

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Executive Committee
November 10, 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 1:24 p.m., Thursday, November 10, 2016. Executive Committee members in attendance were Mr. Sam Sanchez, Chairman; Mr. Caven Crosnoe, Vice Chairman; and Ms. Nancy Marks, Secretary. Other regents attending the meeting were Mr. Warren Ayres, Dr. Lynwood Givens, Mr. Jeff Gregg, Mr. Shawn Hessing, Dr. Shelley Sweatt, and Student Regent Lindsey Shelley. Ms. Tiffany Burks was traveling to Wichita Falls and arrived for the discussion of the last two items.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Administration and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Mr. Anthony Vidmar, 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. James Johnston, Dean, Robert D. and Carol Gunn College of Health Sciences and Human Services; Dr. David Carlston, Chairman, MSU Faculty Senate; Dr. Robert Forrester, Assistant Professor of Finance; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Mario Ramirez, Assistant Director of Student Development and Orientation; Mr. Mark McClendon, Director of Institutional Research and Assessment; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; 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. Student Government Association (SGA) representatives attending the meeting included Ms. Shayla Owens, SGA President, and Mr. Charles Frazier, SGA Observer. Representing the news media was Ms. Lana Sweeten-Shults, *Wichita Falls Times Record News*. Special guests attending the first portion of the meeting were Mr. Randall Scott and Mr. Preston Scott with Randall Scott and Associates.

Chairman Sanchez called the meeting to order at 1:24 p.m.

Reading and Approval of Minutes

17-05. The Executive Committee approved the minutes of the August 4, 2016, meeting as presented.

Gunn College of Health Sciences and Human Services (HSHS) Building Design Review

17-06. Mr. Sanchez reported that Randall Scott and Associates had been working with the faculty and administration on the design of the new Gunn College building. He noted that a copy of the presentation was sent to the Board of Regents the previous week for review. Dr. Fowlé indicated that Provost Betty Stewart, Dean James Johnston, and the HSHS faculty had worked closely with Randall Scott and Associates on the design. She introduced Randall Scott to review the presentation.

Mr. Scott thanked the Board for the privilege of working with the faculty and administration on this project. He mentioned that his firm designed the Sunwatcher Village project a little more than a decade ago. He indicated that when he was on campus recently he found a card on Dr. Shipley's desk that outlined the goals she set when she came to MSU. He noted that the card read "Re-Imagine Midwestern State," and he chose that title for his presentation (see Attachment 1). He reviewed the project goals and site parameters. He added that the four design tenets of his firm were timeless architecture, contextualism, sustainability, and innovation. He indicated that the Board would see each of those in the building design.

Mr. Scott reviewed departmental zoning and the functions that would be included on each of the four floors of the facility. Mr. Scott noted that the vertical design of the building would preserve campus green space. He added his suggestion that if financially feasible, the building should be designed to allow the addition of two floors in the future. He stated that while there would be an additional cost, it would be beneficial and more cost effective in the future.

He noted the project included a laboratory theater concept with collaborative locations (Slide 12). He added that glass was a key element in the building design and stated that glass was just as energy efficient as brick or other materials. He stated that the transparency would allow students to see into the building and within the building.

Mr. Scott discussed the consideration given to the individuals they were designing for (Slide 13) and reviewed on the next four slides examples of what MSU's competitors were building. Slides 18 and 19 presented photos of the MSU campus legacy buildings and Slide 20 showed photos of buildings recently built on campus.

Slide 21 presented a Site Plan for the new facility. Mr. Scott pointed out the new quadrangle area that would be surrounded by the new building, Bridwell Hall, the Dillard Building, and McCoy Hall. He also mentioned that McGaha Building, to the west of Bridwell Hall, would be razed to make room for the new building. He noted that the glass atrium wall shown in the building design would face to the east. He stated that the design included an outdoor classroom area. He noted that colonnades were placed along the north and west side of the building to provide a more human scale for the entrances.

Mr. Scott reviewed the building renderings on Slides 22-28. He stated that they would preserve as many trees as possible in the design. He noted they would use the campus-standard brick, Spanish tile roof, and white archways. He indicated that another new material, Terracotta, would be used. He noted that this is a clay product that is very much like brick, and that the orange color would tie in very well with the campus standard brick. He stated they were proposing using white Terracotta on some of the large mass areas, noting that the color would be gray, rather than pure white. He pointed out the mechanical penthouse on the top of the building. He stated that this would make it easy to maintain the equipment and keep noise away from the rest of the building.

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The view from the northeast (Slide 25) showed outdoor balcony spaces. Slides 27 and 28 showed the interior of the building. He pointed out the Learning Stair in Slide 28, which was adjacent to the stairs that go to the second floor. He stated that this was an area students could gather around to "see and be seen." This slide also showed the 80-person

classroom. He noted that the walls of the classroom could be opened and the area could be used as an event space.

Slides 29-34 showed the building floor plans. Mr. Scott noted that the campus data center would be located on the first floor of the building and would include an emergency generator. Dental hygiene would be located on the first floor; radiology, respiratory care, nursing, and intra-professional spaces would be located on the second and third floors; social work and advising would also be located on the third floor; and the fourth floor would house faculty offices. Slide 35 showed a building section diagram looking south.

Mr. Scott noted that the budget for the project was \$29.25 million. He stated that estimates had been done by the construction manager at risk as well as his firm and they were working to reconcile the differences in the numbers. He reported that they expected to have construction documents finished in June and construction started in August 2017. He stated that the anticipated move in date should be December 2018.

Mrs. Marks commented that she appreciated how they had embraced the legacy of the past with the arches, brick, and tile work. She added that the design was very appealing. She asked how many ladies rooms were in the building. Mr. Scott responded that the Gunn College faculty indicated that there were more female students in the HSHS programs than male. He stated that the first floor restrooms provided the same number of facilities for men and women since the Dental Hygiene Clinic and classrooms that will be used by other academic programs were located on the first floor. He noted that additional women's facilities would be available on each of the upper floors. He added that each floor would also contain a family restroom.

Mrs. Marks asked about the height of the building in comparison to Legacy Hall. Mr. Owen responded that the building would likely be approximately the same height.

Mr. Sanchez stated that while no action was necessary at this time the discussion was very important as the project moved forward.

MSU Deferred Maintenance Reports – Campus Condition Index

- 17-07. Mr. Sanchez noted that the reports included in the Board Book were required by statute and showed deferred maintenance projects completed in FY 16 as well as those planned for the next five years. There being no questions or discussion, Mr. Sanchez noted that this item was presented for information only and no action was necessary.

Campus Construction Update

- 17-08. Mr. Sanchez reported that the Board Book included project status reports as well as a report on smaller construction projects. Mr. Owen presented photographs of current projects as shown in Attachment 2. This information related to the progress of the student housing project, the intramural/athletic turf fields, the mass communication addition project, the West Campus Annex parking lot, and the extension of the landscaping beyond the Jesse Rogers Promenade to the north. Mr. Hessing asked about the student response to the new turf fields. Dr. Lamb responded that the fields were very popular and heavily used by the students.

Mr. Sanchez stated that this item was presented for information only and no action was necessary.

Dallas-Fort Worth (DFW) Expansion Update

17-09. Dr. Lamb noted that the university was very close to finalizing the lease with Parker Assets. He added that the faculty and administration had also been working with the architects on the design of the facility. He stated that the facility would be approximately 30,000 rentable square feet. He noted that Parker Assets, the owner of the facility, would take the plans to the Flower Mound Planning and Zoning Commission on November 14 and, soon after, the City Council would be asked for final approval. Dr. Lamb stated that the building would be under construction in January with a seven-month construction time frame.

Dr. Lamb reported that MSU would offer four hybrid health sciences courses at North Central Texas College (NCTC) Flower Mound in the spring 2017 semester. He noted that the courses would be largely online, but each course would meet approximately three times during the semester at NCTC Flower Mound. He added that when MSU's facility opens in fall 2017, degree completion courses in education, radiologic sciences, respiratory care, and nursing would be offered.

Mr. Sanchez asked how students would register for classes since the building would not be complete until August. Dr. Lamb responded that pre-registration would begin in the spring and would be available on-line. He added that the firm was confident the building would be ready in seven months. Mr. Sanchez asked if parking would be an issue. Dr. Lamb responded that MSU would have approximately 150 spaces as part of the lease. He added that the majority of MSU classes would be in the late afternoon or evening when other businesses were not in operation and he did not anticipate a problem with parking.

There being no further discussion, Mr. Sanchez indicated this item was presented for information only and no action was necessary.

Campus Plan – Facilities Services Relocation Alternatives

17-10. Mr. Sanchez noted this was an item that had been previously discussed by the Board and asked Dr. Shipley and Mr. Owen to comment. Dr. Shipley stated that at previous meetings the administration had discussed with the Board possible locations for the Facilities Services operations. She noted that the Board Book included information regarding three possible locations. She stated that while funds were not currently available to proceed with this project, the administration wanted to get Board members' opinions regarding which of the options were preferred. She added that this would help with long-term campus planning.

Mr. Owen reviewed the three options shown in the Board Book, those being the Greenhouse Option, the Taft Boulevard Option, and the Hampstead Lane Option. He noted that the Greenhouse Option was the lowest priced option, with facilities moving into the Alumni Center, Sikes Lake Center, and the Outdoor Recreation Center. He stated that while it was the least expensive option, it would likely be the least efficient for facilities operations. The Taft Boulevard Option would move facilities into one general location, and would require the immediate relocation of the Fraternity Commons building. Mr. Owen noted that this location would be farther from the center of the

campus. He discussed the Hampstead Lane Option and noted that the cost of this option was between the other two options. He noted that facilities operations would be in one location and would be closer to the center of campus. He stated that the challenges included the displacement of parking and the close proximity to a residential neighborhood. He added that when Facilities Services moved to another location, Marchman Hall could be razed and the current vehicle yard could be turned into a parking lot with approximately 80 spaces.

Mr. Crosnoe asked about the parking across Hampstead Lane. Mr. Owen responded that if three of the houses owned by MSU were razed and a lot constructed, the area could accommodate approximately 60 spaces. He added that 30 of those spaces would be needed for facilities personnel.

Dr. Shipley commented that as Mr. Owen considered the options with the administration it was agreed that the Hampstead Lane Option would likely be the best for Facilities Services. She indicated she was interested in hearing responses from the Board members.

Mrs. Marks asked about the parking spaces that would be displaced. Mr. Owen responded that the current Police Department lot has 111 spaces and if the home next to that lot is razed, 80 parking spaces could be gained. Those are the 190 spaces that would be displaced through the Hampstead Option; however, only 111 spaces are currently available. He reported that with the parking gained across Hampstead Lane and the spaces gained with the razing of Marchman Hall and using the current vehicle yard, the 111 spaces would be recovered.

Mr. Ayres asked if Facilities Services could fit on the north side of Hampstead. Mr. Owen responded that there was not enough space for the necessary buildings on the north side. Mrs. Marks asked if there were concerns about locating parking on the north side of Hampstead in a residential area. Dr. Shipley stated that she had felt encouragement from the Board to begin to address how the houses would be used. She added her understanding that the houses were originally purchased with the thought that the area would eventually be used for parking. She indicated that the parking would be made to look nice so as not to adversely affect the neighborhood.

Mr. Sanchez asked Mr. Owen if the Hampstead Option was better for convenience and efficiency of the Facilities Services operation. Mr. Owen responded that it was. Mrs. Marks asked if a decision would be made at this meeting. Dr. Shipley responded that the administration was seeking advice from the Board as to whether the Hampstead Option would be acceptable. Mr. Sanchez noted that no funding was available and no action was necessary at this time.

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Dr. Givens asked if the Police were agreeable with relocating to the house on the corner of Hampstead Lane and Glenwood Avenue. Dr. Lamb responded that they were very much in favor of a newer, better facility. He added that Chief Coggins had presented a plan to remodel the house into a police station. Dr. Givens asked if the location would enhance safety on campus. Dr. Lamb responded that the new location would not adversely affect response time. Mr. Owen added that the new facility would be slightly larger than the current location.

There being no further discussion, Mr. Sanchez noted that no action was necessary at this time.

Gunn College of Health Sciences and Human Services Landscaping and Parking Project Authorization Request

17-11. Mr. Sanchez reported that the administration was requesting authorization to proceed with a \$1.1 million project for parking and landscaping near the new HSHS building as outlined in the Board Book. He asked Dr. Fowlé to explain the request. Dr. Fowlé referred to Slide 21 in the Randall Scott presentation that showed the site plan. She explained that as part of this project a street would be removed, sidewalks and parking lots added, the plaza area developed, and landscaping installed. She noted that interest earned on the Tuition Revenue Bond (TRB) proceeds would provide funding for this project.

Mr. Crosnoe moved approval of this item as presented; Mrs. Marks seconded the motion. Mr. Ayres asked when this work would be done. Dr. Fowlé responded that the project would begin after the new building was constructed. There being no further discussion, the motion was approved.

Central Campus Sidewalks Project

17-12. Mr. Sanchez reported that funding for this project was approved as part of the overall Higher Education Assistance Fund (HEAF) budget for FY 17. He added that since the total project cost was more than \$500,000, the contract must be authorized by the Board of Regents. He noted that the administration was requesting authorization for the President to finalize this contract at a cost not to exceed \$575,000.

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

Wichita Falls Museum of Art at Midwestern State University – Code of Ethics and Emergency Response and Disaster Preparedness Plan

17-13. Mr. Sanchez stated that Mrs. Marks was the Board of Regents' liaison with the Museum Advisory Board and asked her to comment. Mrs. Marks reported that the Museum was working toward accreditation from the American Alliance of Museums (AAM). She noted that the approval of the attached documents was required as part of the accreditation process. She added that MSU Police Chief Coggins had reviewed the Emergency Response Plan and Mr. Macha had reviewed the Code of Ethics. These documents were also approved by the Museum Advisory Board.

Mr. Crosnoe moved Board approval of these items as presented. Mrs. Marks seconded the motion and it was approved.

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

17-14. Mr. Sanchez noted that the administration recommended ratification of the deaccessioned artworks as presented in the Board Book. Mrs. Marks moved Board approval of this item as presented. Mr. Crosnoe seconded the motion and it was approved.

Adjournment

The Executive Committee discussion concluded at 2:45 p.m.

Reviewed for submission:



Samuel M. Sanchez, Chairman
Midwestern State University
Board of Regents Executive Committee

ATTACHMENTS:

1. Gunn College Building Design Review
2. Construction Update - Project Photographs



Re-Imagine Midwestern State Charting Midwestern State's Future





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Re-Imagine Midwestern State

**SUPPORT AN OUTSTANDING LEARNING
ENVIRONMENT**

CREATE A VIBRANT WORKPLACE FOR FACULTY AND STAFF

THINK GRADS :

**GROWTH, RETENTION, ACADEMIC EXCELLENCE
AND DIPLOMAS**



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Re-Imagine Midwestern State

ATTRACT A BROAD ARRAY OF MSU SUPPORTERS

**CREATE A COMPELLING
MESSAGE FOR TODAY'S
MIDWESTERN STATE !**



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Re-Imagine

Vision Statement

Project Goals (per Dr. Johnston)

- Health Science “**Labs on Display**” to attract potential students and the public to experience the HSHSC
- Transparency between departments to promote Interprofessional understanding and collaborative learning
- Provide **activated teaming environments** for students
- Create collaborative lounge spaces that encourage **cross pollination** between disciplines



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Re-Imagine

Vision Statement

Site Parameters

- HSHSC Building will be the largest academic building on campus warranting an appropriate stature
- Houses the largest College on campus
- Respond to surrounding STEM precinct and encourage collaborative learning
- Preserve **green space** around the HSHSC through verticality (allow the building to breathe)
- Outdoor “**Placemaking**” to create a “**destination place**” for students

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Site Parameters

- Provides “campus edge” along Louis J. Rodriguez Blvd.
- Future Quad to the east with connectivity to Dillard, Bridwell (future One Stop Shop) and McCoy
- “Gateway Building” for commuters once new parking lots to the north and west are completed
- Parking for Dental Hygiene patients
- “Front Door” on the non-campus side
- Covered walkways provide cover, protection and human scale at the ground floor of the building



Departmental Zoning

- **First Floor (highest volume of users)**

- Lobby Atriums
- Student Collaboration & Lounge Space
- Vertical Circulation
- Dental Hygiene
- Learning Stair
- “See and Be Seen Area” (peer to peer space)
- Food Kiosk
- (1) 80 Person & (2) 18 Person Classrooms
- Outdoor Classroom
- Multi-purpose Events Space (opens up to Atrium)
- Catering Kitchen
- Public Restrooms





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Vision Statement

Departmental Zoning

- **Second Floor (intermediate volume of users)**

- Nursing Simulation
- Radiologic Sciences Labs
- Respiratory Care Labs
- Interprofessional (Collaborative) Operating Simulation Room
- Classroom

- **Third Floor (intermediate volume of users)**

- Nursing Skills Labs
- Classrooms
- Student Collaboration/Lounge Space
- Social Work Dept.



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Vision Statement

Departmental Zoning

- **Fourth Floor (lowest volume of users)**

- Dean's Suite
- Faculty Offices (Radiologic Sciences, Respiratory Care & Nursing)
- Student Collaboration/Lounge Space





Vertical vs Horizontal Design

- Four story building results in a smaller building footprint
- Preserves green space for students
- Allows the building to breathe amongst neighboring buildings
- Provides a prominent building stature for the largest College on campus
- Premium views for faculty offices will aid in the recruitment of hard to find health sciences faculty
- Consider future vertical expansion to preserve precious land on campus while providing best views of the campus and the city of Wichita Falls



“The Big Idea”

- Laboratory Theatre concept creates excitement and encourages inter-professional cross-pollination of health professions students
- Atrium floor functions as unifying collaboration lounge & lobby space
- Glass enclosed elevators and grand staircase allow students, faculty and visitors moving through the building to experience health sciences
- Exterior glazing markets the College of Health Sciences to students passing through the quad



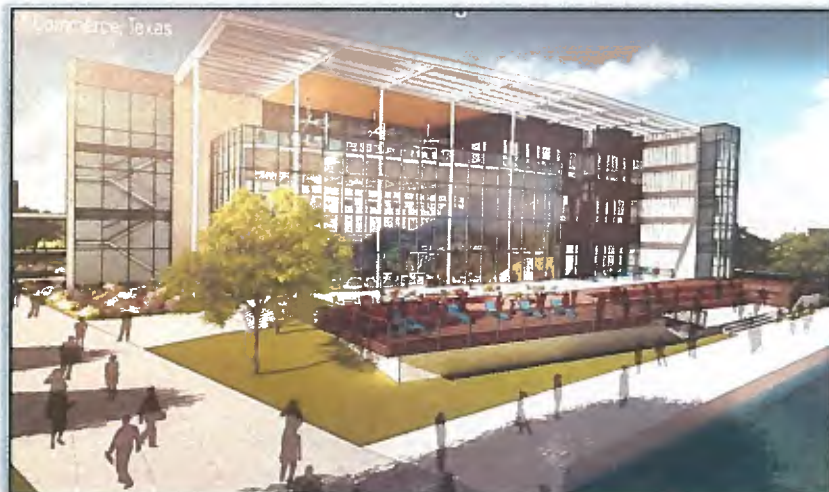
Who We are Designing For?

- Millennials
- Centennials/Gen Z (currently in high school)
- Faculty & staff



What MSU's Competitors are Building

Texas A&M
Commerce Nursing &
Health Science TRB
Building



What MSU's Competitors are Building

Stephen F. Austin
State University
STEM TRB Building

Ed & Gwen Cole STEM Building



What MSU's Competitors are Building

The
University of
Texas at
Dallas STEM
TRB Building





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What MSU's Competitors are Building



The University of Houston



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MSU Campus Context

Legacy Buildings





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MSU Campus Context

Legacy Buildings



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MSU Campus Context

Recent Buildings on Campus





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Site Plan



SITE PLAN



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Night Time View





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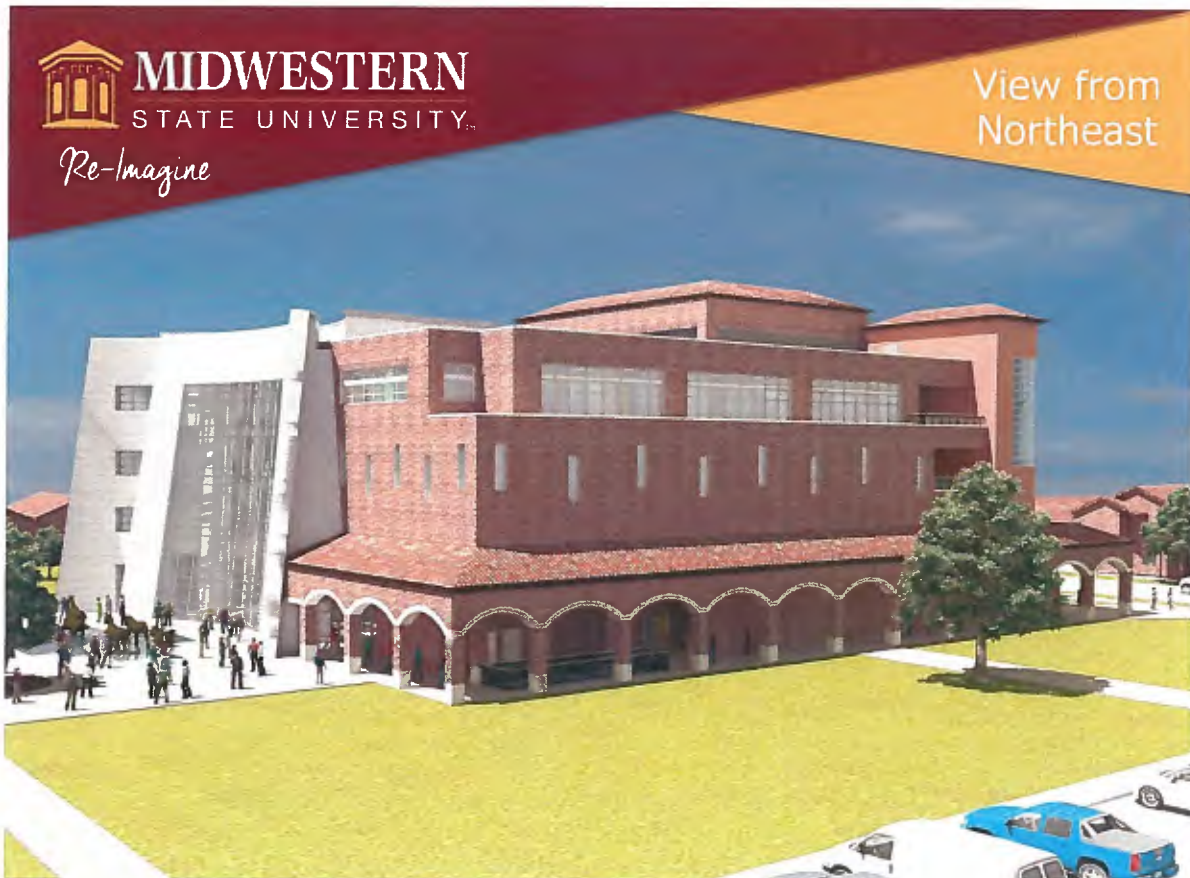
View from
East



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Re-Imagine

View from
Northeast





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View from
Southwest



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The Laboratory
Theatre





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Collaborative Student Lounge



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First Floor Plan





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Second Floor Plan



DEPARTMENT LEGEND

- **Sublimation** - Solid to gas
- **Condensation** - Gas to liquid
- **Evaporation** - Liquid to gas
- **Melting** - Solid to liquid
- **Freezing** - Liquid to solid
- **Boiling** - Liquid to gas
- **Sublimation** - Solid to gas
- **Deposition** - Gas to solid



Re-Imagine

Third Floor Plan



DEPARTMENT LEGEND

- ADN - RN
- RN - DNP, APRN, NP
- CERTIFICATION
- CLINICAL
- ENTER PROFESSIONAL
- NURSING
- SCHOOL WORK
- STUDENT - STAFF SUPPORT



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Re-Imagine

Fourth Floor Plan



DEPARTMENT LEGEND

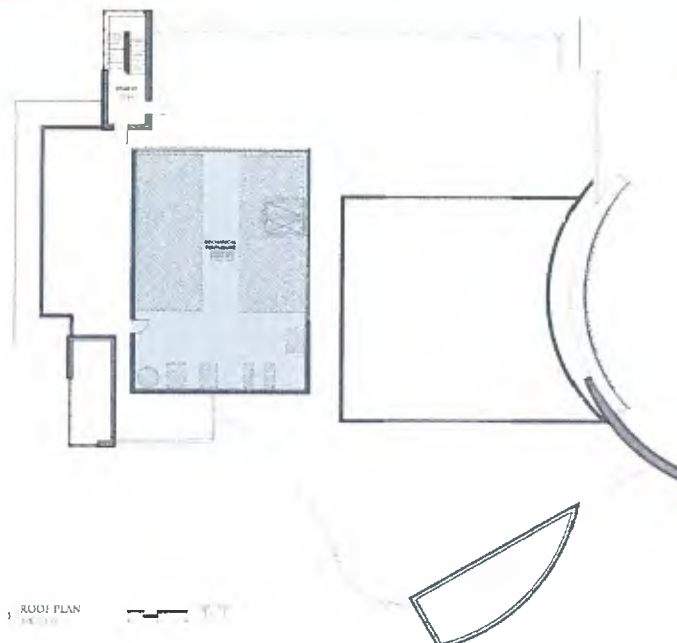
- LIVED IN SUPPORT
- CIRCULATION
- DESIGN SUITE
- NURSING
- RADIOLOGICAL SCIENCES
- RESPIRATORY CARE
- STUDENT / STAFF SUPPORT



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Penthouse Floor Plan



DEPARTMENT LEGEND

- BUILDING SUPPORT
- CIRCULATION



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Basement Floor Plan



DEPARTMENT LEGEND
□ PAVING SUPPORT

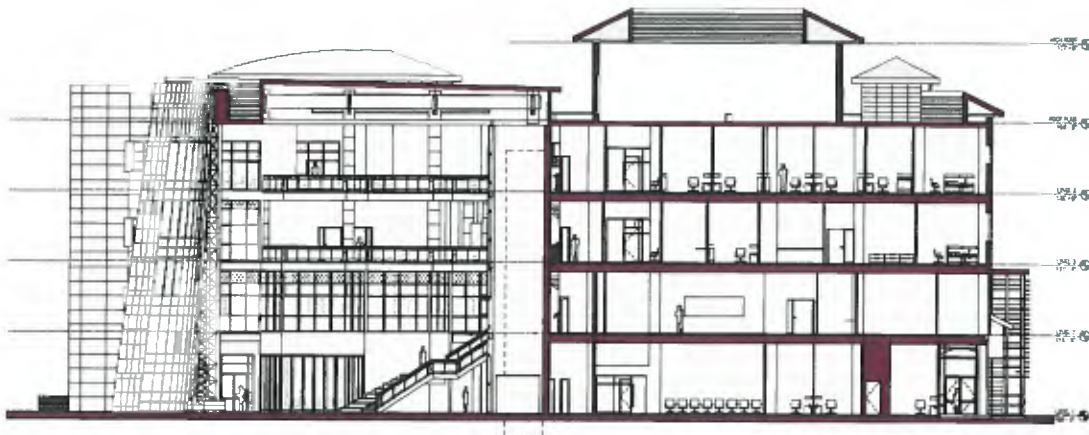
BASEMENT
1/8" = 1'-0"



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Re-Imagine

Building Section Looking South





STUDENT HOUSING PROJECT

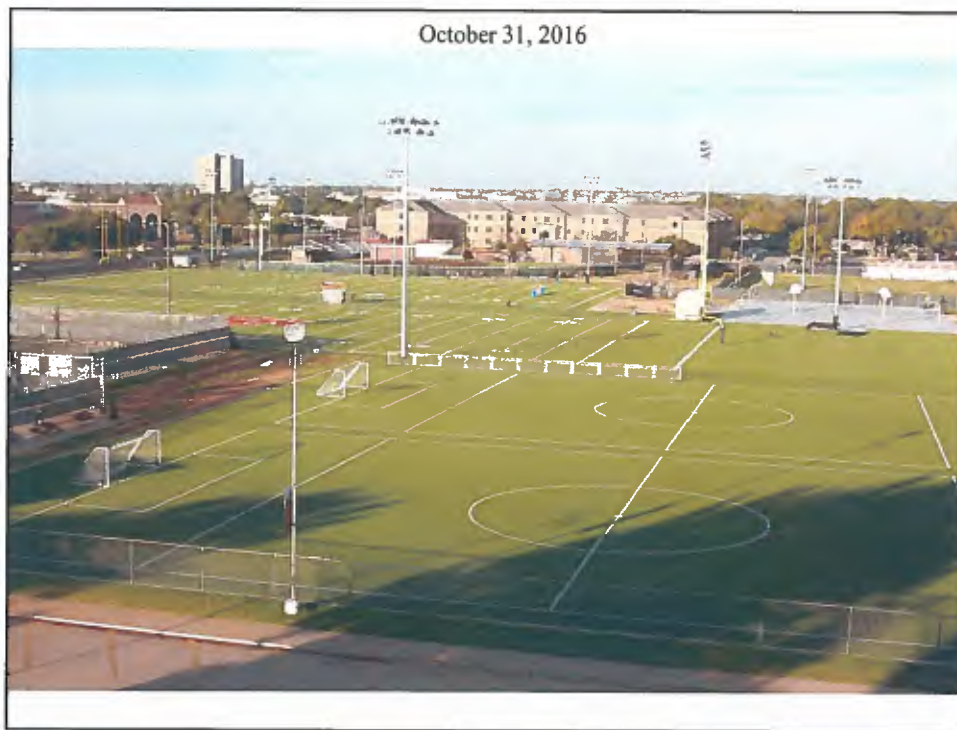


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October 31, 2016



JESSE ROGERS PROMENADE





MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Academic and Student Affairs Committee
November 10, 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, November 10, 2016. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chairman; Mr. Shawn Hessing; Ms. Nancy Marks; and Dr. Shelley Sweatt. Other regents attending the meeting were Mr. Warren Ayres, Ms. Tiffany Burks, Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Sam Sanchez, and Student Regent Lindsey Shelley.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Administration and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Mr. Anthony Vidmar, 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, MSU Faculty Senate; Dr. Robert Forrester, Assistant Professor of Finance; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Mario Ramirez, Assistant Director of Student Development and Orientation; Mr. Mark McClendon, Director of Institutional Research and Assessment; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; 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. Student Government Association (SGA) representatives attending the meeting included Ms. Shayla Owens, SGA President, and Mr. Charles Frazier, SGA Observer. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Dr. Givens called the meeting to order at 2:45 p.m.

Reading and Approval of Minutes

17-15. The Academic and Student Affairs Committee approved the minutes of the August 4, 2016, meeting as presented.

Faculty Report

17-16. Dr. David Carlston, Chairman of the Faculty Senate, reported on several matters on behalf of the Senate. He stated that during the November meeting in 2014 he discussed with the Board the results of the faculty satisfaction survey and there was concern regarding transparency and collaboration. He noted that this was not the case at the present time and reported that the faculty had been included in a variety of important processes. He stated that faculty were involved in policy development and review related to Senate Bill 20, and were on a task force to review Admissions and Financial Aid processes. He added that faculty members were also heavily involved in the Strategic Planning process. Dr. Carlston stated that faculty look forward to summer school and that there are concerns in that regard related to budgeting and teaching opportunities. He

added that conversations on the national scene related to accountability in higher education and tenure receive attention from the faculty.

Dr. Carlton introduced Dr. Robert Forrester, Dillard Distinguished Professor of Finance. He noted that Dr. Forrester had received Faculty of the Year Awards from the Dillard College of Business and the Student Government Association. He noted that Dr. Forrester is an excellent teacher and has published and presented multiple papers.

Dr. Forrester thanked the Board for the opportunity to visit with them. He reviewed his presentation (see Attachment 1) and discussed his motivation to teach at MSU. He reported on several courses he had developed or redesigned. He added that the students in his Advanced Issues in Corporate Finance class did a financial analysis of MSU's DFW expansion project. He reported that the analysis came out very favorably. He stated that since he had moved to the finance program, majors in that program had increased by fifty percent. He indicated that his research is in the areas of minority-owned banks, credit unions, and angel investors. He noted that one of his papers on angel investors had been downloaded more than 1,000 times, and during the last month had been downloaded 100 times from sites around the world (see Slide Six). He discussed his work with EURECA and his service to the university and community.

Dr. Givens thanked Dr. Carlston for his report and thanked Dr. Forrester for his presentation.

Staff Report

17-17. Ms. Angie Reay, Staff Senate Chair and Associate Director of Residence Life and Housing, indicated that she could echo some of what Dr. Carlston said about transparency on campus. She reported that the staff was actively participating in the Strategic Planning process, and had served on the Fair Labor Standards Act Task Force as well as other compliance committees. She added that the campus was also witnessing the implementation of the 2016 work of the Campus Carry Task Force and the Budget Oversight Committee. Ms. Reay thanked Dr. Shipley for providing funds for the Staff Scholarship. She reported that the fall recipients of a \$250 scholarship were Ms. Ashley Statham, Residence Hall Director, and Ms. Shanna Tole, Radiology Technologist in the Vinson Health Center. Ms. Reay reported that both of these employees were pursuing a master's degree.

Ms. Reay then introduced Mr. Mario Ramirez, Assistant Director of Student Development and Orientation. She reported that he was a past You Make A Difference Award winner and indicated that he was recognized for being a team player, going above and beyond what was needed, and his dedication to MSU.

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Mr. Ramirez reviewed his presentation (see Attachment 2) and indicated that he previously served as Activities Coordinator in Student Development and Orientation. He noted that he was a first generation student and was also the first in his family to receive his master's degree. He reviewed his duties as Activities Coordinator and now as Assistant Director. In reviewing Slide Six he noted his strengths included "Woo." Mr. Sanchez asked what Woo stood for. Mr. Ramirez explained that it was "Winning Others Over." He indicated that he appreciated the opportunities MSU had given him.

Dr. Givens thanked Ms. Reay and Mr. Ramirez for their presentations.

Student Government Report

17-18. Student Government Association (SGA) President, Shayla Owens, stated that the SGA had been very busy the first few months of school engaging students, meeting with faculty and staff, and crafting the organization's agenda for the 2016-2017 school year. She reported on each of these areas as follows.

A. Engaging Students

1. A meet and greet was held for organization executives and advisors.
2. SGA championed the fall leadership conference for executives of student organizations on campus.
3. SGA and the University Programming Board served a late-night breakfast to students in Legacy Hall.
4. The picnic with Dr. Shipley was moved from the Sikes Lawn to the Sikes Lake Center because of rain. Students enjoyed the tricycle races and great food.

B. Faculty and Staff – Students are regularly invited to participate on faculty and staff committees and students have been encouraged by SGA to make an effort to be present and engaged in the discussions.

C. Administrative Agenda for SGA – SGA officers recently attended a national conference for student governments. Ms. Owens reported that they continue to work to brand SGA as the organization that students should come to if they have issues that need to be addressed. She added that they were also working on SGA organizational efficiencies and establishing stronger ties with students.

Dr. Givens thanked Ms. Owens for her report.

Athletics Report

17-19. Dr. Givens noted that the report from Athletics was included in the Board Book and was presented as a point of information only. He stated that the previous week Mr. Carr announced his retirement following ten years of service to MSU. On behalf of the Board, Dr. Givens thanked Mr. Carr for his strong leadership of the Athletics Department. He noted that the Board was proud of the MSU student-athletes on and off the field and appreciated all he had done for the program. Dr. Shipley stated that Mr. Carr was unable to attend the meeting as he was preparing for men's and women's soccer team championship playoffs.

Enrollment Reports – Fall 2016

17-20. Dr. Givens reported that the fall enrollment report was shown in the Board Book. He noted that enrollment and semester credit hour production increased slightly. He asked Dr. Lamb to review the report. Dr. Lamb reported that the number of new first-time freshmen decreased and, while it was not shown in the report, transfer students increased by 67 students. He added that the number of juniors and seniors increased by 163 students. Mr. Ayres asked if the number of incoming freshmen was below the administration's projection. Dr. Lamb indicated that it was. Mrs. Burks asked if the administration had determined the reasons for the decline. Dr. Lamb responded that the

fall is typically the heavy recruiting time for incoming freshmen the following fall. He reported that for a large part of the fall 2015, the Admissions Office had only one admissions recruiter owing to some transitions in the office as well as individuals out on Family Medical Leave at the same time. He noted that the Admissions Office was fully staffed in the spring and they did very well with recruiting transfer students. He stated that while it was very early, applications for the fall 2017 were up by 25% compared to the same time in the previous year. He added that the number of admitted students was up by a higher percentage as well. Mrs. Burks commented that in 2016 the Board considered a recommendation to automatically admit students in the top 25%. She asked if the staffing issue had any effect on applications being reviewed in a timely manner. Dr. Lamb responded that it did not since the staffing issues related to recruiters and not processors.

Financial Aid Profile

17-21. Dr. Givens reported that during the special Board meeting and budget workshop in June, the Board asked for information on the profile of students who receive financial aid at MSU compared to the overall student population. He noted that the report was presented in the Board Book and asked Dr. Lamb to review the information with the Board. Dr. Lamb stated that the information was presented by institutional scholarship category. He noted that the first category, Merit Aid, is given to incoming freshmen based solely on ACT/SAT, or to transfer students solely based on transfer grade point average. He added that students who receive Merit Aid when they enter MSU receive the same amount of money for four consecutive years if they remain in good academic standing. The report also showed Athletic Aid, as well as Activity-Based Aid, which included Student Ambassadors, Peer Counselors, and Admissions Office Tour Guides. He noted that the final category was Need-Based Grants.

Dr. Givens indicated that he was impressed with how closely the awards compared with the student population. He asked if the administration would use the data to affect how funds were distributed in the future. Dr. Lamb responded that the Admissions and Financial Aid Task Force would consider the data in crafting recommendations regarding how the University leverages its scholarship dollars.

MSU Strategic Plan

17-22. Dr. Givens asked Dr. Betty Stewart to update the Board on the Strategic Planning process. He noted that information was included in each Regent's folder (see [Attachment 3](#)). Dr. Stewart reported that the committee was made up of 26 members, including 14 faculty. She stated that Dr. Scott Meddaugh, Bolin Professor of Petroleum Geology, was co-chair. She noted that Dr. Shipley charged the committee with taking the strategic initiatives and developing a Strategic Plan for the University. Dr. Stewart reported that the committee began in earnest at the end of August to gather information that would help them develop strategies for the goals. She noted that during the process the committee members had learned a great deal about the university. She stated that the members want to ensure that the Plan is used in the future as decisions are made and particularly in the budget process. She reported that as of November 2 the committee members had spent 447 hours gathering information and developing the strategies. She added that the committee planned to submit the Plan to the President in March.


December 2016 Graduating Class

17-23. Dr. Givens reported that the administration recommended approval of the candidates for December 2016 graduation. He noted that 490 students were on the list compared to 437 in 2015. Dr. Sweatt moved approval of these candidates as presented. Mr. Hessing seconded the motion and it was approved.

Adjournment

The meeting of the Academic and Student Affairs Committee adjourned at 5:30 p.m.

Reviewed for submission:


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

ATTACHMENTS:

1. Dr. Robert Forrester – Faculty Presentation
2. Mr. Mario Ramirez – Staff Presentation
3. Strategic Plan Committee Information



MIDWESTERN STATE UNIVERSITY

Board of Regents Faculty Presentation
Dr. Robert C. Forrester
Assistant Professor
Dillard Distinguished Professor of Finance
November 10, 2016

Motivation to teach at MSU

- Resident of Wichita and Clay Counties since 1979
- Undergrad degree from MSU
- MBA from MSU
- My wife, Angie, graduated from MSU
- Owned businesses in this area since 1987
- Took classes here
- Understand wants/needs of our students and professors



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Teaching – Courses (re)designed & developed

Promotions Management – Marketing course developed as live, living laboratory for marketing students. Funded with >\$5,000 per year from Red River Best Chevy Dealers. Incorporates a new element of corporate social responsibility each year.



Teaching – Contribution to Teaching Effectiveness

Energy Finance MBA course

- Developed new MBA Energy Finance class. Incorporated field trips, two major industry conferences, and local business practitioners into the curriculum. I was able to get the conference to waive the \$1000 per attendee cost for students and faculty and engaged with DrillingInfo to get a valuable software license for each of our students, Dr. Stambaugh and myself donated (at least \$30,000 contribution).

Advanced Issues in Corporate Finance

- Worked with DFW task force to incorporate real world DFW campus project into class financial analysis project.



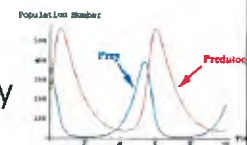
Author Dashboard



EURECA



- Oil Price Shocks: Estimating GDP, Local Income and Employment Effects on the North Texas Regional Economy
 - Curt Knobloch
- Too Big to Fail vs. Too Little to Succeed: An application of Lotka/Volterra Predator-Prey Models to the Banking Industry
 - Dareem Antoine
 - Kizelle Williams
- The Effect of Operating Environment on the Performance Characteristics of Single-Bond Occupational Credit Unions: A Post-2008 Recessionary Analysis
 - Evan Knobloch



EURECA – Current Work for Local and State Impact

- Economic Impact of MSU on Local Region
 - Hezekiah Agbo
 - Nemanja Krtolica
 - Addison Thompson
- Assessing Market Risk for Student Managed Investment Funds
 - Luca Lalor
 - Hezekiah Agbo
 - Kevin Thompson
- Economic Impact of Increased Educational Attainment Levels of Hispanics on the Texas Economy
 - Yuqi Zhao
 - Jiaming Zhang

Service – College

- DCOBA Student Managed Investment Fund Advisory Committee
- DCOBA Business Advisory Board
 - Co-Chair Outreach Committee
- DCOBA Distinguished Alumni Selection Committee
- DCOBA Strategic Planning Committee
- IDEA WF Sponsor (Sixth Straight Year)
- Munir Lalani Entrepreneurship Board (2009- 2010)
- Promotions Management Class sponsor since 2011
(\$2500 for 2011; \$5000 annually through 2016)

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Service – University

- MSU 2016 Annual Fund – I was the 2016 Annual Fund voice and requested funds from faculty and staff through mailots from Steve Shipp's office
- MSU Academic Advising Committee
- MSU DCOBA Wichita Falls Regional Economic Outlook Report Sponsor
- MSU DFW Campus Feasibility Task Force
- MSU Faculty Grievance Committee
- MSU Mustangs Athletic Booster
- MSU President's Excellence Member since 2009
- MSU Career Management Business Etiquette Dinner Sponsor since 2006
- Munir Lalani Entrepreneurship Board (2009- 2010)

Service – Community

- Lighthouse for the Blind Board of Directors
- Red River Best Chevy Dealers – Founding President
- Federal Reserve Bank of Dallas – Eleventh Federal Reserve District (Texas, Southern New Mexico, Northern Louisiana) Texas Retail Outlook Survey Participant. Tenth year of a one-year term.
- Oil and the Economy: Adapting to a New Reality
- Clay County Hospital Board of Directors (2007-2011)
- Clay County Hospital Foundation – (2004 – 2011) Former Chair
- Clay County Hospital – Forrester Wellness Center – Founder 2002

Service – Community - Previous

- Senior Junior Forum Installation Banquet – Guest Speaker
- Better Business Bureau Torch Awards – Master of Ceremonies 2012, 2013)
- BBB Torch Awards for Ethics Steering Committee 2011, 2012

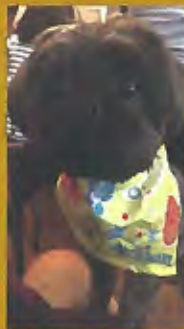
Questions?



Who is Mario Ramirez?

*Assistant Director
Student Development & Orientation*

Who is Mario Ramirez?



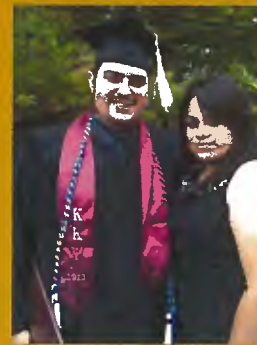
- I was born in Eagle Pass Texas.
- Moved to Fort Worth in 2004.
- Came to MSU in 2007.
- My wife is Norma Ramirez, the Assistant Director for Residence Life and Housing.
- I have lived in every building on Campus. I currently live in Legacy Hall.
- Don't have children, but we have Zeus.
- Started as an Activities Coordinator and now the Assistant Director of Student Development and Orientation.



MY MSU - First Generation Student

I came to Midwestern as my last option, but soon found that it was the best decision of my life.

- Bachelor of Music in Education
- Master of Education in Educational Leadership



What is an Activities Coordinator?

- I advised the University Programing Board (UPB).
- I planned our traditional events such as Stampede Week, Family Day, Homecoming, Finals Frenzy and more.
- I lead some of our multicultural and diversity initiatives. Hispanic Heritage Month, International Education Week, Black History Month, Women's History Month, and more.
- The key to success is to be involved around campus and get to know as many students as possible. I encorage students to get out of their comfort zones and explore. You need to experience college to its full potential.



Assistant Director

- Fraternity and Sorority community, including IFC, MGC and NPC Councils
- Student Organizations
- Advisor Development
- Leadership Training
- Volunteer MSU
- Multicultural Organizations
- Waikun yearbook
- Program Assessment

VOLUNTEER MSU
Get Involved



Strengths & Achievements

- Futuristic
- Ideation
- Positivity
- Inclusiveness
- Woo



Leadership Wichita Falls
Class 2015

- Staff Member of the Year 2013-2014
- Staff Member of the Year 2014-2015
- Advisor of the Year 2015-2016
- Staff Senate 2016-2017, Exec. Committee



Zavala Hispanic
Cultural Initiative, Vice
President



Charter Member of Kappa
Kappa Psi Gamma Alpha Chapter
at Midwestern State University

Thank you Midwestern State University!

- I have worked hard for opportunities as a first generation Hispanic college student.
- I feel that my career allows me to impact all students.
- I enjoy the challenges that come with working with students from diverse backgrounds and cultures.
- I collaborate with and support all programs/events, athletic teams, departments and colleges.
- **I LOVE what I do, and I am thankful to call MSU my home.**



Thank You!



THE NEW CENTURY STRATEGIC INITIATIVES

BUILDING BRIDGES TO A VIBRANT FUTURE FOR MSU

Welcome to Midwestern State University's New Century Strategic Initiative, the bridge from historic excellence to future opportunity.

Bridges are engineering marvels that lift us above turbulent waters or difficult terrain. They link one place to another, one person to their neighbor. They are things of beauty in the physical world and strong vehicles for relationships in emotional terms. Bridges can be designed, built, but also repaired. In music a bridge can move us from one melody to another, from one key to the next. A bridge's span can suspend us, give us the pause necessary for transition. It is completely right to choose a bridge as the symbol for Midwestern State's planning for its second century. We have described ourselves as a family, a team, a community that depends upon connections. Let's lean into those things that connect us to each other, to our rich and storied past, to our liberal arts mission, even as we together build bridges into a future filled with promise.

MIDWESTERN STATE UNIVERSITY WILL BUILD BRIDGES INTO OUR NEXT CENTURY BY:

1. PROMOTING A STRONG UNIVERSITY COMMUNITY.

- A. 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's dedication to excellent teaching and scholarly activity.
- B. Create a vibrant workplace that encourages diversity, values the opinions of community stakeholders, creates strong and effective governance systems, and recognizes the outstanding work of individuals and departments.

- C. Be a first-choice employer with competitive compensation and an environment that welcomes and rewards employees' passion for their work in and out of the classroom. Invest in the MSU family.

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

- E. 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.

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2. AGGRESSIVELY PURSUING NEW STUDENT POPULATIONS.

- A.** Build upon our well-established reputation for students seeking a fulltime, residential, liberal arts experience.
- B.** Offer academic programs and degrees in multiple locations.
- C.** Actively market adult completion on-line programs, the Bachelor of Applied Arts and Sciences (BAAS), as well as K-12 teachers and retirees.
- D.** Maintain a welcoming environment for all. Reflect and serve the diverse Texas college-going population.
- E.** Add 2,000 new students by the fall 2022 semester.

3. CREATING A DESTINATION RESIDENTIAL UNIVERSITY.

- A.** Increase recreational, cultural, and leadership opportunities for students of all cultural backgrounds.
- B.** Provide a strong student support system to ensure that students remain in school, are actively engaged in campus life and service, and graduate.
 - a.** Expand the Academic Success Center into a student advising and mentoring center providing centralized campus tutoring, increased supplemental instruction and advising, and a one-stop approach to student services.
 - b.** Develop a signature first-year experience.
- C.** Create appealing global learning opportunities at home and abroad.

- D.** 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.
- E.** Provide a campus that is not only considered to be the most beautiful in Texas but is also safe, readily accessible, and easy to use. Employ technology and digital media outreach to enhance undergraduate and graduate enrollment.

4. STIMULATING A CULTURE OF ENGAGEMENT.

- A.** Support the Wichita Falls community by providing an educated workforce, stimulating economic development, and serving as a leader in shaping the city's future.
- B.** Support Sheppard Air Force Base and improve outreach to and articulation agreements with community colleges.
- C.** 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 II program as models of excellence.
- D.** Revitalize and expand the university's infrastructure and financial base to improve efficiency and affordability.
- E.** Expand the university's donor base to include new populations and engage existing donors in new ways.

Committee Members/Goals for Strategic Planning

Goal 1

Cammie Dean, Director, Student Development and Orientation
Reagan Foster*, Counselor
Dr. Jeff Killion, Chair, Radiologic Sciences
Dr. Adam Lei, Bridwell Distinguished Professor of Finance
Dr. Scott Meddaugh, Bolin Professor of Petroleum Geology
Dr. Bev Stiles, Chair and Professor of Sociology
Debbie Vaughn, Senior Budget Analyst, Business Affairs and Finance
Dr. Bradley Wilson, Assistant Professor of Mass Communication

Goal 2

Dr. Emily Reeves, Assistant Professor of Curriculum and Learning
Dr. Emily Rutherford, Assistant Professor of Special Education
Dr. Jeff Stambaugh*, Director, Dillard Center for Energy Management
Dr. Kathleen Williamson, Chair, Wilson School of Nursing
Lindsey Shelley, Master's Family Nurse Practitioner student and Student Regent

Goal 3

Leslie Berryhill, Instructional Designer, Extended Education
Dr. David Carlston*, Professor of Psychology
Karen Dabney, Assistant Professor of Theatre
Charles Frazier, SGA representative
Dr. Terry Griffin, Assistant Professor, Computer Science
Manny Hoffmann, SGA Vice President
Newman Wong, Research Analyst

Goal 4

Venera Flores-Stafford*, Senior Associate Athletics Director and Senior Woman's Administrator
Dr. Jeffrey Oxford, Chair and Professor of Foreign Languages
Catherine Prose, Associate Professor of Art
Steve Shipp, Director, University Development
Jolene Welch, Assistant to the Provost for Academic Budgetary Affairs

*Group Leaders

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Finance Committee
November 10, 2016**

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 3:50 p.m., Thursday, November 10, 2016. Committee members in attendance were Mr. Jeff Gregg, Chairman; Mr. Warren Ayres; Mr. R. Caven Crosnoe; and Dr. Lynwood Givens. Other regents attending the meeting were Ms. Tiffany Burks, Mr. Shawn Hessing, Ms. Nancy Marks, Mr. Sam Sanchez, Dr. Shelley Sweatt; and Student Regent Lindsey Shelley.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Administration and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; and Mr. Anthony Vidmar, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; 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. Student Government Association (SGA) representatives attending the meeting included Ms. Shayla Owens, SGA President, and Mr. Charles Frazier, SGA Observer. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Chairman Gregg called the meeting to order at 3:50 p.m.

Reading and Approval of Minutes

17-24. The Finance Committee approved the minutes of the August 4, 2016, meeting as presented.

Summaries of Financial Support

17-25. Mr. Gregg noted that this item included the summaries of financial support received in FY 16 and FY 17. He stated that the Board Book contained the report in the format that had been used in the past, as well as new reports and formats developed by the Office of the Vice President for University Advancement and Public Affairs. He noted that two reports were left out of the original Board Book and were emailed to the board (see Attachment 1). He stated that before Mr. Vidmar explained the reports he would highlight some of the major gifts received since the last meeting of the Board.

- A. United Supermarkets, LLC committed to a \$1 million cash gift payable over ten years for Legacy Hall naming privileges and establishing the United Market Street Endowed Scholarship Fund.
- B. Dr. Paul Bice contributed \$20,000 to the President's Excellence Circle and the Bice Maui Sabbatical for Faculty of the Fain College of Fine Arts and the Prothro-Yeager College of Humanities and Social Sciences, valued at \$10,000.

- C. Fairway Outdoor Advertising is an MSU Athletics Corporate Sponsor for FY 17, contributing advertising valued at \$30,000.
- D. A generous contribution of \$25,000 was received from Mr. Chris Hunnewell for the Lamar D. Fain College of Fine Arts for scholarships and other needs of the Mass Communication Department.
- E. Mr. Al Guinn donated \$20,000 for the Laing/Guinn Challenge to match new and lapsed donors to the Annual Fund.
- F. The Dalquest Desert Research Station received \$15,000 from Mr. and Mrs. Warren Ayres to purchase much-needed equipment.
- G. The MSU Cycling Team received \$15,000 from Hotter 'N Hell Hundred.

Mr. Gregg stated that the support from the community, alumni, and friends was outstanding. He then asked Mr. Vidmar to review the reports and discuss the new reporting format.

Mr. Vidmar noted that the reports presented were fundraising attainment reports. He stated that Dr. Shipley charged his area with creating reports that were clear, concise, comprehensive, and campaign friendly. He then reviewed the reports shown in the Board Book. He noted the report that outlined FY 16 Monthly Comparison of Cash/Grants included a goal of \$4 million, the various types of income, and a comparison to FY 15. He added that two types of income, Outside Sources of Scholarships and Alumni Memberships, were not included in these numbers in accordance with best practices.

The next report was FY 16 Monthly Comparison of New Gifts and Commitments. Mr. Vidmar noted that this report showed the philanthropic cash from the previous report and added Bequest Intentions and Pledges. He added that the graphic of progress to the goal was in error and should have shown 99% completion of the goal.

The third chart presented the sources of outright gifts/grants for FY 16. He noted that the chart did not include pledges or gifts-in-kind. Mr. Vidmar stated that the same reports were shown through the end of September for FY 17.

Mr. Sanchez asked how the pie chart compared to those of other universities. Mr. Vidmar responded that the percentage of gifts from alumni and friends in FY 16 appeared lower than he would expect while the gifts from foundations were higher. He added that since this was a snapshot of one year there was not enough data to determine what the comparison would be over time. Mr. Ayres asked what the numbers should be when compared to MSU's peer group. Mr. Vidmar responded that he would like to see gifts from alumni and friends in the 50% to 65% range. He added, however, that MSU had alumni and friends who were tied to foundations and that could be what was driving the gifts from the foundation higher.

Mr. Gregg thanked Mr. Vidmar for his report. He reminded Board members that thank you notes were in their folders and encouraged them to write to the individuals they were assigned.

FY 16 Quasi-Endowment Fund Reports

17-26. Mr. Gregg reported that the quasi-endowment reports on the Redwine Fund and the Frank and Nancy Harvey Student Development Fund were included in the Board Book for information purposes. He noted that the Redwine Fund earnings were used to support the Honors Program and university scholarships, and the Harvey Fund earnings were allocated as well to university scholarships. Mr. Gregg noted that these reports were presented as a point of information only.

Fair Labor Standards Act (FLSA) Changes

17-27. Mr. Gregg asked Dr. Fowlé to provide information regarding the FLSA changes. Dr. Fowlé reported that the changes related to the classification and qualification of exempt and non-exempt employees. She stated that exempt employees are not eligible for overtime. She added that an employee designated as exempt must be at a certain salary level and perform high-level work. She reported that the current law requires a salary level of \$23,660 annually for an individual to qualify as an exempt employee. She noted that the federal Department of Labor reviewed the FLSA and increased the salary level to \$47,476 annually, effective December 1. Dr. Fowlé reported that change would result in approximately 100 exempt positions at MSU would no longer meet the salary test. She noted that Dr. Shipley appointed an FLSA Task Force to look at the law, review the positions that would be affected, and make recommendations as deemed necessary. She stated that the Task Force did not recommend changes to any positions, but recommended other ways to adjust schedules and provide compensatory time when necessary. Dr. Fowlé asked Ms. Angie Reay to comment on the test program in the Office of Housing and Residence Life. Ms. Reay reported that they tested flex scheduling with the Residence Life staff, including the live-in hall directors, and that it had been very successful. Dr. Fowlé reported that the Task Force also recommended the implementation of a timekeeping system. She noted that an electronic time clock system would be implemented over time.

Mr. Crosnoe stated he had read that Admissions was an area that would be greatly affected by this change. Dr. Lamb responded that recruiters travel a great deal, attend college fairs during the day and into the evening, review applications, and communicate with prospective students. He stated that the administration would look at flex time for these employees and would also provide additional time off before and after holidays. He added that they had tracked hours during the fall recruiting season and since September the admissions officers had worked approximately 90 overtime hours.

Mr. Gregg noted that this item was presented as a point of information only.

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Financial Report

17-28. Mr. Gregg reported that the administration recommended acceptance of the July 2016 financial report as previously distributed. He stated that Dr. Fowlé's summary of the report was included in the Board Book. He asked Dr. Fowlé to provide preliminary

information regarding the FY 16 End-of-Year Report and noted the information was included in the Board Book.

Dr. Fowlé reported that Mr. Stovall was finalizing the Annual Financial Report for FY 16 and it would be forwarded to the Board in the coming weeks. She then reviewed the presentation, noting that some of the slides in the Board Book were changed after the Book was published to make the charts clearer (see Attachment 2). She explained that Net Income was the difference between revenues and expenses (see Slide 2). Slide 3 reviewed Income Sources and Dr. Fowlé explained that Sales and Services included housing and food service revenue. She noted that as the number of students living on campus increased, the Sales and Services numbers also increased. Slide 4 showed Payroll Expenses. Dr. Fowlé pointed out that salaries and wages had increased by 17% during the last seven years while payroll-related costs had increased by 77% in the same time period. She explained that the majority of the increase was the cost of health insurance for employees and retirees. Slide 5 showed Expenses Other Than Payroll and Dr. Fowlé noted the two largest expenses were Depreciation as well as Scholarships and Grants.

Mr. Crosnoe asked if depreciation was budgeted and Dr. Fowlé responded that it was not. He asked if the increased depreciation foretold a significant future expenditure related to replacement assets. Dr. Fowlé noted that the last large increase in depreciation was related to the \$8 million gift of software the university received that had to be depreciated over three years. Dr. Shipley stated that the Board should be made aware of any significant issues with needed repairs or expenditures necessary to maintain the campus. Mr. Hessing added that he would like to see information on historical repairs, maintenance, and capital expenditures in relation to the depreciation costs. Dr. Fowlé responded that this information would be provided to the Board.

Slide 6 showed the university's Financial Assets. Dr. Fowlé commented that in the area of Investments, the large increase was the result of moving cash to the Texas A&M University System, and the decrease was the Legacy Hall bond funds that were invested and then drawn on as needed. She noted that another increase would be seen with the investment of the Tuition Revenue Bond (TRB) funding. Slide 7 showed Physical Assets other than Buildings and Infrastructure. Dr. Fowlé noted that the Intangible Assets included the large gift of software that was previously mentioned. Slide 8 showed the Buildings and Infrastructure. She added that this amount is depreciated over time and the increase in FY 16 was Legacy Hall. Mr. Ayres asked if this was net of depreciation. Dr. Fowlé responded that it was.

Slide 9 showed Current Liabilities. She noted that deferred revenues were the tuition and fee payments that are made in August before the new fiscal year began in September. She indicated the increase was the result of tuition and fee increases. Slide 10 showed Non-Current Liabilities which are bond payments, with the large increase being the bond for Legacy Hall. Slide 11 showed Net Assets, or the difference between Assets and Liabilities. Slide 12 showed the university's Net Position which included capital, restricted, and unrestricted assets.

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Dr. Fowlé concluded her report with the information shown on Slide 13. She stated that she was pleased with the university's financial position and noted that it had remained

steady from the previous year. She added the university was near its limit on debt capacity. Mr. Ayres asked about the average length of debt issued for MSU. Dr. Fowlé responded that the TRB bond was for 20 years. She added that Dr. Shipley had asked her to prepare a long-term view of the university's debt to assist with future planning.

Mrs. Marks noted that the summary indicated that "some unusual occurrences" had caused an increase in assets and liabilities. She asked for an example of an unusual occurrence. Dr. Fowlé responded that an example was the opening of a new building, since it does not occur every year. Mr. Stovall added that in the previous year new accounting standards required institutions to include underfunded pensions on the books, which was an \$8 million addition to MSU liabilities.

Mr. Sanchez asked if the university had options related to rising health insurance costs. Dr. Fowlé responded that MSU's health insurance was through the Employee's Retirement System of Texas and all of the bidding and pricing was done at the state level. She noted that health insurance costs in FY 17 increased by 11% and would likely increase by a similar amount in FY 18.

Mr. Ayres asked about the amount of MSU's underfunded pension liability. Mr. Stovall responded that at year end MSU's share was \$9.6 million. Dr. Fowlé noted that this related to retirement benefits for employees participating in the Teacher Retirement System of Texas. The program is funded at the state level at 82% of future liabilities. She added that the legislature would likely continue to address this matter in the upcoming legislative session. She stated that while the state is liable for these benefits, the Governmental Accounting Standards Board (GASB) regulations required the liability to be booked. Dr. Shipley commented that she came from a state that recently addressed this matter and mounted a campaign to get the state to fund the post-retirement benefits. She noted that accrediting bodies counted the unfunded liability against the higher education institutions and it made it more difficult to receive reaccreditation. Dr. Fowlé stated that there was now discussion that GASB could possibly require the booking of the future retirement health insurance liability, which could be a much larger amount. Mr. Stovall explained that there were no fiduciary plan assets for retiree insurance. Mr. Crosnoe asked who paid the cost of retiree health benefits. Mr. Stovall responded that the state bears the cost if the retiree was paid from state funds, and the university bears the cost for employees that don't retire on state funds.

Mr. Crosnoe moved the Board accept the July financial report as presented. Dr. Givens seconded the motion and it was approved.

Investment Report

17-29. Mr. Gregg noted that the administration recommended the Board's acceptance of the fourth quarter FY 2016 investment report as previously distributed. He stated that Dr. Fowlé's report summary was presented in the Board Book.

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

Review of Personnel Reports and Salary/Title/Position Changes in FY 16 and FY 17 Budgets

17-30 – 31. Mr. Gregg stated that the reports of personnel changes in July, August, and September were presented in the Board Book for ratification. He noted that the majority of the changes were related to positions being filled above or below the budgeted amount, overlaps with exiting and entering employees for continuity purposes, and a reclassification.

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

Gearing Up for a Comprehensive Campaign – New Position

17-32. Mr. Gregg noted that the item in the Board Book outlined some of the background information regarding the comprehensive campaign as well as the administration's request for a new position. Dr. Shipley reported that to move forward with a campaign she had made three requests to Foundations to support the cost of the campaign. She stated that one of the requests had been positively answered and the administration would like to apply those funds to hire an individual to assist Mr. Vidmar with the comprehensive campaign. She indicated that the administration's request was to add an Associate Vice President for Gift Planning and Development position at a salary between \$90,000-120,000, commensurate with experience and credentials.

Mr. Crosnoe moved approval of this item and Mr. Ayres seconded the motion.

Mr. Hessing asked what would happen to the position at the end of the comprehensive campaign. Dr. Shipley responded that just as staffing had been reduced during her first year at MSU, the administration would continue looking at staffing levels and making changes as needed. She stated that staffing of the advancement area would be revisited within the next five years to determine if adjustments were needed.

Mr. Gregg asked how the duties of this position differed from Mr. Vidmar's duties. Dr. Shipley responded that this individual would specifically work with deferred giving or estate gifts. She added that this person would do development work and some research work.

There being no further discussion, the motion was approved.

Adjournment

The Finance Committee discussion concluded at 4:45 p.m.

Reviewed for submission:

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Jeff Gregg, Chairman
Midwestern State University
Board of Regents Finance Committee

ATTACHMENTS:

- 1. FY 16 and FY 17 Comparisons of New Gifts and Commitments**
- 2. FY 16 Financial Results**

Midwestern State University

FY16 Monthly Comparison of New Gifts and Commitments

Gift Type	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Grand Total
Bequest Intentions													\$ -
Pledges	\$ 43,510	\$ 35,823	\$ 28,010	\$ 14,190	\$ -	\$ 5,436	\$ 8,334	\$ 25,000	\$ 46,380	\$ 963,780	\$ -	\$ 1,151,000	\$ 2,321,463
Realized Bequests	\$ -	\$ -	\$ -	\$ -	\$ 5,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,085
Gifts-In-Kind	\$ 101,967	\$ 740	\$ -	\$ 8,596	\$ 375	\$ 10,834	\$ 13,073	\$ 2,733	\$ 3,303	\$ 51	\$ 182	\$ 2,345	\$ 144,198
Outright Gifts	\$ 239,181	\$ 362,713	\$ 152,065	\$ 330,868	\$ 145,580	\$ 84,577	\$ 104,193	\$ 205,790	\$ 253,470	\$ 409,138	\$ 111,180	\$ 100,478	\$ 2,499,232
Grand Total	\$ 384,658	\$ 399,276	\$ 180,075	\$ 353,654	\$ 151,040	\$ 100,846	\$ 125,599	\$ 233,522	\$ 303,153	\$ 1,372,969	\$ 111,362	\$ 1,253,823	\$ 4,969,977

NG&C Bar - by Gift Type



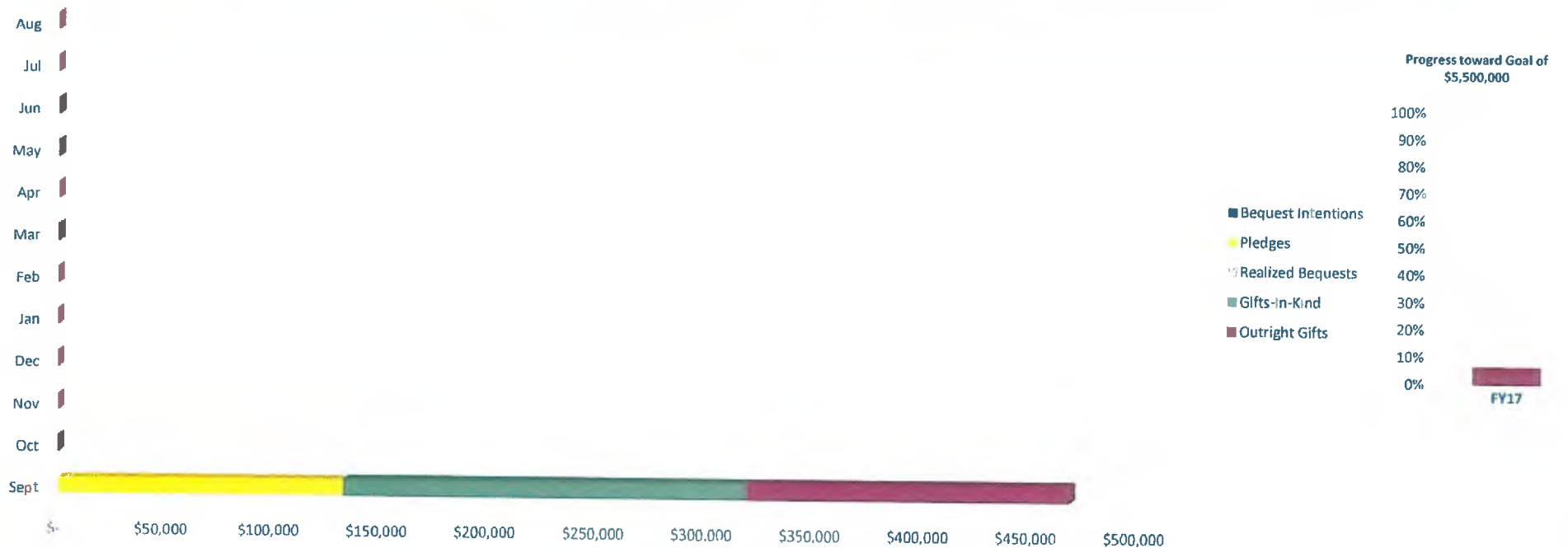
Board Agenda - November 2016
Finance Attachment 17-25

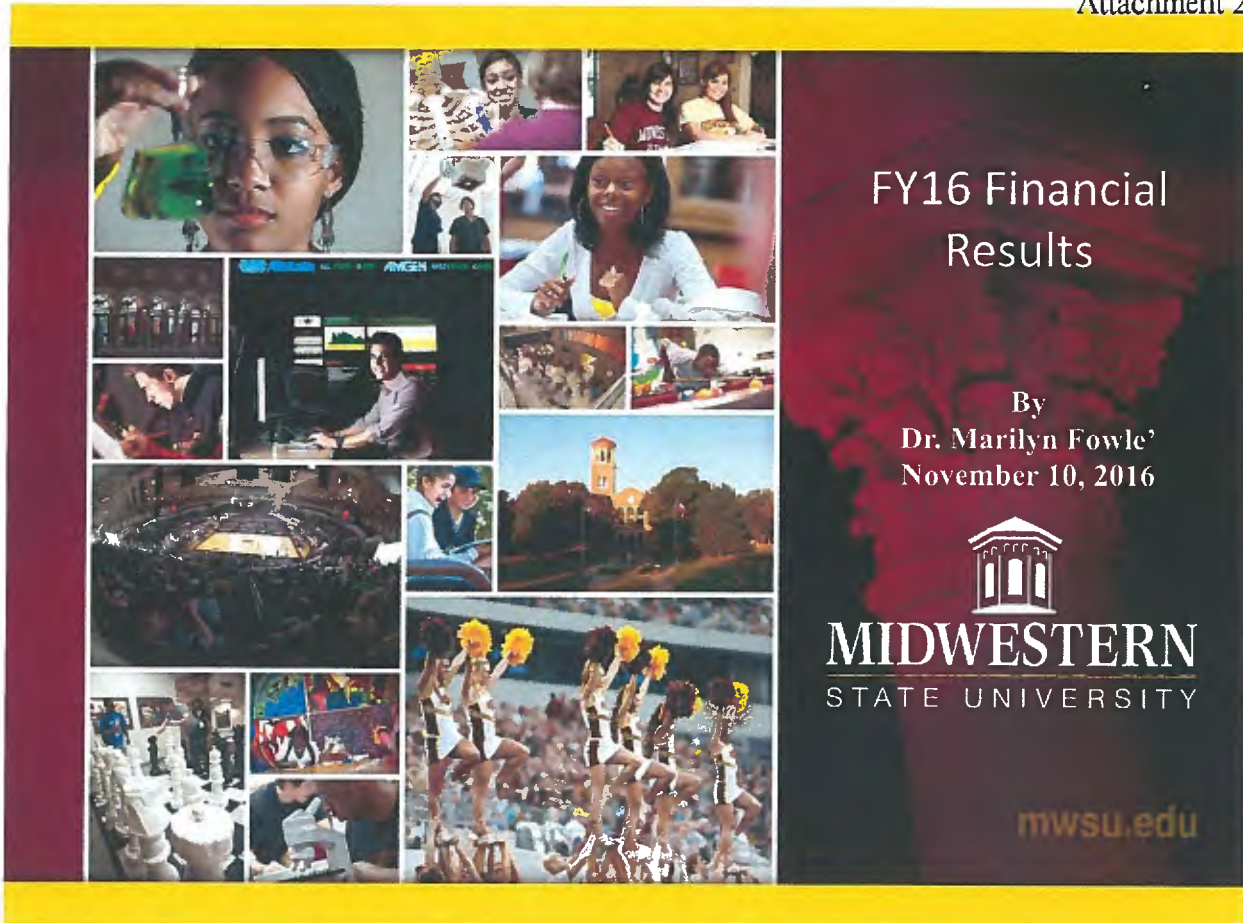
Midwestern State University

FY17 Monthly Comparison of New Gifts and Commitments

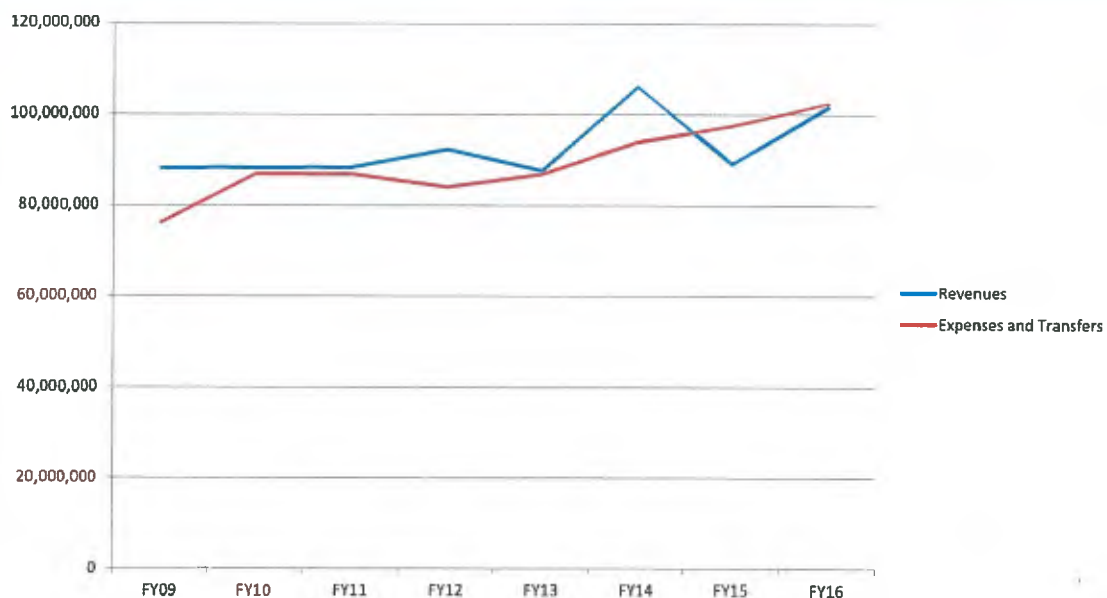
Gift Type	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Grand Total
Bequest Intentions													\$ -
Pledges	\$ 131,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,960
Realized Bequests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts-In-Kind	\$ 186,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,322
Outright Gifts	\$ 149,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,552
Grand Total	\$ 467,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467,834

NG&C Bar - by Gift Type

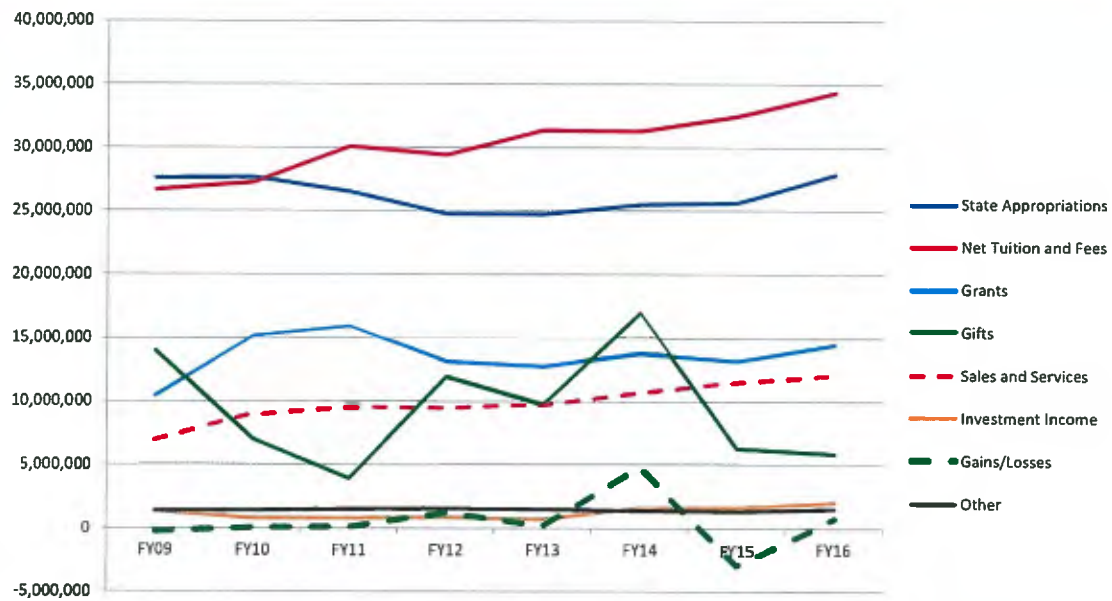




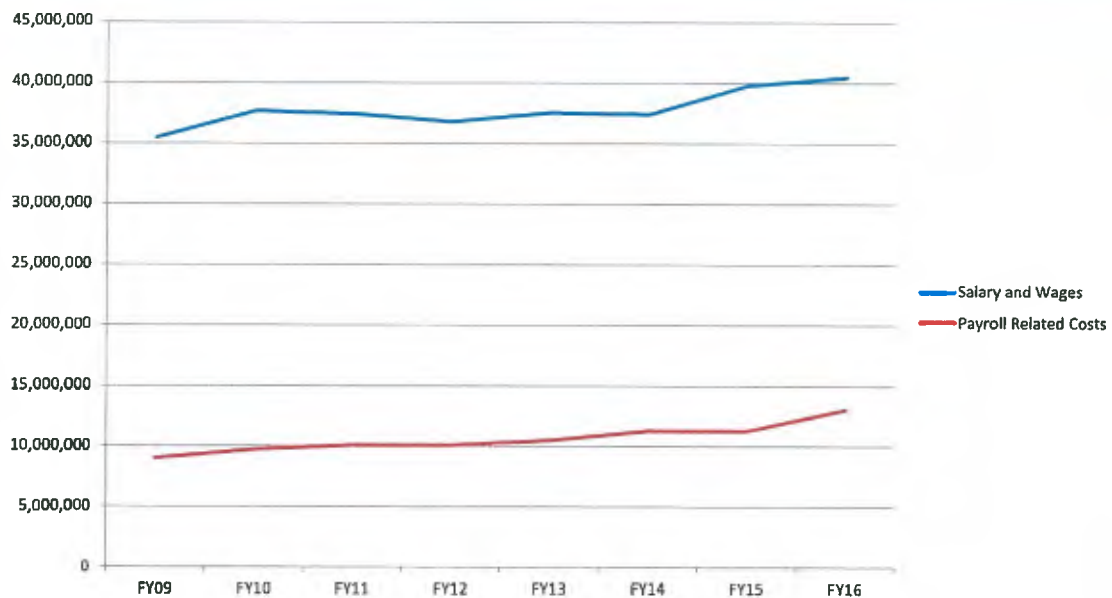
Net Income



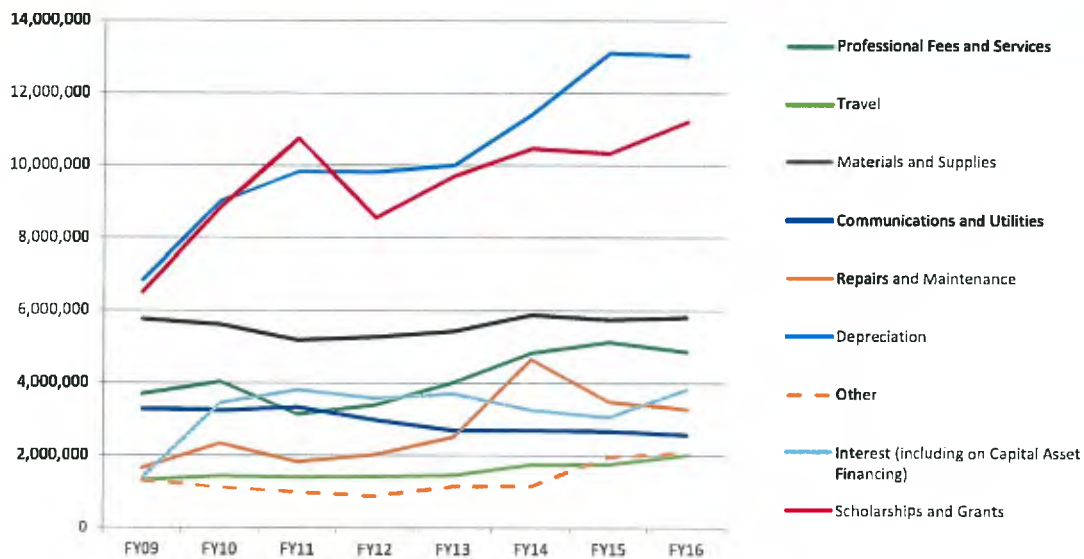
Income Sources



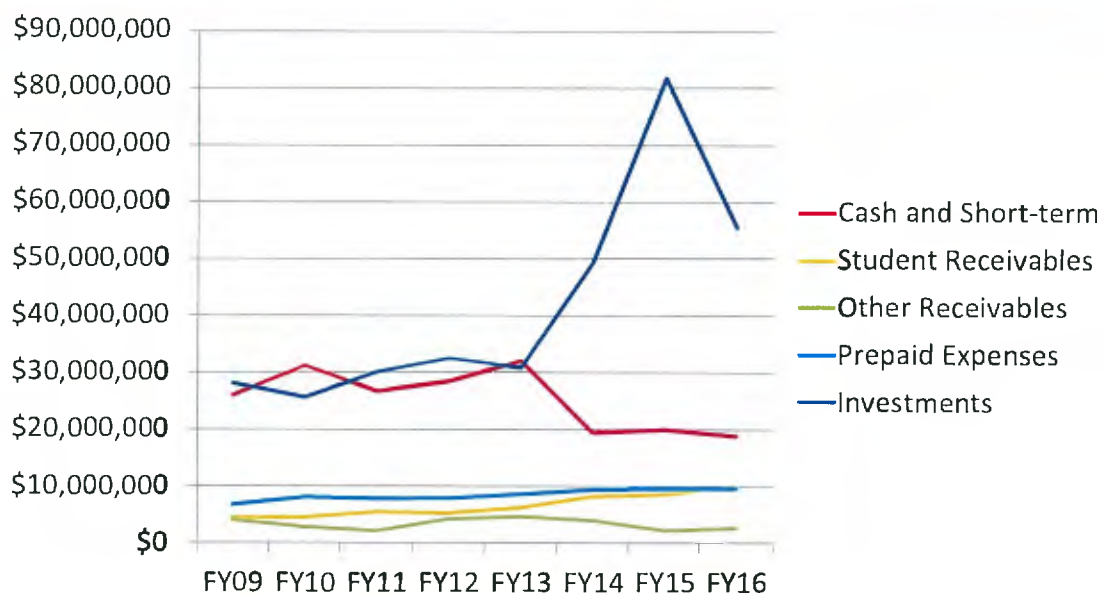
Payroll Expenses



Expenses Other Than Payroll

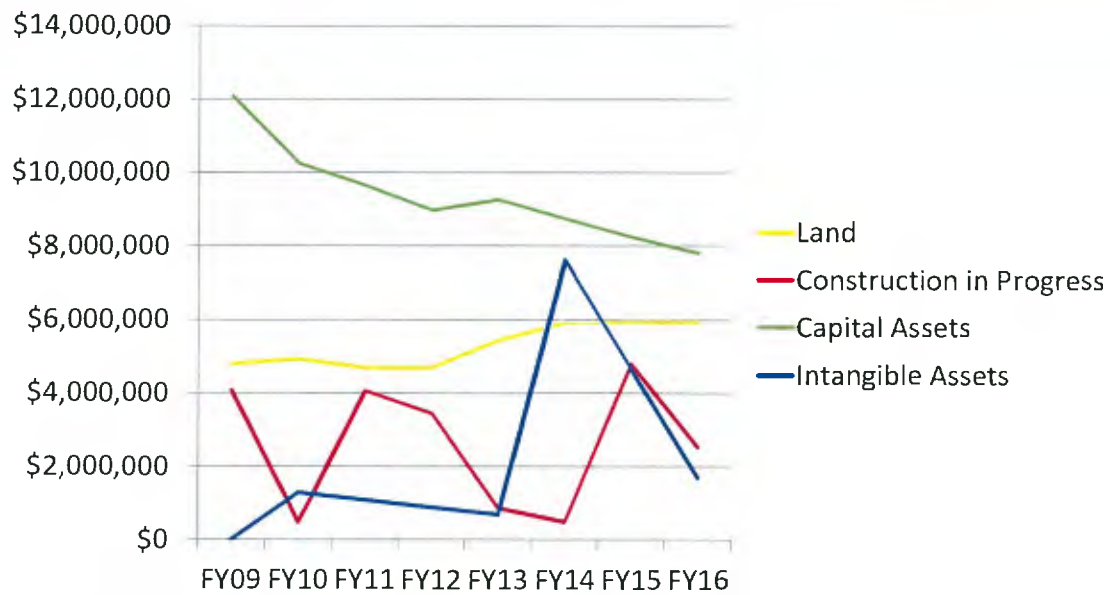


Financial Assets

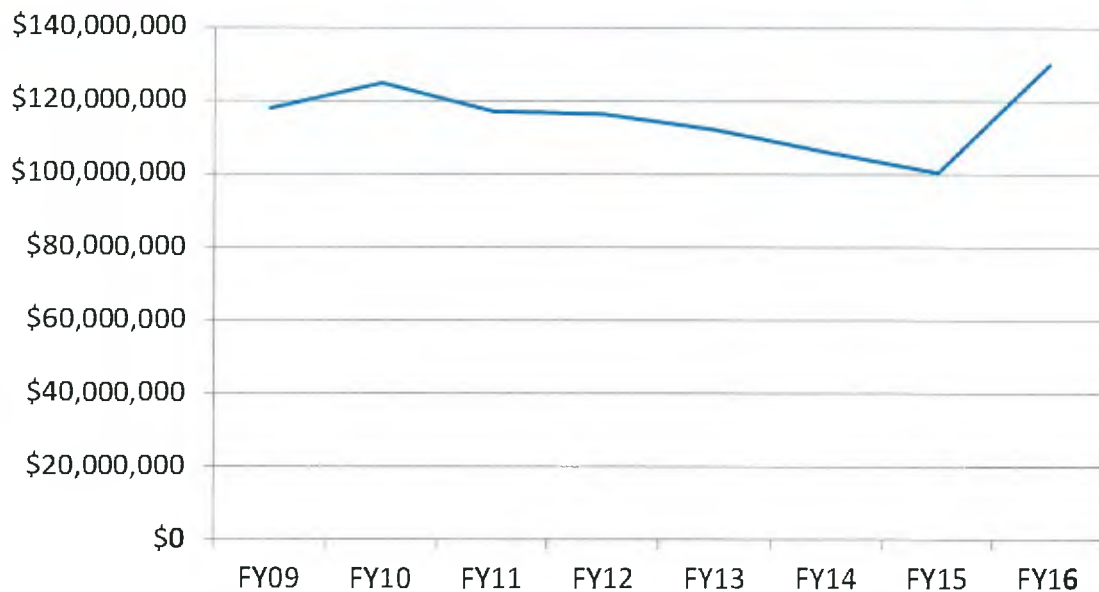


Physical Assets

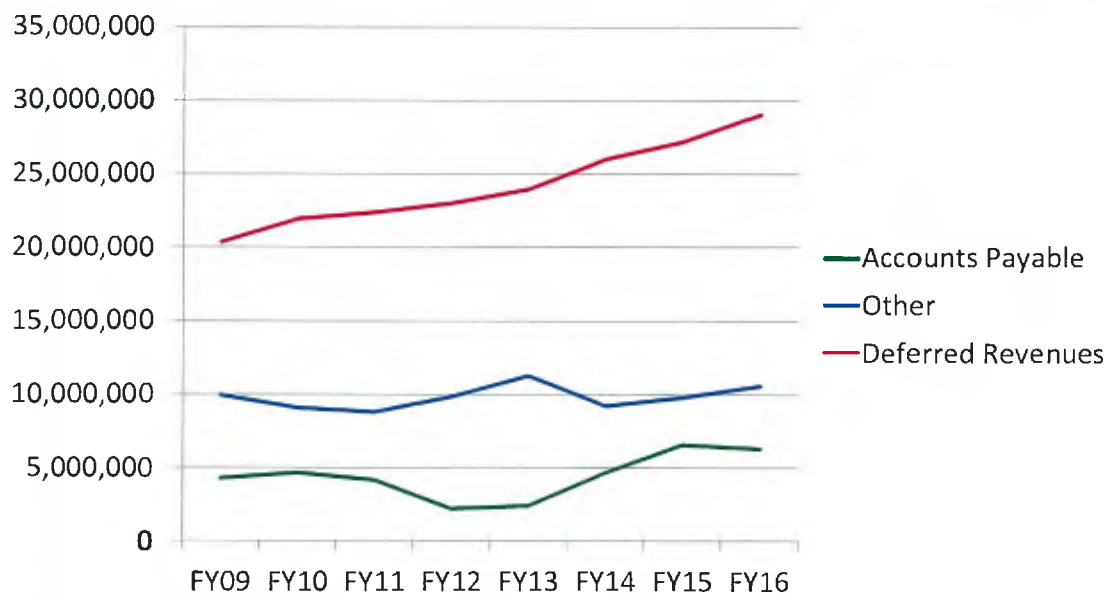
(Other than Buildings and Infrastructure)



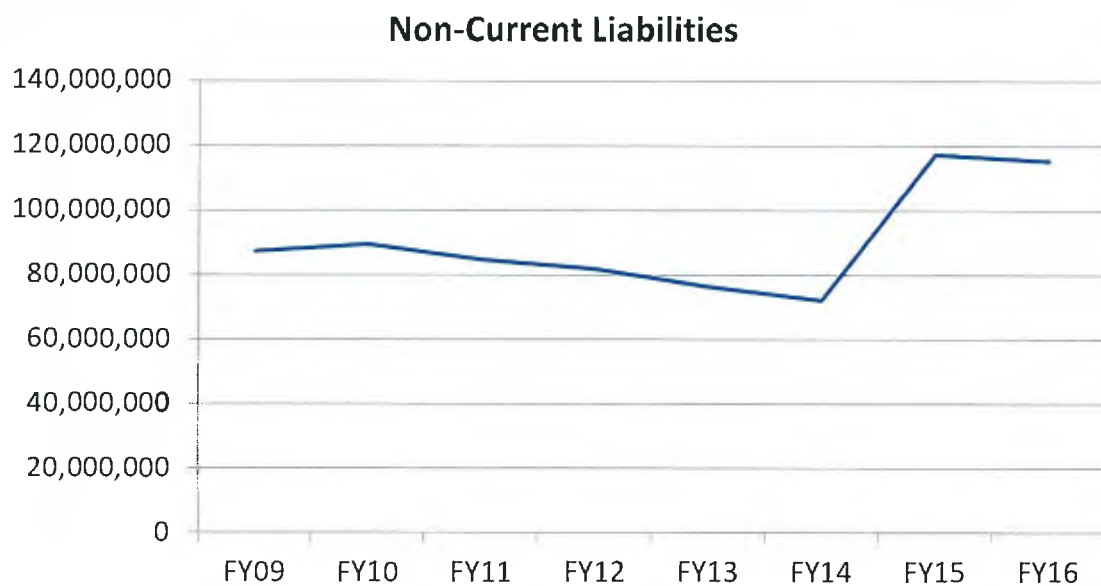
Buildings and Infrastructure



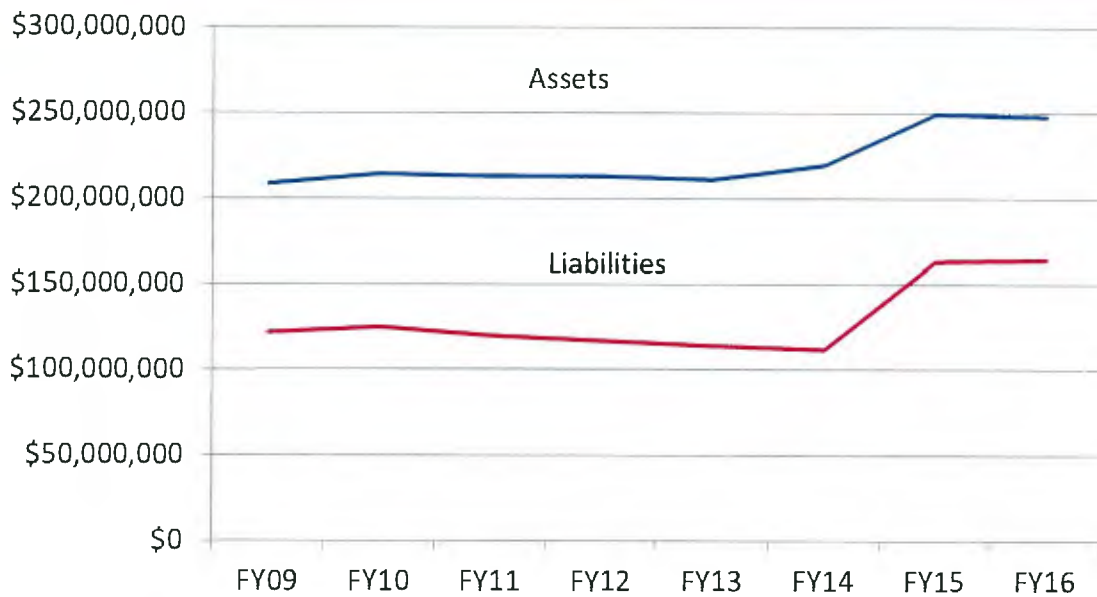
Current Liabilities



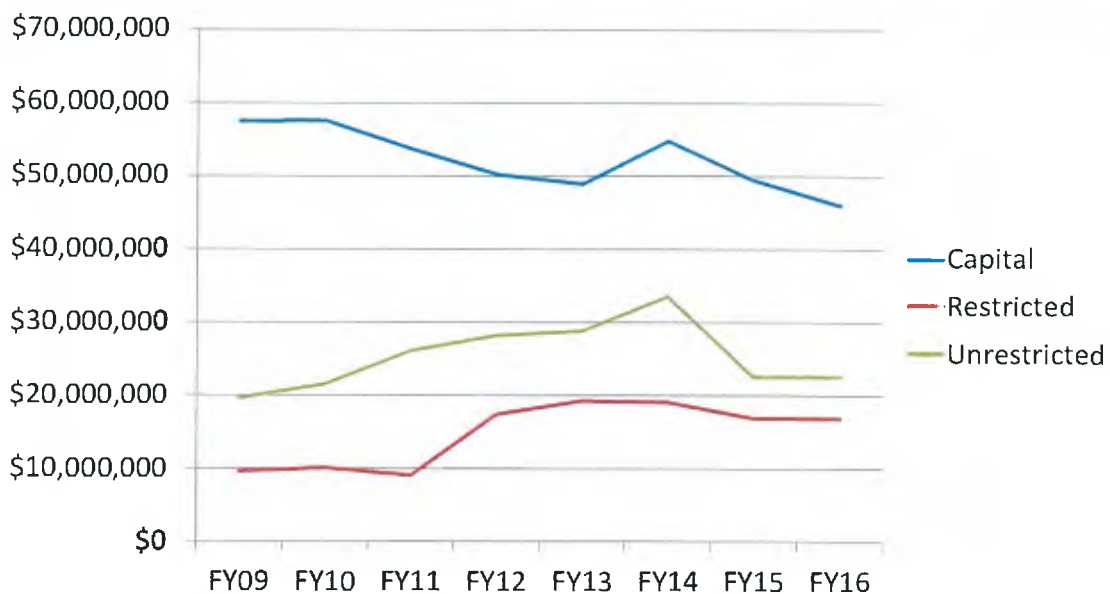
Non-current Liabilities



Assets and Liabilities



Net Position



Summary

- Increasing reliance on funding from students via tuition, fees, sales and services
- Gift income is constant and variable
- Expenses growing fastest for benefits, scholarships and depreciation
- Some unusual occurrences have increased assets (buildings) but also increased liabilities (debt)
- Continue to invest in capital assets in order to preserve asset base and cover depreciation
- Overall, financial position has remained steady from last year

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Audit, Compliance, and Management Review Committee
November 10, 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 4:45 p.m., Thursday, November 10, 2016. Committee members in attendance were Ms. Tiffany Burks, Chair; Dr. Lynwood Givens; Mr. Jeff Gregg; and Mr. Shawn Hessing. Other regents attending the meeting were Mr. Warren Ayres, Mr. R. Caven Crosnoe, Ms. Nancy Marks, Mr. Sam Sanchez, Dr. Shelley Sweatt, and Student Regent Lindsey Shelley.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Administration and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; and Mr. Anthony Vidmar, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; 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. Student Government Association (SGA) representatives attending the meeting included Ms. Shayla Owens, SGA President, and Mr. Charles Frazier, SGA Observer. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*.

Chair Burks called the meeting to order at 4:45 p.m.

Reading and Approval of Minutes

17-33. The minutes of the August 4, 2016, Committee meeting were approved as presented.

Committee for Presidential Performance and Compensation Review

17-34. Mrs. Burks reported that the Board By-laws require the performance review of the President be performed in February of each year and that the Audit, Compliance, and Management Review Committee oversee this process. She noted that since FY 16 was Dr. Shipley's first year as President, the Board postponed its review of her from February until May. She stated that the review would get back on schedule in 2017. Mrs. Burks asked Dr. Shipley to forward to the Board her self-evaluation at least three weeks prior to the February Board meeting. She added that since the Director of Internal Audits now reports functionally to the Board of Regents and administratively to the President, Ms. Kidwell's performance would be evaluated in February as well. She noted that since the Board has the Audit Plan and Annual Report, no additional information was required at this time.

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There being no questions, Mrs. Burks noted that this item was presented as a point of information only.

Historically Underutilized Business Year-End Report – FY 2016

17-35. Mrs. Burks stated that this report was shown in the Board Book as a point of information only and that Dr. Fowlé was available to answer any questions. There being no questions, Mrs. Burks noted that this item was presented as a point of information only and no action was necessary.

Compliance Activities Update

17-36. Mrs. Burks noted that an update regarding compliance activities since the last Board meeting was prepared by Controller Chris Stovall and was presented in the Board Book as a point of information. There being no questions, Mrs. Burks noted that this item was presented as a point of information only and no action was necessary.

Audit Activities and FY 16 Internal Audit Annual Report

17-37. Ms. Kidwell stated that the annual report included in the Board Book fulfilled the Texas Internal Audit requirement. She stated that the report was submitted to the oversight agencies in draft form in order to meet the November 1 due date. Mr. Hessing asked about the status of the internal audit operation at MSU. Ms. Kidwell responded that the past due items had been taken care of and she was working in the current year. Ms. Kidwell provided an update on current activities as shown in Attachment 1.

Mr. Hessing moved approval of the annual report as presented. Mr. Gregg seconded the motion and it was approved.

Audit Report 16-1 – Information Security Program Assessment

17-38. Mrs. Burks reported that the Executive Summary and Background Information related to the Information Security Program Assessment audit were shown in the Board Book. She stated that discussion of the audit would be held in closed session as allowed by statute.

Recess

The committee stood in recess at 4:52 p.m. and reconvened at 4:58 p.m.

Executive Session

Mr. Sanchez announced that the Board of Regents Committee of the Whole and Audit, Compliance, and Management Review Committee would go into Executive Session to discuss Items 17-03 (Real Property), 17-04A (Consultation with Attorney Regarding Legal Matters and Pending and/or Contemplated Litigation), 17-04B (Gifts and Donations), 17-04C (Personnel Matters, and 17-38 (Deliberations Regarding Security Audits) as allowed by the Texas Government Code Chapter 551 Sections .071 (Consultation with Attorney), .072 (Real Property), .073 (Gift or Donation), .074 (Personnel Matters), and .079 (Security Audits) The Executive Session began at 4:58 p.m. Mr. Sanchez, Mr. Hessing, Mrs. Burks, Dr. Givens, Mr. Gregg, Mr. Crosnoe, Ms. Shelley, Mr. Ayres, Dr. Shipley, Mr. Macha, and Ms. Barrow remained for all of the discussion. Mrs. Marks and Dr. Sweatt remained for all of the discussion with the exception of Item 17-03. Ms. Kidwell, Dr. Stewart, and Dr. Lamb joined the meeting at various times as requested by the Board. The Executive Session concluded at 5:48 p.m.

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Open Meeting

The open meeting resumed at 5:50 p.m.

Audit Report 16-1 – Information Security Program Assessment

17-38. Mr. Gregg stated that the Board of Regents views information security as one of the top priorities for the University and moved that the Board authorize the President and Cabinet to ensure the implementation of all of the recommendations included in the information security assessment are a priority for the university. Dr. Givens seconded the motion and it was approved.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 5:50 p.m.

Reviewed for submission:



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

Audit Activities Update November, 2016

A. Provided audit assistance to:

1. Dept. of Education on site review- 9/20 & 9/21, Student Support Services, program to evaluate the university's compliance with the TRiO Grant requirements.
2. Fiscal Management Division of the Comptroller of Public Accounts- 11/07 to 11/11, routine post-payment audit to ensure the university's payroll, purchase, procurement and travel expenditures comply with state laws and regulations.

B. Projects currently in-progress:

1. Creation of a Department of Internal Audits' policies and procedures manual.
2. Revisions to the Office of Internal Audits charter to align with new Institute of Internal Auditor's standards taking effect on January 1, 2017.
3. Evaluation of qualifications for outsourced Fiscal Year 2017 Clery and Title IX compliance assessments.

C. Completed the following projects:

1. Department of Internal Audits web page is completed.
2. Auditor's Independence Statement created, signed and provided to Chairman Burks, Dr. Shipley and general counsel.
3. Information Security Program Assessment- Audit Report 16-1 (see Board Item 17-38).

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
November 10, 2016**

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, November 10, 2016. Regents in attendance were Mr. Sam Sanchez, Chairman; Mr. R. Caven Crosnoe, Vice Chairman; Ms. Nancy Marks, Secretary; Mr. Warren Ayres; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Shawn Hessing; Dr. Shelley Sweatt; and Student Regent Lindsey Shelley.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. Betty Stewart, Provost and Vice President for Academic Affairs; Dr. Marilyn Fowlé, Vice President for Administration and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; Mr. Anthony Vidmar, 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. James Johnston, Dean, Robert D. and Carol Gunn College of Health Sciences and Human Services; Dr. David Carlston, Chairman, MSU Faculty Senate; Dr. Robert Forrester, Assistant Professor of Finance; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Mario Ramirez, Assistant Director of Student Development and Orientation; Mr. Mark McClendon, Director of Institutional Research and Assessment; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; 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. Student Government Association (SGA) representatives attending the meeting included Ms. Shayla Owens, SGA President, and Mr. Charles Frazier, SGA Observer. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*. Special guests attending the meeting were Mr. Randall Scott and Mr. Preston Scott with Randall Scott and Associates.

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

Opening Comments

Mr. Sanchez welcomed everyone to the meeting. He stated that Mrs. Burks was driving to Wichita Falls from Dallas and would join the meeting soon. He reminded individuals in attendance that the meeting was being streamed live on the internet and asked everyone to silence their cell phones.

Public Comment

Mr. Sanchez stated that in accordance with 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 noted that no one had signed up to speak.

Committee Appointments

17-01. Mr. Sanchez noted that the list of new committee appointments was shown in the Board Book and thanked the Regents for agreeing to serve as shown.

University Dashboard

17-02. Mr. Sanchez stated that beginning in 2012 the administration developed a Dashboard that contained measures that are important to the university. He noted that since that time the Dashboard had been updated and presented to the Board each November. He added that the most current Dashboard was included in the Board Book for review. He indicated that the information was compiled by the Office of Institutional Research and Assessment and was then reviewed by Dr. Shipley and the President's Cabinet. Dr. Shipley reported that some of the previous measures were deleted and a new Section Two that reflected the growing residential nature of the campus was added. She thanked Mr. Mark McClendon, Director of Institutional Research and Assessment, for his work on the Dashboard. She stated that the structure would likely be modified again in 2017 upon the completion of the Strategic Plan, and noted that some aspects of the plan would be reflected in the Dashboard.

There being no questions or comments, Mr. Sanchez noted that the item was presented as a point of information only and no action was necessary.

Recess

Mr. Sanchez announced that the remaining items would be deferred to Executive Session later in the afternoon. The committee of the whole stood in recess at 1:34 p.m. and reconvened at 4:58 p.m.

Executive Session

Mr. Sanchez announced that the Board of Regents Committee of the Whole and Audit, Compliance, and Management Review Committee would go into Executive Session to discuss Items 17-03 (Real Property), 17-04A (Consultation with Attorney Regarding Legal Matters and Pending and/or Contemplated Litigation), 17-04B (Gifts and Donations), 17-04C (Personnel Matters, and 17-38 (Deliberations Regarding Security Audits) as allowed by the Texas Government Code Chapter 551 Sections .071 (Consultation with Attorney), .072 (Real Property), .073 (Gift or Donation), .074 (Personnel Matters), and .079 (Security Audits) The Executive Session began at 4:58 p.m. Mr. Sanchez, Mr. Hessing, Mrs. Burks, Dr. Givens, Mr. Gregg, Mr. Crosnoe, Ms. Shelley, Mr. Ayres, Dr. Shipley, Mr. Macha, and Ms. Barrow remained for all of the discussion. Mrs. Marks and Dr. Sweatt remained for all of the discussion with the exception of Item 17-03. Ms. Kidwell, Dr. Stewart, and Dr. Lamb joined the meeting at various times as requested by the Board. The Executive Session concluded at 5:48 p.m.

Open Meeting

The open meeting resumed at 5:49 p.m.

Real Property

17-03. Mr. Hessing moved the Board of Regents approve the lease of MSU property to the YMCA of Wichita Falls as presented. Mr. Crosnoe seconded the motion. The motion was approved with Mrs. Marks and Dr. Sweatt abstaining from the vote owing to a conflict of interest.

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Adjournment

There being no further business, the meeting adjourned at 5:49 p.m.

Reviewed for submission:


Nancy Marks, Secretary
Midwestern State University
Board of Regents

**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
November 11, 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, November 11, 2016. Regents in attendance were Mr. Sam Sanchez, Chairman; Mr. Caven Crosnoe, Vice Chairman; Ms. Nancy Marks, Secretary; Mr. Warren Ayres; Ms. Tiffany Burks; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Shawn Hessing; Dr. Shelley Sweatt; and Student Regent Lindsey Shelley.

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 Administration and Finance; Dr. Keith Lamb, Vice President for Student Affairs and Enrollment Management; and Mr. Anthony Vidmar, Vice President for University Advancement and Public Affairs. Other university personnel attending the meeting included Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students; Dr. David Carlston, Chairman, MSU Faculty Senate; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director, Internal Audits; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director, Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director, Board and Government Relations. Student Government Association (SGA) representatives attending the meeting included Ms. Shayla Owens, SGA President, and Mr. Charles Frazier, SGA Observer. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*. Attending the first portion of the meeting was Dr. Syreeta Green, Director of Equity, Inclusion, and Multicultural Affairs.

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

Opening Comments

Mr. Sanchez asked Dr. Lamb to make a special introduction. Dr. Lamb introduced Dr. Syreeta Greene, MSU's first Director of Equity, Inclusion, and Multicultural Affairs. He noted that Dr. Greene was most recently with The Harbor Institute in Washington, D.C., and worked at the University of Southern California for many years prior to that. On behalf of the Board Mr. Sanchez welcomed Dr. Greene to MSU.

Mr. Sanchez welcomed everyone to the meeting and reminded them to silence or turn off their cell phones as the meeting was being streamed live on the internet. He stated that before the meeting began he wanted to publically thank Mr. Hessing for the phenomenal job he did as Board Chairman. He noted that Mr. Hessing stayed in the chairman position longer than he wanted to and helped the Board hire an outstanding president.

Public Comment

Mr. Sanchez 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

17-39. The minutes of the Board of Regents meetings held August 4 and 5, 2016, were approved as presented.

Executive Committee Report

Mr. Sanchez 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 November 10, 2016.

Item Presented for Committee Approval Only

17-05. Committee Minutes

Items Presented for Information Only

17-06. Gunn College of Health Sciences and Human Services Building Design Review

17-07. MSU Deferred Maintenance Reports – Campus Condition Index

17-08. Campus Construction Update

17-09. Dallas-Fort Worth Expansion Update

17-10. Campus Plan – Facilities Services Relocation Alternatives

Executive Committee Consent Agenda

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

17-11. Gunn College of Health Sciences and Human Services Landscaping and Parking Project Authorization Request – authorized the administration to proceed with a \$1.1 million project for parking and landscaping near the new building as presented.

17-12. Central Campus Sidewalks Project – authorized the President to finalize a contract for this project at a value not to exceed \$575,000.

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17-13. Wichita Falls Museum of Art at MSU – Code of Ethics and Emergency Response and Disaster Preparedness Plan – ratified the documents as presented.

17-14. Wichita Falls Museum Ratification of Deaccessioned Artworks – ratified the deaccessioned items as presented.

Mr. Sanchez asked if there were items any member wanted to remove from the Consent Agenda. There being none, Mr. Crosnoe seconded Mr. Sanchez's motion to approve the Consent Agenda as presented and 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 November 10, 2016.

Item Presented for Committee Approval Only

17-15. Committee Minutes

Items Presented for Information Only

17-16. Faculty Report

17-17. Staff Report

17-18. Student Government Report

17-19. Athletics Report

17-20. Enrollment Report – Fall 2016

17-21. Financial Aid Profile

17-22. MSU Strategic Plan Update

Academic and Student Affairs Committee Consent Agenda

Dr. Givens recommended the following item that was approved by the Academic and Student Affairs Committee and placed on the Consent Agenda for the Board's consideration.

17-23. December 2016 Graduating Class – approved the list of candidates for graduation as presented.

Mr. Sanchez asked if any member wanted to remove this item from the Consent Agenda. There being none, Mr. Ayres seconded Dr. Givens' motion to approve the Consent Agenda as presented. The motion was approved.

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Finance Committee Report

Mr. Gregg 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 November 10, 2016.

Item Presented for Committee Approval Only

- 17-24. Committee Minutes

Items Presented for Information Only

- 17-25. Summaries of Financial Support
- 17-26. FY 16 Quasi Endowment Fund Reports
- 17-27. Fair Labor Standards Act (FLSA) Changes

Finance Committee Consent Agenda

Mr. Gregg recommended the following items that were approved by the Finance Committee and placed on the Consent Agenda for the Board's consideration.

- 17-28. Financial Report – accepted the monthly financial report for July, 2016.
- 17-29. Investment Report – accepted the fourth quarter 2016 Investment Report.
- 17-30. Personnel Reports and Changes in FY 16 Budget – ratified the changes as presented.
- 17-31. Personnel Report and Changes in FY 17 Budget – ratified the changes as presented.
- 17-32. Gearing Up for a Comprehensive Campaign – New Position – authorized a new Associate Vice President position to be paid from private funds as presented.

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

Audit, Compliance, and Management Review Committee Report

Mrs. Burks noted the items presented at the Audit, Compliance, and Management Review Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held August 4, 2016.

Item Presented for Committee Approval Only

- 17-33. Committee Minutes

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Items Presented for Information Only

- 17-34. Committee for Presidential Performance and Compensation Review
- 17-35. Historically Underutilized Business Year-End Report – FY 2016

17-36. Compliance Activities Update

Audit, Compliance, and Management Review Committee Consent Agenda

Mrs. Burks recommended the following items that were approved by the Audit, Compliance, and Management Review Committee and placed on the Consent Agenda for the Board's consideration.

- 17-37. Audit Activities and FY 16 Internal Audit Annual Report - approved the FY 16 Internal Audit Annual Report as presented.
- 17-38. Audit Report 16-1 – Information Security Program Assessment – approved a statement indicating that the Board of Regents views information security as one of the top priorities for the University and approved authorizing the President and Cabinet to ensure the implementation of all of the recommendations included in the Information Security Program Assessment are a priority for the University.

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

President's Report and Discussion of Higher Education Issues

- 17-40. President Shipley stated that before she began her report Provost Betty Stewart would make an announcement. Dr. Stewart announced that thanks to the efforts of Dr. Shipley and Regent Sweatt, MSU received funding from the George and Faye Young Foundation of Dallas for a scholarship totaling \$25,000 per year for three years. The criteria for the scholarship was that the student is a full-time sophomore who had completed at least 24 credits at MSU, demonstrated financial need, earned at least a 3.0 grade point average, and majoring in Education, the health sciences, science, the environment, social work, social services, or business. A committee of deans worked with Dr. Stewart to select the recipient. Of the seventy eligible students, three were invited for interviews. Dr. Stewart reported that Ms. Carolyn Duque, a sophomore education major from Dallas, was selected to receive this scholarship. She noted that Ms. Duque attended Irma Rangel High School where she was involved in the Leaders for Readers Program. Through this program she served as a reading tutor at a local learning center. Additionally, she helped organize and contribute to major school functions such as the Women's Month and Red Ribbon Week. She also participated in the League of United Latin American Citizens (LULAC) organization and served extensively in her local church community where she assisted in teaching young children. When asked by the selection committee why she majored in Education, Ms. Duque responded that she wanted to teach third and fourth grade students to let them know that education can change their lives as it has changed hers. Dr. Stewart noted that the scholarship funds could be used for education-related expenses only, such as tuition and fees, books, and room and board. Carolyn will be required to enroll in a minimum of 15 semester credit hours each fall and spring semester, live in a residence hall, participate in a study abroad experience in London, Spain, or France, maintain a cumulative grade point average of 3.5 or better, and do some service for the university. Dr. Stewart noted that this scholarship is given to only five

universities in the state of Texas and four of those are private institutions. The five institutions are Trinity University, St. Edwards University, Schreiner College, Austin College, and Midwestern State University. She asked Ms. Duque to say a few words about this transformational gift. Ms. Duque expressed her appreciation for receiving this scholarship and having the opportunity to meet with the Board of Regents. She stated that she came from a family that had not gone to college and that she felt this scholarship was the reward for all of her hard work since she was a child. She added that this amazing scholarship would allow her to further her education, give her new experiences, and make it possible for her to help other children achieve their dreams. Dr. Stewart noted that local Wichitan Richard Ripley was a long serving member of the Young Foundation Board. Upon his retirement from the foundation board he asked that the scholarship be given to MSU in lieu of his receiving a retirement gift. Dr. Shipley thanked Regent Sweatt for her efforts. She added that this was a wonderful tribute to the type of students attending MSU and the quality of education that is provided.

Dr. Shipley reported that she serves as a member of the Association of Governing Boards Council of Presidents. She stated that the group meets annually to provide guidance to the association and receive information regarding higher education issues, trends, and practices. The focus of the two-day meeting in the fall was Uncertainty in Higher Education and Risk. She noted that the topics covered in this meeting were listed in the Board Book and discussed each of them as follows.

- A. Higher Education's Business Model – Dr. Shipley stated that a copy of information provided on this topic was included in each Board member's folder (see Attachment 1). She noted that university presidents across the country are concerned about the changing nature of the higher education business model. She explained that public institutions face diminishing state support while all institutions face diminishing federal support while reaching a ceiling on tuition that can be charged. University administrators are looking for ways to produce revenues as costs continue to increase, adding that that higher education inflation is higher than regular inflation. She stated that MSU's DFW outreach was a perfect example of diversifying the institution's educational outreach. She added that other possible options for producing revenues included offering additional online courses and expanding the use of facilities during the summer.
- B. The Regulatory Environment (and the current state of Accreditation) – Dr. Shipley reported that one of the reasons higher education budgets are more difficult to manage is the intensely increased regulatory environment. This includes requirements related to compliance and the regulations coming forward related to compliance.
- C. Risks Associated with the National Election – Dr. Shipley noted that the meeting was held approximately one month before the national election and pundits from the Beltway erroneously predicted who would win the presidency. At that time, the discussion centered around concerns about the transition of power and the resulting unrest on campuses. She noted that since the election the higher education media

has speculated about how the regulatory environment will change and what it will mean primarily for students who face immigration challenges.

- D. Campus Climate – The group discussed student safety, as well as campus unrest and protests. Dr. Shipley stated that administrators and faculty must build avenues for dialogue and communication with students so that unrest and protest are the last forms of student dissent. She noted that university presidents should be speaking with student groups, asking about their concerns, and should be aware of emerging issues. The group also discussed how to work with social media and how it can affect students and campus climate.
- E. Intercollegiate Athletics – The group discussed campus athletics and how institutions shape an athletics program to have a positive impact on the institution's image. Subjects included graduation and retention rates, balancing academic requirements, and the role athletics should play in these areas.

Dr. Shipley indicated that she wanted the Board to be aware that she is listening to national leaders and bringing ideas and concerns to the campus. She stated that it is an exciting, yet turbulent time to be in higher education.

Mr. Gregg asked about the Lone Star Conference (LSC) and whether the addition of two new schools had stabilized the conference. Dr. Shipley responded that the biggest challenge for the LSC continues to be the number of teams in the conference. She noted that by adding two more football schools, the conference would be in good shape for that sport. She added that the LSC must also continue to look at ensuring a competitive level in all of the sports. She stated that the LSC requires member schools to play football, with the exception of Texas Woman's University, but the other sports are determined by each school. For MSU, men's soccer must play in another conference because there aren't enough LSC schools with teams to compete as a conference. Dr. Shipley added that another challenge with any conference in Texas is the necessary amount of team travel. Mr. Sanchez stated that the conference situation would likely be something the administration and Board would continue to discuss. He added that MSU has a phenomenal athletics program and a great deal to be proud of.

Dr. Givens referred to Item C above and asked if the group discussed the new president, immigration laws, and how changes might affect university funding. Dr. Shipley responded that since the presenters at the meeting predicted a different election outcome, this particular scenario was not discussed. She noted that she mentioned the immigration piece because it has emerged as a possible topic of concern in the higher education media. She added that possible changes to the Affordable Care Act could also affect higher education. She stated that the change to the Fair Labor Standards Act (FLSA) that the Board discussed in the Thursday meeting was a presidentially controlled decision that could change in the future. Dr. Givens expressed concern that the university might not be prepared for an enrollment decline owing to unanticipated changes at the federal level. Dr. Shipley responded that the process of changing higher education legislation and regulations is generally slow moving. However, she noted that higher education would be

strongly negatively affected if Pell funding were reduced or eliminated. Dr. Givens asked if a committee within the university would monitor such changes and keep the Board informed of areas of concern. Dr. Shipley responded that the President's Cabinet would do so.

Adjournment

There being no further business, the meeting was adjourned at 10:31 a.m.

I, Nancy Marks, 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 November 11, 2016.


Nancy Marks, Secretary

ATTACHMENT:

1. AGB Higher Education Business Model

THE BUSINESS MODEL



.....

"Higher education institutions use financial aid to offset their sticker price to help lower-income students pay for college and attract certain students they want to recruit. But as that practice has expanded, it has also become increasingly less tenable."

.....

Most higher learning institutions operate under several different business models. One set of economic structures might guide traditional undergraduate programs, for example, while different assumptions and practices might come into play in regard to programs for adult or online students. Generally speaking, however, all college and university business models today are experiencing a certain degree of financial stress. And business practices that brought institutions to their current state may well not be the right ones to carry them successfully into the future. Innovative thinking and practices are required.

Some of the pressures on colleges and universities today involve:

The rising price of college. Both public and independent colleges and universities today must rely more than ever on tuition as a core source of revenue. But over the past several years, growing evidence has suggested that students and parents are becoming increasingly resistant to higher tuitions. Many observers predict that tuition prices may soon hit a tipping point beyond which people will not be able or willing to pay. A 2015 Gallup poll, for example, found that less than a quarter (21 percent) of adults think that college is affordable.

Deeper tuition discounting. Higher education institutions use financial aid to offset their sticker price to help lower-income students pay for college and attract certain students they want to recruit. But as that practice has expanded, it has also become increasingly less tenable. At independent institutions, tuition discount rates—measured in terms of institutional grant dollars as a percentage of gross tuition and fee revenue—are at an all-time high. The National Association of College and University Business Officers (NACUBO) reported that discount rates for independent colleges reached 48 percent for first-time full-time freshmen and 41.6 percent for all undergraduates in 2014, in its most recent survey on the topic.

Public universities are also discounting tuition. The percentage of full-time undergraduates in public four-year institutions receiving institutional grant aid increased from 16 percent in the early 1990s to 28 percent in 2003-2004, while the percentage of full-time public two-year college students receiving grants rose from 10 percent in 1992-1993 to 16 percent in 2003-2004, according to the College Board. In 2014, the average grant at a public four-year college was \$6,110 and the average grant at a two-year college was \$5,090.

At the same time colleges and universities are awarding more financial aid, however, many institutions are seeing flat or even declining enrollments—one effect of which is that institutions are generally not realizing the kind of growth in net tuition revenue that they would like to see and indeed need to collect. In fact, NACUBO reported that private colleges and universities had flat net tuition revenue over the 13 years prior to 2013, and net revenue was expected to grow only 0.4 percent per student in 2015.

Diminished public funding for higher education. State appropriations for higher education fell by 37 percent between 2000 and 2012. To make up the shortfall in revenue from state funding, institutions have had to raise tuition and recruit more full-pay students from out of state or abroad, as well as cut costs as much as possible. Meanwhile, states have continued to make greater demands on institutions to educate and graduate more students. In that same period, the number of students at America's colleges and universities grew by 45 percent.

General fund revenues from state and local governments have stabilized somewhat since the 2008 recession and are projected to increase 2 to 3 percent annually in the future. But that is still just half the rate of the average increases before the recession. And, “even without accounting for enrollment growth, those increases will be consumed by rising costs for employee benefits, which are growing at an average of 6 percent to 7 percent annually,” according to the National Commission on College and University Board Governance's report, “Consequential Boards: Adding Value Where It Matters Most.”

While state support has generally declined in recent years, federal support has been on the rise—but that is largely because of increases in support for Pell grants for financially needy students. At the same time, federally funded research and development spending for higher education has been relatively flat since 2002, and the overall amount of federal research funding for colleges and universities has actually fallen when adjusted for inflation.

Uncertain philanthropic support. One bright spot in the financial picture for higher education may be philanthropy. Colleges and universities reaped more than \$37 billion in charitable contributions in 2014, a record. Support jumped 10.8 percent over 2013, also a record. Yet colleges and universities that rely on such support know that past is not necessarily prologue, and weakness in the U.S. economy could readily reverse those trends. A related concern in the current political environment is increasing talk among legislators at the federal level about reviewing and possibly curtailing tax benefits for charitable donations.

A different kind of challenge manifests itself among younger alumni, who may attend several colleges. Federal data show that more than a third (37.2 percent) of college students transfer at least once within six years. Such “swirling” students, as they are called, may not have the same affinity for their alma maters as students who attend just one college or university. And fundraisers are finding that it often takes more time and resources to successfully get Millennials to donate to an institution.

Volatile endowment returns. The returns on institutional endowments, which cover about 20 percent of colleges' and universities' average spending per student, fluctuate according to the vagaries of the financial markets. Endowments had largely recovered from the recession of 2008 by 2014; a NACUBO-Commonfund study showed they returned an average of 15.5 percent in fiscal year 2014, versus 11.7 percent in fiscal year 2013. In response, the study found, 74 percent of respondents increased spending from their endowments. But the average endowment grew by only 2.4 percent in fiscal year 2015. And, at the time this publication is being released, the market has become increasingly volatile.

Meanwhile, the U.S. Congress, which has had a recurring interest in how colleges and universities spend their endowments, is reviving its scrutiny. In early 2016, the chairs of the Senate Finance Committee, House Ways and Means Committee, and House Ways and Means Subcommittee on Oversight wrote to 56 independent institutions with endowments larger than \$1 billion, questioning how they use their assets “to fulfill their charitable purpose,” according to *Inside Higher Ed*. And a key concern was rising tuition: “Despite these large and growing endowments, many colleges and universities have raised tuition far in excess of inflation,” the legislators commented in the letter. We do not know if the inquiry will spread beyond these few institutions, or how they will use the information that they gather.

Limited debt capacity. Recent low interest rates have prompted sometimes aggressive institutional borrowing across higher education. But borrowing may be getting harder: The *Wall Street Journal* recently reported that some prospective buyers of bonds are avoiding bond issues from “small, private colleges that don't have national reputations, schools that rely heavily on tuition revenue, and those in regions facing population declines.”

According to Moody's Investors Service, which rates the fiscal health of some 500 colleges and universities in the United States, the financial outlook for higher education going into 2016 was stable. Currently, Moody's reports, “universities will continue to explore expense containment and efficiencies, making it ever more difficult for universities to choose where to invest in order to remain competitive.”

LOOKING AHEAD

Combined, the squeeze on revenues and the ongoing need to contain or lower costs create powerful motivators for institutions to rethink fundamental business models and practices. Colleges and universities are considering their programmatic offerings; looking at costs, efficiencies, and market interests; and working to identify and develop new revenue streams.

Rather than slashing budgets across the board, institutions are searching for ways to refine and rethink essential business practices, and to find and inculcate efficiencies across campus operations. Many more are turning to data analytics to produce intelligence about business practices that can inform improvements. In short, both independent and public institutions are approaching this work with new sophistication.

For example, in response to the likelihood of continued reductions in state appropriations, the University of Central Missouri embarked on a comprehensive review of its business model. Teams of administrators and faculty members at the public university identified opportunities to cut academic and administrative costs, reduce energy consumption, and refinance debt—resulting in total savings of \$7.8 million between 2011 and 2013. They also came up with 50 proposals for revenue generation in the coming years, including new instructional delivery models.

Colleges and universities are also outsourcing more programs and services. As noted in an article in *The Chronicle of Higher Education* (February 29, 2016), “It has long been the norm for colleges to outsource services in their facilities departments, payroll offices, cafeterias, and retail stores. But in the past few years, for-profit companies have increasingly been tapped to carry out core college functions, including student services like advising, and even instruction.” The article goes on to say that whether institutions actually save money with this approach depends on a number of factors, including how well they negotiate their contracts.

In the future, boards will also see the following trends:

- While some prominent and well-financed institutions may be able to continue on as they have done, many institutions may have to budget for revenues that are flat or even lower than in the past—a function both of declines in net tuition revenue and flat or declining enrollments.
- Colleges and universities will become more sophisticated and strategic in their enrollment-management operations. Demographic shifts in the composition of student bodies, for example, will drive shifts in enrollment targeting and marketing practices. They might also demand a reenvisioning of academic offerings and such things as academic schedules, locations, educational delivery systems, and services to attract students in new and different demographic groups and markets.
- A number of institutions persist in what is essentially an academic and amenities arms race—competing financially for faculty and key staff members, adding programs and centers, and building expensive facilities to entice students. Today’s market forces may dictate the need to adopt a philosophy other than expansion across the board. “Scaling back” may need to become part of an institution’s vocabulary.
- More institutions will pursue various partnerships to help meet their goals. Agreements with private-sector firms, for example, can help an institution meet its needs for new housing and other campus facilities. Cooperative agreements with other institutions can help institutions realize economies of scale in procuring supplies, fulfilling back-office functions, and even in sharing academic programs and faculty. In the days ahead, we can also expect to see more examples of institutional mergers, perhaps the ultimate partnership. (See the following section, “The Partnership Imperative.”)

This brief discussion touches on only a few of the salient issues pertaining to institutional economics and business models. The point, however, is now virtually every institution of higher learning is or should be engaged in serious discussions about profound business questions.

At one level, hard work is needed to redesign, reenvision, and reengineer programs, channels for educational offerings, business practices, and business models. At a more fundamental level, however, today’s environment for higher education essentially mandates that institutions ask themselves some basic questions: Where can we truly excel? Have we allowed program expansion and “scope creep” to muddy our mission, and is some relevant clarification needed? If constant growth—in enrollment, revenue, programs, facilities—is no longer sustainable, how can we best position ourselves for a future that might look rather different from the past? How can we adapt a mindset that is more innovative, agile, and bold while still be careful to preserve the institution’s traditional strengths?

Governing boards must be involved in helping institutional leaders raise and answer those and other challenging questions.



QUESTIONS FOR BOARDS

- With competition between colleges and universities intensifying, how can your institution best differentiate itself while remaining true to its mission?
- Have the administration and the faculty examined whether the institution can deliver its current academic programs more cost-effectively? Are the administration and faculty exploring new programmatic offerings, structures, schedules, and delivery models that can attract new students?
- Does your institution have the capacity to collect data about its business practices and analyze those data effectively to make continuous improvements—those that result in reduced costs and improved efficiency?
- Does your board include members with the skills, knowledge, and background that your institution needs to plan for its financial future?
- Could partnerships—with the private sector, local entities, and other institutions—help your college or university advance its goals? What changes in institutional philosophy, policies, and practices would be needed to make those partnerships work?

Resources

- Natalie Krawitz, *The Board's Role in Financial Oversight* (AGB Press, 2015).
- Stephen G. Pelletier, "Stress Testing: How Can You Ensure Your Institution's Fiscal Health?" *Trusteeship*, September/October 2015.
- Sandy Baum, "The Link between Financial Aid and Enrollment," *Trusteeship*, May/June 2015.
- Larry D. Shinn, "Reflections on the Power of Mission: Imaging a Place," *Trusteeship*, January/February 2015.
- Scott D. Pattison, "The Bond Rating: A Financial Oversight Tool for Boards," *Trusteeship*, September/October 2014.
- "Tuition Discounting" (AGB Brief).

FACTS TO CONSIDER

- Moody's Investors Service projected 2015 net tuition revenue growth for nonprofit colleges and universities as the weakest in a decade—fueled, a spokesperson said, by "lingering price sensitivity, a public focus on affordability, and flat enrollment."
- For 2015-16, 58 percent of admissions directors said they did not meet their enrollment goals.
- Between 1986 and 2013, overall state spending on corrections grew 141 percent compared to just 5.6 percent for higher education. Spending on corrections as a percentage of funding now eclipses funding for higher education in 11 states.
- State spending for Medicaid is now more than two times that for higher education.
- Charitable contributions to colleges and universities in the United States increased 10.8 percent in 2014 to \$37.45 billion, according to the Council for Aid to Education. Both the percentage rise and the total amount raised were records.
- Endowments of American colleges and universities returned an average of 15.5 percent (net of fees) for fiscal year 2014, compared with 11.7 percent for 2013.