

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Executive Committee
August 3, 2017

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 1:45 p.m., Thursday, August 3, 2017. Executive Committee members in attendance were Mr. Sam Sanchez, Chairman; Mr. Caven Crosnoe, Vice Chairman; Ms. Nancy Marks, Secretary; and Ms. Tiffany Burks, Member-At-Large (via teleconference). Other regents attending the meeting were Mr. Warren Ayres, Dr. Lynwood Givens, Mr. Jeff Gregg, Mr. Shawn Hessing, Dr. Shelley Sweatt, and Student Regent Shayla Owens.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. James Johnston, 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; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Kyle Williams, Interim Director of Athletics; Mr. Randy Canivel, Director of the MSU Flower Mound Campus; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the MSU Student Government Association (SGA) was Ms. Maria Peña, SGA President. Representing the news media were Ms. Lana Sweeten-Shults, reporter for the Wichita Falls *Times Record News*, and Ms. Katya Guillaume, KFDX-TV 3. Attending the meeting through the discussion of the Strategic Plan was Dr. Scott Meddaugh, Robert L. Bolin Distinguished Professor of Petroleum Geology, and Chair of the MSU Strategic Planning Committee.

Chairman Sanchez called the meeting to order at 1:45 p.m.

Reading and Approval of Minutes

17-116. The minutes of the Executive Committee meeting May 11, 2017, were approved as presented.

Campus Construction Update

17-117. 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 1. This information related to the progress of the Hampstead parking lot, Burns Chapel, work being done in the Fain Fine Arts Center for art and music as a result of the Mass Communication Department moving into the new facility, and the resurfacing of the tennis courts and Stockton Court. He added that the next time Stockton Court needs to be resurfaced it would need to be replaced. He stated that this would likely be necessary in four or five years at the cost of at least \$200,000.

Page 128 of 179

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

Honorific and Gift Related Namings

17-118. Mr. Sanchez noted that this item was included in the Board Book to give the Board an opportunity to provide input regarding the policy being considered. He stated that no action would be recommended at this time. He asked Mr. Vidmar to review this item. Mr. Vidmar reported that it was important to review this policy as the university moved into its Comprehensive Campaign. He stated that the policy included best practices and clarified the levels of funding required to endow professorships and other naming opportunities. He indicated that Mr. Macha provided input on the policy following a review of policies of other Texas institutions. Mr. Vidmar stated that he and Dr. Shipley wanted to provide an opportunity for input from the Board.

There being no discussion, Mr. Sanchez noted that the final policy would be presented to the Board for approval in November and asked Board members to provide any comments to Dr. Shipley.

Moffett Library Renovation Project – Project Approval Amount

17-119. Mr. Sanchez noted that the administration was recommending a number of action items related to this project and asked Mr. Owen to review this item. Mr. Owen stated that planning for this portion of the Tuition Revenue Bond project was approved in 2015 and the administration was ready to move into the next phase with the hiring of an architect and proceeding with the design. He reviewed the three action items outlined in the Board Book.

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

Texas Accessibility Standards (TAS), Americans with Disabilities Act (ADA), and Fire Marshal Upgrades Project – Guaranteed Maximum Price Approval

17-120. Mr. Sanchez asked Mr. Owen to review this item and the administration's recommendation. Mr. Owen stated that bids for this project were due August 17 and the administration was requesting authorization to contract with the Construction Manager At Risk (CMAR) to move forward with construction. He noted that the majority of the construction would not begin until January and the majority of the work would be accomplished during the summer when fewer students were on campus.

Mrs. Marks moved approval of this item as presented. Mr. Crosnoe seconded the motion. Mr. Gregg asked how this project would be funded. Mr. Owen stated that this was part of the TRB projects. Mr. Ayres asked if the bonds had been sold. Dr. Fowlé responded in the affirmative.

Page 129 of 179

There being no further discussion, the motion was approved.

Gunn College of Health Sciences and Human Services Building Project – Guaranteed Maximum Price (GMP) Approval

17-121. Mr. Sanchez asked Mr. Owen to review this item and the administration's recommendation. He noted that this project was much like Legacy Hall where a site

package was issued first followed by a building package at a later date. He reviewed the information and recommendation presented in the Board Book.

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

Strategic Plan

- 17-22. Mr. Sanchez presented the administration's request for the Board of Regents to approve the MSU Strategic Plan 2017-2022 as presented in the Board Book, and authorize the President to move forward with the planning process based on the strategies presented with the understanding that aspects of the Plan that entail construction or initiatives outside the approved budget will require formal Board action at the appropriate time. He asked Dr. Shipley to discuss this recommended document with the Board.

Dr. Shipley noted that Dr. Scott Meddaugh, Chairman of the MSU Strategic Plan Committee, was in attendance and would be available to answer questions. She stated that the Board reviewed the draft document in May and had an opportunity to provide input in the interim. She noted that the President's Cabinet discussed the strategic priorities during a day-long retreat in the early summer. Dr. Shipley pointed out the 2015-2017 timeline shown in the Board Book that outlined the planning through working with the Board of Regents, the committee, and the campus. She stated that affirming action by the Board at this meeting would represent the Board's approval of the administration moving forward with this Plan as a vehicle. She added that anything that would normally require board approval, such as new positions, buildings, or programs, would continue to be forwarded to the Board for discussion and approval. Dr. Shipley referred to the second timeline in the Board Book showing projections for progress in the next years. She noted that this would be an iterative process with the Strategic Plan Committee bringing priorities forward each year for consideration. In August of each year the Board of Regents would receive a report on the progress and revisions made to the Plan during the prior year. She stated that the actions associated with the Plan would ultimately form the basis of MSU's accreditation report for the Southern Association of Colleges and Schools Commission on Colleges. Dr. Shipley asked Dr. Meddaugh to review the process with the Board and answer any questions Board members might have.

Dr. Meddaugh reported that the Strategic Plan Committee was given the four strategic initiatives as a starting point. From those strategic initiatives the Committee developed a set of tasks under each of those initiatives. He stated that this work made up the Plan that was presented to the Board in May and was summarized in the August Board Book. He noted that the Committee did this work without regard to cost, time, or other details that would normally be part of a plan because the Committee members were asked to think strategically. He noted that the Committee would now assess these initiatives, or determine new ones as time goes on, in terms of their impact (small, medium, and large) and also their cost (small, medium, and large). He indicated that the focus would be on the large impact items to the extent that they can fit within the realities of the budget. He added that this would be a continuous process that would look like a continuous improvement plan.

Mr. Ayres asked if the Strategic Plan tied into the budget for FY 2018. Dr. Shipley responded that at the Cabinet retreat the group identified items in the Plan that were already in the proposed budget. She noted, for example, that there was an emphasis on marketing and identity in the plan which paralleled some of the priorities for funding in the budget. She stated that it was exciting to see the separate work of the Strategic Plan Committee paralleling the work of the Cabinet in many ways.

Mrs. Marks asked if an initiative could be added to the Plan if a donor wanted to do something that was not included. Dr. Meddaugh responded that with a continuous review process it would not be a problem to add new initiatives that become available.

Dr. Givens commended the group on the measurable outcomes they had identified in the Plan. Dr. Sweatt agreed with Dr. Givens on the good work that had been done. She added that she did not see the measurement of quality that she expected. Dr. Meddaugh responded that he wraps the term quality in terms of impact. He noted that some things could be measured against a set of metrics while others are somewhat soft and it is difficult to determine a quantitative measure of quality. Dr. Sweatt asked if the quality measurement might be tied back to student success. Dr. Meddaugh responded that some of the tactics are tied to student success. He noted that implementing a signature first-year experience would include a quality measurement of how many students are retained and move toward a degree compared to what has happened before. Dr. Sweatt asked if enrollment was a driving force in the development of the Strategic Plan. Dr. Meddaugh responded that it was. He added that a number of items were specifically focused on increasing the number of students, ranging from web page improvements to better retention and graduation rates, and providing additional counseling. He stated that the next step would be to prioritize everything against the budget and outcomes.

Mr. Sanchez complimented the administration on including engaging the Wichita Falls community in the initiatives. Dr. Shipley stated the university had come out very strong around connecting with the community. She noted that MSU now has good visibility at Shepard Air Force Base, is developing a strong partnership with Vernon College, and is collaborating with the Chamber of Commerce on efforts around being a college town. She added that when one of the four initiatives of the Strategic Plan is outreach, there is a positive rebound effect.

Mrs. Marks moved the Board approve the MSU Strategic Plan 2017-2022 as presented and authorize the President to move forward with the planning process based on the strategies presented with the understanding that aspects of the Plan that entail construction or initiatives outside the approved budget will require formal Board action at the appropriate time. Mr. Crosnoe seconded the motion and it was approved.

Wichita Falls Museum of Art at Midwestern State University Advisory Board

17-123. Mr. Sanchez noted that the Board Book contained the names of the individuals recommended for appointment or reappointment to the Museum Advisory Board as shown below:

Kristin Edwards (Reappointment) (2017-2020)
Mary Kimbell (New Appointment) (2017-2020)
Eric Robb (Reappointment) (2017-2020)
Joline Wharton (Reappointment) (2017-2020)
Linda Wilson (Reappointment) (2017-2020)

Mr. Crosnoe moved approval of this list and Mrs. Burks seconded the motion. Mr. Crosnoe noted that all but one of the individuals recommended were reappointments. He encouraged the Museum Advisory Board to involve new people. Mrs. Marks thanked Mr. Crosnoe for his observation.

Mr. Sanchez commented that he had mentioned to Dr. Shipley that he would like for the Board to have an opportunity to spend time at the Museum, whether for lunch, dinner, or part of a meeting. He indicated that it is an amazing facility that has great potential.

There being no further discussion, the motion carried

Adjournment

The Executive Committee discussion concluded at 2:10 p.m.

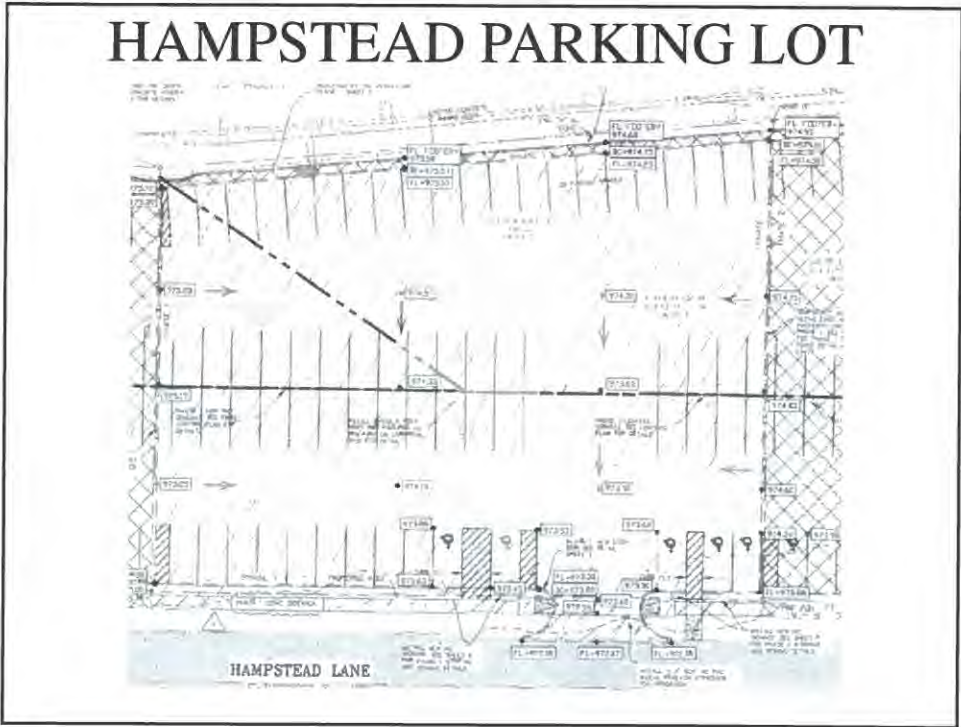
Reviewed for submission:

A handwritten signature in blue ink, appearing to read 'Samuel M. Sanchez', is written over a horizontal line.

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

ATTACHMENT:

1. Construction Update - Project Photographs



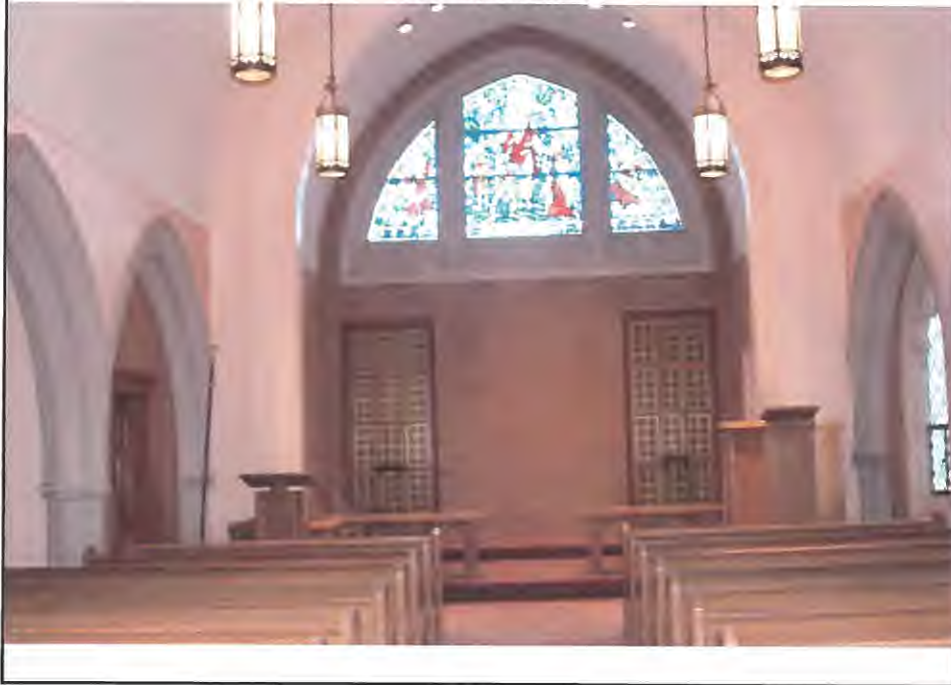
July 24, 2017



BURNS CHAPEL



January 10, 2017



July 24, 2017



FFA ART & MUSIC EXPANSION

Expanded Art Area

Expanded Music Area



Existing Music Area

July 24, 2017



July 24, 2017



COURT RESURFACING



Page 137 of 179

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Academic and Student Affairs Committee
August 3, 2017

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 2:10 p.m., Thursday, August 3, 2017. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chair; Mr. Shawn Hessing; Ms. Nancy Marks; and Dr. Shelley Sweatt. Other regents attending the meeting were Mr. Warren Ayres, Ms. Tiffany Burks (via teleconference), Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Sam Sanchez, and Student Regent Shayla Owens.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. James Johnston, 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; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Kyle Williams, Interim Director of Athletics; Mr. Randy Canivel, Director of the MSU Flower Mound Campus; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the MSU Student Government Association (SGA) was Ms. Maria Peña, SGA President. Representing the news media were Ms. Lana Sweeten-Shults, reporter for the Wichita Falls *Times Record News*, and Ms. Katya Guillaume, KFDX-TV 3.

Dr. Givens called the meeting to order at 2:10 p.m.

Reading and Approval of Minutes

17-124. The Academic and Student Affairs Committee approved the minutes of the May 11, 2017, meeting as presented.

Faculty Report

17-125. Dr. Givens stated that Dr. David Carlston, Chairman of the Faculty Senate, had informed him that the Faculty Senate had not met since the May meeting of the Board and he had nothing specific to report. There being no questions, Dr. Givens thanked Dr. Carlston for his attendance.

Page 138 of 179

Staff Report

17-126. Ms. Angie Reay, Staff Senate Chair, reported that the Staff Senate had met once since the May Board meeting and Dr. James Johnston visited with the group about his new role as Provost. She reported that Staff Senate elections were recently held and this would be her last meeting as the Staff Senate Chair. She added that Executive Committee elections would be held the following week and the new Chair would be

introduced to the Board in November. Ms. Reay reported that the You Make A Difference Award recipient for the summer was Custodial Foreperson Wendy Dotson.

Ms. Reay's presentation (see Attachment 1) showed the path that brought her to MSU and her work history at the university. She noted that since April she had served as Director of Recreational Sports & the Wellness Center. She discussed her service to the campus and the community. She then presented information about her work in Recreational Sports & the Wellness Center and concluded the presentation with information about her family.

Dr. Givens thanked Ms. Reay for her leadership and service to the Staff Senate.

Student Government Report

17-127. Dr. Givens noted that Student Government Association (SGA) President Maria Peña provided a written update that was included in the Board Book and that she would provide additional information. Ms. Peña reported that the first meeting of the Student Senate would be in October. She stated that the SGA officers would help with "move-in day" for the students moving into the residence halls. She added that the officers had worked during the summer to begin planning activities. She stated that she would like to see the Student Senators more active in the community and on campus.

Dr. Givens thanked Ms. Peña and indicated that the Board looked forward to working with her and the SGA in the coming year.

Athletics Report

17-128. Dr. Givens asked Mr. Kyle Williams, Interim Director of Athletics, to review his report that was included in the Board Book and provide additional information. Mr. Williams reported that the Athletics Department had a good year. He noted that a renamed position, Associate Director of Athletics for Student-Athlete Development/Community Outreach, was included in the proposed budget and was described in his report. He indicated that the individual in this position would work to increase the academic success of the student-athletes. He also reported that the Women's Volleyball Team would travel to Argentina the following week. He indicated that this international travel is a first for MSU and that the team raised funds to make the trip possible.

Mr. Sanchez asked about the status of the Lone Star Conference (LSC) and the attempts to increase membership. Dr. Shipley responded that the LSC presidents recently met and they are working aggressively to invite new members. She stated that the conference is made up of 10 members and they would like to grow to 16. This would allow the conference to have an east and a west division, and would reduce the amount of travel required by the teams. Dr. Shipley stated that it is important for the conference to add another school that plays football since only nine LSC schools play football at this time. She added that the NCAA would require all conferences to have at least 12 teams by 2019. Mr. Sanchez asked if there had been any discussion about "playing-up" for non-conference games. Mr. Williams responded that a few of the conference schools play up and it was something MSU would continue reviewing.

Dr. Givens thanked Mr. Williams for his report and his leadership.

Enrollment Reports – Summer 2017

17-129. Dr. Givens reported that the 15th class day for Summer II was the previous day and copies of the summer enrollment reports were distributed to each member (see Attachment 2). He asked Dr. Lamb to discuss the summer enrollment. Dr. Lamb noted that enrollment in Summer I was down 95 and in Summer II it was down 164. He noted that the May graduating class was large by MSU standards, and added that an increasing portion of MSU's students are from the DFW area and return home in the summer. He stated that the lack of Pell grants in the summer continues to have an effect on enrollment. He indicated that the administration would analyze class offerings and noted that while fewer sections were offered in the summer, more seats were available in the sections offered.

Dr. Lamb reported that the fall enrollment projections were discussed during the budget workshop earlier in the day. He stated that he was asked to address housing capacity as part of this report. He reported that the administration budgeted housing at 86% occupancy and noted that the final census in the fall 2016 was 84%. He indicated that current occupancy was near 90% but that the number would change by the final census date. Mr. Sanchez asked if the administration was looking at when housing capacity would be again be reached. Dr. Lamb responded that initial modeling when Legacy Hall was built predicted less than 100% occupancy for three years. He stated that since the freshman class was lower than expected in the fall of 2016, the projections were extended one year and it is anticipated that 100% occupancy should be reached in the fall of 2020. Mr. Ayres asked about the current number of beds in MSU housing. Dr. Lamb responded that capacity is 1,768.

Dr. Givens thanked Dr. Lamb for the information.

Dallas-Fort Worth (DFW) Expansion Update

17-130. Dr. Givens noted that Dr. Lamb's written update was presented in the Board Book and that Dr. Lamb would make a special introduction. Dr. Lamb introduced Mr. Randy Canivel, Director of the MSU Flower Mound Campus. He stated that Mr. Canivel previously served MSU as Assistant Director of Recreational Sports and the Wellness Center and most recently served on the faculty at SMU. He returned to MSU in his new capacity in June. Dr. Lamb stated that Mr. Canivel was doing an outstanding job, he has high energy, and is promoting MSU programs in Flower Mound.

Dr. Givens thanked Mr. Canivel for the work he is doing and will be doing. Dr. Shipley stated that a future board meeting would be held in Flower Mound.

August 2017 Graduating Class

17-131. Dr. Givens reported that the administration had recommended approval of the candidates for August 2017 graduation. He noted that 221 students were on the list compared to 216 in 2016. Mrs. Marks moved approval of the list of candidates as presented. Dr. Sweatt seconded the motion and it was approved.

Page 140 of 179

Approval of 2018-2019 Academic Calendar

17-132. Dr. Givens stated that the administration recommended the proposed academic calendar for the 2018-2019 academic year. Mr. Hessing moved approval of the calendar as presented. Dr. Sweatt seconded the motion and it was approved without discussion.

Academic Department Reorganization and Name Change

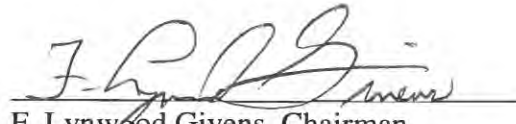
17-133. Dr. Givens asked Dr. Johnston to comment on the recommendations regarding the reorganization and renaming of academic departments. Dr. Johnston reviewed the information presented in the Board Book.

Dr. Sweatt moved approval of these changes as presented. Mr. Hessing seconded the motion and it was approved.

Adjournment

The meeting of the Academic and Student Affairs Committee adjourned at 2:40 p.m.

Reviewed for submission:

A handwritten signature in black ink, appearing to read 'F. Lynwood Givens', is written over a horizontal line.

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

ATTACHMENTS:

1. Angie Reay Staff Presentation
2. Enrollment Reports – Summer 2017

- Graduate of Cimarron High School, Kansas
- Transferred to MSU Fall, 2004
- Bachelor of Science in Interdisciplinary Studies (EC-4), 2007
- Master of Education, 2009
- Certificate Group Fitness Instruction



Education

Angie Reay

- Garden City Community College Basketball 2002-2004
- NJCAA Academic All-American
- GCCC-Graduated Top 5 in class
- MSU Women's Basketball 2004-2006
- Lone Star Conference South Commissioner's Honor Roll
- 8th All-Time in 3pt %-MSU
- 15th All-Time in 3pts. Made-MSU



Student Achievements

Angie Reay

- Resident Assistant, 2005-2006
- Assistant Hall Director, 2006-2007
- Residence Hall Director, 2007-2009
- Complex Coordinator, 2009-2011
- Assistant Director Residence Life & Housing, 20011-2015
- Associate Director Residence Life & Housing, 2015-2017
- Director Recreational Sports & Wellness Center, April 2017-Current
- Adjunct Professor, College of Education, 2015-Current
- Group Fitness Instructor, 2007-current



Service to MSU

Angie Reay

- MSU Staff Senate Chairman, 2016-2017
- MSU Staff Senate, Vice Chairman, 2015-2016
- MSU Staff Senate, Secretary, 2014-2015
- MSU Staff Senate Parliamentarian, 2013-2014
- Summer Camps Coordinator



University Commitments

- Budget Oversight Committee
- 1st Year Experience Committee
- Provost Search Committee
- Policy/Compliance Committee
- Fair Labor Standard Act: Co-Chair
- Title IX Investigator

Service to the Profession

Angie Reay

- Advisor of the Year, 2012-2013
- Former Advisor, Mustang Maniacs, Residence Hall Association, Ultimate Frisbee
- Leadership Wichita Falls Graduate, 2012-Best Class Ever



Service to Students/Community Angie Reay

Recreational Sports & Wellness Center



Recreational Sports and Wellness Center

- Promote fitness and fun through a variety of competitive and non-competitive activities.
- To educate and incorporate fitness and leisure into lifestyle.
- Activities Include:
 - Recreational Sports
 - Wellness programming
 - Group fitness classes

Page 144 of 179

Recreational Sports



- Recreational Sports

- Flag Football
- Ultimate Frisbee
- Punt, Pass, Kick
- Outdoor Soccer
- Unified Soccer
- Volleyball
- Tennis Doubles
- Table Tennis
- Basketball
- Putt Putt
- Kickball
- Billiards
- Outdoor 3v3 basketball
- Softball



Family



- Met my husband, Christopher, at MSU
- He is the MSU Women's Basketball Assistant Coach.
- We have two AMAZING daughters, Allison-5 yrs. & Katelyn 3 yrs.



Enrollment Reports

Summer I 2017

Classification	2016	2016 On-line Only	2017	2017 On-line Only
New First-time Freshmen	7	1	6	0
Freshmen	91	41	68	34
Sophomores	254	115	213	106
Juniors	476	246	458	235
Seniors	849	354	841	345
Post-Baccalaureate	63	53	54	43
Graduate Degree-Seeking	<u>405</u>	<u>305</u>	<u>410</u>	<u>339</u>
Total Headcount	2,145	1,115	2,050	1,102
Semester Credit Hours	9,866	4,864	9,594	4,886

Summer II 2017

Classification	2016	2016 On-line Only	2017	2017 On-line Only
New First-time Freshmen	6	0	2	0
Freshmen	64	10	45	14
Sophomores	185	50	159	44
Juniors	311	92	278	91
Seniors	660	225	581	212
Post-Baccalaureate	11	2	15	6
Graduate Degree-Seeking	<u>207</u>	<u>136</u>	<u>200</u>	<u>135</u>
Total Headcount	1,444	515	1,280	502
Semester Credit Hours	6,068	1,865	5,234	1,733

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Finance Committee
August 3, 2017

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 2:55 p.m., Thursday, August 3, 2017. 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 (via teleconference), Mr. Shawn Hessing, Ms. Nancy Marks, Mr. Sam Sanchez, Dr. Shelley Sweatt; and Student Regent Shayla Owens.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. James Johnston, 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; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Kyle Williams, Interim Director of Athletics; Mr. Randy Canivel, Director of the MSU Flower Mound Campus; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the MSU Student Government Association (SGA) was Ms. Maria Peña, SGA President. Representing the news media was Ms. Lana Sweeten-Shults, reporter for the Wichita Falls *Times Record News*.

Chairman Gregg called the meeting to order at 2:55 p.m.

Reading and Approval of Minutes

17-134. The Finance Committee approved the minutes of the May 11, 2017, meeting as presented.

Summary of Financial Support through 6/30/17 and Comprehensive Campaign Update

17-135. Mr. Gregg highlighted some of the gifts received since the last meeting of the Board as shown below.

- A. With generous support from The Priddy Foundation, the Priddy Scholars Program will begin this fall and fund grants for 10 entering freshmen, 10 sophomores, and 10 juniors. The program will expand to 40 students in the fall of 2018 to include 10 new incoming freshmen. Students selected will receive full tuition and residential funding. The program will focus on first-generation students from the North Texas region.
- B. Mrs. Robert L. Bolin pledged \$40,000 over two years to support the Robert L. Bolin Graduate School of Petroleum Geology.

- C. The Chemistry Department received a departmental research grant totaling \$35,000 from the Robert A. Welch Foundation.
- D. In November 2016 the Board received information regarding a gift from the George and Fay Young Foundation to support a student for three years. A payment of \$25,000 was recently received.
- E. Mr. Eric Robb contributed \$20,000 to the Roy and Gretta Hogan Foundation Fund for need-based scholarships.

Mr. Gregg stated that the support from foundations, the community, alumni, and friends continues to be outstanding. He then asked Mr. Vidmar to review his report.

Mr. Vidmar reviewed the reports included in the Board Book. He stated that he was proud to report the \$6.325 million in new gifts and commitments as of June 30. He reported that Ms. Rhonda McClung, Assistant Vice President for Gift Planning and Development, began Tuesday and would begin the planned giving effort for MSU.

Dr. Shipley referred to Page 74 of the Board Book and pointed out the minimal amount that had been received in Realized Bequests. She stated that she and Mr. Vidmar had a goal of increasing the figures in planned giving and bequests in the coming year. She noted the pie chart on page 75 and mentioned the great amount of giving from foundations. She stated that MSU is very fortunate that so many people have funded the university's growth through their gifts to foundations. She added that foundations and established donors were being contacted during this early part of the campaign. She noted that in the coming year the campaign would branch out to other individuals, including current President's Excellence Circle donors. Dr. Shipley commented that the campaign solicitations would also include alumni, as well as faculty and staff giving components. She referred to the pie chart on Page 77 that was reflective of more normal type of giving with larger percentages received from individuals. She added that the university was also fortunate that a number of local, generous foundations and businesses give matching funds for individual gifts.

Dr. Shipley mentioned that the year would be punctuated by celebrating the presence of the Priddy Scholars on campus. She stated that the university looks forward to this partnership with The Priddy Foundation to work to move the dial on helping first-generation students stay in college by affording college and received special programming to help them succeed. Dr. Shipley stated that she and Mr. Vidmar had set a goal of \$7 million for FY 18. She indicated that there is good momentum and they look forward to the year ahead.

Mr. Vidmar asked Mr. Hessing to make a few comments as a member of the Campaign Steering Committee. Mr. Hessing stated that he and Ms. Owens serve as members of the Committee and that it had been a great experience watching the campaign develop and evolve. He explained that Dr. Shipley and Mr. Vidmar asked him to discuss the importance of 100% campaign participation by the Board of Regents. He noted that from his experience on other boards, he knew that when a board asks for funding from a foundation, the first question asked is about participation by the board. He added that

Page 148 of 179

anything less than 100% participation is not looked on favorably by the foundation or giving entity. He stated that the purpose of his comments was to encourage members of the Board of Regents to give to the campaign so that there would be 100% participation. He noted that he visited with Chairman Sanchez about this earlier in the summer and he was in agreement. Mr. Hessing added that members of the Board should collectively discuss a campaign goal for the Board of Regents. Dr. Shipley stated that a letter would be sent to the Regents with a campaign solicitation card. She added that this would be a one-time ask and the gift could be paid over five years.

Mr. Gregg asked if giving through the annual fund solicitation would count toward the 100% participation goal. Mr. Hessing responded that he felt giving to the campaign should be above and beyond what Board members are already giving to areas of the university. He stated that it was important for the Board to give in this way because the campaign is a unique giving opportunity in the history of the university. Mr. Sanchez indicated that he agreed with the importance of the Board having 100% campaign giving participation.

Mr. Gregg thanked Mr. Vidmar for his reports and comments. He reminded Board members that their folders contained a list of donors and note cards. He encouraged them to write thank you notes to those they were assigned. He added that these thank you notes had been well received and he thanked the Board members for taking the time to personalize the notes.

Financial Reports

17-136. Mr. Gregg stated that the administration recommended acceptance of the April, May, and June, 2017, Financial Reports as previously distributed. He noted that Dr. Fowlé's summary report was included in the Board Book.

Mr. Ayres moved the acceptance of this item as presented. Mr. Crosnoe seconded the motion and it was approved without discussion.

Investment Report

17-137. Mr. Gregg indicated that the administration recommended the Board's acceptance of the third quarter FY 2017 investment report as previously distributed. He stated that Dr. Fowlé's report summary was presented in the Board Book.

Dr. Givens moved the acceptance of the investment report as presented. Mr. Ayres seconded the motion and it was approved without discussion.

Investment Policy Review

17-138. Mr. Gregg stated that in accordance with the Texas Public Funds Investment Act, the administration reviewed the university's two investment policies and determined that no changes would be recommended at that time. He noted that the current policies were presented in the Board Book and the administration recommended approval of these policies as shown.

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

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

17-139. Mr. Gregg reported that the administration recommended approval of the list of brokers/dealers, investment vehicles, and asset holding accounts presented in the Board Book. He added that the firms listed were the same as those approved the previous year.

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

University Accounts/Signature Authorizations

17-140. Mr. Gregg reported that each year the Board was asked to approve individuals authorized to sign on university bank accounts, purchase and sell investment instruments, perform normal banking transactions, and sign retirement documents. He noted that the recommendation individuals were included in the Board Book and were the same as those approved the previous year.

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

Salary/Title/Position Changes in 2016-2017 Budget

17-141. Mr. Gregg noted that the reports of personnel changes in April, May, and June were presented for information only. The salary, title, and position changes were presented for ratification. He reported that six staff positions were filled below the budgeted amount; the Director of Flower Mound position was added, and one position was reclassified.

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

Operating Budget for Fiscal Year 2018

17-142. Mr. Gregg noted that the administration recommended approval of the \$117,193,719 operating budget for Fiscal Year 2018 as presented. He added that a copy of the Budget Highlights was included in the Board Book. He stated that the Board had a good discussion of the budget that morning and asked for a motion and second to approve the budget. Mr. Ayres moved approval of the budget as presented; Mr. Crosnoe seconded the motion.

Dr. Fowlé stated that she would present a high-level view of the budget and then reviewed with the Board the slides shown in Attachment 1. She noted that on Slide Two there was mention of debt service increasing by approximately \$4 million, primarily as a result of the Tuition Revenue Bond (TRB) financing. She added that while MSU's overall appropriation increased as a result of the TRB debt service, operating funds from the state declined as previously reported. Mr. Gregg asked if any of the campaign contributions would be used to cover the budget deficit or if they would be earmarked for other uses. Dr. Fowlé responded that it would depend on how the donor asked for the gift to be used. Dr. Shipley noted that a good example of how campaign gifts could offset the regular budget was the Davenport Gift that was designated for faculty salaries. These funds were held back and \$50,000 was used to support the proposed budget. She

added that gifts that are not strictly designated are easier to apply to meet budget needs. Mr. Gregg asked if the administration anticipated receiving any undesignated funds as part of the campaign and, if so, could the funds go into the university's reserves. Dr. Shipley responded in the affirmative. She added that bequests can often be undesignated and are valuable gifts to the institution. She noted the importance of the undesignated Redwine bequest that was used as determined by the Board of Regents.

Slides Three through Six showed Budgeted Sources and Uses of Funds over time. Dr. Fowlé pointed out that between FY 2010 and FY 2018 MSU expenditures for fringe benefits had increased by 50% whereas salaries had only increased by about 18%. She noted that retiree insurance is also included in the cost of fringe benefits.

Mr. Hessing asked how MSU's debt service ratio compared to that of other institutions. Dr. Fowlé indicated that she did not have that information but would follow up with the Board.

Slide Seven outlined the various investments that were made in the proposed budget and Slide Eight showed the proposed HEAF allocations for the year. The FTE increases were shown on Slide Nine and MSU Reserves were shown on Slide Ten. Dr. Fowlé stated that the estimated fund balances at August 31, 2018 were projections since FY 2017 was not yet closed. Mrs. Marks asked if the reserve amount was acceptable. Dr. Fowlé responded that it was about where the institution would want to be. She noted that having a balanced budget each year would maintain the fund balances. She added that by having a deficit budget or not making revenue projections, it would be necessary to use reserve funds for operations. Dr. Fowlé noted that she would like to see a larger Auxiliary Fund balance, and added that the university had invested heavily in housing and food service in the recent years which drove the balance down. She noted that the fund balance would increase as the residence halls are fully occupied. She stated that she would have a full report on the institution's ratios once the Annual Financial Report was completed. She indicated she would provide this information to the Board in November.

Dr. Givens asked if the Designated Funds balance of \$12.7 could be used in case of an emergency. Ms. Maxwell responded that these funds could be used and are designated for any purpose the Board determines and approves.

Dr. Fowlé stated that the budget was reasonable given the larger than expected reduction in appropriations received from the legislature in May. Mr. Gregg expressed his appreciation for everyone's efforts in putting the budget together. Dr. Fowlé indicated that Dr. Shipley and the vice presidents worked as a team to determine strategies to best address the funding reduction. Dr. Shipley thanked Dr. Fowlé and her staff for their work. Mr. Crosnoe commented that as a Board member he appreciated the work of Dr. Fowlé and her staff and commended them for always providing complete information to the Board.

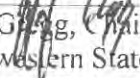
Page 151 of 179

There being no further discussion, the budget was approved.

Adjournment

The Finance Committee discussion concluded at 3:35 p.m.

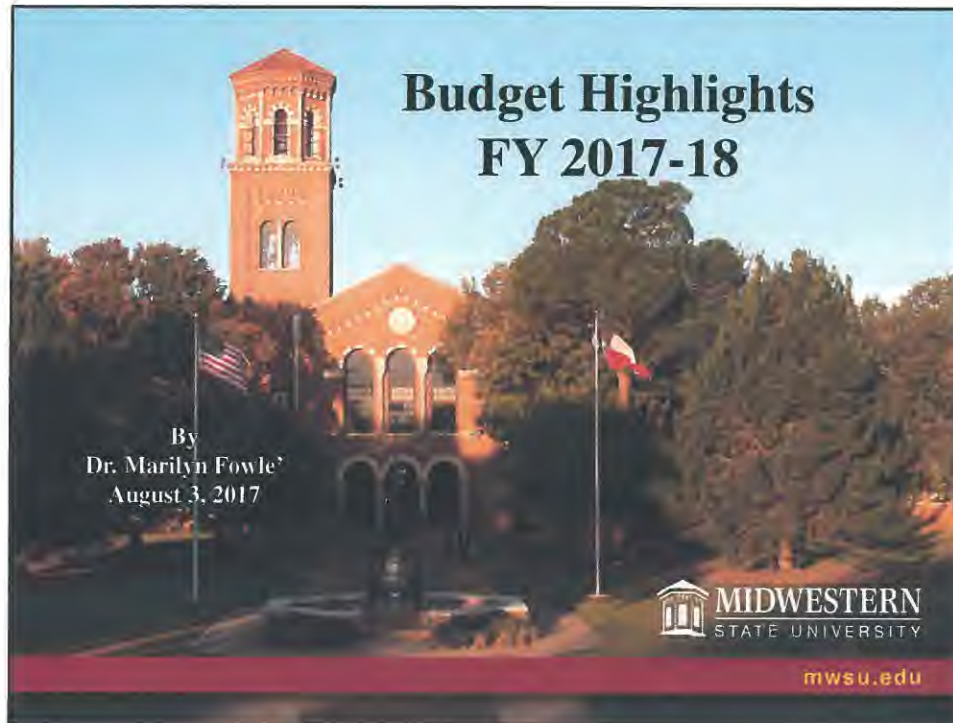
Reviewed for submission:



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

ATTACHMENT:

1. FY 18 Budget Presentation

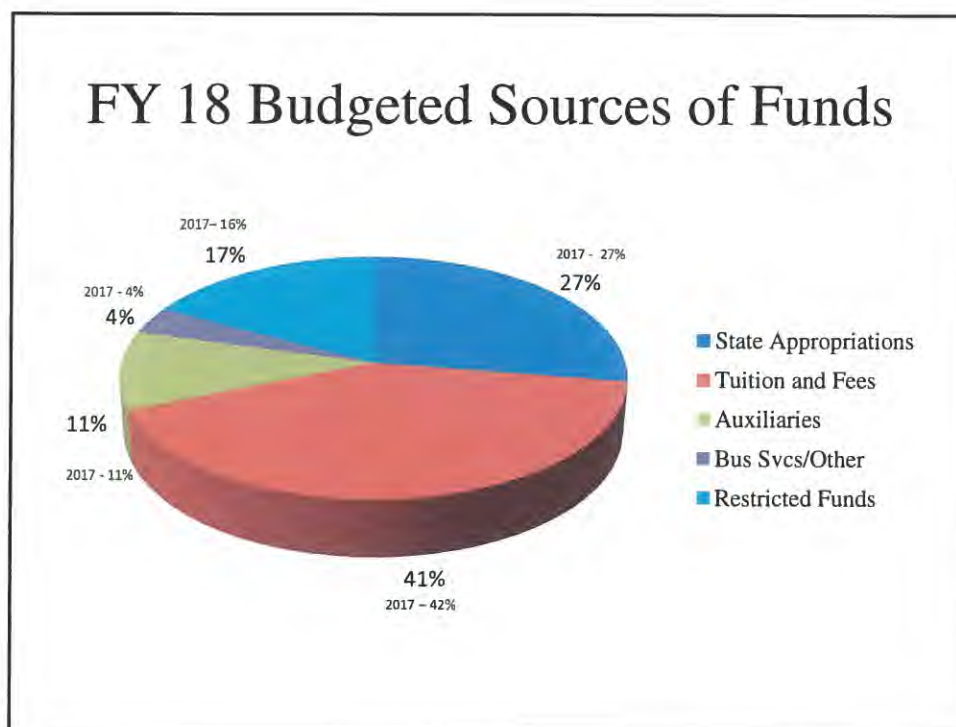
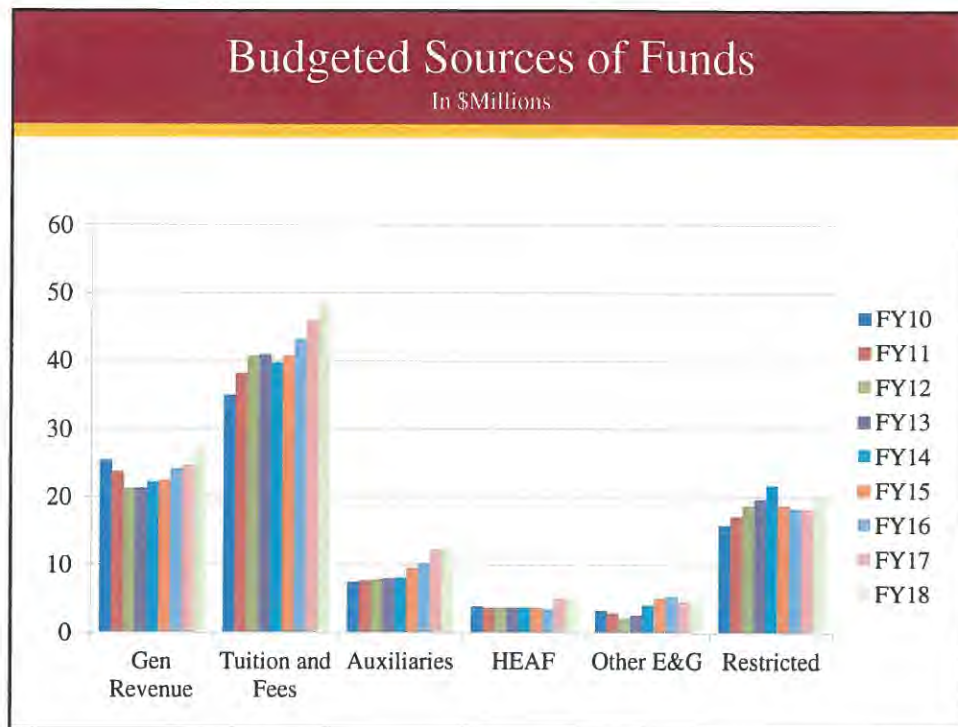


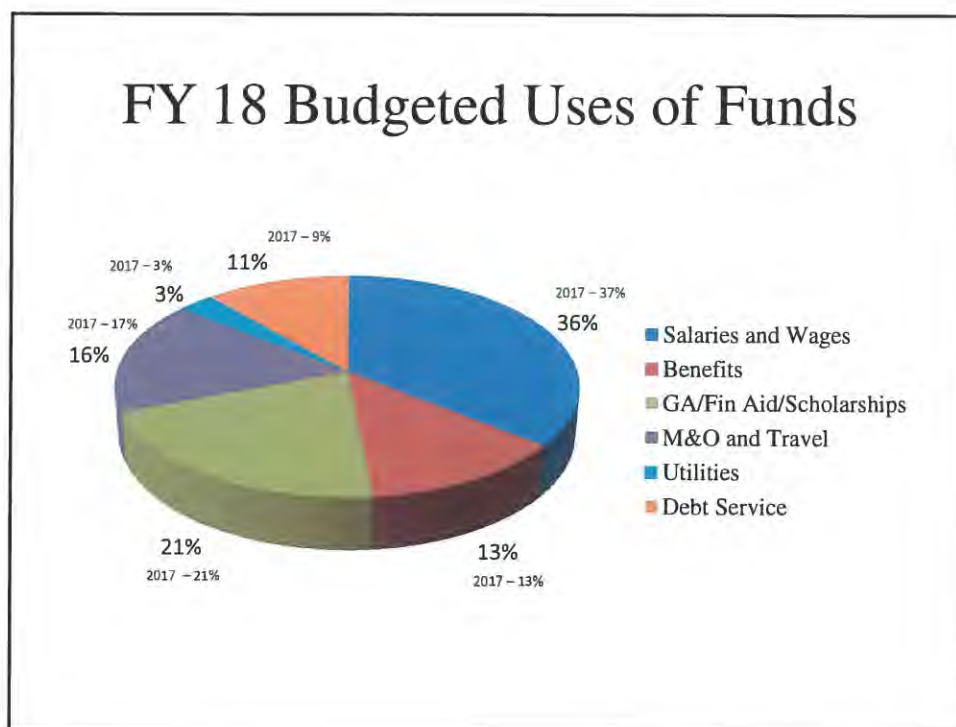
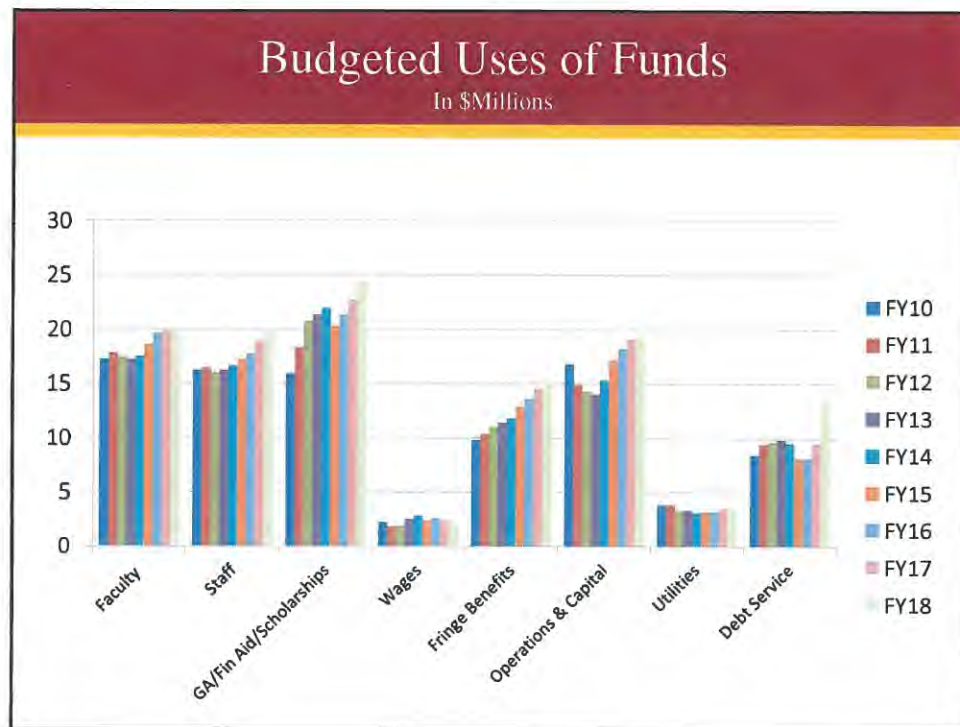
Recommended Budget



- Total proposed \$117,193,719
- Assuming 6,150 fall enrollment
- Significant investment in faculty and staff – salaries and benefits make up almost one-half of the proposed budget
- Debt service payments increase almost \$4M mostly from TRB bonds
- Will be using about \$650,000 in one-time funds to balance the budget
- Flower Mound initiative is projected to bring in \$1M in revenue with an estimated \$1.1 M in expenses

Page 153 of 179





FY18 Investments



Additional scholarships – almost all from grants and pass-through funds	\$ 1,470,000
Increased debt service on tuition revenue bonds	\$ 3,725,000
Faculty and staff pay raises net change	\$ 800,000
Increased benefit costs	\$ 458,000
Increased software maintenance costs	\$ 71,000
Additional expenses for Academic Expansion with 7 FTE	\$ 1,145,000
Additional marketing in Metroplex	\$ 250,000
Adding Paralegal mid-year and balance of additional internal auditor - 1 FTE total	\$ 67,000

HEAF Allocation



Facility services/maintenance	\$ 1,163,000
Debt service	1,554,000
Information technology	1,122,000
Library materials	550,000
Academic equipment	410,000
General university/reserve	<u>262,000</u>
Total	<u>\$ 5,061,000</u>

FTE Increases – 9.41



FTE at August 31, 2017	695.13
Faculty – DFW Nursing, Respiratory Care	2.00
Faculty converted to staff (accreditation position) and converted to DFW faculty	(2.00)
Accreditation Managers in Education and Business	2.00
Asst to AVP Student Affairs, Telecom Secretary, Academic Success Admin Assistant	(2.50)
Additional Internal Auditor (balance of half a year)	.50
Assistant to General Counsel (half a year)	.50
Research Administrator	1.00
DFW secretary, PC tech, Student Service Coordinator, Admissions Counselor	4.00
Nursing Instructional Designer – Restricted Funds	1.00
Nursing Project Manager – Restricted Funds	1.00
Geoscience Outreach Coordinator – Restricted Funds	1.00
Museum Curator, Educator – Restricted Funds	1.00
Minor FTE Adjustments - net	(.09)
FTE at September 1, 2017	704.54

Analysis of MSU Reserves

Estimated fund balances at August 31, 2018

State Appropriated Funds	\$ 1,230,005
Designated Funds (incl. tuition, fees, operational budgets, museum, athletics, library, scholarships, wellness center, etc.)	12,714,096
Auxiliary Funds (housing, food service, etc.)	224,308
Gifts/Grants/Federal Support	4,253,725
Plant Funds (Renewal & Replacement)	<u>788,624</u>
Total All Funds	<u>\$ 19,210,758</u>

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Audit, Compliance, and Management Review Committee
August 3, 2017

The Audit, Compliance, and Management Review Committee of the Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 3:35 p.m., Thursday, August 3, 2017. Committee members in attendance were Ms. Tiffany Burks, Chair (via teleconference); 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 Shayla Owens.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. James Johnston, 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; Ms. Angie Reay, Chair, MSU Staff Senate; Mr. Kyle Williams, Interim Director of Athletics; Mr. Randy Canivel, Director of the Flower Mound Campus; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the MSU Student Government Association (SGA) was Ms. Maria Peña, SGA President. Representing the news media was Ms. Lana Sweeten-Shults, reporter for the Wichita Falls *Times Record News*.

Chair Burks called the meeting to order at 3:35 p.m.

Reading and Approval of Minutes

17-143. The Audit, Compliance, and Management Review Committee approved the minutes of the May 11, 2017, meeting as presented.

Compliance Activities Update

17-144. This update was included in the Board Book and was presented for information only.

Audit Activities Update

17-145. This update was included in the Board; Mrs. Burks asked if there were questions regarding this update. Mr. Sanchez asked what “substantially complete” meant. Ms. Kidwell responded that as a percentage, the term meant that 80-95% of the work was completed. Mr. Sanchez asked if the term might mean the matter was close to complete when reflecting compliance issues. Ms. Kidwell responded in the affirmative. This item was presented for information only.

Fiscal Year 2018 Audit Plan

17-146. The proposed audit plan was presented in the Board Book and Mrs. Burks asked Ms. Kidwell to present the plan to the Board. Ms. Kidwell noted that the Office of Internal Audits now has two full-time employees which equates to a 33% increase in the number of audit hours and projects that can be completed in FY 18. She explained that the 3,600 available hours were allocated among audits required by statute, risk-based audits, special projects, investigations, and committee service, as well as running the department and administration. She noted that more than 15% of the hours were allocated to assisting management with special requests, special needs, and following up on the implementation of the recommendations from the FY 17 audits.

Mr. Sanchez indicated his appreciation to the Board for investing in the Internal Audit operation at MSU. He stated that while the university faced challenging financial times, it was an important investment in the overall operation of the university.

Mr. Gregg asked if the 240 hours allocated to follow up on the Information Technology audit was adequate. Ms. Kidwell responded that the hours indicated were her best estimate at this time. She added that each November she would provide a reconciliation between the audit plan estimated hours per project and the actual hours required.

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

Office of Internal Audits Charter

17-147. A proposed charter was presented in the Board Book and Mrs. Burks asked Ms. Kidwell to comment. Ms. Kidwell stated that the Internal Audits Charter is a critical document that states the purpose, authority, and responsibility of both the Internal Audit activity and the Board of Regents. She added that the document is required by the Texas Internal Auditing Act and the International Professional Practices Framework of The Institute of Internal Auditors. She reported that the Institute changed their framework in 2017 which necessitated the revisions to the charter. She pointed out that the Authority section on the first page of the document outlines what the Board of Regents authorizes the internal audit department to do through the Charter. She noted the Organization section on the second page lists what the Board of Regents is responsible for in order to assure the internal audit department has sufficient authority to fulfill its duties.

Dr. Givens asked Ms. Kidwell if the Charter included any unbudgeted responsibilities. Ms. Kidwell responded that it did not. Mr. Ayres asked Ms. Kidwell if she meets with the Audit, Compliance, and Management Review Committee separate from the administration. Ms. Kidwell responded in the affirmative, adding that she meets regularly with Mrs. Burks and also sends a monthly update with the Committee.

Page 159 of 179

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

Mrs. Burks thanked Ms. Kidwell for taking time to visit with her regarding audit and compliance matters. She also thanked Ms. Kidwell and Ms. Vaughn for their diligence in their work.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 3:45 p.m.

Reviewed for submission:



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

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
August 3, 2017

The Midwestern State University Board of Regents met in regular session in the J. S. Bridwell Board Room of the Hardin Administration Building at 10:00 a.m., Thursday, August 3, 2017. Regents in attendance were Mr. Sam Sanchez, Chairman; Mr. R. Caven Crosnoe, Vice Chairman; Ms. Nancy Marks, Secretary; Mr. Warren Ayres; Mr. Jeff Gregg; Mr. Shawn Hessing; Dr. Shelley Sweatt; and Student Regent Shayla Owens. Mr. Sanchez stated that Regent Burks would join the meeting after lunch.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. James Johnston, 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. Kyle Williams, Interim Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, reporter for the Wichita Falls *Times Record News*.

Chairman Sanchez called the meeting to order at 10:05 a.m. and Ms. Gaynor introduced the guests. Ms. Gaynor noted that Ms. Sweeten-Shults was leaving the *Times Record News (TRN)* and Wichita Falls. Ms. Gaynor thanked Ms. Sweeten-Shults for her wonderful coverage of the university as a reporter for the TRN.

Opening Comments

Mr. Sanchez welcomed everyone to the meeting and noted that new Student Regent Shayla Owens was attending her first meeting as a Student Regent. He welcomed Ms. Owens and indicated that the Board looked forward to working with her in her new capacity. He noted that the Office of University Advancement provided each Regent with an MSU Texas padfolio.

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.

Page 161 of 179

FY 18 Budget Review

17-111. Mr. Sanchez noted that this time was scheduled for budget review and encouraged Regents to ask questions as the information was presented. He stated that Dr. Shipley would make opening comments followed by Dr. Fowlé.

Dr. Shipley reported that Dr. Fowlé and her staff did a great job on the budget and commended the work of the Budget Oversight Committee (BOC) as well. She stated that the administration had started their work with the BOC assuming an approximate \$1.2 million reduction in state funding based on what was happening in the Texas House and Senate early in the legislative session. She stated that at the end of the session the reduction in funding increased by approximately \$500,000. She indicated that she was proud that the campus rallied to curtail spending wherever possible so that funding would be available for the FY 2018 budget.

Dr. Shipley noted that the legislature reduced Special Item funding for institutions of higher education. She stated that while the only Special Item funding MSU receives is for Institutional Enhancement and the Small Business Development Center, this funding was reduced by approximately 30%. She stated that many institutions rely heavily on Special Item funding and this was a major topic of discussion and deliberation during the session. She added that MSU's enrollment growth had not been as rapid as the growth of many institutions. She added that MSU's funding was further hindered because the formula emphasis shifted from undergraduate to doctoral programs.

Dr. Shipley stated that she would speak with the Board later about her takeaways from the legislative session, and noted that MSU must heighten its influence in the legislative process. She added that she and Ms. Barrow spent time in Austin, and Ms. Barrow did a great job, but MSU came out in the bottom quartile of funding.

Dr. Fowlé began her review of the documents that were provided in the Board Book. She reminded Regents that the discussion would focus on those areas that are centrally funded through state appropriations, tuition, and general fees. She noted that the discussion would center on the central funds used to pay the majority of the salaries, administration, and operation of the campus.

Dr. Fowlé noted that the primary driver for the budget was enrollment. She stated that enrollment projections were based on historical data and estimates of incoming students. She indicated that the administration conservatively budgets based on enrollment projections. Dr. Fowlé reviewed the information in the Board Book titled Fall Semester Enrollment Projection Data. She noted that enrollment was projected at 6,165 and the budget was based on 6,150. She asked Dr. Lamb to give the Board an update on enrollment. Dr. Lamb stated that as of that morning 726 freshmen were enrolled with one early orientation program remaining, as well as regular orientation and registration. He added that enrolled freshmen and transfer students were up 143 compared to 2016. Mr. Sanchez asked about the smaller number of freshmen in the fall of 2016. Dr. Lamb responded that the admissions staff was shorthanded during the fall of 2015 and at one point had only one recruiter on the road. This adversely affected recruiting of freshmen students for the fall of 2016.

Mr. Hessing stated that the footnote indicated that the figures did not include enrollment in Weatherford or Flower Mound. He asked if the administration was going to keep the figures separate to determine if the off-campus program could stand alone.

Dr. Fowlé responded that her preference would be to keep the figures separate for quite a while to see how the off-campus programs produce revenue and expenditures. Mr. Hessing stated that he did not mind departmentalizing the operations, but he did not want to create two separate institutions. Mr. Sanchez indicated agreement, noting that enrollment in Flower Mound and Weatherford would be reflected in MSU's overall enrollment that is reported to the state. Mr. Hessing stated that as he looked at enrollment projections to 2022 he would like to know what the projection would be for the entire institution. Dr. Lamb noted that the enrollment reports that would be submitted to the Board would represent all enrollments. Mr. Hessing added that when he looked at the projections for Flower Mound he did not know what 8,500 semester credit hours in 2022 would mean in terms of headcount. Dr. Fowlé stated that the projections for Flower Mound/Weatherford represent what is possible because there is no hard data on which to base predictions. Mr. Gregg stated that he understood Mr. Hessing's point, but agreed it was important to see how the off-campus programs are doing independently.

Dr. Fowlé noted that much of the enrollment projections were based on correlations. She then reviewed the methodology used in the correlations. Mr. Crosnoe asked for the definition of a re-enrolling freshman. Dr. Fowlé responded that a freshman student who does not earn 30 semester credit hours in the first year is a re-enrolling freshman the following year. Dr. Fowlé noted that the percentages used in the future correlation table were increased gradually because of the student success initiatives that are being implemented.

Dr. Givens asked why the table did not show growth in the freshman class between 2019 and 2022. Dr. Fowlé responded that the administration was being very conservative in its projections.

Dr. Fowlé reviewed the Revenue Projections presented in the Board Book. Mr. Hessing asked if the assumptions regarding future state appropriations were based on current funding. Dr. Fowlé responded that the appropriations for FY 18 and FY 19 were set by the legislature in the spring but that funding in FY 2020 was unknown. She stated that the projections did not assume any major change in state funding. She reviewed the next page, which showed the items that were included in the centrally funded comparisons and those that were self-funded operations.

Dr. Fowlé commented on Attachment Four in the Board Book that showed projected revenue changes, proposed budget reductions, and proposed mandatory and high-priority additional expenses. She stated that the budget shortfall was \$641,049 and one-time funds had been identified to make up this shortfall. Dr. Fowlé asked Dr. Johnston to explain the addition of dual-use faculty. Dr. Johnston explained that new faculty were being hired to teach through the Flower Mound campus and also to help with overload needs on the Wichita Falls campus.

Page 163 of 179

Mr. Hessing stated that the information presented was not an overarching budget reconciliation. He indicated that in the future he would like to see something that presents the current full budget compared to the proposed full budget. Mr. Sanchez

expressed agreement. Mr. Hessing noted that he appreciated the detail presented and stated that the additional full reconciliation would make the information complete.

Mr. Crosnoe asked about the one-time funds identified as Facilities Charge-Back Maintenance Fund. Dr. Fowlé responded that when employees in Facilities Services do work for a non-Educational & General area, a fee is charged and is placed in a Facilities Charge-Back Maintenance Fund. This fund had built up to approximately \$300,000 and one-half of the balance was being used to help balance the budget.

Mr. Gregg stated his understanding from the information presented that the administration was assuming that donations would be flat in the coming year. Dr. Fowlé responded in the affirmative. Mr. Gregg asked about the \$50,000 Davenport gift. Dr. Fowlé responded that this gift was given in 2015 to be used for faculty salaries. These funds were also being used to help balance the budget.

Dr. Fowlé reviewed Attachment Five that presented projected revenue changes and anticipated additional expenses in FY 19 and FY 20. She stated that the administration's goal was to have a balanced budget for FY 19. Mr. Crosnoe noted the continuing increase in health insurance costs for employees. Dr. Fowlé stated that it was a concern and added that retiree health insurance was also a major cost to the institution. She noted that current law provides health insurance for individuals who retire after 10 years of service. Mr. Ayres asked if MSU paid 100% of the cost of the retirees' insurance. Dr. Fowlé responded that the contribution is the same as what MSU pays for current employees.

Dr. Givens stated that the projections for 2020 were dependent on the growth in enrollment to almost 6,600 students. He indicated that the university would need to see a three or four percent increase each year to make the numbers balance, or would need to make some budget adjustments.

Dr. Fowlé reviewed the Higher Education Assistance Fund (HEAF) allocations for FY 2018 shown in the Board Book presentation on Attachment Six. She noted that the BOC recommended additional funds be allocated for campus technology. She added that HEAF would also fund a disaster recovery system to be housed in Flower Mound. Dr. Givens asked if the administration had looked at using a state facility as a disaster recovery location. Dr. Fowlé responded that the option had been reviewed but was very expensive. She noted that a working reserve of \$185,000 was included in the HEAF budget to address any unanticipated needs.

Dr. Fowlé noted that Attachment Seven was a Donor and Other Restricted Funds Summary showing sources of funds and how they are expended. She stated that a large portion of the restricted funds was from the federal and state government in the form of financial aid.

Page 164 of 179

The final sheet in the Board Book, Attachment Eight, showed the Academic Expansion budget for FY 18. Dr. Fowlé noted that her office worked closely with Dr. Lamb to put the budget projections together. She stated that revenue projections totaled just over \$1 million while expenses were estimated to total \$1.1 million. She stated that the lease

and the build-out of the building had been delayed, resulting in less than a full year of facility rental fees for FY 2018. Dr. Lamb stated that it was difficult to predict enrollment at this new location. He noted that the estimates were based on the classes that would be offered in the fall, spring, and summer. The fairly conservative estimate resulted in an anticipated 3,537 semester credit hours for the year. He added that headcount would depend on how many hours each student takes. He stated that there would be fewer students at first and more students later as classes are added through the year. He reported that the original projections assumed a negative net income for approximately three years. He stated that while the projections are more promising, he cautioned that it would depend on how many students actually enroll.

Dr. Givens stated that he did not see any particular budget for online offerings and asked if online courses were being emphasized. He asked what percentage of the student population was studying online. Dr. Lamb responded that approximately 17-19% of MSU's students are exclusively online. Dr. Givens stated that he was seeing big growth in the University of Phoenix, Western Governor's University, and other online universities. He noted that he saw that as major competition to MSU and that he did not see that addressed in the budget. Dr. Johnston responded that the administration would use a "parts of term" concept for the Flower Mound campus to provide online instruction at an accelerated rate. Students would be enrolled in one class that would run 16 weeks, one class that would run the first eight weeks, and one class that would run the second eight weeks. He noted that this format would allow a student to attend three-quarter time with nine semester credit hours rather than one-half time with six semester credit hours. He added that students would thus move through the program faster and make it possible for the university to serve more students. Dr. Givens expressed concern that by not including online education in the budget it appears the university is not emphasizing this area adequately and is ignoring the competition. Dr. Johnston stated that staff and technology are important as the institution expands online offerings and that faculty must receive support to provide online instruction. Dr. Givens noted that online offerings are expensive.

Dr. Shipley asked Dr. Fowlé to explain why online education was not included in the budget. Dr. Fowlé responded that many students on campus take an online course in addition to their in-class courses. She stated that funds for those online courses are comingled with the other dollars. Dr. Shipley asked Dr. Fowlé how the state recognizes online courses. Dr. Fowlé responded that the state provides formula funding for online courses. Mr. Hessing indicated that it was important for the Board to know the number of online classes and hours MSU is offering. Dr. Fowlé responded that she would provide this information.

Mr. Sanchez thanked everyone for the discussion and noted that the budget would be presented and discussed further later in the day.

Page 165 of 179

Recess

Mr. Sanchez announced that the Board would recess for a tour of the new Mass Communication facility and lunch. The meeting stood in recess at 12:22 p.m. and the meeting reconvened at 1:30 p.m.

Individuals joining the meeting at this time included Regent Tiffany Burks (via teleconference); Mr. Kyle Owen, Associate Vice President for Facilities Services; Mr. Randy Canivel, Director of the MSU Flower Mound Campus; Ms. Maria Peña, Student Government Association (SGA) President; and Mr. Kevin McGinnis, Executive Director, Risk Management and Benefits Administration, Texas A&M University System.

Investment Overview - Texas A&M University System (TAMUS) Update

17-112. Mr. Sanchez stated that Mr. Kevin McGinnis with the Texas A&M University System (TAMUS) would provide the yearly update on investments. Mr. McGinnis reminded the Board that TAMUS manages MSU's cash operating funds as well as a portion of MSU's endowment funds. He stated that in addition to the TAMUS schools, they manage funds for MSU, Stephen F. Austin State University, and Texas Woman's University. He reviewed the presentation shown in Attachment 1 beginning with the overview of the Cash Concentration Pool, followed by an overview of the System Endowment Fund. Slide Nine compared the risk parameters of both funds and Slide Ten was a new slide showing manager rankings.

Mrs. Marks asked how often the overall portfolio is reviewed. Mr. McGinnis responded that the portfolio is reviewed monthly. He added that they meet with every manager at least twice each year, they review performance with the Board once each year, and review with a consultant quarterly.

Mr. McGinnis thanked the Board for the opportunity to visit with them. He stated that their energy program continues to grow and they would be glad to discuss options with MSU if it was something that would help. Mr. Sanchez thanked Mr. McGinnis for his report and for traveling to Wichita Falls.

Modification of Midwestern State University Organization Chart

17-113. Mr. Sanchez noted that a new MSU organization chart, which reflected the university's organizational structure as of September 1, 2017, was presented in the Board Book. There being no questions, Mr. Sanchez stated that this item was presented as a point of information only and no action was necessary.

Board Resolutions

17-114. Mr. Sanchez reported that a resolution recognizing Lindsey Shelley for her service as Student Regent was presented in the Board Book. Mrs. Marks moved approval of the resolution as presented. Mr. Hessing seconded the motion, and it was approved. A copy of the signed resolution is presented as Attachment 2.

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 1:45 p.m. and reconvened at 3:46 p.m. Page 166 of 179

Executive Session

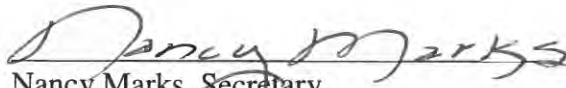
Mr. Sanchez announced that the Board of Regents would go into Executive Session to discuss Items 17-115A (Consultation with Attorney), 17-115B (Real Property), 17-115C (Gifts or Donations), 17-115D (Personnel Matters), and 17-115E (Deliberations Regarding Security

Audits) as allowed by Texas Government Code Sections 551.071, 072, 073, 074, and 076. The Executive Session began at 3:47 p.m. Mr. Sanchez, Mr. Hessing, Mrs. Burks (via teleconference), Dr. Givens, Mr. Gregg, Mr. Ayres, Mr. Crosnoe, Ms. Owens, Mrs. Marks, Dr. Sweatt, Dr. Shipley, Mr. Macha, and Ms. Barrow remained for the discussion. Ms. Kidwell remained for discussion of Item 17-115E and left the meeting at 4:00 p.m. The closed session concluded at 4:57 p.m. and the open meeting resumed.

Adjournment

There being no further business, the meeting adjourned at 4:58 p.m.

Reviewed for submission:


Nancy Marks, Secretary
Midwestern State University
Board of Regents

ATTACHMENTS:

1. Texas A&M University System Investment Presentation
2. Resolution – Student Regent Lyndsey Shelley

Midwestern State University Investment Overview

August 3, 2017



Kevin McGinnis
Executive Director, Risk Management

The Texas A&M University System

Cash Concentration Pool

Investment Objective

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

Performance Periods Ended June 30, 2017

	<u>1-YR</u>	<u>5-YR</u>	<u>10-YR</u>	<u>15-YR</u>
Long Term Cash Concentration Pool	10.7%	6.7%	4.5%	5.7%
Long Term Balanced Index	9.5%	6.6%	3.7%	5.7%

Page 168 of 179

The Texas A&M University System



2

The Texas A&M University System

Long-Term Cash Concentration Pool Asset Allocation

Asset Class	MSU Target Allocation	6/30/2017 Allocation
Liquidity Portfolio	10.9%	11.0%
Fixed Income	23.9%	22.8%
Domestic Equity	21.7%	22.5%
International Equity	21.7%	23.2%
Absolute Return	21.7%	20.5%

The Texas A&M University System



3

The Texas A&M University System

Cash Concentration Pool

Midwestern State – Operating Funds October 1, 2013 to June 30, 2017

Net Investment Transfers	\$24,000,000
Net Earnings Added Back*	<u>2,929,504</u>
Book Value as of June 30, 2017	\$26,929,504
Unrealized Appreciation	\$1,864,856
Market Value as of June 30, 2017	\$28,794,360

* Interest, dividends and realized gains, less fees

The Texas A&M University System



4

The Texas A&M University System

System Endowment Fund

Investment Objectives

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

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

Performance Periods Ended June 30, 2017

	<u>1-YR</u>	<u>5-YR</u>	<u>10-YR</u>	<u>15-YR</u>
System Endowment Fund	11.0%	8.5%	4.4%	6.9%
Balanced Index	11.3%	7.3%	3.8%	6.2%

The Texas A&M University System



5

The Texas A&M University System

System Endowment Fund

Asset Allocation

<u>Asset Class</u>	<u>Target Allocation</u>	<u>6/30/2017 Allocation</u>
Fixed Income	15.0%	14.1%
Domestic Equity	20.0%	19.9%
International Equity	20.0%	20.9%
Real Assets*	15.0%	10.4%
Absolute Return	15.0%	14.5%
Private Equity	15.0%	19.8%
Money Market	0%	0.5%

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

The Texas A&M University System



6

The Texas A&M University System

System Endowment Fund

Midwestern State Endowment Accounts

May 31, 2017

Investment Transfers	\$12,027,628
Market Value	\$12,117,360
Units	1,923,303.83
FY 2017 Payout (estimated)	\$554,456
FY 2018 Payout (estimated)	\$568,944

The quarterly payout is calculated on an annual basis and is the average of the quarterly market value for the 20 fiscal quarters ending the previous February, multiplied by 5.0% and divided by 4.

The Texas A&M University System

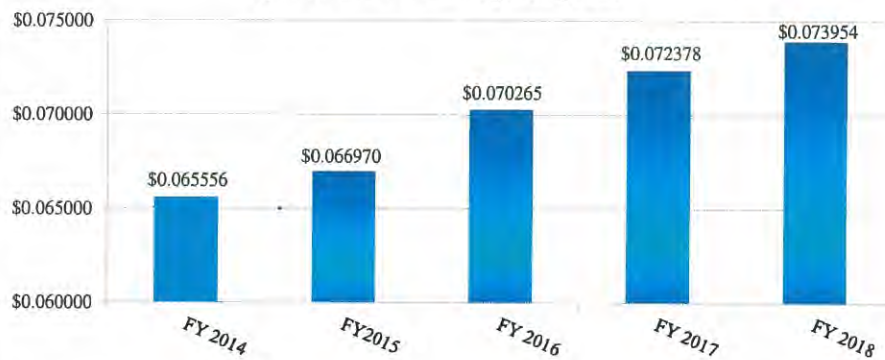


7

The Texas A&M University System

System Endowment Fund

Quarterly Endowment Spending Rate



The Texas A&M University System



8

The Texas A&M University System

Investment Pool Comparison

	Asset Class	Long-Term CCP Target Allocation	SEF Target Allocation
Long-Term CCP Objectives: ▪ Grow reserves ▪ Meet operating needs ▪ Preserve capital	Liquidity Portfolio	10.9%	-
	Fixed Income	23.9%	15.0%
	Domestic Equity	21.7%	20.0%
	International Equity	21.7%	20.0%
SEF Objectives: ▪ Dependable payout ▪ Increase fund value	Absolute Return	21.7%	15.0%
	Real Assets	-	15.0%
	Private Equity	-	15.0%



The Texas A&M University System

9

Manager Rankings

Equity Manager	5-Yr Return	5-Yr Universe Ranking	Fixed Income Manager	5-Yr Return	5-Yr Universe Ranking
Jennison Associates Russell 1000 Growth Index	12.8% 13.3%	1st Quartile	Payden & Rygel ML 1-5 Corporate/Government Index	2.7% 1.4%	1st Quartile
Vulcan Value Partners ¹ Russell 1000 Value Index	13.6% 13.1%	1st Quartile	Bradford & Marzac Bloomberg Barclays Agg. Bond Index	3.8% 2.3%	1st Quartile
NewSouth Capital Management ¹ Russell 2500 Value Index	11.4% 12.9%	3rd Quartile	Loomis Sayles & Co CAS ¹ Custom Index	5.8% 4.2%	1st Quartile
Kayne Anderson MLP Fund Alerian MLP Index	2.5% 2.6%	1st Quartile	Absolute Return Manager		
Invesco ¹ MSCI World ex US Growth Index US\$	6.0% 5.5%	2nd Quartile	ABS TAMUS LS Fund LP ¹ HFRI FOF Strategic Index	5.7% 3.6%	2nd Quartile
Altrinis Global Advisors EAFE Index (in US Dollar NET)	6.1% 5.8%	2nd Quartile	BlackRock TAMUS ARS HFRI Fund of Funds Index	5.0% 3.2%	3rd Quartile
DFA International Small Cap Value EAFE Small Cap (in US \$)	9.7% 9.2%	1st Quartile	Evanston Weatherlow Offshore Fd I Ltd. HFRI Fund of Funds Index	5.4% 3.2%	2nd Quartile
William Blair Emerging Mkts ¹ MSCI EM Index (US\$)	0.7% 1.2%	3rd Quartile			
DFA Emerging Markets Small Cap ¹ MSCI EM Small Cap Index	4.6% 3.2%	1st Quartile			

¹ In instances where TAMUS does not have five years of history the performance and universe rankings reflect the funds composite history



The Texas A&M University System

10

MIDWESTERN STATE UNIVERSITY RESOLUTION OF APPRECIATION

August 3, 2017


WHEREAS, Lindsey Shelley was appointed by Texas Governor Greg Abbott to serve as MSU Student Regent, the highest position to which a student can be appointed while enrolled in Texas public higher education, and

WHEREAS, Ms. Shelley served in this position with distinction from June 1, 2016, until May 31, 2017, and

WHEREAS, she represented the students of Midwestern State University in discussions regarding key issues in higher education, worked to expand the awareness of the Student Regent on campus, and provided input regarding decisions affecting the future of the university,


NOW, THEREFORE, BE IT RESOLVED that the members of the Board of Regents and President of Midwestern State University hereby express their most sincere appreciation to Lindsey Shelley for her dedicated service, and

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


Samuel M. Sanchez, Chairman


R. Caven Crosnoe, Vice Chairman


Nancy Marks, Secretary


Warren T. Ayres


Tiffany Burks

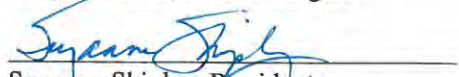

F. Lynwood Givens


Jeff Gregg


Shawn Hessing


Shelley S. Sweet


Shayla Owens, Student Regent


Suzanne Shipley, President



**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
August 4, 2017**

The Board of Regents, Midwestern State University, met in regular session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 9:00 a.m., Friday, August 4, 2017. Regents in attendance were Mr. Sam Sanchez, Chairman; Mr. 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 Shayla Owens.

Members of the administration present included Dr. Suzanne Shipley, President; Dr. James Johnston, Provost and Vice President for Academic Affairs; 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; Dr. Lynette Watts, President of the MSU Alumni Association and Assistant Professor of Radiologic Sciences; Mr. Kyle Williams, Interim Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Valarie Maxwell, Director of Budget and Management; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media was Ms. Lana Sweeten-Shults, Wichita Falls *Times Record News*. Attending the first portion of the meeting was Ms. Rhonda McClung, Assistant Vice President for Gift Planning and Development.

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

Opening Comments

Mr. Sanchez recognized Mr. Vidmar for a special introduction. Mr. Vidmar introduced Ms. Rhonda Talley McClung, MSU's new Assistant VP for Gift Planning and Development. He stated that Ms. McClung is a native of the Wichita Falls area and that she worked as Director of Institutional Advancement at MSU from 1998 until 2000. He indicated that she has 22 years of fundraising experience, including several years at Angelo State University. Mr. Vidmar stated that the administration was looking forward to Ms. McClung providing leadership in starting the first comprehensive gift planning program for MSU. Ms. McClung commented that it was great to return to MSU and Wichita Falls. She asked the Board to contact her if they had questions or suggestions of individuals who might be interested in a planned gift. Mr. Sanchez welcomed Ms. McClung back to MSU and we look forward to seeing great things.

Page 174 of 179

Mr. Sanchez welcomed everyone to the meeting and thanked them for their participation at the committee meetings Thursday. He noted that Mrs. Burks was unable to attend the meeting because of a death in her family. He reminded everyone to silence or turn off their cell phones as the meeting was being streamed live on the internet.

Public Comment

Mr. Sanchez stated that no one had signed up to speak during the public comment period.

Reading and Approval of Minutes

17-148. The minutes of the Board of Regents meetings held May 11 and 12, 2017, 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 August 3, 2017.

Item Presented for Committee Approval Only

17-116. Committee Minutes

Items Presented for Information Only

17-117. Campus Construction Update

17-118. Honorific and Gift-Related Namings

Executive Committee Consent Agenda

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

17-119. Moffett Library Renovation Project – Project Approval Amount – approved the project cost, approved Holzman Moss Bottino Architecture to design the project, and authorized the President to increase the budgeted and contracted amounts by an amount not to exceed five percent of the Board approved amount as presented.

17-120. Texas Accessibility Standards, ADA, and Fire Marshal Upgrades Project – Guaranteed Maximum Price (GMP) Approval – authorized issuance of a contract at a GMP not to exceed \$4.4 million as presented.

17-121. Gunn College of Health Sciences and Human Services Building Project – GMP – authorized the issuance of a contract with the CMAR for the site package at a GMP not to exceed \$9.5 million as presented.

17-122. Strategic Plan - approved the MSU Strategic Plan 2017-2022 as presented and authorized the President to move forward with the planning process based on the strategies presented with the understanding that aspects of the Plan that entail construction or initiatives outside the approved budget will require formal Board action at the appropriate time.

17-123. Wichita Falls Museum of Art at MSU Advisory Board – approved the Board members as presented.

Page 175 of 179

Mr. Sanchez asked if any member wanted to remove items from the Consent Agenda for further discussion. There being none, Mrs. Marks 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 August 3, 2017.

Item Presented for Committee Approval Only

17-124. Committee Minutes

Items Presented for Information Only

17-125. Faculty Report

17-126. Staff Report

17-127. Student Government Report

17-128. Athletics Report

17-129. Enrollment Reports – Summer 2017

17-130. DFW Expansion Update

Academic and Student Affairs Committee Consent Agenda

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

17-131. August 2017 Graduating Class – approved the list of candidates for graduation.

17-132. Approval of 2018-2019 Academic Calendar – approved the calendar as presented.

17-133. Academic Department Reorganization and Name Change – approved the reorganization and renaming of academic departments as presented.

Mr. Sanchez asked if any member wanted to remove items from the Consent Agenda for further discussion. There being none, Mr. Hessing seconded Dr. Givens' motion to approve the Consent Agenda as presented. The motion was approved.

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 August 3, 2017.

Item Presented for Committee Approval Only

17-134. Committee Minutes

Items Presented for Information Only

17-135. Summary of Financial Support and Comprehensive Campaign Update

Finance Committee Consent Agenda

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

- 17-136. Financial Reports – accepted the monthly financial reports for April through June, 2017.
- 17-137. Investment Report – accepted the third quarter 2017 Investment Report.
- 17-138. Investment Policy Review – approved Investment Policies (4.182 and 4.196) without change.
- 17-139. Approval of Brokers/Dealers, Investment Vehicles, and Asset Holding Accounts – approved the lists as presented.
- 17-140. University Accounts/Signature Authorizations – approved signature authorizations as presented.
- 17-141. Personnel Reports and Changes in FY 17 Budget – ratified the changes presented.
- 17-142. Operating Budget for Fiscal Year 2018 – approved the \$117,193,719 operating budget for FY 2018 as presented.

Mr. Sanchez asked if there were items any member wanted to remove from the Consent Agenda for further discussion. There being none, Mr. Crosnoe seconded Mr. Gregg's motion to approve the Consent Agenda as presented. The motion was approved.

Audit, Compliance, and Management Review Committee Report

Mr. Hessing 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 3, 2017.

Item Presented for Committee Approval Only

- 17-143. Committee Minutes

Items Presented for Information Only

- 17-144. Compliance Activities Update
- 17-145. Audit Activities Update

Audit, Compliance, and Management Review Committee Consent Agenda

Mr. Hessing recommended approval of 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.

- 17-146. Fiscal Year 2018 Audit Plan – approved the plan as presented.
- 17-147. Office of Internal Audits Charter – approved the charter as presented.

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

Board of Regents Meeting Dates – 2017-2018

17-149. The proposed dates for the 2017-2018 quarterly Board of Regents meetings were approved as presented.

President's Report and Discussion of Higher Education Issues

17-150. President Shipley presented a retrospective of her two years as President of Midwestern State University. She stated that she would first discuss her favorite things at MSU and then mention the challenges that are faced. Her favorite things included her surprise at how deeply talented this institution is. She added that as a president she looked for leadership that was dispersed across the institution. She noted that this included strong governance systems, a strong dean's council, strong student leadership, strong staff and faculty senates, strong department chairs, and talented faculty. She stated that dispersed leadership results in vice presidents who can take the role of a president in meetings and have the same leadership capacity as the president. She commented that this results in a consistently strong institution and added that she found that at MSU. Another favorite was an activity that speaks to the culture and sense of community at the university. She explained that in an effort to break up the extended summer hours the staff came up with the idea of hosting "Summer Sizzlers" during the summer months. She stated that departments host activities that range from watermelon feeds to ice cream socials. She noted that this was a great way to dissolve campus silos and give employees an opportunity to engage with each other socially.

Dr. Shipley stated that her most fulfilling memories were of presentations of the research that is accomplished by students working with faculty. She indicated that this research is celebrated each fall and spring with faculty presenting, students presenting, and students engaging in various areas of competition. She added that this was something she hoped the Board could see and noted that she would be certain to invite them every year. Dr. Shipley also commented on how effective committee work had been at MSU. She stated that with every committee or task force that had been appointed, the group acted with great respect for its deliberations, and with a keen sense of what the results could do to guide MSU.

Dr. Shipley mentioned that the challenges she identified early in her tenure continue. She stated that the first challenge and priority for the university is to grow. She indicated that she had appreciated the institution recognizing the role of retention in growth. She stated that large numbers of students could be recruited, but if they don't remain there is a cost in terms of time, money, and effort, while also delaying students' progress to a degree. She indicated that the campus must be more aggressive about growth because MSU has lost ground when compared to other institutions in Texas. She noted that it was important to be careful in higher education not to create destabilizing change by moving too quickly. She indicated her hope that MSU would move solidly toward the future at a good pace and with a sense of urgency, but not leaving behind some of the great things already in place at MSU. Dr. Shipley stated that MSU's focus on its identity would also enhance growth. She noted that there had

been great excitement around the brand extension, MSU Texas. She added that MSU's identity is linked to the liberal arts mission and the campus had begun to work on rephrasing the mission in terms people can understand. She stated that the Board would hear more about high-impact practices and 21st-century skills. She added that campus planning for areas such as the Mass Communication building, the Library renovation, and other new or renovated facilities would include additional social spaces to enhance learning in clusters and in more casual areas. She added that the Strategic Plan would also help the campus with its identity and focus. Dr. Shipley stated that the final task facing the institution is the need to expand its influence. She indicated that to see MSU's influence grow would result in greater legislative support. She commented that as the university engages alumni in the comprehensive campaign it will be important to engage them in supporting MSU by sharing our story throughout the state.

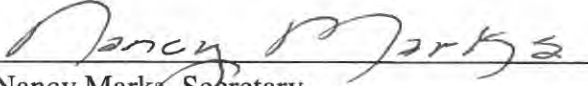
Dr. Shipley indicated that she looked forward to the future at MSU. She stated that the biggest surprise of coming to MSU was how kind people were at the inauguration. She indicated that there is a real affection for the person of the President and the role of the presidency. She stated that she wanted to reflect how wonderfully warm and welcoming this community is, not only the community of the university but of the city as well.

Mr. Sanchez thanked Dr. Shipley for her report and indicated that the Board looked forward to great things.

Adjournment

Mr. Sanchez thanked everyone for their attendance. He indicated that the next meetings of the Board would be November 9 and 10. There being no further business, the meeting was adjourned at 9:20 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 August 4, 2017.


Nancy Marks, Secretary
Midwestern State University
Board of Regents