachment 16-35.

Executive Committee Consent Agenda, Items and Report

Academic and Student Affairs Committee Consent Agenda, Items and Report

Finance Committee Consent Agenda, Items and Report

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

Presidential Performance and Compensation Review

16-36. MSU Policy 2.22 indicates that the president's performance should be evaluated during the first meeting of the calendar year. It will be recommended that the first evaluation of President Shipley be deferred until the May 2016 meeting of the board.

President's Report and Discussion

16-37. President Shipley and invited guests will present information concerning various university matters, including the following.

- A. Faculty Report - Dr. David Carlston, Faculty Senate Chairman, will provide information on behalf of the MSU Faculty Senate. Additionally, Dr. Ray Willis, Assistant Professor of Biology, will visit with the board regarding his teaching and research activities and interests.
- B. Staff Report – Ms. Reagan Foster, Staff Senate Chair, will provide information on behalf of the MSU Staff Senate. Additionally, Mr. Claudio Rodriguez, Sunwatcher Village Complex Coordinator, will visit with the board regarding his work in the area of Residence Life and Housing.
- C. Student Government Report – Mr. Jesse Brown, President of the MSU Student Government Association, will provide an update on student government activities.
- D. Athletics Report – Mr. Charlie Carr, Director of Athletics will present an update on athletics.
- E. President's Report – will include information regarding the following:
 - i. Expansion to New Student Populations
 - ii. Association of Governing Board (AGB) *Trusteeship* Article on Revenue Growth (see Attachment 16-37E).
 - iii. Inauguration and Commencement
 - iv. February Board Meeting and Board Retreat

Executive Session

16-38. The Board of Regents will convene in Executive Session as necessary to consider the matters permissible under Chapter 551 of the Texas Government Code, including the following.

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

Closing Comments

Adjournment

**BOARD OF REGENTS
MEETING AGENDA
ATTACHMENT**

\$TRESS TESTING:

How Can
You Ensure
Your
Institution's
**Fiscal
Health?**

BY STEPHEN G. PELLETIER



TAKEAWAYS

- 1 Challenging financial times underscore the need for colleges and universities to have a deep understanding of their fiscal health. But what measures are best to gauge an institution's financial position?
- 2 Existing metrics, including certain widely used ratios, offer essential baseline perspectives on critical factors.
- 3 Ultimately, institutions need to augment existing metrics with markers they develop themselves, tailored to their individual circumstances.

THESE DAYS, FINANCES AT MOST COLLEGES AND UNIVERSITIES are stretched nearly to the breaking point. By what markers and metrics can board members best gauge an institution's fiscal health?

Prior to Sweet Briar College's subsequent rebirth, its closing raised many questions, not the least of which was, "Couldn't we have seen the college's demise coming?" Or, to be more precise, aren't there markers of financial health that can tell us when an institution risks fiscal meltdown? Similar questions arose around the banking industry after the financial collapse of 2008. In response, federal legislators enacted regulations to make the workings of big banks more transparent.

While no one is clamoring for similar regulations in higher education, might colleges and universities draw lessons from the experience of the banking industry? In an era when many institutions must be especially diligent in working to maintain financial equilibrium, how can boards best assess financial viability and vitality in the institutions they serve?

In short, what forms of financial stress testing work in higher education?

Broad Metrics

In its official description as law, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which went into effect in 2012, seeks to “promote the financial stability of the United States by improving accountability and transparency in the financial system.” Toward that goal, Dodd-Frank introduced requirements that American banks undergo regular “stress tests” to assess their financial health.

While not tantamount to Dodd-Frank’s level of scrutiny, the federal government subjects colleges and universities to financial stress tests of sorts. Each year, the U.S. Department of Education assesses the “financial responsibility” of private and proprietary institutions based on its review of their audited financial statements. (Public institutions are assumed to have a governmental safety net and thus are exempted.) The department weighs factors like institutional debt, assets, and net income to derive an institutional composite score that it uses to help assess an institution’s suitability to participate in federal student-aid programs.

Institutions with composite scores below 1.5 are subject to inclusion on a federal list of colleges and universities whose financial situation the Department of Education monitors, again in the context of the awarding of federal student-aid funding. The latest roster, issued in July and listing 483 institutions, was dominated by more than 270 proprietary schools, colleges, and universities. But the list also included about 100 private, non-profit institutions. Public universities and a handful of foreign institutions rounded out the list.

In 2012, the National Association of Independent Colleges and Universi-

ties (NAICU)—in consultation with the National Association of College and Business Officers (NACUBO), the Council of Independent Colleges (CIC), and financial experts—issued a report critical of the government’s financial responsibility test. Among other criticisms, the report said government regulators misinterpret or miscalculate financial formulas and use outdated accounting definitions and standards. (After his institution was cited for having “failed” its financial-responsibility test for fiscal year 2008–09, then-Guilford College President Kent Chabotar wrote eloquently on the topic in the July/August 2011 issue of *Trusteeship*.)

A recent task force on federal regulation of higher education, convened by the American Council on Education at the request of a bipartisan group of U.S. senators, examined these issues as well. In a report issued in January 2015, the task force found that the department “has incorrectly interpreted and implemented the accounting definitions and standards used to calculate... financial responsibility” and “failed to follow the statutory requirement to consider the overall financial health of an institution” before failing institutions based solely on their composite scores. The task force called for better policies and more transparency around the test, as well as a provision that would allow institutions to submit additional evidence of their overall financial health.

Yet another marker that is often weighed as a measure of an institution’s financial condition is its credit worthiness, as assessed by such organizations as Moody’s, Standard & Poor’s, or the Fitch Ratings. Those can tell an important part of an institution’s financial story, but because not every college or university issues debt, institutions don’t necessarily have such a rating. Rating agencies are currently modifying their standards to ensure their continued relevancy.

Other Markers That Matter

Government ratios and independent credit ratings can add to an institution’s knowledge base about its financial health, but college and university leaders know that they need to take a deeper dive into their financial performance to reap

the kind of information that can drive informed strategy and decision making. Since the 1970s, many institutions have used financial ratios to better understand and interpret financial statements—a construct that was pioneered by KPMG and subsequently fine-tuned by the accounting/consulting giant and partners such as Prager McCarthy & Sealy. (KPMG ratios informed development of the Department of Education’s financial tests.)

Essentially, KPMG built off experience in business to establish key benchmarks to assess the financial health of colleges and universities. Those principles are documented in the seminal book *Strategic Financial Analysis for Higher Education* (Prager & Co.), now in its seventh edition, and most recently authored by KPMG, Prager, Sealy & Co., and the consulting firm Attain. Each edition of the book has reflected changes in economic and market conditions and has offered improvements and updates in the methodology.

To distill a rich set of markers and formulae to their barebones essence, the KPMG model focuses on four distinct inquiries:

- The *Primary Reserve Ratio* explores whether an institution’s resources are sufficient and flexible or liquid enough to support its mission.
- The *Net Operating Revenues Ratio* looks at whether operating results show that the institution is living within its available resources.
- The *Return on Net Position Ratio* examines how well the institution’s asset performance and management support its strategic direction.
- The *Viability Ratio* assesses how strategically the institution’s financial resources, including debt, are managed to advance the institution’s mission.

The four ratios are melded to produce the Composite Financial Index (CFI), a summary measure of an institution’s financial health. The CFI model is predicated on an assumption that institutional strategic planning, risk management, and financial analysis are all interrelated. As the introduction to the most recent edition of *Strategic Financial Analysis for Higher Education* states, “The alignment of stra-

regie financial goals with actions and risk assessment will improve strategic decision making and chances of institutional success.... The mission, as articulated in the strategic plan, is the institutional driver; financial capacity and affordability measure the feasibility of the institution's aspirations."

On the plus side, the KPMG approach to financial ratio analysis proffers important tools proven to help colleges and universities conduct their own version of financial stress testing. Overall, the methodology's intentionality about linking finances, strategy, and risk assessment creates a powerful lens for viewing institutional health. Shedding considerable light on an institution's resources, financial-ratio analyses help institutions measure performance against strategic goals. The ratios and composite index form a robust framework through which institutions can assess their overall financial standing, risks, and operating efficiency. The data enable institutions to plumb critical questions, such as how liquid their resources are and how well they are using and managing debt. The tools help institutions identify problem areas that need attention and can suggest avenues for improving financial practices. Moreover, the ratios lend themselves to at-a-glance, dashboard reporting, and to presenting complex information in ways that may be more accessible to users not intimately familiar with spreadsheets and more technical presentations of financial data.

Experts are quick also to note the limits of financial-ratio analysis. The ratios shine light on financial statements, but they cannot substitute for deep understanding of the statements themselves. Similarly, the ratios tell only part of an institution's story—institutions need a deeper analysis that includes both qualitative and quantitative assessment. Decisions should not be made based on ratios alone, experts say, but rather should also reflect qualitative evaluations. Looking at data over too short a timeframe might suggest false trends. In addition, colleges and universities that benchmark their ratios with peer institutions need to be very careful to ensure that such comparisons are truly apples-to-apples, as it were.

Additional Factors

While the KPMG framework can provide a certain level of assessment of an institution's fiscal position, experts say those reviews alone do not provide enough detail to fully test financial strength. Rather, they say, every institution needs to also factor in circumstances that are not fully reflected in the ratios. Key markers might include an institution's net assets, the tuition discount rate, and spending of the endowment. Overall, colleges and universities need more robust, comprehensive, but nuanced analytical tools to evaluate these and other critical factors as a means to assess an institution's fiscal vitality. And each institution needs to shape its own markers, tailored to its unique circumstances. For example, an institution might have a sound and strategic reason for a temporary decline in its net assets.

AGB board member Verne O. Sedlacek, a visiting fellow at the M.J. Murdock Charitable Trust, retired as president and CEO of Commonfund in 2015. Earlier he served as president of John W. Henry & Company, Inc., a large alternative investment manager, and as executive vice president and chief financial officer for the Harvard Management Company. Sedlacek says that while models like KPMG's ratios are helpful as a start in assessing an institution's financial health, "every institution is going to be different in terms of its sensitivity to revenues and expenses." Accordingly, he says, financial reviews should look at the distinct circumstances of a given institution. "It can't be done generically. It needs to be done on an institution-by-institution basis," he says. "You have to be able to drill down into individual institutional cash flow." As part of governance, Sedlacek says boards should spend a portion of their meetings talking about different assessments of institutional fiscal health and their impacts and then use that information to "see if there's anything you can do to ameliorate some of the stresses."

"Just having an index score doesn't tell you much," says Michael Townsley, a con-

sultant with Stevens Strategy and former president of the Pennsylvania Institute of Technology. "To really understand what's going on, you need to take those ratios and break them apart, then watch the trends that emerge and manage those."

Townsley, the author of *The Small College Guide to Financial Health: Beating the Odds* (NACUBO, 2009), says that "there are certain other variables that are also predictive of whether an institution is having problems." Trends in new student enrollment are one such marker, he posits, along with graduation rates, student-loan default rates, and student attrition. Other potential financial stressors, he says, are the institution's cash position, uncollected receivables, and, of course, the flow of gifts and grants.

At smaller colleges and universities, for example, Townsley says the balance of financial health could be shifted by loss of cash reserves, significant increases in uncollected receivables, and a tougher federal response to an institution identified as being in a weak financial position. Changes in student demographic trends—such as shrinking pools of 18- to 22-year-olds in some regions—can also be financial game-changers. "You'd better know why students aren't choosing you," he says.

"A metric that I don't think people track very well and should is cash flow out of operations," Townsley says. "In higher education, there are three cash flows to be concerned with. One is the money that comes out of operations, or net income adjusted for receivables. The two others are cash flow from financing activities and from investment activities. If you look at a lot of institutions, you'll discover that there is no cash flow, or there is in fact a negative cash flow out of operations. And the institution is being supported by things like one-time sales of investments or new bonds or additional borrowing for cash or things like that. If an institution isn't generating sufficient cash and is depending upon these other sources to fund itself, it is in a weak position."



Another pertinent question, Townsley says, is to assess the extent to which net tuition revenue, after discounting, covers institutional expenses. Overall, he says, a decade ago, in many institutions, such revenue would routinely cover the costs of instruction, academic affairs, and student services. But now, he says, "it's down to the point where in most institutions it is just barely covering instruction and some academic affairs expenses. So that coverage is an important factor." Townsley's proposed strategies for institutional health also include refining the strategic plan as needed, finding new ways to compete in the existing market, targeting new markets, honing the institution's programmatic array, cutting costs, and partnering with other institutions to realize efficiencies.

For long-term institutional financial sustainability, Townsley points to a model of economic equilibrium first developed by Richard Cyert, who was president of Carnegie Mellon University from 1972 to 1990. Cyert's model is predicated on an institution having sufficient quality and quantity of resources to fulfill its mission, sustain its purchasing power, and maintain its facilities.

Among other factors, the concept of equilibrium weighs net income, what an institution has to do to make up any deficits, how many new students it might need from a financial perspective, the extent of borrowing, and cash flow. "The neat thing about equilibrium," Townsley says, "is that you can look at current conditions, but you can also apply that to future conditions, to see if things are going to change based on the information that you have about the institution."

Another expert says college price and competition for students go hand in hand as bellwethers that institutions and their boards—particularly at private institutions—need to monitor closely. "Consumers are becoming very cost-conscious, and private universities are having to fight harder for the same number of students," says Richard A. Beyer, a former college president and board chair whose background also includes successful stints as a technology CEO and senior operating executive of a \$1-billion public company.

"And so issues of cost—and when I say cost, I mean price from the consumer standpoint—become really important. That puts stress on institutions to either adjust their price, lower costs, or come up with innovative ways to deliver education at a more affordable price."

Beyer, who was formerly on the AGB board, emphasizes that it's not enough to just assess an institution's financial information. Beyond that exercise, an institution needs to act strategically on the intelligence it gleanes. "Understanding the financial model is critically important," he says. Noting that many institutions are cutting costs, Beyer says that "there's a big difference between cutting costs and lowering costs. Cutting costs is actually very temporary—often times it is basically what might be called 'death by a thousand cuts.'"

In that vein, Beyer says smaller colleges and universities might, for example, rely on trimming salaries or 403(b) contributions as cuts of last resort to meet short-term financial pressures. "But, if you are having to cut costs like that just to make your numbers, then from a modeling perspective, one might look at that and say that even though you have been able to meet your budget, the way that you did it isn't necessarily sustainable on a long-term basis," he notes. "So I think one of the things that small colleges need to look at is how they can lower their costs as opposed to just cutting costs. Lowering costs has much more permanency to it."

Beyer suggests that a crucial question is: "How can an institution deliver its product differently in ways that might result in lower costs and perhaps higher marginal contributions, but also a lower price from the consumer standpoint?"

He notes, "That really takes innovation. I think one of the big opportunities—it's either going to be an opportunity or a challenge—will be how do colleges become much more entrepreneurial and innovative in how they address the challenges facing higher education as opposed to just simply cutting costs."

Getting Granular

Michael J. Cooney, a partner in the law firm Nixon Peabody, where he directs the firm's focus on higher education and

exempt organizations, says, "I've seen boards go from looking at their financial statements to, for example, looking at what the rating agencies say about them. But from a stress testing perspective, I don't think that's enough. They should look at trend lines particular to their institution and then at their peer group or groups." It is a question, he says, of an institution scrutinizing its data at a more granular level than ratios may suggest, in ways that reflect the broader factors that affect the market in which it competes.

"Because this is a strategic issue, not just a financial one, the entire board, and not just the finance committee, needs to have an understanding of a number of different elements and the trends related to those elements," Cooney says. "Board members should identify all of the relevant metrics and keep a very close eye on them moving forward, because they will greatly inform their decision making."

He suggests that such metrics might include evolution in the student populations the institution seeks to recruit, and, of course, nitty-gritty attention to what students are paying, how much the institution is discounting tuition, and what levels of net revenue it is realizing. Other markers, he says, might be market penetration in terms of admissions, how fully an institution uses its facilities, and ROI on particular programs.

Moreover, Cooney says, "There absolutely does need to be a continuous review of programs as to which ones are really relevant from the financial efficacy perspective." Regarding capital financing, he says boards need to ask, "What are we building, and why?"

Cooney further urges institutions to assess their financial condition over a sufficiently long period of time. "Looking at any one year can really be very misleading, because even with perfectly clean opinions about the financials, that may not fully indicate what's going on in the market for the institution," he says. Cooney also argues that institutions need to take the long view: "Twenty years ago we could sit back and look at maybe a five-year period of time year-by-year and have confidence that things wouldn't be much different. But the rate of change in the industry is

Sample Metrics and Markers

When thinking about metrics for assessing financial stress in colleges and universities, perhaps the most salient truth is that no one size fits all. That is, if it wants the most value from financial stress testing, an institution has to develop its own set of measures for tracking its financial health, based on its own distinct circumstances, financial conditions, market forces, and mission.

Within that context, institutions and their boards will likely want to take a deep dive into a number of broad buckets, including many of the following:

- Trends in enrollment, tuition rates, tuition discounting and financial aid, and net income from tuition
- Institutional resource allocation, budgeting, spending, and cash flow
- Endowment assets, payouts, restrictions, and liquidity
- Institutional debt, strategic use of debt
- Goals and execution of fundraising strategies
- Liquidity of assets overall and related risks
- The institution's credit rating
- Program productivity and efficiencies, cost of education
- Short- and long-term capital need, merits and risks of capital investments
- Spending on faculty and staff, energy, technology, and investments
- Revenue streams from research support and associated expenses and risks
- Financial risk management, enterprise risk management, financial risk capacity and tolerance
- Institutional financial trend lines compared to peer institutions
- Facilities usage, physical plant deferred maintenance
- Financial implications of federal and state legislative policies and regulations
- Opportunities for new revenue streams and partnerships
- Transparency and integrity of financial reporting, quality of internal financial analysis and reporting
- Market factors, competitive advantages/disadvantages, demographic trends

increasing, as it is across most industries. It's just shocking to see how quickly things change."

Assessing an institution's endowment requires its own finesse. Sedlacek, who has spent the bulk of his career managing investments, says that the crash of 2008 was instructive in that it showed how interrelated institutional revenues are. That's something he suggests board members need to pay attention to. For example, he says, student enrollment, discount rates, state support, the flow of philanthropic gifts, and the value of appreciated property are "highly correlated to markets." The implication? Board members need to consider discussion about the endowment in the larger context of all institutional revenues.

While this article focuses on the vagaries of the enrollment-driven budget structures, where instruction is the main cost, institutions that have significant research components must review a different set of budgetary concerns having to do with the flow of revenue through grants as well as regulatory restrictions, risk, and a complex array of other considerations that will not

be considered here. Boards at research-intensive institutions must, of course, orient themselves to weigh those complex factors as part of the distinct version of financial stress testing that their universities must undertake.

No Perfect Answer

"To me, the board's focus should be on working with the administration to do a full stress test of the entire operations of the institution," Sedlacek says. But he offers this caution: "In any risk analysis, we tend to make perfect the enemy of good. But there is no perfect answer." Managing risk, he says, "is much more of an art than a science."

Results from financial stress testing offer insights for institutions willing to act decisively. Beyer says that those that have been focused narrowly on where to pinch pennies need to take a bigger-picture look at their finances. Whether ideas come from the administration, faculty, board, or other stakeholders, "there's great imagination on campus" that can offer new solutions to persistent problems, he says. The trick, he believes, is to "allow that

imagination to flourish and enable the institution to address challenges through a different lens, one of prosperity versus disparity."

Beyer continues, "A lot of innovation is going on outside the campus walls." Whether the focus is blended learning, new curricular offerings, online learning, competency-based learning, or any of a number of other areas where education is evolving, "the likelihood of partnering with third parties to implement new models will probably be more of the norm, versus institutions trying to do it themselves."

"Trustees as a group need to be educated and to understand and be willing to look at the metrics of success for their institutions somewhat differently," Cooney says. "Boards should be continually inquisitive as to how things may be different tomorrow and how we need to measure these factors. Then, they need to be prospective in their thinking about where their institutions are going to be in three, five, or 10 years. The stronger ones will be those that, in reaction to a particular event or proposal or situation, have the ability to say, 'We've been thinking about this for a number of years now, and we have a pretty good sense as to what we need to do. Or what we need to avoid.'"

Ultimately, Cooney suggests, helping the institutions they serve pass their financial stress tests—and position themselves for a stronger financial future—is "an essential element in preserving what for the United States has been an industry at the very top, worldwide." Noting that "We are the envy of the world in terms of our colleges and universities," Cooney says that boards "all have a collective responsibility that we do this right." ■

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SHIP LINKS: Scott D. Pattison, "The Bond Rating: A Financial Oversight Tool for Boards," September/October 2014. Kent Chabotar, "Will Your Institution Pass the Financial Responsibility Test?" July/August 2011.

OTHER RESOURCES: Natalie Krawitz, *The Board's Role in Financial Oversight* (AGB Press, 2015).

MINUTES

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Executive Committee
August 6, 2015**

The Executive Committee of the Board of Regents, Midwestern State University, met in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:00 p.m., Thursday, August 6, 2015. Executive Committee members in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; and Ms. Tiffany Burks, Member-at-Large. Other regents attending the meeting were Mr. Caven Crosnoe, Dr. Lynwood Givens, Mr. Jeff Gregg, Ms. Nancy Marks, and Student Regent Megan Piehler.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Faculty Senate Secretary; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*. Attending the first portion of the meeting were Mr. Mike Trammell, Vice President, Buford-Thompson Company (BTC), and Mr. Joe Stramberg with Treanor Architects.

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

Reading and Approval of Minutes

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

Student Housing Project

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

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

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

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

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

Campus Master Plan and Construction Update

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

Wichita Falls Museum of Art at Midwestern State University Advisory Board

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

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

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

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

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

Adjournment

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

Reviewed for submission:



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

ATTACHMENTS:

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



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

July 29, 2015

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

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

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

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

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

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

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

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

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

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

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

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

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

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

New Residence Hall Financing

As of August 6, 2015

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

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

DALQUEST DESERT RESEARCH STATION

Marfa,

Texas





WFMA
 Western Piedmont Museum of Art
 at Western State University
 300 West Third Street, Asheville, NC 28801

PAVILION ADDITION

Burke, Young, Stone & Fisher
 ARCHITECTS

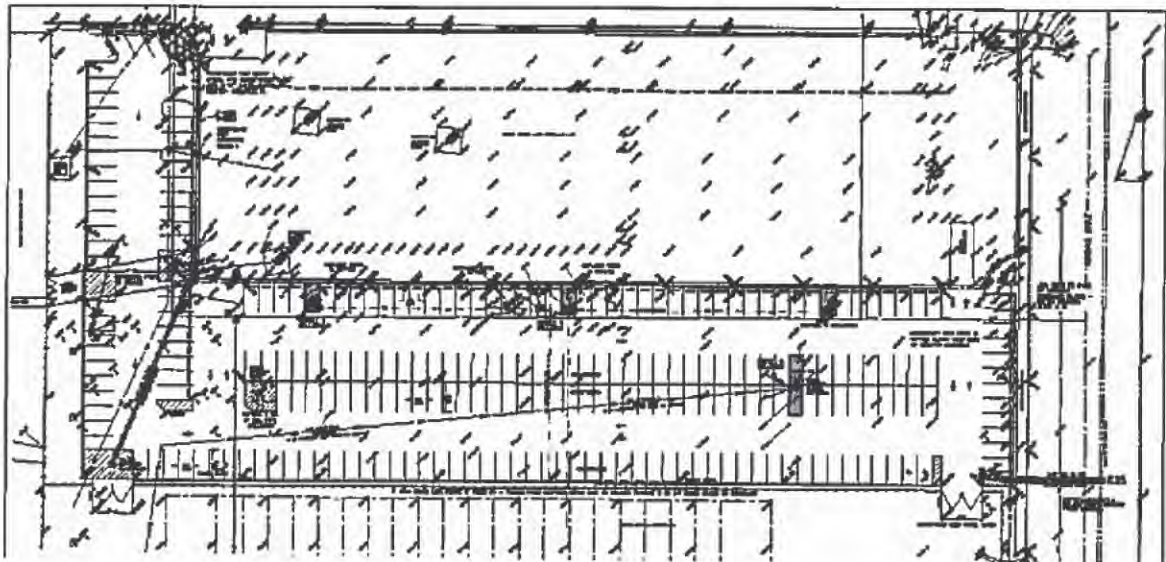


STUDENT HOUSING PROJECT





PARKING LOT 6S EXPANSION





MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Academic and Student Affairs Committee
August 6, 2015

The Academic and Student Affairs Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:15 p.m., Thursday, August 6, 2015. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman; Mr. Kenny Bryant; and Ms. Tiffany Burks. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Shawn Hessing, Ms. Nancy Marks, and Student Regent Megan Piehler.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Reading and Approval of Minutes

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

Faculty Report

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

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

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

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

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

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

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

Staff Report

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

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

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

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

Student Government Report

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

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

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

Athletics Report

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

Dr. Givens thanked Mr. Carr for his report.

Enrollment Report – Summer 2015

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

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

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

August 2015 Graduating Class

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

Realignment of Academic Departments

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

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

MSU Policies and Procedures Manual Changes

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

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

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

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

There being no further discussion the motion was approved.

Tenure

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

Recess

The committee went into recess at 3:00 p.m. The committee reconvened at 4:27 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by Texas Government Code Chapter 551, Sections 072 and 074 to consider Items 15-172 (Real Property), 15-188 (Tenure), and 15-197 (FY 16 Budget Approval). The closed session began at 4:27 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Ms. Piehler, Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, Mr. Macha and Ms. Barrow remained for all of the discussion. Mr. Owen remained for the discussion of item 15-172 only and left the closed session at 4:46 p.m.

Open Meeting Resumes

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

Tenure

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

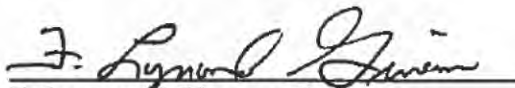
Margaret Brown Marsden, Ph.D.	Biological Science
Raj Desai, DIT	Industrial Technology

Mr. Bryant seconded the motion and it was approved.

Adjournment

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

Reviewed for submission:



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

ATTACHMENT:

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

A Purpose to Serve



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

mwsu.edu

Choosing MSU



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



The Balancing Act

- Research Agenda



- Student Connections

- EURECA



- Community Collaborations



A Sum of All Things



EEO Class 1 – Officials and Administrators

Mark McClendon – 2nd Term

Clara Latham – 1st Term

EEO Class 3 – Non-faculty Professional

Reagan Foster – 4th Term

Linda Knox – 2nd Term

Angie Reay – 3rd Term

Newman Wong – 2nd Term

Jim Hall – 2nd Term

EEO Class 4 – Administrative Support

Sue Witherspoon – 4th Term

Sheila Barrett – 2nd Term

Jesika Fisher – 3rd Term

Johnna Weigand – 1st Term

EEO Class 5 – Technicians and Paraprofessionals

Jesse Johnson – 1st Term

EEO Class 6 – Skilled Craft Workers

Kim Forbess – 1st Term

EEO Class 7 – Service and Maintenance

Shane Black – 2nd Term

Robert Entrekin – 1st Term

Vinita Bohnenkamp – 2nd Term

Enrollment Reports

Summer I 2015

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

Summer II 2015

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

Semester Credit Hours	16,165	15,521
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**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Finance Committee
August 6, 2015**

The Finance Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 3:00 p.m., Thursday, August 6, 2015. Committee members in attendance were Mr. Mike Bernhardt, Chairman; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; and Mr. Jeff Gregg. Other regents attending the meeting were Mr. Kenny Bryant, Ms. Tiffany Burks, Mr. Shawn Hessing, Ms. Nancy Marks, and Student Regent Megan Piehler.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Additional university personnel attending the meeting were Dr. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Chairman Bernhardt called the meeting to order at 3:00 p.m.

Reading and Approval of Minutes

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

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

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

15-190. Mr. Bernhardt noted that this report was presented in the agenda and he mentioned some of the major gifts received since the last meeting of the board.

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

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

Mr. Bernhardt expressed appreciation for the outstanding support received from the community, alumni, and friends. Mr. Bernhardt reminded regents that a list of donors was in each regents' folder and he encouraged board members to write thank you notes to the individuals they were assigned.

Report on Texas Public Investment Act Changes

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

Financial Reports

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

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

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

Investment Report

15-193. Mr. Bernhardt noted that the board had received a report on the Texas A&M University System (TAMUS) investments earlier in the meeting. Additionally, the third quarter FY 2015 investment report was presented in the agenda. Dr. Fowlé stated that this report was provided to the board as required by the Public Funds Investment Act (PFIA). The report showed that at the end of May the university held \$36.4 million in cash investments. The TAMUS held \$25.7 million of those funds which earned approximately \$196,000 in interest and dividends during the quarter. The institution held \$1 million in Texpool and Logic and \$2 million in a Wells Fargo Money Market account. She noted that these were all short-term overnight investment vehicles. The balance of the funds totaling \$2.2 million was held in securities purchased before the institution contracted with the TAMUS. She reported that the agency notes were showing losses, which is the reason they had not yet been sold. Dr. Fowlé noted that on the cash holdings MSU had yielded between 2.16% and 2.99% each month, compared to the 12 basis points earned through Texpool and Logic.

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

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

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

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

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

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

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

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

University Accounts/Signature Authorizations

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

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

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

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

Fiscal Year 2016 Budget Approval

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

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

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

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

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

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

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

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

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

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

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

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

Recess

The committee meeting recessed at 4:15 p.m. The committee reconvened at 4:27 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by Texas Government Code Chapter 551, Sections 072 and 074 to consider Items 15-172 (Real Property), 15-188 (Tenure), and 15-197 (FY 16 Budget Approval). The closed session began at 4:27 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr.

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

Open Meeting Resumes

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

Fiscal Year 2016 Budget Approval

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

Adjournment

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

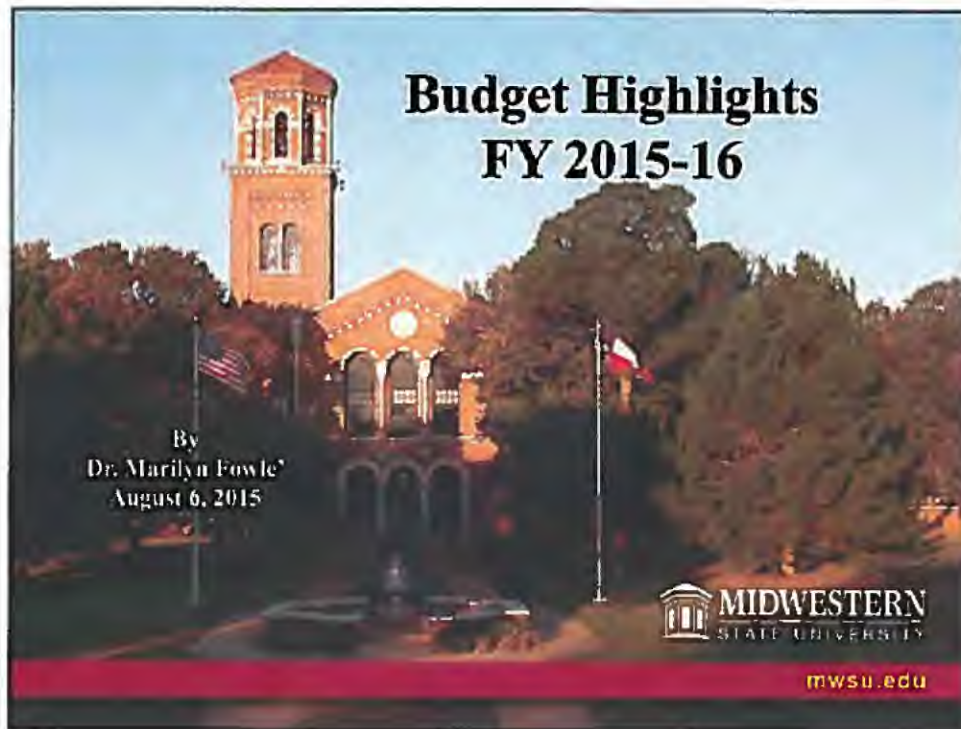
Reviewed for submission:

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

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

ATTACHMENT:

1. FY 16 Budget Presentation

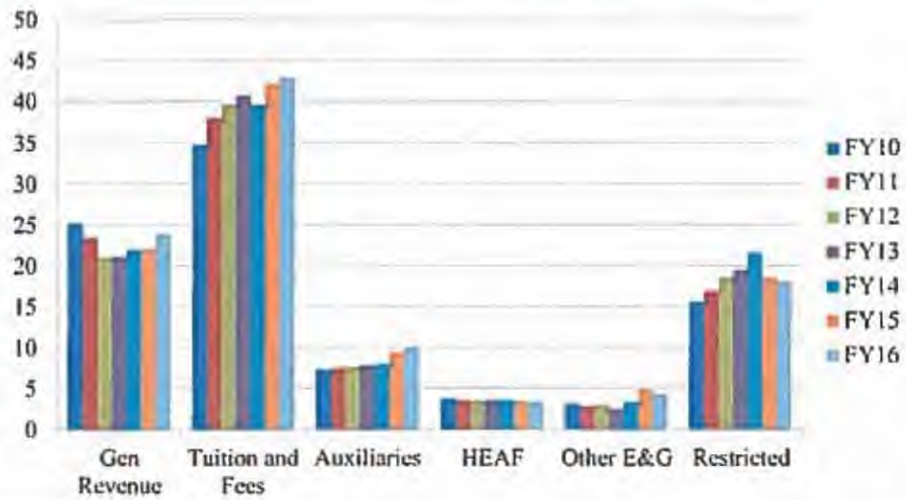


Recommended Budget

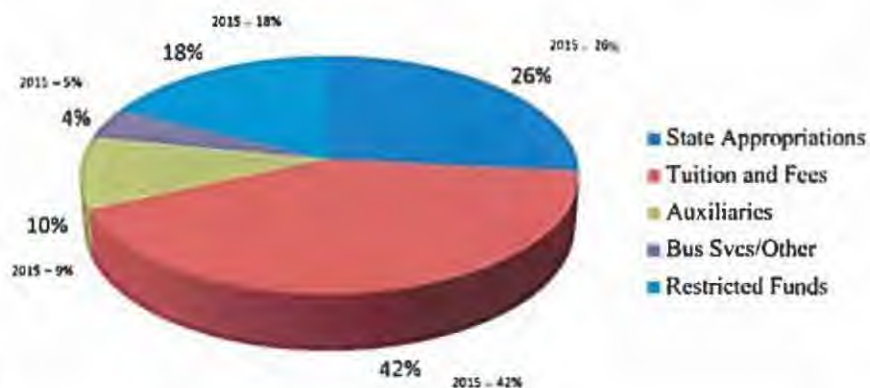


- Total proposed \$103,352,620
- Assuming 5,875 fall enrollment
- Significant investment in faculty and staff – salaries and benefits make up over one-half of the proposed budget
- With the exception of four one-time items totaling \$312,000, this is a balanced budget.

Budgeted Sources of Funds In \$Millions

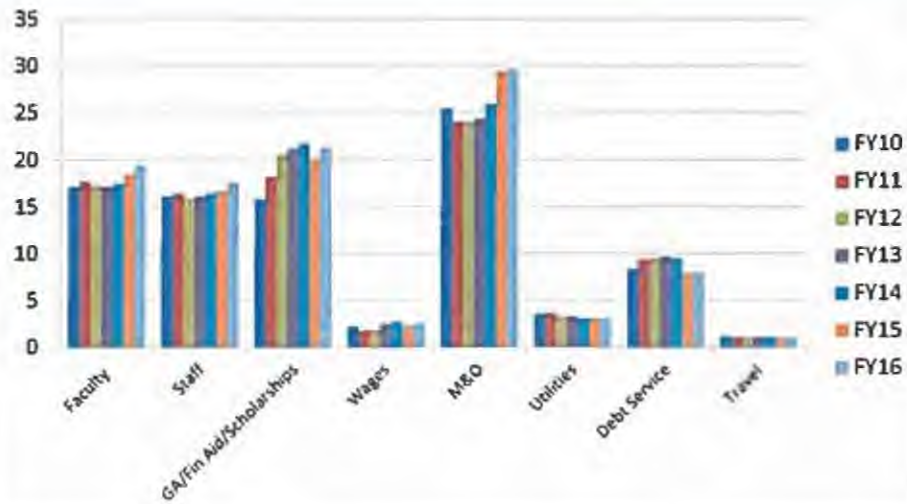


FY 16 Budgeted Sources of Funds



Budgeted Uses of Funds

In \$Millions



FY 16 Budgeted Uses of Funds



FY16 Investments



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

FY16 One-time Investments



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

HEAF Allocation



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

FTE Increases - 13



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

Analysis of MSU Reserves

Estimated fund balances at August 31, 2016

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



**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Audit, Compliance, and Management Review Committee
August 6, 2015**

The Audit, Compliance, and Management Review Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 4:15 p.m., Thursday, August 6, 2015. Committee members in attendance were Ms. Tiffany Burks, Acting Chair; Mr. Jeff Gregg; and Ms. Nancy Marks. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. Kenny Bryant, Mr. R. Caven Crosnoe, Dr. Lynwood Givens, Mr. Shawn Hessing, and Student Regent Megan Piehler.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

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

Reading and Approval of Minutes

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

Audit Activities

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

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

Adjournment

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

Reviewed for submission:



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

ATTACHMENT:

1. Update on Internal Audit and Compliance



Office of the Internal Auditor
3410 Taft Boulevard Wichita Falls, Texas 76305-2099
o 940.397.4914 f 940.397.4037

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

During 2015, internal audit has focused on the following:

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

Current Priorities:

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

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
August 6, 2015**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room of the Hardin Administration Building at 1:30 p.m., August 6, 2015. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; and Student Regent Megan Piehler.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; Mr. Kyle Owen, Associate Vice President for Facilities Services; Mr. Matthew Park, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Dr. Jeremy Duff, Secretary of the Faculty Senate; Dr. Stacia Miller, Assistant Professor of Education; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Gayonne Beavers, Director of Admissions; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, *Wichita Falls Times Record News*. Also attending the meeting were Mr. Mike Trammell, Vice President, Buford-Thompson Company (BTC), and Mr. Joe Stramberg with Treanor Architects. Attending the first portion of the meeting was Mr. Kevin McGinnis, Executive Director of Risk Management and Benefits, Texas A&M University System.

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

Opening Comments

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

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

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

He reminded the meeting attendees that the meeting was being streamed live on the internet. All individuals were asked to silence their cell phones. He asked individuals who would be making presentations or discussing items with the board to sit or stand at the end of the board table so that they could be heard.

Public Comment

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

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

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

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

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

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

Modification of Midwestern State University Organization Chart

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

Discussion of Higher Education Issues

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

MSU Priorities

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

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

Board Resolutions

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

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

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

Recess

The meeting recessed at 2:00 p.m. The committee reconvened at 4:27 p.m.

Executive Session

Mr. Hessing announced that the Board of Regents would go into closed session as allowed by Texas Government Code Chapter 551, Sections 072 and 074 to consider Items 15-172 (Real Property), 15-188 (Tenure), and 15-197 (FY 16 Budget Approval). The closed session began at 4:27 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks, Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Ms. Piehler, Dr. Rogers, Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, Mr. Macha, and Ms. Barrow remained for all of the discussion. Mr. Owen remained for the discussion of item 15-172 only and left the closed session at 4:46 p.m.

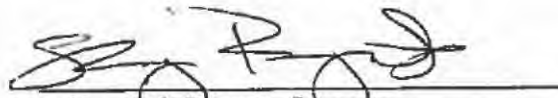
Open Meeting Resumes

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

Adjournment

The committee of the whole meeting adjourned at 4:55 p.m. with no additional action taken.

Reviewed for submission:


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

ATTACHMENT

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

Midwestern State University Investment Overview

August 5, 2015



Kevin McGinnis
Executive Director, Risk Management

The Texas A&M University System

Cash Concentration Pool

Investment Objective

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

Performance Periods Ended June 30, 2015

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



The Texas A&M University System

Cash Concentration Pool

Asset Allocation

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



The Texas A&M University System

Cash Concentration Pool

Midwestern State – Operating Funds

October 1, 2013 to June 30, 2015

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

* Interest, dividends and realized gains, less fees



The Texas A&M University System

System Endowment Fund

Investment Objectives

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

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

Performance Periods Ended June 30, 2015

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

The Texas A&M University System



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The Texas A&M University System

System Endowment Fund

Asset Allocation

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

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

The Texas A&M University System



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The Texas A&M University System

System Endowment Fund

Midwestern State Endowment Accounts

May 31, 2015

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

The Texas A&M University System



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The Texas A&M University System

System Endowment Fund

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

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

The Texas A&M University System

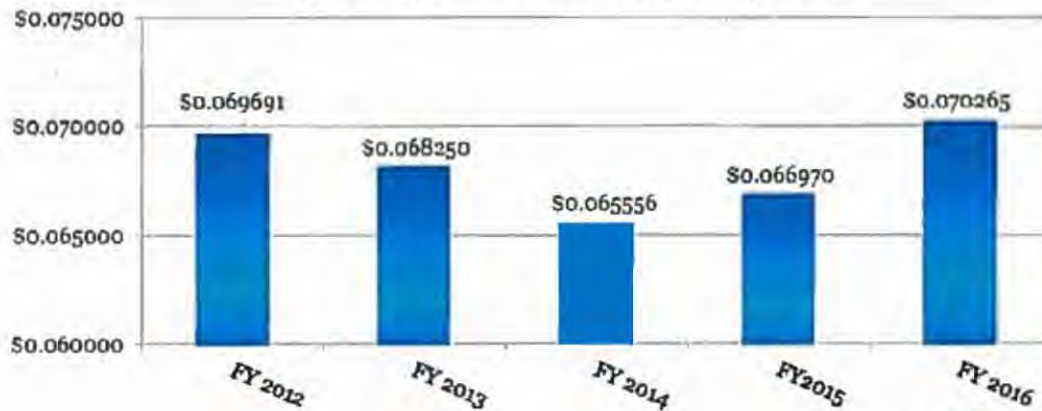


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The Texas A&M University System

System Endowment Fund

Quarterly Endowment Spending Rate



The Texas A&M University System



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The Texas A&M University System

Investment Pool Comparison

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

CCP Objectives:

- Grow corpus
- Meet operating needs
- Preserve capital

SEF Objectives:

- Dependable payout
- Increase fund value

The Texas A&M University System



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MIDWESTERN STATE UNIVERSITY RESOLUTION OF APPRECIATION

August 6, 2015

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

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

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

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

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

Shawn Hessing, Chairman

Tiffany Burks

Michael Bernhardt, Vice Chairman

R. Caven Crosnoe

J. Kenneth Bryant, Secretary

F. Lynwood Givens

Jeff Gregg

Nancy Marks

Samuel M. Sanchez

Megan Piehler, Student Regent

Jesse W. Rogers, President

MIDWESTERN STATE UNIVERSITY
RESOLUTION OF APPRECIATION

August 6, 2015

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

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

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

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

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

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

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

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

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


Shawn Hessing, Chairman


Michael Bernhardt, Vice Chairman


J. Kenneth Bryant, Secretary


Tiffany Burks

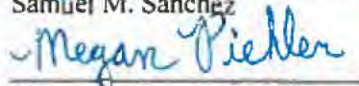

R. Caven Crosnoe


F. Lynwood Givens


Jeff Gregg


Nancy Marks


Samuel M. Sanchez


Megan Piehler, Student Regent



**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
August 7, 2015**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Friday, August 7, 2015. Regents in attendance were Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; and Student Regent Megan Piehler.

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

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

Opening Comments

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

Public Comment

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

Reading and Approval of Minutes

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

Executive Committee Report

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

Item Presented for Committee Approval Only

15-174. Committee Minutes

Items Presented for Information Only

15-175. Campus Master Plan and Construction Update

15-176. Student Housing Project

Executive Committee Consent Agenda

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

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

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

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

Academic and Student Affairs Committee Report

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

Item Presented for Committee Approval Only

15-179. Committee Minutes

Items Presented for Information Only

15-180. Faculty Report

15-181. Staff Report

15-182. Student Government Report

15-183. Athletics Report

15-184. Enrollment Reports – Summer 2015

Academic and Student Affairs Committee Consent Agenda

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

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

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

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

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

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

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

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

Finance Committee Report

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

Item Presented for Committee Approval Only

15-189. Committee Minutes

Item Presented for Information Only

15-190. Summary of Financial Support

15-191. Report on Texas Public Investment Act Changes

Finance Committee Consent Agenda

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

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

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

Audit, Compliance, and Management Review Committee Report

Mrs. Burks noted the items presented at the Audit, Compliance, and Management Review Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held August 7, 2015

Item Presented for Committee Approval Only

15-198. Committee Minutes

Item Presented for Information Only

15-199. Audit Activities and Audit Plan

Other Business

Board of Regents Meeting Dates – 2015-2016

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

President's Report and Discussion

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

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

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

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

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

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

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

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

Adjournment

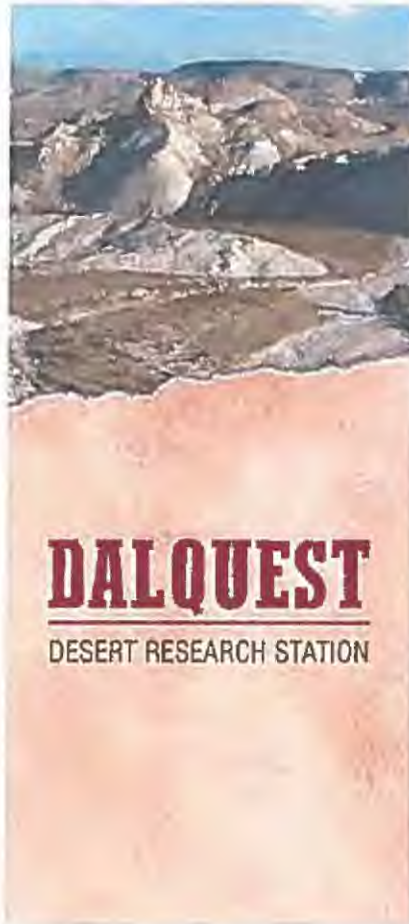
Mr. Bernhardt noted that the next regular board meetings would be held November 12 and 13. There being no further business, the meeting was adjourned at 9:42 a.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting August 7, 2015.


J. Kenneth Bryant, Secretary

ATTACHMENTS:

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



Media Day

July 1, 2015



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

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

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





Celebrated the completion of the
Joe B. Hood Research Laboratory



Visited the site and
toured the new
research laboratory





Dick Bundy



**Dee and
Glen
Perkins**



**Learned about the design and
construction of the field station**



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





ABOUT WALTER DALQUEST

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

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



DONORS

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

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

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



DALQUEST

DESERT RESEARCH STATION

 **MIDWESTERN** STATE UNIVERSITY
Dalquest Desert Research Station
College of Science and Mathematics
940-397-4163
mwsu.edu/academics/scienceandmath/ddrs





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

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

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

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

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

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

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

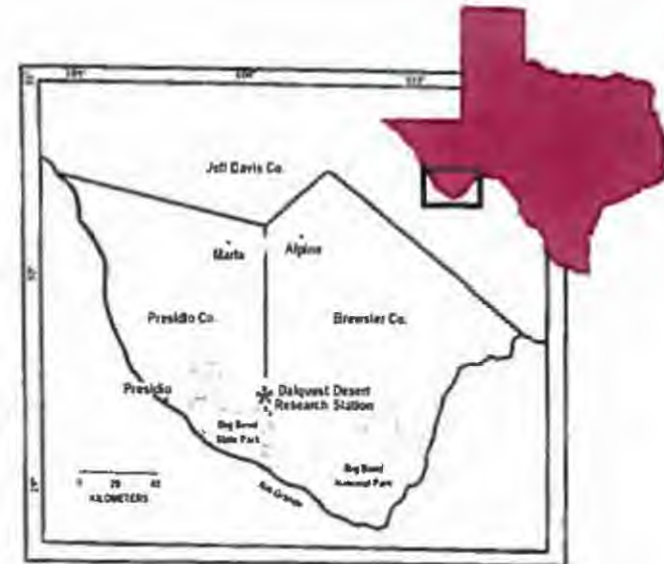
FACTS ABOUT THE DALQUEST DESERT RESEARCH STATION

THE LAND

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

UTILITY BUILDING

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



RESEARCH LABORATORY BUILDING

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



FROM THE EXPERTS IN THE FIELD

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

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

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

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

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

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

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

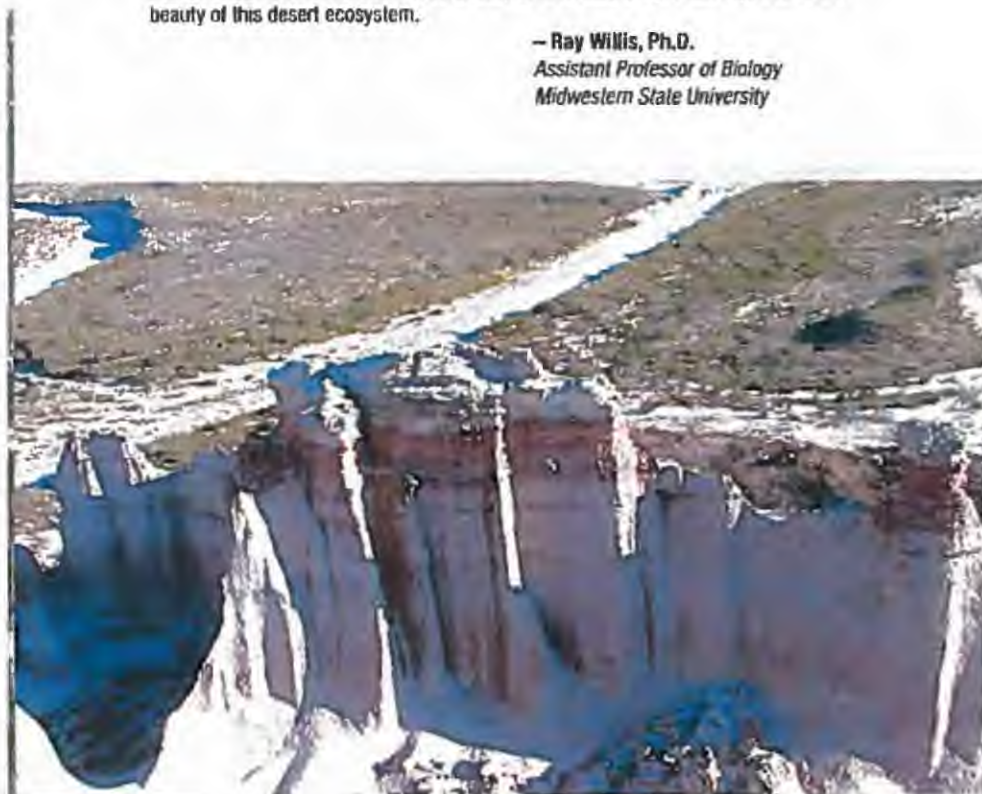
The Dalquest Desert Research Station was one of the most challenging design expeditions I have undertaken in over 40 years as a practicing architect. In collaboration with local contractor Glen Perkins of Alpine, we successfully designed and constructed a sustainable field station that lightly rests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

— Dick Bundy, FAIA
Principal, Design Architect

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

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

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



ABOUT THE ARCHITECT

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

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

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

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

ABOUT THE BUILDER

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



ABOUT WALTER DALQUEST

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