MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Executive Committee
February 11, 2016

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 1:40 p.m., Thursday, February 11, 2016. 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 (via teleconference). Other regents attending the meeting were Mr. Caven Crosnoe, Dr. Lynwood Givens, Mr. Jeff Gregg, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Megan Piehler.

Administrative staff members present included Dr. Suzanne Shipley, 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. Bob Clark, Vice President for Administration & Institutional Effectiveness; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Mr. Kyle Owen, Associate Vice President for Facilities Services. Other university personnel attending the meeting included Dr. David Carlston, Chairman of the Faculty Senate; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Chris Stovall, Controller; Dr. Martin Camacho, Dean, Fain College of Fine Arts; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) was Mr. Jesse Brown, SGA President. Representing the news media were Ms. Lana Sweeten-Shults, Wichita Falls Times Record News, and Mr. Matt McCulloch and Mr. Jeremy Garza, KFDX-TV 3.

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

Reading and Approval of Minutes
16-46. The Executive Committee approved the minutes of the November 12, 2015, meeting as presented.

Campus Construction Updates
16-47. Mr. Hessing reported that the agenda included project status reports and a report on smaller construction projects. Mr. Owen presented photographs of current projects as shown in Attachment 1. This information related to the progress of the student housing project, the new turf on the softball field, and Clark Student Center upgrades and repairs that were done during the winter holiday. Mr. Sanchez asked if the residence hall project was on schedule. Mr. Owen responded that parts of the project were ahead and a portion was behind, but that the project as a whole was approximately one week behind schedule. He noted that the project would likely be on schedule once it is in the dry.

Mr. Hessing commented that this item was presented for information only and no action was necessary.
Allowance on Capital Project Budgets
16-48. Mr. Hessing noted that this item was a discussion of possibly policy options related to construction project budgets. He asked Dr. Fowlé to begin the discussion. Dr. Fowlé reported that several universities and university systems had policies that allow the president to approve supplemental funding for construction projects by a certain percentage, provided a source of funds is identified. She noted that these policies generally provide a 10% allowance within which the president can approve funding for overages. She added that the administration wanted to discuss this idea with the Board to determine if it was something that should be pursued at MSU. Mr. Bernhardt noted that the next item related to a recommended increase in the Mass Communication building budget. He indicated his support for such a policy to give the administration more flexibility.

Dr. Givens asked how many projects the university might enter into in a typical year. Dr. Fowlé responded that this was an unusual time with more than $100 million in projects being planned in the next few years. Dr. Givens responded that while the idea makes sense in concept, such a policy could provide $10 million in presidential discretion for the $100 million in projects. Dr. Fowlé stated that a 10% increase in the majority of projects would not be possible because the funding would not be available. She added that having the option of moving money between projects might be beneficial in some circumstances. Dr. Givens indicated that problems would arise if, for example, the President shifted $5 million from Project A to Project B, and then Project A had a cost overrun. The Board would then have to find and approve additional funds, or reduce the scope of the project. Mr. Crosnoe stated that in reading the item he assumed the administration was referring to add-ons to the projects, but Dr. Fowlé mentioned the possibility of moving funds between projects. He asked if such a policy would relate to both possibilities. Mr. Hessing responded that it could, depending on how the policy is stated. He stated that the administration would have the option of bringing a recommendation to the Board based on this discussion.

Mr. Hessing commented that this item was presented for information only and no action was necessary.

Mass Communication Extension Construction Project Update
16-49. Mr. Hessing reported that the administration was requesting authorization to increase the project budget to $5.5 million and to increase the Guaranteed Maximum Price (GMP) contract to $5 million, with the source of funds for the increase being Higher Education Assistance Funds (HEAF). He noted that Mr. Owen would begin the discussion, followed by Dr. Shipley. Mr. Owen reported that the university started the design process on this project approximately one year ago. When the architects were hired, they were informed of the $5 million budget for the project and were encouraged to keep the design basic. The first budget estimate in July 2015 was $160,000 under-budget and the next month the estimate was $36,000 over-budget. At that time, alternates were added to the bid package that would bring the base project an estimated $300,000 under-budget. The following week the Construction Manager-At-Risk, Buford-Thompson Company, submitted a project estimate that was $150,000 over-budget. At that time, it was thought that the pricing was based largely on Dallas/Ft. Worth pricing and that the actual bids would be closer to the budgeted amount. The bids were received in November, and the GMP was 16% over-budget. Mr. Owen reported that the group immediately began value-
engineering or cost cutting efforts. He noted that difficult decisions were made, and the overage was reduced to 9%. The modifications made included removing a small tower element over the entrance area and moving one of the stairwells from inside the building to outside the building. He stated that the only remaining cost-saving option was to reduce the size of the building, and that was not a viable option. He noted that the first draft of the design included 22,000 square feet of space, and the size of the building was reduced to 15,000 square feet during the design process.

Dr. Fowlé reported that bonds for the $5 million project were sold at the time of the residence hall project bond sale. She added that the debt for this project would be paid from HEAF dollars during the next ten years.

Dr. Shipley commented that since she became president, she had seen overages on two project budgets. She indicated that she asked Dr. Fowlé and Mr. Owen to consider strategies to keep this from occurring in the future. She noted that together they had determined three strategies to be used with future projects.

1) Architectural contracts are generally based on a percentage of the project total which means the more the project costs, the more the firm is paid. To counter that, we will ensure that all future architectural contracts include language stating that if bids come in over the budgeted amount, the firm will redesign the project at no additional cost.

2) Future budget projections will be based on an amount that is 5% less than the total amount of funding available. This will allow some flexibility in the project budget, and will provide a limit on how much over budget the bids can come in before the architect is required to redesign the project.

3) Architects and Construction Manager at Risk (CMAR) firms will be required to provide three cost estimates each through the design/bid process. Authorization to continue the design will not be provided until the estimates between the firms are reconciled.

Mr. Hessing noted that the administration was requesting the authorization to increase the project budget to $5,500,000 and increase the GMP authorization to $5 million, with the source of funds for the increase being a one-time partial reallocation of facilities HEAF.

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

Mr. Hessing asked Mr. Owen if he had an idea as to why the project was over budget. Mr. Owen responded that there was not one component that pushed the project over budget, rather it was a number of the pieces that were higher than anticipated. Mr. Sanchez asked if the building was functional and would meet the Mass Communication Department needs, even though the design was reduced from the original plans. Dr. Camacho responded that the original design included a wing that would have been used for classrooms. In the final design, the building was planned with areas that can be used for dual purposes, such as a lab that can be converted into a classroom in less than one minute. Mr. Sanchez asked if the building would meet the needs of the department as the student population grows. Dr. Camacho stated that one of the first things he did when he arrived on campus one and one-half years ago was to ask the department chairs to be involved in a capacity study. They looked at the capacity of each program if all of the resources remained the same. Through this study, it was determined that the mass
communication program has excess capacity for 30-40% more students. He indicated that he felt comfortable that the new building will position the department to have space for several years to come.

Dr. Givens noted that if a policy such as the one discussed in the previous item was in place, and the President had the authority to increase a project budget by 10% without Board approval, the discussion regarding this project and the cost overrun would never have taken place. He indicated that he thought the discussion was important for the Board to understand the process.

There being no further discussion the motion was approved.

Athletics, Intramural, Free-Play Facilities Updated Plan
16-50. Mr. Hessing stated that the Board approved the plan for these facilities in December anticipating receiving follow-up information and recommendations as needed at this meeting. He asked Dr. Fowlé to provide additional information. She reviewed the updated budget for the project and noted that all of the north field areas, including the open play space, one full football field, and two-thirds of another football field, would be turfed, as well as a full soccer field on the south campus. She stated that the project would include two basketball courts and lighting for all of the areas. She added that the administration was pleased with the pricing received from the turf company. Dr. Fowlé reported that the state Master Lease program can be used for moveable equipment and furnishings. She stated that the turf and lights are moveable and would be financed through the Master Lease. She added that the current Master Lease interest rate is less than one percent. The remainder of the project, to include basketball courts, fencing, and sidewalks, would be funded through the university’s cash reserves, with the funds paid back within three years.

Mr. Bryant moved approval of the administration’s recommendation shown in the agenda. Mrs. Burks seconded the motion.

Ms. Piehler asked if her understanding was correct that the open play fields would be for student use only, and all of the other fields would be scheduled to allow student use when they are not used by athletics. Dr. Fowlé indicated that this was correct. Mr. Carr stated that the team use would primarily be in the afternoons. He added that when the football team must practice at night, they would work out schedules for intramurals. Ms. Piehler asked about the timetable for the completion of these fields. Mr. Owen responded that the fields should be in place early in the summer.

Mr. Sanchez asked to confirm that the turf fields could be relocated if needed at a later time. He also asked if the fields by the Wellness Center would be lit. Dr. Fowlé responded in the affirmative to both of these statements.

There being no further discussion, the motion was approved.

Addition of Parking Lot
16-51. Mr. Hessing reported that Dr. Shipley mentioned during the December meeting that a recommendation would be made at this meeting regarding additional parking. He asked Dr. Lamb to present this recommendation. Dr. Lamb stated that the administration
recommended the addition of a 244-space surface parking lot located in space immediately south of the West Campus Annex, which is the current free-play space. He indicated that this space was needed to accommodate the students who would live in the 500-bed residence hall beginning in the fall. Mr. Hessing noted that the administration recommended the addition of this parking lot at a cost not to exceed $700,000, and sought authorization to issue contracts necessary to complete the project. Mrs. Burks moved approval of this item as presented and Mr. Bernhardt seconded the motion.

Ms. Piehler asked how the construction would be funded and if students would be charged more for parking. Dr. Lamb responded that the source of funds for this project would be either Parking Fees or HEAF. He indicated that the administration visited recently with Student Government about parking fees, but a recommendation was not yet finalized.

Mr. Sanchez noted that while the proposed parking lot would meet the immediate parking demand, he expressed concern that it would not meet the long-term needs of the campus. He asked why the administration was resistant to building a parking garage at this time. Dr. Lamb responded that while the campus would likely need a parking garage at some point in the future, the need is not critical at this time, and the cost to build a garage would greatly increase student cost. He stated that the Cooperative Institutional Research Program (CIRP) Freshman Survey results have indicated that the most important factor students report for having selected MSU is the price. He indicated that the administration had been very sensitive to this and had not wanted to increase parking fees by a large amount too quickly. He added that it was important from a safety point of view for resident students to have a place to park near where they live.

Dr. Givens commented that the campus needed a plan and a timeline to address this matter. Dr. Shipley stated that this would be discussed during the retreat Friday. She added that a parking garage was on the plan in FY 22, but that the timing could be moved up if needed.

There being no further discussion, the motion was approved.

**Gunn College of Health Sciences and Human Services Building Project - Architect Selection 16-52.** Mr. Hessing noted that the Board received a communication regarding the work of the Architect Selection Committee for this project (see Attachment 2). He asked Dr. Fowlé and Mr. Owen to provide information regarding the selection process and the administration's recommendation. Dr. Fowlé reported that the administration issued a Request for Qualifications (RFQ) for this project. An eight-person committee of faculty and staff personnel, including Provost Betty Stewart and Dean James Johnston, reviewed the nineteen submissions and interviewed two firms. Following these interviews, the committee recommended the selection of Randall Scott Architects for this project. Dr. Fowlé noted that this firm has done work previously on the MSU campus and also has experience building health science facilities. Dr. Stewart added her endorsement of the selection of Randall Scott Architects for this project. She noted that they were pleased that the first has Dr. Patricia Stark, Dean of the College of Nursing at the University of Texas Health Science Center, as their advisor. Mr. Crosnoe asked where this firm was located. Dr. Stewart responded that they were a Dallas firm.
Mr. Hessing noted that the administration recommended the selection of Randall Scott Architects for this project and requested authorization to enter into a contract with this firm to provide the design for the project. Mr. Bernhardt moved approval of this item as presented. Mr. Bryant seconded the motion, and it was approved.

**Texas Accessibility Standards (TAS)/Americans with Disabilities Act (ADA) – Fire Marshal Upgrades Project – Architect Selection**

16-53. Mr. Hessing reported that the Board recently received a communication regarding the Architect Selection Committee’s recommendation regarding this project (see Attachment 3). He asked Mr. Owen to review the selection process and recommendation. Mr. Owen noted that the process was the same as outlined in the previous item, with nine firms submitting proposals. Following the Committee’s review, they recommended Harper-Perkins Architects for the project. He reported this firm had three Registered Accessibility Specialists on their staff, which will be a benefit in working on this project.

Mr. Hessing noted that the administration recommended the selection of Harper-Perkins Architects for this project and requested authorization to enter into a contract with this firm to provide the design for the project. Mr. Bryant moved approval of this item as presented. Mr. Bernhardt seconded the motion, and it was approved.

**Revalidation of Master Lease Resolution**

16-54. Mr. Hessing noted the administration’s recommendation to approve an updated Master Lease Resolution and asked Dr. Fowlé to provide additional information. Dr. Fowlé stated that the MSU Board of Regents last approved a master lease resolution in November 2004. She indicated that when she appeared before the Bond Review Board, they informed her that the resolution needed to be updated. She stated that the proposed resolution was identical to the one previously approved, except the effective date.

Mr. Bernhardt moved approval of the new resolution as presented. Mrs. Burks seconded the motion, and it was approved.

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

16-55. Mr. Hessing noted the Board Book contained information regarding certain artworks recommended for accessions into and deaccessions from the Museum’s Permanent Collection. Mr. Bernhardt moved the board ratify this action as presented; Mr. Bryant seconded the motion. Mrs. Marks reported that she participated in the Collector’s Circle as part of the process for selecting the artwork that would be recommended for the Permanent Collection. She stated that it was a very interesting process.

There being no further discussion the motion was approved.

**Adjournment**

The Executive Committee discussion concluded at 2:35 p.m.
ATTACHMENTS:
1. Construction Update - Project Photographs
2. Architect Selection – Gunn College of Health Sciences and Human Services
3. Architect Selection - Texas Accessibility Standards (TAS), Americans with Disabilities Act (ADA), and Fire Marshal Upgrades Project
February 2, 2016

SOFTBALL FIELD TURF

February 2, 2016

CSC REPAIRS

New dishwasher
Corridor Doors Refreshed
Sink Countertop Replacement
Pavilion Replacement
Memorandum

To:       Dr. Suzanne Shipley
Cc:       Dr. Salim Azzouz, Dr. Marilyn Fowle, Dr. James Johnston, Dr. Keith Lamb, Dr. Stuart McClintock, Mr. Dave Percy, Mr. Steve Shelley, Dr. Betty Stewart

From:     Kyle Owen

Date:     February 4, 2016

Re:       Gunn College of Health Sciences and Human Services Building Project - Architect Selection Recommendation

The design for a new Health Science and Human Services building will require the services of an architectural firm per the Texas Board of Architectural Examiners due to the size of the endeavor. In compliance with State Purchasing requirements, RFQ #735-16-6181 was issued requesting qualification statements from architectural firms.

An Architect Selection Advisory Committee consisting of Dr. Salim Azzouz, Dr. Marilyn Fowle, Dr. James Johnston, Dr. Keith Lamb, Dr. Stuart McClintock, Dr. Betty Stewart, Mr. Dave Percy, and Mr. Kyle Owen reviewed the qualification statements. The RFQ included evaluation criteria such as successful completion of recent projects of similar complexity, relevant experience of the assigned personnel, value engineering experience, past performance, prior favorable service with Texas higher education, overall team approach, and completeness of the request. Nineteen architectural firms submitted qualification statements which were scored by each committee member using the evaluation criteria. The scores were averaged to determine the overall highest score and the two highest ranking firms were interviewed on campus.

Randall Scott Architects and SmithGroupJJR Architects provided presentations highlighting their Texas health science higher education facilities portfolio and staff experience. Randall Scott Architects was selected as the recommended firm because of their extensive project history with such education facilities in Texas, as well as the experience of their firm’s personnel working as a team on multiple health science education projects. Randall Scott Architects’ detailed understanding of health science education facilities design became very apparent during the interview process.

It is recommended that Randall Scott Architects be selected as the architectural firm for the Health Science and Human Services Project.
Memorandum

To: Dr. Suzanne Shipley
Cc: Dr. Salim Azzouz, Dr. Marilyn Fowle, Dr. Keith Lamb, Dr. Stuart McClintock, Dave Percy, Steve Shelley

From: Kyle Owen
Date: February 1, 2016

Re: Texas Accessibility Standards (TAS)/Americans with Disabilities Act (ADA) – Fire Marshal Upgrades Project – Architect Selection Recommendation

The design and implementation of TAS/ADA and fire marshal upgrades to several campus buildings require the services of an architectural firm per the Texas Board of Architectural Examiners. In compliance with State Purchasing requirements, RFQ #735-16-6182 was issued requesting qualification statements from architectural firms.

An Architect Selection Advisory Committee consisting of Dr. Salim Azzouz, Dr. Marilyn Fowle, Dr. Keith Lamb, Dr. Stuart McClintock, Dave Percy, and Kyle Owen reviewed the qualification statements. The RFQ included evaluation criteria such as successful completion of recent projects of similar complexity, relevant experience of the assigned personnel, past performance, prior favorable service with MSU, overall team approach, and completeness of the request. Nine architectural firms submitted qualification statements which were scored by each committee member using the evaluation criteria. The scores were averaged to determine the overall highest score.

Harper-Perkins Architects (HPA) had the highest score upon completion of the review process, followed by Bundy, Young, Sims & Potter and SLA. All of these firms submitted impressive documents, although HPA’s staff includes four Registered Accessibility Specialists, principles which have participated in National Fire Protection Association courses, designers with renovation experience in many older education facilities, and excellent knowledge of MSU’s facilities. HPA is also a HUB vendor which assists our efforts to include HUB vendors whenever possible.

It is recommended that Harper-Perkins Architects be selected as the architectural firm for the TAS/ADA and fire marshal upgrades.

An Equal Opportunity / Affirmative Action Employer and Educator
MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Academic and Student Affairs Committee
February 11, 2016

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 2:45 p.m., Thursday, February 11, 2016. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman; Mr. Kenny Bryant; Ms. Tiffany Burks (via teleconference); and Mr. Sam Sanchez. Other regents attending the meeting were Mr. Mike Bernhardt, Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Shawn Hessing, Ms. Nancy Marks, and Student Regent Meagan Piehler.

Administrative staff members present included Dr. Suzanne Shipley, 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. Bob Clark, Vice President for Administration & Institutional Effectiveness; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Mr. Kyle Owen, Associate Vice President for Facilities Services. Other university personnel attending the meeting included Dr. David Carlston, Chairman of the Faculty Senate; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) was Mr. Jesse Brown, SGA President. Representing the news media was Ms. Lana Sweeten-Shults, a reporter for the Wichita Falls Times Record News.

Dr. Givens called the meeting to order at 2:45 p.m. and noted that in the interest of time, special faculty and staff presentations would not be given during this meeting, but that the regular reports would be presented.

Reading and Approval of Minutes
16-56. The Academic and Student Affairs Committee approved the minutes of the November 12, 2015, meeting as presented.

Faculty Report
16-57. Dr. David Carlston, Faculty Senate Chairman, indicated that he wanted to frame his remarks by comparing MSU to universities that had been in the news recently. He stated that the president at Mount St. Mary’s University in Maryland had caused a great deal of controversy when he referred to students as “cuddly bunnies” and told faculty they had to be tough and “drown the bunnies,” referring to the need to remove students from the university early in their college careers so they would not hurt the university’s retention and success rates. Dr. Carlston noted that, in contrast, MSU faculty were grateful for the internal communication, the ability to express concerns, and the response by the administration. He reported that the Faculty Senate had been working with Dr. Lamb regarding admissions issues and the tracking of important data. He added that they had also worked with Dr. Clark and Dr. Stewart in developing the freshman and first-year
experience for MSU students. He indicated that the faculty had been pleased with the openness of the administration.

Dr. Carlston stated that the other university he wanted to compare MSU to was the University of California at Berkeley, an institution in the midst of significant budget problems. He reported that the university is six or seven percent over budget, and the campus may experience dramatic cuts and reassignments. He noted that while there is not an over-abundance of funding available at MSU, the administration had managed the budget well. He stated that one of the primary concerns of the faculty related to the Fort Worth expansion. He indicated that the administration had done a good job reassuring faculty that operating funds would not be diverted from the main campus to support an extension; however, some individuals are still concerned.

He noted that the faculty looks forward to the academic strategic planning process.

Staff Report
16-58. Ms. Reagan Foster, Staff Senate Chair, reported that the Staff Senate had been very involved in a number of campus initiatives, including the Campus Carry Task Force and the Budget Oversight Committee. She indicated that they were grateful to have the opportunity to participate in these discussions as decisions and recommendations are made. She commented that the staff looks forward to learning the results of the classification and compensation study. She stated that the Staff Senate signed cards that will be sent to all staff employees to express appreciation for their work.

Ms. Foster reported that Ms. Velia Lozano and Mr. Henry Cooper recently received “You Make A Difference” awards. She noted that these individuals work in Facilities Services and do a wonderful job connecting with MSU students. Ms. Lozano works in the Clark Student Center and was acknowledged for working as a language partner for a number of students taking Spanish courses. Mr. Cooper works in the Sundance Court Apartments and was acknowledged for his hard work and dedication.

Student Government Report
16-59. Mr. Jesse Brown, President of the MSU Student Government Association, reminded the Board that as part of the inauguration the Student Government Association (SGA) put together a time capsule. He reported that the capsule would be placed in the Clark Student Center during the next month. He thanked Dr. Shipley for opening her home and having dinner with the SGA executives.

Mr. Brown reported that the Student Senate had been busy during the year and had passed a number of resolutions. He added that state Representative James Frank would be the guest speaker at the next Senate meeting. He noted that the Senate had considered resolutions supporting a centralized tutoring center, the students’ desire for a fall break, and the addition of an emergency phone on the far side of Sikes Lake to increase campus safety. He added that the Senate was also considering adding the position of SGA Treasurer to help with efficiency.
Athletics Report
16-60. Dr. Givens noted that Athletic Director Charlie Carr’s report was presented in the Board Book as a point of information only. It was presented without question or discussion.

Enrollment Report – Spring 2016
16-61. Dr. Givens noted that the enrollment report was finalized after the 20th class day, which was February 10, and a copy was distributed for the Board’s information (see Attachment 1). He asked Dr. Lamb to discuss the report with the Board. Dr. Lamb reported that headcount enrollment increased by 2.9% over the prior year and credit hour production increased by 4%. He added that graduate student enrollment, primarily in computer science, was a large part of the increase.

Mr. Bernhardt asked about the nine percent decline in reenrolling freshmen. Dr. Lamb responded that they had not had an opportunity to study the numbers with the report being finalized that morning. He noted that the first-time, full-time student cohort in the fall of 2015 was 820 and, on the surface, it would appear there was a decline of ten students from fall to spring. He added that there was likely more movement with students from the fall not returning and new re-enrolling students transferring to MSU for the spring semester.

Mrs. Burks asked how much growth in enrollment the current campus facilities could accommodate. Dr. Shipley responded that the Board and administration would discuss possibilities for growth during the retreat, to include online and distance education, and would examine the costs of growth. She noted that the most expensive growth is on a highly residential campus. She indicated that if the Board wanted the administration to look at how many students could be served without adding any buildings other than those on the plan, it could be done.

Dr. Givens asked that future enrollment reports include information regarding the number of distance-only students.

Fort Worth Expansion Task Force Update
16-62. Dr. Lamb stated that the Board approved funding in November for a Ft. Worth expansion market study. He reported that the study was underway, and deliverables were expected in early April. He noted that the market study firm would examine the market near the Alliance Corridor for adult education, would analyze programs offered at universities in the area, and visit with employers to assess need for academic programs and degrees. He added that the administration was also looking at various possible locations in Ft. Worth and determining costs involved with an expansion in that area.

Mrs. Marks asked what type of facility was being considered. Dr. Lamb responded that the administration had looked at facilities already built, such as an existing office complex. Dr. Givens asked about the timeframe for making a presentation to the Board. Dr. Lamb indicated that the administration planned on providing the market study results and having a substantial discussion in May.

Mr. Crosnoe asked if the process included determining what types of approval would be necessary from the Texas Higher Education Coordinating Board (THECB). Dr. Lamb
responded that it did. He added that Dr. Stewart had visited with the THECB regarding what steps would need to be taken and the timeline required. He stated that the university also needed to meet Southern Association of Colleges and Schools (SACS) requirements.

Dr. Givens noted that this item was presented as a point of information only, and no action was necessary.

**Proposed New Minor – Organizational Psychology**

16-63. Dr. Givens stated that the administration was recommending the addition of a new minor in Organizational Psychology and noted that an outline of the minor was included in the Board Book. He asked Dr. Stewart to comment on the recommendation. Dr. Stewart thanked the psychology faculty for looking beyond their major to see how they could provide an interdisciplinary opportunity for students. She noted that this minor would be primarily focused toward business students, but would be open to all students. The minor is intended to enhance awareness of the relevance of psychology to the workplace.

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

Dr. Givens noted that in the past majors were reviewed to determine if there was adequate enrollment to warrant the major. He asked if minors were reviewed in the same regard. Dr. Stewart responded that they were not. Dr. Givens asked about the anticipated enrollment in this program. Dr. Carlston responded that they surveyed current business students to determine the amount of interest. He added that courses required for the minor are already being taught, and no additional courses or faculty would be needed. Mr. Bryant asked for an example of what organizational psychology would entail. Dr. Carlston indicated that this area deals with human resources issues regarding motivation, communication within organizations, talent management processes, talent identification, conflict resolution, and group decision making.

There being no further discussion, the motion was approved.

**Proposed New Graduate Certificate Programs in English**

16-64. Dr. Givens reported that the administration proposed two new graduate certificate programs in English. He asked Dr. Stewart to explain these proposals. Dr. Stewart thanked the faculty in the Department of English, Humanities, and Philosophy for looking for opportunities to enhance their enrollment and to give students additional depth in their field of study. Students enrolling in these proposed post-baccalaureate certificate programs would not have to be admitted into the Graduate School. However, the courses taken could be applied to a master’s program if the student applies to and is admitted to the Graduate School at a later time. The proposed programs are in the areas of Professional and Technical Communication, and Literary Studies. Each certificate would require the completion of nine hours of graduate-level work. Dr. Stewart noted that the programs would provide an opportunity for the university faculty to support K-12 English and literature teachers who want more depth in the field, as well as an opportunity for students who need additional technical communication training.
Mrs. Burks moved approval of this item as presented. 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 3:18 p.m.

Reviewed for submission:

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

ATTACHMENT:
### Enrollment Report

#### Spring 2016

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>New First-Time Freshmen</td>
<td>29</td>
<td>32</td>
</tr>
<tr>
<td>Re-Enrolling Freshmen</td>
<td>878</td>
<td>810</td>
</tr>
<tr>
<td>Sophomore</td>
<td>1,062</td>
<td>1,071</td>
</tr>
<tr>
<td>Junior</td>
<td>1,132</td>
<td>1,239</td>
</tr>
<tr>
<td>Senior</td>
<td>1,780</td>
<td>1,789</td>
</tr>
<tr>
<td>Graduate/Post-Baccalaureate</td>
<td>693</td>
<td>795</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5,574</td>
<td>5,736</td>
</tr>
</tbody>
</table>

**Semester Credit Hours**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>63,239</td>
<td>66,003</td>
</tr>
</tbody>
</table>
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 3:18 p.m., Thursday, February 11, 2016. 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 (via teleconference), Mr. Shawn Hessing, Ms. Nancy Marks, Mr. Sam Sanchez, and Student Regent Megan Piehler.

Administrative staff members present included Dr. Suzanne Shipley, 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. Bob Clark, Vice President for Administration & Institutional Effectiveness; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Mr. Kyle Owen, Associate Vice President for Facilities Services. Other university personnel attending the meeting included Dr. David Carlston, Chairman of the Faculty Senate; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) was Mr. Jesse Brown, SGA President. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls Times Record News.

Chairman Bernhardt called the meeting to order at 3:18 p.m.

Reading and Approval of Minutes
16-65. The Finance Committee approved the minutes of the November 12, 2015, meeting as presented.

Summary of Financial Support 9/1/15-1/13-16
16-66. Mr. Bernhardt noted that this report was presented in the Board Book and mentioned some of the major gifts received since the last meeting of the Board.

A. Ms. Patricia Templer donated $30,000 to the George Wadsack and Susan Wadsack Spiller Memorial Scholarship Fund to assist nursing majors.

B. Mr. Joel Talley with TACOR Resources donated $25,000 to the Ann and Alvin Talley Scholarship fund to assist students in the College of Science and Mathematics.

C. The Mass Communication Department received $25,000 from the Bryant Edwards Foundation for the purchase of new TV-2 studio equipment.
D. Mr. and Mrs. Carroll Laing contributed $20,000 to the 2015-2016 Laing/Guinn Challenge to match new and lapsed Annual Fund donors.

E. Mrs. Allen C. Sharp donated $10,000 to the McCoy School of Engineering for scholarships.

F. The M. & A. McCullough Foundation donated $7,000 to the Museum of Art at MSU to assist with operations.

Mr. Bernhardt stated that the support from the community, alumni, and friends was outstanding. He 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.

FY 17 Tuition and Fees Discussion

16-67. Mr. Bernhardt reported that the administration would make tuition and fee recommendations during the May meeting of the Board and noted that the administration was planning for next year’s budget. He asked Dr. Shipley to comment on the process. Dr. Shipley indicated that she wanted to discuss with the Board her general tendencies toward tuition and fee increases. She reported that during the decade she has worked at the top level of higher education she has learned to watch the higher education inflation index. She explained that the higher education inflation index is generally greater than the standard rate of inflation, primarily because a large portion of higher education costs are associated with benefits, salaries, technology, and the changes that come as generations ask for and require different facilities and services. She stated that the higher education inflation index is generally near the three percent level, and she has tried to keep recommended tuition and fees increases near that average. She added that when universities do not raise tuition and fees for one or two years, it becomes necessary to approve larger increases to address rising costs. Dr. Shipley commented that the state of Texas had been very generous in providing funding for a new teaching facility, but noted that the university would need to provide funds for utilities and maintenance of the new building.

Dr. Shipley reported that she visited with the Student Senate about possible tuition and fee recommendations. She noted that students expressed a great deal of interest in an enhanced tutoring center as well as Degree Works, a comprehensive academic advising, transfer articulation, and degree audit program. She noted that Degree Works would not only help students map out a path to graduation, but would also help faculty and administrators ensure that courses are offered at the best time and location to meet the needs of the students. She added that her presentation in May would provide a history of tuition increases compared to the actual average cost to students over time.

Dr. Shipley stated that the tuition and fee proposals being considered included an increase for continuing students in the two percent range, with the increase for new students in the three and one-half percent range. She noted that the administration would also likely make a recommendation regarding parking fees. She commented that the administration visited with the Student Senate about a modest parking fee increase, with the funds used
to pay for the new parking lot. She added that she wanted the Board to know her tuition and fee philosophy before she presented a recommendation in May.

Dr. Givens indicated that as the administration and Board consider increases and new technology, he would like to have a discussion about where cuts and reductions can be made. He stated his understanding that university administrative costs had grown disproportionate to other costs. He noted that he would be uncomfortable assuming that the cost to attend MSU would automatically have to increase two or three percent every year. Dr. Shipley responded that the university made significant cuts in developing the current budget, and information regarding the cost reductions could be provided. Mr. Bernhardt noted that the administration must deal with cost drivers that they cannot control, such as the cost of health benefits. Dr. Givens indicated agreement and noted that he wanted to be certain the university was putting resources into people as well as buildings and technology.

Mr. Bernhardt noted that this item was presented for information only and no action was necessary.

Financial Report
16-68. Mr. Bernhardt reported that the administration recommended acceptance of the FY 2015 Annual Financial Report, as well as the September through December 2015 financial reports as previously distributed. He noted that Dr. Fowlé’s summary of the current-year report was included in the Board Book.

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

Investment Report
16-69. Mr. Bernhardt noted that the administration recommended the Board’s acceptance of the first quarter FY 2016 investment report as previously distributed. He stated that Dr. Fowlé’s report summary was presented in the Board Book.

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

FY 2015-2016 Item $50,000 & Under Approved Per Board Authorization
16-70. Mr. Bernhardt reported that the administration requested ratification of the transfer of funds to cover costs associated with studying the feasibility of utilizing the Daniel Building for student life functions.

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

Review of Personnel Reports and Salary/Title/Position Changes in 2015-2016 Budgets
16-71. Mr. Bernhardt stated that the reports of personnel changes in FY 16 were presented for ratification. He noted that three staff positions were filled below the budgeted amount, and one salary adjustment was made as a result of the reorganization in the facilities area.
There being no questions regarding the reports, Dr. Givens moved the ratification of these items as presented. Mr. Gregg seconded the motion, and it was approved.

Adjournment
The Finance Committee discussion concluded at 3:32 p.m.

Reviewed for submission.

Michael Bernhardt, Chairman
Midwestern State University
Board of Regents Finance Committee
MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Audit, Compliance, and Management Review Committee
February 11, 2016

The Audit, Compliance, and Management Review Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 3:32 p.m., Thursday, February 11, 2016. Committee members in attendance were Mr. Sam Sanchez, Chairman; Ms. Tiffany Burks (via teleconference); 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. Suzanne Shipley, 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. Bob Clark, Vice President for Administration & Institutional Effectiveness; and Dr. Howard Farrell, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. David Carlston, Chairman of the Faculty Senate; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) was Mr. Jesse Brown, SGA President. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls Times Record News.

Chairman Sanchez called the meeting to order at 3:32 p.m.

Reading and Approval of Minutes
16-72. The Audit, Compliance, and Management Review Committee approved the minutes of the November 12, 2015, meeting as presented.

Investment Audit
16-73. Mr. Sanchez commented that Weaver and Tidwell, LLP conducted the university's investment audit and a copy of the audit report was included in the Board Book. He stated that the next item included an action that was required as a result of this audit. Mr. Hessing asked about the exception (Item F in the report) regarding the Board of Regents needing to approve the investment policy on a regular basis. Dr. Fowlé stated that while the Board reviewed the policy and received information in August, they did not approve the policy since no changes were recommended. She added that the policy would be formally approved each year regardless of whether or not changes are required.

Mr. Sanchez stated that this item was presented as a point of information only, and no action was necessary.
Operating Funds Investment Policy Update

16-74. Mr. Sanchez stated that during the special Board meeting in December, Dr. Fowlé mentioned that minor changes would need to be made to this policy as a result of the investment audit. He added that Mr. Crosnoe had asked for a list of action required of the administration and Board to ensure all requirements are being addressed. The recommended changes and a compliance checklist were presented in the Board Book for the Board's review and consideration. Mr. Sanchez asked Dr. Fowlé to explain the recommended policy change. Dr. Fowlé noted that the policy needed to address the maximum dollar-weighted average maturity allowed for pooled fund groups. Mr. Crosnoe asked for additional explanation. Dr. Fowlé stated that this information is intended to ensure the liquidity of the university's cash pool. She added that while the cash can be invested in longer term instruments, the maximum dollar-weighted average must be within 90 days. Mr. Crosnoe asked if this information would be shown in future reports. Dr. Fowlé responded that it is something that is monitored in her office but is not shown in the quarterly reports. Mr. Sanchez asked if this applied to the university's endowments. Dr. Fowlé responded that it did not.

Mrs. Marks moved approval of this policy change a presented. Mr. Gregg seconded the motion, and it was approved.

Adjournment
The Audit, Compliance, and Management Review Committee discussion concluded at 3:39 p.m.

Reviewed for submission:

Sam Sanchez, Chairman
Midwestern State University
Board of Regents Audit, Compliance, and Management Review Committee
The Midwestern State University Board of Regents met in regular session in the J. S. Bridwell Board Room of the Hardin Administration Building at 1:30 p.m., Thursday, February 11, 2016. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks (via teleconference); Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; Mr. Sam Sanchez; and Student Regent Megan Piehler.

Administrative staff members present included Dr. Suzanne Shipley, 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. Bob Clark, Vice President for Administration & Institutional Effectiveness; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Mr. Kyle Owen, Associate Vice President for Facilities Services. Other university personnel attending the meeting included Dr. David Carlston, Chairman of the Faculty Senate; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Chris Stovall, Controller; Dr. Martin Camacho, Dean, Fain College of Fine Arts; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the Student Government Association (SGA) was Mr. Jesse Brown, SGA President. Representing the news media were Ms. Lana Sweeten-Shults, Wichita Falls Times Record News, and Mr. Matt McCulloch and Mr. Jeremy Garza, KFDX-TV 3. Special guests attending the first portion of the meeting were Mr. Patrick Coggins, new Chief of Police, and Ms. Kristie Schulte, new Director of Residence Life and Housing.

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

Opening Comments
Mr. Hessing asked Dr. Lamb to make two introductions. Dr. Lamb introduced Ms. Kristie Schulte, the new Director of Residence Life and Housing. He noted that she most recently worked at Missouri University of Science and Technology, and began work at MSU, February 1. He then introduced Chief Patrick Coggins. He noted that Chief Coggins also began February 1, and came to MSU from Texas A&M University-Central Texas, where he served as Chief of Police. Mr. Hessing welcomed these individuals to MSU and indicated the Board looked forward to working with them.

Public Comment
Mr. Hessing stated that in accordance with Board of Regents By-Laws, MSU Policy 2.22, members of the public were invited to address the Midwestern State University Board of Regents through written and oral testimony. He noted that no one had signed up to speak.
Discussion of Higher Education Issues and MSU Priorities
16-41. Mr. Hessing reported that discussion of this item would be deferred until the retreat the following day. He noted that the Board would have the opportunity at that time to discuss national education issues and MSU strategic initiatives.

Board Resolutions
16-42. Mr. Hessing stated that a resolution of condolences for the family of former regent Charles Engelman, and resolutions of appreciation for University Methodist Church, First Christian Church, and First Presbyterian Church, thanking them for allowing university students to park in their lots during the last 50-plus years, were prepared and submitted to the board for their review (see Attachment 1).

Mr. Bernhardt moved approval of these resolutions as presented. Mrs. Marks seconded the motion, and it was approved.

Recess
Mr. Hessing noted that the remaining items would be deferred to Executive Session later in the afternoon. The committee of the whole stood in recess at 1:40 p.m. and reconvened at 3:39 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, 073, and 074 to consider Items 16-43 (Director of Audit Services Hiring), 16-44 (Real Property), 16-45C (Prospective Gift or Donation), and 16-45D (Personnel Matters). The closed session began at 3:39 p.m. Mr. Hessing, Mr. Bernhardt, Mr. Bryant, Mrs. Burks (via teleconference), Mr. Crosnoe, Dr. Givens, Mr. Gregg, Mrs. Marks, Mr. Sanchez, Ms. Piegler, Dr. Shipley, Mr. Macha, and Ms. Barrow remained for all of the discussion. Dr. Stewart, Dr. Fowlé, Dr. Lamb, Dr. Farrell, and Dr. Clark remained for the discussion of items 16-44 and 16-45C only, and left the closed session at 4:00 p.m.

Open Meeting Resumes
The closed session ended at 4:24 p.m. with an announcement by Mr. Hessing that no action was taken during the Executive Session.

Director of Audit Services (Internal Audits)
16-43. Mr. Sanchez moved that Ms. Leigh Kidwell be hired as Director of Internal Audits. Mr. Gregg seconded the motion, and it was approved.

Real Property
16-44. Mr. Hessing asked if there was a motion related to this item. Mr. Bryant moved that the Board authorize the President to work with the Chairman of the Board of Regents to purchase the house and property located at 2525 Hampstead, with the price not to exceed the independent appraised value, with the source of funds being Unallocated Reserves. Mr. Crosnoe seconded the motion, and it was approved.

Adjournment
There being no further business, the meeting adjourned at 4:25 p.m.
ATTACHMENTS

1. Resolutions
   a. Condolence – Mr. Charles Engelman
   b. Appreciation – University United Methodist Church
   c. Appreciation – First Presbyterian Church
   d. Appreciation – First Christian Church
MIDWESTERN STATE UNIVERSITY
RESOLUTION OF CONDOLENCE
February 11, 2016

WHEREAS, Charles E. “Charlie” Engelman was a true friend to Midwestern State University, having served on the MSU Board of Regents from 2008 through 2014, generously giving of his time and talents to advance the university, and

WHEREAS, Charlie was committed to Midwestern State, provided wise counsel to the board and administration, and cared deeply for the students of this university, and

WHEREAS, the Midwestern State University family was saddened when on January 15, 2016, Charlie passed away after a long and valiant battle with leukemia,

NOW, THEREFORE, BE IT RESOLVED that the members of the Board of Regents and President of Midwestern State University hereby extend their most sincere condolences to the family of Charles E. Engelman, 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 Joan Engelman and the Engelman family as an expression of the university’s gratitude and heartfelt sympathy.

[Signatures]
WHEREAS, University United Methodist Church of Wichita Falls moved to its location on Taft Boulevard in 1955 and became a neighbor to an institution of higher education that is now Midwestern State University, and

WHEREAS, during the last 50-plus years the leadership of the church has generously allowed Midwestern State University students to park in the church parking lots when available, thereby providing a great service to the university community,

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 University United Methodist Church of Wichita Falls for its benevolence, 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 Reverend Tom Medley as a token of the university’s appreciation.

Shawn Hessing, Chairman

Michael Berghard, Vice Chairman

J. Kenneth Bryant, Secretary
MIDWESTERN STATE UNIVERSITY
RESOLUTION OF APPRECIATION
February 11, 2016

WHEREAS, First Presbyterian Church of Wichita Falls moved to its location on Taft Boulevard with the completion of its sanctuary in 1962 and became a neighbor to an institution of higher education that is now Midwestern State University; and

WHEREAS, during the last 50-plus years the leadership of the church has generously allowed Midwestern State University students to park in church parking lots when available, thereby providing a great service to the university community;

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 First Presbyterian Church of Wichita Falls for its benevolence, 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 Senior Pastor Isaac Buttersworth as a token of the university's appreciation.
MIDWESTERN STATE UNIVERSITY
RESOLUTION OF APPRECIATION
February 11, 2016

WHEREAS, First Christian Church of Wichita Falls moved to its location on Taft Boulevard in 1959 and became a neighbor to an institution of higher education that is now Midwestern State University, and

WHEREAS, during the last 50-plus years the leadership of the church has generously allowed Midwestern State University students to park in the church parking lots when available, thereby providing a great service to the university community,

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 First Christian Church of Wichita Falls for its benevolence, 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 Senior Minister Dr. David B. Hartman as a token of the university’s appreciation.

Shawn Hessing, Chairman
Michael Bernhardt, Vice Chairman
J. Kenneth Bryant, Secretary

Tiffany Burks
R. Caven Crosnoe
F. Lynwood Givens
Jeff Graff
Nancy Marks
Samuel M. Sanchez
Megan Piehl
Megan Piehl, Student Regent
Suzanne Shipley, President
MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
February 12, 2016

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, February 12, 2016. Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Ms. Tiffany Burks (via teleconference); Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; Mr. Sam Sanchez; and Student Regent Megan Piehler.

Administrative staff members present included Dr. Suzanne Shipley, 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. Bob Clark, Vice President for Administration & Institutional Effectiveness; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Mr. Kyle Owen, Associate Vice President for Facilities Services. Other university personnel attending the meeting included Dr. David Carlston, Chairman of the Faculty Senate; Ms. Reagan Foster, Chair of the Staff Senate; Mr. Charlie Carr, Director of Athletics; Mr. Barry Macha, General Counsel; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls Times Record News.

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

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

Reading and Approval of Minutes
16-75. The minutes of the Board of Regents meetings held November 12, November 13, and December 16, 2015, were approved as presented.

Executive Committee Report
Mr. Hessing noted the items presented at the Executive Committee meeting for committee approval and information only. Information concerning these items may be found in the minutes of the Executive Committee meeting held February 11, 2016.
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.

16-49. Mass Communication Extension Construction Project Update - authorized increasing the project budget to $5.5 million and increasing the Guaranteed Maximum Price to $5 million as presented.

16-50. Athletics, Intramural, Free-Play Facilities Updated Plan - approved the plan, contracts, and budget for the project as presented.

16-51. Addition of Parking Lot - authorized the addition of a parking lot in the space south of the West Campus Annex at a cost not to exceed $700,000 as presented.

16-52. Gunn College of Health Sciences and Human Services Building Project Architect Selection - authorized the selection of Randall Scott Architects for this project and authorized the administration to enter into a contract with this firm for the design of this project.

16-53. Texas Accessibility Standards (TAS)/Americans with Disabilities Act (ADA)/Fire Marshal Upgrades Project Architect Selection - authorized the selection of Harper-Perkins Architects for this project and authorized the administration to enter into a contract with this firm for the design of this project.

16-54. Revalidation of Master Lease Resolution - approved a new resolution as presented.

16-55. Wichita Falls Museum of Art at MSU - Ratification of Accessioned and Deaccessioned Artworks - ratified these items as presented.

Mr. Hessing asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Bernhardt seconded Mr. Hessing's motion to approve the Consent Agenda as presented. The motion was approved.
Academic and Student Affairs Committee Report
Dr. Givens noted the items presented at the Academic and Student Affairs Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held February 11, 2016.

Item Presented for Committee Approval Only

16-56. Committee Minutes

Items Presented for Information Only

16-57. Faculty Report
16-58. Staff Report
16-59. Student Government Report
16-60. Athletics Report
16-62. Fort Worth Expansion Task Force Update

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.

16-63. Proposed New Minor – Organizational Psychology – approved this new minor as presented.
16-64. Proposed New Graduate Certificate Programs in English – approved the two new certificate programs as presented.

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

Finance Committee Report
Mr. Bernhardt noted the items presented at the Finance Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Finance Committee meeting held February 11, 2015.

Item Presented for Committee Approval Only

16-65. Committee Minutes
Items Presented for Information Only

16-66. Summary of Financial Support

16-67. FY 17 Tuition and Fees Discussion

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.

16-68. Financial Reports – accepted the FY 2015 Annual Report and the September through December financial reports.


16-70. FY 2015-2016 Item $50,000 & Under – ratified the budget change as presented.

16-71. Personnel Reports and Changes in FY 16 Budget – ratified the changes as presented.

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

Audit, Compliance, and Management Review Committee Report
Mr. Sanchez noted the items presented at the Audit, Compliance, and Management Review Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held February 11, 2016.

Item Presented for Committee Approval Only

16-72. Committee Minutes

Item Presented for Information Only

16-73. Investment Audit

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

16-74. Operating Funds Investment Policy Update – approved the policy change as presented.

Mr. Hessing asked if any member wanted to remove this item from the Consent Agenda. Dr. Bernhardt seconded Mr. Sanchez' motion to approve the Consent Agenda as presented. The motion was approved.
Recess
The meeting recessed at 9:08 a.m.

Board of Regents Retreat
16-76. The meeting reconvened at 9:30 a.m. in the Dillard College of Business Administration Priddy Conference Room.

Regents in attendance were Mr. Shawn Hessing, Chairman; Mr. Mike Bernhardt, Vice Chairman; Mr. Kenny Bryant, Secretary; Mr. R. Caven Crosnoe; Dr. Lynwood Givens; Mr. Jeff Gregg; Ms. Nancy Marks; Mr. Sam Sanchez; and Student Regent Megan Piehler. Administrative staff members present included Dr. Suzanne Shipley, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Business and Finance; Dr. Bob Clark, Vice President for Administration & Institutional Effectiveness; Dr. Howard Farrell, Vice President for University Advancement and Public Affairs; and Mr. Kyle Owen, Associate Vice President for Facilities Services. Other university personnel attending the meeting included Dr. Sam Watson, Dean of the Prothro-Yeager College of Humanities and Social Sciences; Dr. David Carlston, Chairman of the Faculty Senate; 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. Mr. Bradley Wilson, Assistant Professor of Mass Communication, took photographs during a portion of the meeting.

Opening Remarks
Mr. Hessing noted that a great deal of work had been done during the last few months to align the university’s vision with realistic plans to ensure a greater future for MSU. He stated that the information discussed at the retreat would outline the vision, initiatives, funding, and timeline for the next stages of planning. He indicated that the retreat materials provided everything necessary to prepare Board members for the discussion. Mr. Hessing introduced facilitators Ms. Pat Bosse and Dr. Kent Chabotar and noted that their bios were in the Board Book.

Setting Retreat Context and Expectations
Ms. Bosse reported that she visited the campus in September and met a number of individuals at that time. She noted that MSU was a warm, hospitable, and gracious campus. Ms. Bosse reviewed the agenda for the retreat (see Attachment 1, Slide 2). She indicated that while there would be time during the meeting for feedback she wanted individuals to ask questions at any point during the presentation. She referred to the publication in the Board Book entitled "Consequential Boards," and stated that it was published by the Association of Governing Boards. She added that Dr. Chabotar contributed to this publication and that it contained critical information that should shape governing boards. Slide 3 showed Recommendation Six from this publication and Ms. Bosse stated that the Board was focusing on issues of greatest consequence to Midwestern State University during this retreat. Slide 4 reviewed the planning timeline that began with the conceptual vision that was accomplished in 2014. Ms. Bosse explained that when President Shipley arrived on campus, she worked with campus leaders to refine the priorities and shape the framework of the strategic initiatives. With a commitment to transparency, there was
engagement through open campus meetings, surveys, and consideration of feedback. The result was an outcome of overwhelming endorsement of the Building Bridges Strategic Initiatives. She indicated that these initiatives provided a framework that would evolve with future planning. Slide 5 listed the goals of the retreat. Ms. Bosse noted that the Board would be asked for their support of the Building Bridges to a Vibrant Future Strategic Initiatives at the end of the retreat.

A National Perspective for MSU’s Planning Framework
Dr. Chabotar stated that he would discuss higher education from a national perspective. Slide 9 presented views of higher education by various writers in 2013, 2011, and 1934 and Slides 12 and 13 presented Moody’s 2016 outlook for higher education. He noted that universities must continually look at net tuition after financial aid, which is the amount of funding that is available to operate the institution. Slide 14 presented information regarding colleges and universities least likely to adapt and survive. He stated that universities must make a value proposition and presented ideas that are being tried throughout the country (Slides 16-19). Dr. Chabotar reported that less than 30% of all faculty in the United States are tenured or tenure-track, and many schools are hiring faculty on contracts rather than offering tenure-track options. He stated that increasing university class size from 20 students to 22 students would result in a 10% increase in productivity. He noted that while increasing a class size would not work in every major, it was important for higher education leaders to be open to such an action in majors that might benefit from more productivity. Dr. Chabotar commented on the importance of articulation agreements with community colleges.

Mr. Sanchez asked if he was a proponent of less tenure in higher education. Dr. Chabotar responded that he did not advocate dropping tenure in schools that have a tenure system. He added that new public universities and community colleges will likely consider not having tenure to protect their flexibility. Dr. Givens asked how many faculty are tenured at four-year universities comparable to MSU. Dr. Chabotar responded that the figure was likely near 50%.

Building Bridges: MSU’s Strategic Initiatives
Ms. Bosse asked Dr. Shipley to provide opening comments regarding the development of the strategic initiatives. Dr. Shipley referred to the page in the Board Book entitled “The New Century Strategic Plan” and noted the four strategic initiatives. She commented that while the sheet indicated “strategic plan,” it was a list of “strategic initiatives” that would be the backbone of a strategic plan.

Dr. Shipley outlined the process that was used in the development of these initiatives. She noted that the President’s Cabinet reviewed the 200 items included in the most recent MSU strategic plan and narrowed the number to approximately 20. The original order of the initiatives placed the pursuit of new student populations first, but as a result of the ModernThink Survey results, the order of the initiatives was shifted. She stated that the survey showed areas that needed to be addressed to promote a strong university community. The second initiative relates to how the university recruits and retains excellent students. The third initiative deals with academic programming, and the final initiative is how the university interacts with the community and other outside entities. She noted that the second statement under the second initiative states that MSU will pursue designation as a Hispanic Serving Institution (HSI) by the year 2022. She explained that an institution can receive the HSI designation when 25% of its population is
Hispanic. She noted that 25% of the last two freshmen classes were Hispanic. She added that this statement indicates that MSU will respond to this demographic by serving them better and more intentionally, in ways that have not been tried at MSU before. Dr. Shipley stated that there was federal, state, public, and private support for HSIs. She noted that the initiatives were intended to shape MSU in the most competitive and rigorous way.

Ms. Bosse reviewed the PowerPoint presentation of strategic initiatives that was shared with faculty and staff in the fall (see Slides 22-48). She noted that 2017 is MSU’s 95th anniversary, and 2022 is the centennial.

Ms. Bosse asked Regents if there was anything in the plan they would change or delete and if there was anything they expected to be included in the plan that was not. Ms. Piehler stated that aggressively pursuing new student populations was important, but indicated she would also like to see a focus on increasing the amount and number of academic scholarships offered by the university. She added that MSU needed to be more competitive with its academic scholarship offerings. Ms. Bosse responded that she would speak later about comprehensive campaigns and noted that scholarship endowments would be a part of a campaign.

Mr. Hessing stated that he would like to see the Mission Statement revised and shortened. He added that he would like to see a comparison of scholarships awarded at MSU and other universities in Texas. Dr. Shipley added that the Council of Public Liberal Arts Colleges (COPLAC) organization has a robust data set that can be used to provide important comparisons for MSU.

Mr. Sanchez commented that branding was an area in which the university has the most work to do. He added that it would also provide the most benefit for the university.

Dr. Givens asked for clarification as to what the Board was being asked to approve. Ms. Bosse responded that at the end of the retreat the Board would be asked for their support to move forward with the strategic initiatives that would provide the framework for future strategic planning. She noted that this was the first step in the process. Dr. Givens indicated that he did not feel comfortable talking about a campus in Fort Worth or about MSU becoming an HSI when he had not seen any data to support these initiatives. He stated that it was too early in the process to include these items in a strategic plan. Mr. Hessing commented that Dr. Lamb reported to the Board Thursday that more information regarding the possible Fort Worth expansion would be presented in May. He added that the Board would not be asked to vote on anything during this meeting. Dr. Shipley noted that she and the administration were interested in hearing the Board’s reaction to the proposed initiatives. Dr. Givens stated that two of the initiatives were very specific while the remaining items were stated very generally.

Dr. Shipley indicated that if the Board expressed support for moving forward with these initiatives, the university would begin six to nine months of strategic planning. She stated that the plan would include measurable outcomes. She added that a fully developed plan would be presented to the Board in 2017.
Mr. Gregg noted that the administration had previously determined a list of ten campus priorities. He asked if they would be incorporated into the new plan. Dr. Shipley responded that the priorities were embedded as part of the strategic initiatives.

Mr. Crosnoe encouraged the administration to consider restating the two initiatives that were very specific. He indicated that rather than identifying a specific place for expansion he would recommend rephrasing the initiative to state that the university would explore off-campus alternatives.

Recess
The meeting recessed at 10:36 a.m. and reconvened at 10:48 a.m.

Anchoring Initiatives to Action Plans
Ms. Bosse noted that the Board Book included a chart showing a framework of investments that would need to be made to support the initiatives. Slide 52 showed the five major categories (people, technology, advertising/branding, academic offerings, and facilities) that were included in the framework shown in Slides 53 and 54. She noted that the areas were color-coded for easy reference. She stated that the information included a projected timeline, preliminary cost estimates, and potential sources of funds.

Mrs. Marks stated she was pleased that the top priority was investing in MSU faculty and staff. Mr. Crosnoe asked about the line items for staff and faculty equity salary increases. Dr. Fowlé responded that a firm was completing a staff compensation study for the university, and they would recommend a plan to ensure the staff are paid at levels appropriate to the marketplace.

She noted that this information would be available and utilized as the FY 17 budget is developed. Dr. Stewart added that when new faculty are hired, they demand the marketplace salary and sometimes new faculty are hired at a salary very close to the salaries paid to associate professors and senior faculty already teaching at the university. She noted that the university uses a compensation study for faculty that is produced by the College and University Personnel Association (CUPA).

Mr. Hessing noted that he appreciated the level of detail that was included in the framework. He stated that as the administration moves forward with planning, he would like to know how the projects will be paid for, would like to understand the revenue that will be seen from these initiatives, and would like to understand the program tie-ins and what impact they will have.

Mr. Sanchez noted that he would like to see a more realistic number for branding and stated that $50,000 every year was likely inadequate to meet the need.

Dr. Givens asked if a new police station was included in the plan. Dr. Lamb responded that the administration’s thinking was that a new police station would coincide with the construction of the next residence hall or possibly the parking garage addition. Dr. Givens indicated his preference that the police station is thought about separately. He added that he would also like to see a line item included to provide funding for real estate expansion near the MSU campus.
Mr. Crosnoe asked to return to the compensation discussion. He asked how increasing faculty salaries would affect Midwestern’s teaching excellence. Dr. Chabotar stated that salary increases generally fall into the two categories of equity and merit. He explained that equity increases bring the position to a certain percentage of what others are paid, and merit increases differentiate employees that are very good from those who are outstanding. Mr. Crosnoe stated that the framework showed a large investment of funds and he did not understand how this investment would increase teaching excellence. Dr. Carlston noted that from a faculty perspective, if the university has an environment where faculty are not rewarded, many faculty will look for better options elsewhere and their primary objective will be to prepare their resume and attain a position at another university or business. He stated that a faculty member is not going to be fully invested if he is looking to leave.

Mr. Bryant asked if MSU has a faculty retention problem. Dr. Stewart responded that the university loses faculty for financial reasons and, in some cases, it is market driven. She stated that the university needed faculty to be fully engaged in educating students in the best way possible. Dr. Shipley added that 20 years ago the market was not as fluid, but now faculty can move at any point in their career, and there is more need for competitive salaries and retention. Mr. Sanchez asked if the investment in faculty salaries would show results that could be measured. Dr. Stewart responded that it should show in the success of the students and the productivity of faculty. Dr. Shipley added that a measurable outcome would be to compare MSU salaries, retention rates, and graduation rates to other COPLAC institutions.

Dr. Givens indicated that he was looking for the connectivity between the initiatives and the budget. He added that he also wanted to see measurable outcomes. Ms. Bosse stated that the initiatives were in the blueprint stage. Dr. Givens stated that while he did not doubt that buildings were important, he did not see the connectivity between these new buildings and a 2,000 student enrollment increase by 2022. Ms. Bosse noted that campus facilities would be outlined and discussed further in the afternoon. She indicated that the information presented would show the discipline it would take moving forward. She added that as the framework evolves into a full plan, it shapes MSU’s case for philanthropic support (Slide 55). She noted that a comprehensive campaign includes funding for buildings, as well as endowments for scholarships, faculty development, and faculty and student research.

Dr. Chabotar discussed the strategic planning process (Slides 57 – 63). He stated that a plan must have tasks for every objective, which are tied to every goal. He noted that costs must be added to the tasks, and funding sources identified. He added that the plan must begin with baseline data from which to measure and indicated that a strategic plan is a living document. He recommended the Board look at a publication that appeared in the Harvard Business Journal entitled “Blue Ocean Red Ocean Strategy.” He noted that blue ocean strategies are the things that will differentiate the institution from others while red ocean strategies are doing the same things that have always been done, but doing them better. The slides showed a sample for showing timelines and the delineation of responsibilities for each action step. Sample strategic indicators were also shown, such as enrollment, graduation rate, diversity, admissions, cost and discount rate, student/faculty ratio, and endowment per student. He explained that he uses the acronym CASH, which stands for Comparative, Average (national or peers), Standard (or goal), and Historical information in looking at data. Slide 62 showed how to present the goal, the most
recent data, and the peer and aspirant averages. Dr. Shipley asked Dr. Chabotar to explain how the peers and aspirants are determined. Dr. Chabotar responded that peers are schools similar in size and mission to MSU. Aspirants are the institutions that MSU aspires to be like.

Mrs. Marks stated that through her exposure to strategic plans in the past she understood that they are working documents that are regularly reviewed. She noted that priorities may shift as a result of circumstances. Dr. Chabotar added that the university must leave itself open for unexpected eventualities in the future.

Mr. Gregg asked about the administration’s Fort Worth expansion initiative. He expressed concern that the endeavor was taking a great deal of the administration’s energy and resources. Dr. Shipley responded that the expansion would help diversify MSU’s market and appeal to an emerging market of working adults. She noted that the working adult is more likely to be located in an urban environment and more likely to want to study in professional fields at night and on the weekends. She stated that many institutions similar to MSU reached out to that market because a great product can be delivered at a lower price, providing additional revenue to reinvest in the expensive undergraduate residential liberal arts education offered at the main campus. Dr. Shipley commented that these types of offerings had helped other small regional universities grow. She indicated that MSU’s lack of growth could make the university more vulnerable to questions raised about the university’s independent status. Mr. Gregg indicated his concern that the main campus might suffer if MSU focuses on Fort Worth and the effort fails. Dr. Shipley responded that the administration is taking the time to study the marketplace and to look at the programs offered by other institutions in the area. She added that the majority of public universities are already offering similar off-site programs and MSU is moving into the discussion very late. Mr. Hessing stated that as an independent university with no growth during the last five to seven years, MSU could be in a precarious situation. He noted that there were discussions several years earlier about MSU moving into a system, and he indicated that Dr. Shipley was making a concerted effort to make MSU less vulnerable.

Dr. Givens asked if the administration anticipated growth in the liberal arts degree programs. Dr. Lamb responded that the anticipated growth in Fort Worth would be adult completion degrees with perhaps health science and professional field backgrounds. Dr. Shipley added her belief that the top selling degree program in Fort Worth could be the Bachelor of Applied Arts and Sciences (BAAS) degree. This degree program would give adult learners who have a high degree of professional training from their work experiences, a liberal arts baccalaureate degree. She stated that the BAAS offering would be coupled with some of MSU’s professional programs, and the university could have a robust market in the area. She added that she had done this at other institutions and noted that it is a well-established method for growing enrollment and increasing profitability. She stated that the key to success would be getting into the market at the right time with the right degree program offerings.

Mr. Bryant noted that the administration continues to talk about aspiring to be a top COPLAC institution. He asked if that was MSU’s highest goal, or was the goal to educate as many people in the geographical area as possible. He indicated that he did not understand how expanding to Fort Worth would enhance MSU’s COPLAC mission. Dr. Shipley responded that COPLAC institutions are generally regional in their delivery of service. She indicated that COPLAC
institutions had measurable outcomes that are the type to which MSU should aspire. She noted that they generally graduate more students, have more residential students, and have better outcomes. Mr. Bryant asked if other COPLAC institutions attract better students than does MSU. Dr. Lamb responded that the quality of MSU students has increased, but MSU’s average entrance scores are below mean and median compared to COPLAC as a whole. He added that MSU is not at the bottom, but that there is room to improve.

Lunch
The meeting recessed for lunch at 12:08 p.m. The meeting reconvened at 12:45 p.m. Mr. Matt Park, Associate Vice President for Student Affairs, joined the meeting after the lunch break.

Moving From Early Vision to a Master Facility Plan
Ms. Bosse talked about the opportunity the campus community has to tell the MSU story (see Slide 65). Dr. Shipley stated her opinion that the administration would not have been able to have a retreat six months into her presidency if the Board and administration had not developed the conceptual facilities plan in 2014. Slides 68-74 showed the 2014 conceptual vision plan as well as the six campus plan maps from the current year through FY 22. These maps were also included in the Board Book.

Mr. Owen reviewed the maps, showing the progression from the projects currently underway to possible projects through FY 22. Map 3 (Slide 71) included many of the Tuition Revenue Bond projects as well as the construction of a new Facilities Building at the site of what is now the Kappa Alpha House (formerly Fraternity Commons). Map 4 (Slide 72) included renovation of Bridwell Hall, following the completion of the new Gunn College of Health Science and Human Services Building, and renovation of the Daniel Building following the completion of the Facilities Building. Map 5 (Slide 73) showed the addition of a Sports Complex and movement of the tennis courts to the South Campus. Map 6 (Slide 74) showed the construction of a parking garage and relocating the Police Department.

Ms. Piehler stated that she understood these were conceptual plans but asked where student recreation and student free play fields would go once the Sports Complex is built. Dr. Lamb thanked her for making that observation. He commented that when a parking garage is built it may be possible to convert one or more of the existing parking lots to free play areas.

Mr. Sanchez asked if the plan would encompass the vision of the Mustangs Walk that was part of the conceptual plan. Mr. Owen responded that it was something that was still being considered. Mr. Sanchez commented that it was a great idea, and he encouraged the administration to keep it in the plan if possible. Dr. Givens added that a jogging track around campus might be something to consider in the plan.

Dr. Givens indicated that putting Facilities Services on a main roadway seemed problematic. He stated that he would like to see more of a showpiece facility on Taft Boulevard. Dr. Fowlé responded that the administration had considered moving Facilities Services from the center of campus to a location off of the main campus for some time. Dr. Givens asked if the land occupied by the Hampstead Houses might be a better location for facilities rather than on Taft. Mr. Owen responded that there was not enough space on Hampstead for Facilities Services.
buildings and vehicles. Dr. Givens asked if Facilities Services could be moved to where the Police Department is currently located when a new building is constructed. Mr. Owen responded that it would depend on the timing. Dr. Givens expressed concern that the new Facilities building would be on a main thoroughfare that people drive by on their way to the campus.

Dr. Givens noted that baseball was not included in the plan. Mr. Owen indicated that baseball was not in the final conceptual plan in 2014. He added his understanding that if the sport were added, a field would be placed on the land currently occupied by the Simulation Center. Dr. Givens asked if the area occupied by the Simulation Center should be a part of future planning. Dr. Shipley indicated that it should be and that the property would be added to the plan.

Mr. Gregg asked about the administration’s long-term plans for the Hampstead Houses. Mr. Owen responded that the discussion he had been involved with over the years was that the space would eventually be used for parking. Dr. Fowlé stated that the cost to raze the houses was approximately $800,000 because of the age and the asbestos in them. The vacated space would then only provide approximately 100 parking spaces. Mr. Hessing asked why the university should keep the houses if there is not a value proposition for parking. He indicated that a plan was needed for the Hampstead Houses. Mr. Gregg indicated that if the property was not going to be used, and sources of revenue were needed for future real estate acquisitions, perhaps consideration should be given to selling the houses.

The discussion returned to baseball with Mr. Bernhardt noting that he was asked about it on a regular basis. He added that he did not support the idea of putting a stadium off campus. Dr. Farrell stated the reason baseball was put on the side burner two years ago was that $6 million was needed to build a stadium, and the university was only able to raise $3.1 million. Mr. Carr indicated that while he would love to have a baseball program at MSU, but he did not believe there was room for it on campus. He stated that he would not want to put a stadium off campus. Mr. Sanchez noted that the original idea presented placed the baseball stadium on the South Campus facing toward the lake. Mr. Carr responded that priorities and plans had changed during the last two years. Mr. Bernhardt stated that the idea of baseball should continue to be considered. Mr. Bryant expressed his disagreement and stated his observation that students do not go to baseball games as they do other sports. He asked Mr. Carr for his thoughts. Mr. Carr indicated his belief that MSU could have a great baseball program but doubted it would be a well-attended sport. He added that it definitely would not be well-attended if it were off campus. Mr. Sanchez asked how many Long Star Conference schools play baseball. Mr. Carr responded that there were eight. Mr. Sanchez stated that softball and baseball could play in the same environment. Dr. Givens added that the school he teaches at recently built one, to include moveable and convertible mounds. Mr. Sanchez indicated that he did not want to lose the possibility of baseball and indicated that the administration would need to look for creative solutions if it were to happen.

Mr. Crosnoe stated that while the other Regents seemed to be very supportive of a football stadium on campus, he was not. Mr. Hessing indicated that he had seen what a football stadium can do for a small university campus. Mr. Crosnoe indicated that his concern was the tremendous cost associated with constructing a football stadium, and the amount of space that would be taken up that could effectively be used for educational buildings on a land-locked
Ms. Bosse reminded the Board that the plan included a Sports Complex that could be used for football, men’s soccer, and women’s soccer. She added that women’s track could also possibly use the facility. Mr. Gregg stated that building a track around a football field ruins the view of the game. Dr. Shipley noted that a baseball stadium could be placed in the area now proposed for tennis courts if the university could take advantage of another tennis facility in town.

Ms. Bosse noted that property used for president’s homes was being reviewed by colleges and universities across the country to determine the best use of the space. She asked if the MSU Board had talked about the Sikes House property, which is part of the footprint of the campus. She indicated that it should be part of the planning of the long-term campus. Mr. Hessing responded that the Board had discussed the use of Sikes House a great deal. He stated that it was an ongoing conversation that would be had again. Dr. Shipley commented that since she had not been a part of the conversations, she encourage the Board to, at some point, to consider if the property is or is not going to be a part of the campus footprint. She noted that it was a large piece of property compared to the rest of the campus. She added that a conversation needed to take place regarding how to maintain the integrity of the Sikes House. She indicated that she was hesitant to recommend fields that would encroach on the entrance to the home because she did not yet understand the community view of the integrity of the house. She commented that the Board would need to decide at some point how to guarantee the identity and integrity of Sikes House as the campus grows around the home. Ms. Bosse commented that just as there is a master facilities plan, it was important to have a philosophical discussion and make decisions regarding the integrity of the house and what that means. She noted that it would help inform decisions such as whether to place hedges around the home to provide a barrier.

Ms. Bosse asked if there were additional items that needed discussion regarding the maps. Mr. Sanchez noted that Dr. Chabotar mentioned that the Board needed to plan for contingencies. He indicated that he would like to see a contingency plan for large things. He mentioned that the administration might look at a property that is not currently available, and plan for something that could be placed on the property if it ever became available.

Ms. Bosse indicated that the Board had great dialogue and debate during the day. She referred to Slide 77 and reminded the Board to follow the ideas shared on the slide.

Mr. Hessing thanked attendees for their participation in the meeting. He indicated that the open portion of the discussion was concluded.

**Executive Session**

The Board of Regents went into Executive Session to discuss Item 16-77 (Personnel Matters) as allowed by Texas Government Code Section 551.074. The Executive Session began at 1:40 p.m. Mr. Hessing, Mr. Bryant, Dr. Givens, Mr. Gregg, Mr. Crosnoe, Ms. Piehler, Mrs. Marks, Mr. Sanchez, Mr. Bernhardt, Dr. Shipley, Mr. Macha, and Ms. Barrow remained for the discussion. The closed session concluded at 2:18 p.m. and the open meeting resumed.
Open Meeting Resumes
Mr. Hessing reported that the closed session was complete, and the only item discussed was the item announced and no votes were taken.

Adjournment
There being no further business, the meeting was adjourned at 2:18 p.m.

I, J. Kenneth Bryant, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting February 12, 2016.

J. Kenneth Bryant, Secretary

ATTACHMENT:
1. Retreat PowerPoint
MIDWESTERN STATE UNIVERSITY
Board of Regents Retreat
Friday, February 12, 2016

TODAY'S AGENDA
• Retreat Context and Expectations
• A National Perspective for MSU's Planning Framework
• WHAT ARE WE PLANNING TO DO?
  Building Bridges MSU's Strategic Initiatives
• HOW WILL IT HAPPEN?
  Anchoring Initiatives to Action Plans Moving from Concept to Reality
  LUNCH
• WHAT CHANGES WILL WE SEE?
  Moving from Early Vision to a Master Facility Plan
• Review and Wrap Up
• Executive Session

CONSEQUENTIAL BOARDS: RECOMMENDATION 6

"Boards must focus their time on issues of greatest consequence to the institution by reducing time spent reviewing routine reports and redirecting attention to cross-cutting and strategic issues not addressed elsewhere."

-National Commission on College and University Board Governance

HOW DID WE GET TO TODAY?

- 2014: Conceptual vision and initial planning
- Fall 2015: Commitment to transparency, engagement, and community input leads to open campus meetings with all campus stakeholder groups, a campus-wide survey open to all for feedback and comment
- Fall 2015: Campus leaders refine priorities and scope framework of core strategic initiatives, aligning priorities, a timeline, campus facility needs and funding sources
- 2/12/2016: Outcome: Overarching endorsement by MSU campus community for Staking Bridges Strategic Initiatives
TODAY'S GOALS

• Inform and engage Board about MSU's strategic initiatives
• Demonstrate alignment between strategic initiatives, costs, funding sources, fundraising and timeline
• Confirm leadership commitment to transparency and open communication
• Ground discussion in broader context of higher education best-practice

At the end of the Retreat, we will ask for your support for Building Bridges to a Vibrant Future strategic initiatives.

A NATIONAL PERSPECTIVE FOR MSU'S PLANNING FRAMEWORK

Kent John Chabotar, Ph.D

VISIONS OF HIGHER EDUCATION: IS THE CURRENT MODEL SUSTAINABLE?

KENT JOHN CHABOTAR
kent@mpkppartners.com

TWO VISIONS OF HIGHER EDUCATION
The End of the University as We Know It

Underlying Assumptions

- Predictions of any future are hard.
- Remember these did not exist 15 years ago...

State of the Industry

- By 2020, the number of college graduates will rise to 1.5 million, of which 85% will be at public institutions. Reduced Hispanic student numbers will grow the fastest.
- 10 million students take at least one online course.
- 40 million students will take at least one online course.
- The average college tuition is $12,000.
- The average college tuition is $30,000.
- The average college tuition is $50,000.
- The average college tuition is $70,000.
- The average college tuition is $90,000.
- The average college tuition is $110,000.
- The average college tuition is $130,000.
- The average college tuition is $150,000.
- The average college tuition is $170,000.
- The average college tuition is $190,000.
- The average college tuition is $210,000.
- The average college tuition is $230,000.
- The average college tuition is $250,000.
- The average college tuition is $270,000.
- The average college tuition is $290,000.
- The average college tuition is $310,000.
- The average college tuition is $330,000.
- The average college tuition is $350,000.
- The average college tuition is $370,000.
- The average college tuition is $390,000.
- The average college tuition is $410,000.
- The average college tuition is $430,000.
- The average college tuition is $450,000.
- The average college tuition is $470,000.
- The average college tuition is $490,000.
- The average college tuition is $510,000.
- The average college tuition is $530,000.
- The average college tuition is $550,000.
- The average college tuition is $570,000.
- The average college tuition is $590,000.
- The average college tuition is $610,000.
- The average college tuition is $630,000.
- The average college tuition is $650,000.
- The average college tuition is $670,000.
- The average college tuition is $690,000.
- The average college tuition is $710,000.
- The average college tuition is $730,000.
- The average college tuition is $750,000.
- The average college tuition is $770,000.
- The average college tuition is $790,000.
- The average college tuition is $810,000.
- The average college tuition is $830,000.
- The average college tuition is $850,000.
- The average college tuition is $870,000.
- The average college tuition is $890,000.
- The average college tuition is $910,000.
- The average college tuition is $930,000.
- The average college tuition is $950,000.
- The average college tuition is $970,000.
- The average college tuition is $990,000.
- The average college tuition is $1,000,000.

Moody's 2016 Outlook

2016 Outlook — Moderate Revenue Growth Supports Sector Stability

- Revenues will grow by 2% to 3% annually.
- Expenses will grow by 3% to 4% annually.
- Net margins will increase by 1% to 2% annually.
- Operating leverage will improve by 1% to 2% annually.
- Financial leverage will decrease by 1% to 2% annually.
- Debt service coverage ratios will improve by 1% to 2% annually.
- Credit quality will improve by 1% to 2% annually.
- Moody's will maintain its rating outlook.

Outlook

- Revenue growth will be stronger than expected.
- Operating leverage will exceed expectations.
- Net margins will exceed expectations.
- Credit quality will exceed expectations.
- Moody's will raise its rating outlook.
More from Moody's

Closure and merger activity will increase as the sustained impact of revenue declines intensifies for financially challenged institutions.

The smallest colleges will continue to lose market share as the largest achieve growth.

Most at Risk

Colleges and universities least likely to adapt and survive...

- Rural location
- Low enrollment
- High tuition dependence
- High tuition discount
- Low endowment
- High debt
- Few unallocated dollars
- Look like competition

VALUE PROPOSITION

- Increasing actions to make value proposition by capping price and proving value.
- Development of competencies and "badges" in addition to grades.
- More curricular flexibility and tailoring to student interests
- More block courses that start on demand.
- Search for "differentiating attributes."
- Expanded marketing especially using social media.
- More personalized and earlier contacts with prospective students.
We are responsible for preparing our students to address problems we cannot foresee with knowledge that has not yet been developed using technology not yet invented.
Midwestern State University is a leading public liberal arts university committed to providing students with rigorous liberal arts, arts, and graduate education in the liberal arts disciplines. Through an emphasis upon teaching, students gain the opportunity to engage in the intellectual and creative activities alongside faculty and to embark upon their careers or pursue advanced study. The university's comprehensive core curriculum is based upon a comprehensive arts and sciences core curriculum. The understanding that students gain of themselves, others, and the social and natural world prepares them to contribute constructively to society through their work and through their private lives.

Our Values:

- Excellence in teaching, learning, scholarship, and service.
- Intellectual curiosity and inquiry.
- Critical thinking.
- Emotional and physical well-being.
- Mutual respect, civility, and moral education.
- Social justice.
- Civic engagement.
- Responsiveness to the environment and of financial and mission resources.
- Safe, attractive, and well-decorated campuses.
Goal 1: Promote a Strong University Community

- Attract, retain, and reward faculty and staff who expect and extend an environment of the highest quality
- Encourage all faculty and staff to actively engage students in inquiry, research, creative, athletic, service, and artistic endeavors
- Support faculty who are dedicated to excellent teaching and scholarly activity
Goal 1: Promote a Strong University Community

- Establish clearly the mission of the university and develop a comprehensive marketing and branding program that effectively translates that to the expanded region.

Goal 1: Promote a Strong University Community

- Create benchmarks and measurements reflective of MSU's goal to be among the best Council of Public Liberal Arts Colleges (COPLAC). Be good stewards of our public liberal arts mission.

Goal 2: Aggressively Pursue New Student Populations

- Build upon our well-established reputation for students seeking a full-time, residential, liberal arts experience.

The New Century Strategic Plan: Building Bridges to a Vibrant Future
Goal 2: Aggressively Pursue New Student Populations

- Create a campus site in northwest Fort Worth
- Actively market adult completion online programs, the Bachelor of Applied Arts and Sciences (BAAS), as well as K-12 teachers and retirees
- Maintain a welcoming environment for all. In particular, seek to become classified as a Hispanic Serving Institution (HSI) within 16 years
- Add 2,000 new students by Fall 2022 semester
  - 25% on campus
  - 25% online
  - 50% off site center
Goal 3: Create a Destination Residential University

- Increase recreational, cultural and leadership opportunities for students of all cultural backgrounds.

Goal 3. Create a Destination Residential University

- Provide a strong student support system to ensure students remain in school, are actively engaged in campus life and service and graduate.
  - Expand the Academic Success Center
  - Develop a signature first-year experience.

Goal 3: Create a Destination Residential University

- Create appealing global learning opportunities at home and abroad.
Goal 3: Create a Destination Residential University

- Deliver education in modes that meet students' needs and expectations while maintaining affordability.
- Embrace current technological trends in administration, classrooms, and laboratories, and develop a funding plan to meet these needs.

Goal 4: Stimulate a Culture of Engagement

- Support the Wichita Falls community by providing an educated workforce, stimulating economic development, and serving as a leader in shaping the city's future.
Goal 4: Stimulate a Culture of Engagement

- Support Sheppard Air Force Base and improve outreach to and articulation agreements with community colleges.

Goal 4: Stimulate a Culture of Engagement

- Develop premier programming in the academics, arts, and athletics for a wide range of stakeholders
- Position the Wichita Falls Museum of Art at MSU (WFMA) and the NCAA Division I program as models of excellence.

Goal 4: Stimulate a Culture of Engagement

- Revitalize and expand the university's infrastructure and financial base to improve efficiency and affordability.

Goal 4: Stimulate a Culture of Engagement

- Expand the university's donor base to include new populations and engage existing donors in new ways.
QUESTIONS / DISCUSSION

- Is there anything in the plan you would change or delete?
- Is there anything in the plan you expected to be included that wasn’t?
PLANNING A COMPREHENSIVE CAMPAIGN

- Perfect timing - now through FY22 and Centennial Celebrations!
- Building Bridges - excellent framework for shaping MSU’s Case for Philanthropic Support
- Opportunities for -
  - Capital funding for strategic initiatives
  - Operating revenue through growth in unrestricted annual fund
  - Endowment growth through aggressive Centennial strategy for Planned Giving
  - Campus wide engagement, education and involvement in fundraising activity
  - Long-term development of a sustainable donor cultivation and stewardship effort

QUESTIONS / DISCUSSION

- Is there anything in the plan you would change or delete?
- Is there anything in the plan you expected to be included that wasn’t?
STRATEGIC BUDGETING: Sample Strategic Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE degree enrollment</td>
<td>1.74%</td>
<td>1.68%</td>
<td>1.70%</td>
<td>1.71%</td>
<td>1.72%</td>
</tr>
<tr>
<td>6-year graduation rate</td>
<td>79.0%</td>
<td>78.2%</td>
<td>78.4%</td>
<td>77.3%</td>
<td>81.4%</td>
</tr>
<tr>
<td>Diversity</td>
<td>13.1%</td>
<td>13.3%</td>
<td>13.3%</td>
<td>14.3%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Students of color</td>
<td>3.7%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>4.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>International students</td>
<td>7.9%</td>
<td>8.2%</td>
<td>8.3%</td>
<td>8.4%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Admissions</td>
<td>42.3%</td>
<td>42.5%</td>
<td>42.7%</td>
<td>42.9%</td>
<td>43.1%</td>
</tr>
<tr>
<td>Accept rate</td>
<td>70.4%</td>
<td>70.2%</td>
<td>70.5%</td>
<td>70.5%</td>
<td>70.4%</td>
</tr>
<tr>
<td>Cost</td>
<td>5.8%</td>
<td>5.5%</td>
<td>5.4%</td>
<td>5.3%</td>
<td>5.2%</td>
</tr>
<tr>
<td>% increase in comp for</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.7%</td>
<td>3.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>31.7%</td>
<td>31.6%</td>
<td>31.6%</td>
<td>31.8%</td>
<td>32.0%</td>
</tr>
<tr>
<td>Faculty</td>
<td>11.3%</td>
<td>11.4%</td>
<td>11.5%</td>
<td>11.6%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Student faculty ratio</td>
<td>74.5%</td>
<td>74.5%</td>
<td>74.5%</td>
<td>74.6%</td>
<td>74.6%</td>
</tr>
<tr>
<td>Change in 20 students</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Finance</td>
<td>2.1%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.7%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>57.8%</td>
<td>57.8%</td>
<td>57.8%</td>
<td>57.8%</td>
<td>57.8%</td>
</tr>
<tr>
<td>Endowment per student</td>
<td>$321,148</td>
<td>$350,906</td>
<td>$375,323</td>
<td>$400,845</td>
<td>$426,367</td>
</tr>
<tr>
<td>Advancement</td>
<td>24.0%</td>
<td>23.0%</td>
<td>22.2%</td>
<td>21.7%</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

FROM VISION TO MASTER FACILITY PLAN
What changes will we see?

CLOSING THE STRATEGIC GAP

- The way to close the gap during plan development by leveraging expectations and expenses, or finding new resources;
- Limits should be prioritized in advance so that shortfalls in financing result in predictable adjustments to less important goals and objectives;
- Visible and practical "what if" scenarios anticipate possible strategic gaps;
- The plan's duration can be extended to allow more time for ends to be accomplished or resources to be obtained; and
- Goals and objectives can be preserved but more economical action steps selected to accomplish them.
TELLING THE MSU STORY

The MSU campus
- evokes memories, pride, spirit and traditions
- gathers, engages and inspires across generations
- serves as the "emotional" North Star for alumni and donors
- provides the intersection for honoring the past and embracing the future with passion
- as MSU's evolving storyteller

Master Facility Plans are the backbone of institutional fundraising and communications. They offer an evolving canvas for ongoing progress, accomplishment and transformation.

A Comprehensive Campaign for MSU
- Planned and launched to coincide with Centennial Celebrations in 2022 and completion of Plan
- Supports the MSU story by supporting excellence

PLANNING FRAMEWORK AND CONTEXT

President Suzanne Shipley

MSU CAMPUS PLAN TODAY – FY 22

Kyle Owen, AVP, Facilities

CONCEPTUAL VISION 2014
QUESTIONS / DISCUSSION

- Is there anything in the plan you would change or delete?
- Is there anything in the plan you expected to be included that wasn’t?

REVIEW AND WRAP-UP

Next steps forward.
BUILDING BRIDGES TO A VIBRANT FUTURE

- Monitor, evaluate and adjust course wisely when needed
- Embed Board review into routine meetings
- Focus on the alignment of initiatives to strategy, funding, activity and outcomes
- Initiate campaign planning alongside strategic planning
- Celebrate successes often, declare victories along the way

BUILDING BRIDGES TO A VIBRANT FUTURE

- Final questions, comments, clarifications?
- Board support for Strategic Initiatives?
- Takeaways from today?
- Concluding comment – Mr. Hessing