



Board of Regents Meetings

February 8 and 9, 2018

Midwestern State University Campus

Hardin Administration Building,

J. S. Bridwell Board Room

3410 Taft Boulevard

Wichita Falls, TX, 76308

Midwestern State University

Board of Regents Meetings

Schedule

Thursday, February 8, 2018

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

Friday, February 9, 2018

9:00 a.m. Board of Regents Meeting

**MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

Samuel M. Sanchez, Chairman
R. Caven Crosnoe, Vice Chairman
Nancy Marks, Secretary
Warren Ayres
Tiffany D. Burks
F. Lynwood Givens, Ph.D.
Jeff Gregg
Shawn G. Hessing
Shelley Sweatt, Ed.D.
Shayla Owens, Student Regent

Midwestern State University Administration
February 2018

Dr. Suzanne Shipley, President

Ms. Debbie Barrow, Director, Board and Government Relations

Dr. Francine Carraro, Director, Museum

Ms. Leigh Kidwell, Director, Internal Audits

Mr. Barry Macha, General Counsel

Mr. Mark McClendon, Director, Institutional Research and Assessment

Dr. James Johnston, Provost and Vice President for Academic Affairs

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

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

Dr. Matthew Capps, Dean, Gordon T. and Ellen West College of Education

Ms. Darla English, Registrar

Dr. Jeffrey Killion, Interim Dean, Robert D. and Carol Gunn College of Health Sciences and Human Services

Dr. Clara Latham, University Librarian

Dr. Jeff Stambaugh, Interim Dean, Dillard College of Business Administration

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

Ms. Juliana Lehman-Felts, Assistant Director, Redwine Honors Program

Dr. Kathryn Zuckweiler, Dean, Dr. Billie Doris McAda Graduate School

Dr. Kristen Garrison, Associate Vice President for Undergraduate Education and Assessment

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

Ms. Ashley Hurst, Director, Tutoring and Academic Support Programs (TASP)

Dr. Michael Mills, Director, International Education

Dr. Pamela Morgan, Director, Continuing, Professional, and Distance Education

Dr. Magaly Rincón-Zachary, Director, Undergraduate Research

Dr. Marilyn Fowlé, Vice President for Administration and Finance

Ms. Dawn Fisher, Director, Human Resources

Mr. Jim Hall, Chief Information Security Officer

Ms. Valarie Maxwell, Director, Budget and Management

Mr. Kyle Owen, Associate Vice President for Facilities Services

Mr. David Percy, Director, Construction Services

Ms. Kathy Rice, Director, Payroll

Dr. David Sanchez, Chief Information Officer

Mr. Stephen Shelley, Director, Purchasing and Contract Management

Mr. Chris Stovall, Controller

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

Ms. Gayonne Beavers, Director, Admissions

Mr. Randy Canivel, Director, Flower Mound Campus

Mr. Patrick Coggins, Chief, University Police

Dr. Randy Glean, Director, International Services

Dr. Syreeta Greene, Director, Equity, Inclusion, and Multicultural Affairs

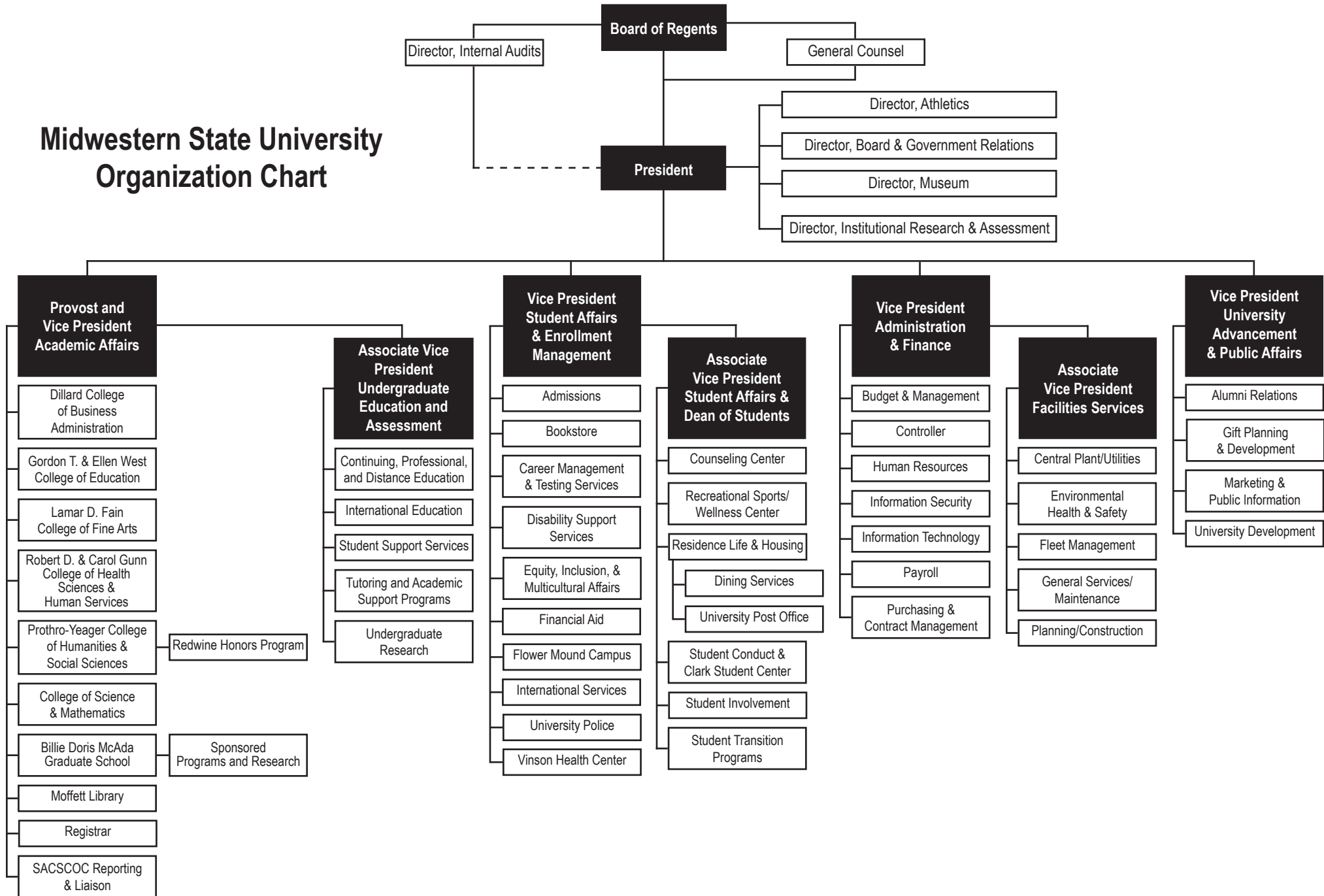
Ms. Debra Higginbotham, Director, Disability Support Services
Ms. Kathy Pennartz-Browning, Director, Student Financial Aid
Mr. Dirk Welch, Director, Career Management and Testing Services
Dr. Keith Williamson, Medical Director, Vinson Health Center
Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students
Ms. Cammie Dean, Director, Student Transition Programs
Dr. Pam Midgett, Director, Counseling Center
Mr. Dail Neely, Director, Student Conduct and Clark Student Center
Mr. Mario Ramirez, Interim Director, Student Involvement
Ms. Angie Reay, Director of Recreational Sports/Wellness Center
Ms. Kristi Schulte, Director, Residence Life and Housing
Mr. Jon Lane, Postal Services Supervisor

Mr. Anthony Vidmar, Vice President for University Advancement and Public Affairs
Ms. Julie Gaynor, Director, Marketing and Public Information
Ms. Rhonda Talley McClung, Assistant Vice President for Gift Planning and Development
Ms. Leslee Ponder, Liaison, Alumni Engagement
Mr. Steve Shipp, Director, University Development

Mr. Kyle Williams, Director of Athletics
Mr. Damian Clarke, Head Women's Soccer Coach
Mr. Doug Elder, Head Men's Soccer Coach
Ms. Reagan Foster, Assistant Director of Athletics for Student Athlete Development/Community Outreach
Mr. Nelson Haggerty, Head Men's Basketball Coach
Ms. Noel Johnson, Head Women's Basketball Coach
Mr. Scott Linn, Head Tennis Coach
Mr. Bill Maskill, Head Football Coach
Mr. Kurt Portmann, Executive Associate Director of Athletics
Mr. Jeff Ray, Head Golf Coach
Mr. Trey Reed, Assistant Director of Athletics for Sports Information
Mr. Mark Ryal, Head Softball Coach
Ms. Amanda Snodgrass, Assistant Director of Athletics for Business and Finance and Senior Woman Administrator
Mr. Koby Styles, Head Women's Cross Country and Track Coach
Vacant, Head Volleyball Coach

Dr. David Carlston, Chairman, MSU Faculty Senate
Mr. Newman Wong, Chair, MSU Staff Senate
Ms. Maria Peña, President, MSU Student Government Association

Midwestern State University Organization Chart



Midwestern State University Dashboard Indicator and Projections

November 2017 Board of Regents Meeting

		Annual Performance				Target	COPLAC
		2014-2015	2015-16	2016-17	2017-18	2019-20	2016-17
1. Student Access							
1.1	Total Enrollment (Headcount)	5,874	6,043	6,064	6,080	6,230	3780
1.1.1	Undergraduate Enrollment (Fall)	5,144	5,287	5,319	5,330	5,450	3571
1.1.2	First-time, Full-time (Fall)	828	820	734	814	825	625
1.1.3	Undergraduate Transfer (Fall)	526	554	628	630	650	286
1.1.4	Satellite Campuses SCH's (Fall)	n/a	n/a	n/a	561	900	n/a
1.1.5	Graduate Enrollment (Fall)	730	756	745	821	850	209
1.1.6	SCH Generated (Fall)	67,275	69,547	69,744	70,546	71,645	n/a
1.2	Percent of Students Receiving Pell Grant (UG Fall)	37.90%	36.12%	36.96%	40.2%	41.7%	n/a
1.3	Percentage of Hispanic Students Enrolled (enr/%) (UG)	14.8%	16.3%	16.5%	19.3%	20.0%	4.3%
1.4	Percentage of African American Students Enrolled (enr/%) (UG)	13.8%	13.6%	14.3%	14.5%	14.5%	5.3%
1.5	Percentage of FTFT Who Met Unconditional Standards (Fall)	55.1%	57.8%	56.8%		60.5%	n/a
1.6	Online and Distance Education (courses offered per year)	642	706	750		968	n/a
1.6.1	Distance Education SCH Generated (Fall)	10,168	11,353	12,454	13,605	14,000	n/a
2. Residential University Experience							
2.1	Number of Students Living in Campus Run Facilities (Fall)	1,425	1,460	1,500	1,566	1,575	n/a
2.2	Number of Students Participating in a First-year Experience (Fall)	n/a	n/a	319	325	700	n/a
2.4	EURECA Participation (# of students participating)	176	279	287		300	n/a
2.5	Percent of Upper Level UG SCH taught by Tenure or Tenure Track Faculty (Fall)	53.9%	58.4%	61.0%		63.0%	n/a
2.6	Number of Students in Study Abroad	78	115	78		125	n/a
3. Student Success							
3.1	First-time, Full-time Student Retention Rate (First year)	72.9%	69.4%	66.8%	66.8%	75.0%	75.0%
3.1.1	First-time, Full-time Student Retention Rate (Second year)	53.2%	55.3%	57.4%	57.4%	55.0%	n/a
3.2	First-time, Full-time Student Graduation Rate (Four Year Cohort)	19.5%	20.9%	20.8%		30.0%	40.1%
3.2.1	First-time, Full-time Student Graduation Rate (Six Year)	44.9%	42.4%	45.0%		50.0%	51.2%
3.2.2	Transfer Student Graduation Rate (SAM 6 yr)	52.0%	48.2%			50.0%	n/a
3.3	Total Degrees Awarded	1,216	1,260	1,309		1,300	790
3.3.1	Baccalaureate	993	1,020	1,083		1,050	726
3.3.2	Master's	183	240	226		250	63
3.3.3	Number of Degrees Awarded in STEM Fields	111	108	114		126	104
3.3.4	Number of Degrees Awarded in Health Science Fields (UG)	383	359	390		446	n/a
4. Operational Effectiveness							
4.1	State Appropriations per FTE Student	\$4,742	\$5,023	\$4,802		\$5,225	n/a
4.2	Total Expenditures per FTE Student	\$21,409	\$21,148	\$21,905		\$26,640	n/a
4.3	Student /Faculty Ratio (Using CDS FTE/Faculty FTE for Fall)	16.8	17.7	17.9		19.0	n/a
4.4	Administrative Cost Rate (as percent of operating budget)	10.80%	9.54%	9.22%		10.00%	n/a
4.5	Average SCH to Bachelor's degree	145.9	146.8	146.3		140.0	n/a
4.6	Average Student Debt for Graduates Who Started at MSU (FTFT) (CDS)	\$28,867	\$28,468			\$25,000	n/a
5. Competitive Resources							
5.1	Total New Gifts and Commitments (AFR reported)	\$6,317,269	\$5,858,547	\$6,792,671		\$7 Million	n/a
5.2	Total Endowment (university-held, Foundation, Charitable Trust)	\$68,154,607	\$69,045,395	\$73,817,341		\$75 millin	\$22,539,305
5.3	Amount of Competetive Grants (Federal & State)	\$324,010	\$612,174			\$450,000	n/a
Gray shaded areas will not be updated until the end of FY						Target	MEDIAN

Online Resume for Legislators and Other Policymakers

MIDWESTERN STATE UNIVERSITY

Location: Wichita Falls, Northwest Region

Master's Accountability Peer Group: Angelo State Univ, Sul Ross Rio Grande, Sul Ross State Univ, Texas A&M - Central Texas, Texas A&M - Galveston, Texas A&M - San Antonio, Texas A&M - Texarkana, UNT Dallas, UT Brownsville, UT Permian Basin, UT Tyler, Univ of H - Clear Lake, Univ of H - Downtown, Univ of H - Victoria

Out-Of-State Peers: Ramapo College Of New Jersey, Southern Oregon University, Truman State University, University Of Illinois At Springfield, Western New Mexico University

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

[Institutional Resumes](#)

[Accountability System](#)

[Definitions](#)

[Institution Home Page](#)

Enrollment						
Race/Ethnicity	Fall 2011		Fall 2015		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent
White	3,708	63.8%	3,111	54.3%	3,049	53.7%
Hispanic	712	12.3%	974	17.0%	1,013	17.8%
African American	704	12.1%	854	14.9%	872	15.3%
Asian	206	3.5%	182	3.2%	187	3.3%
International	296	5.1%	408	7.1%	367	6.5%
Other & Unknown	185	3.2%	205	3.6%	194	3.4%
Total	5,811	100.0%	5,734	100.0%	5,682	100.0%
TX First Time Transfers	Number	% of UG	Number	% of UG	Number	% of UG
	322	6.2%	346	6.8%	379	7.5%
Two-Year Institutions	Number	% of UG	Number	% of UG	Number	% of UG
	57	1.1%	75	1.5%	62	1.2%

Costs				
Average Annual Total Academic Costs for Resident Undergraduate Student Taking 30 SCH				
Fiscal Year	Texas Rates			
	Institution Average	Percent Increase	Peer Group Average	Percent Increase
2012	\$7,304	.0%	\$6,174	.0%
2013	\$7,632	4.5%	\$6,200	.4%
2014	\$7,764	1.7%	\$6,418	3.5%
2015	\$8,088	4.2%	\$6,992	8.9%
2016	\$8,305	2.7%	\$7,366	5.3%
2017	\$8,620	3.8%	\$7,583	2.9%

Financial Aid						
Fiscal Year	Institution		Peer Group		OOS Peer Group	
	Percent	Avg Amt	Percent	Avg Amt	Percent	Avg Amt
Federal Student Loans						
2014	52%	\$7,117	40%	\$6,348	50%	\$7,166
2015	52%	\$7,034	42%	\$7,650	48%	\$7,283
Federal, State, Institutional or Other Grants Known by Institutions						
2014	65%	\$5,421	59%	\$5,307	60%	\$7,879
2015	66%	\$5,591	66%	\$5,537	59%	\$8,579
Federal (Pell) Grants						
2014	38%	\$3,941	38%	\$3,678	34%	\$4,104
2015	39%	\$4,015	42%	\$3,822	33%	\$4,218

Student Success								
One-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates				Graduation Rates				
Enter Fall 2010		Enter Fall 2014	Enter Fall 2015		Cohort	Institution Rate	Peer Group Rate	
Cohort	740	834	818		Fall 2007 4-year	16.2%	17.3%	
Total	82.2%	80.2%	82.5%		Fall 2011 4-year	22.6%	22.1%	
Same	67.3%	68.7%	69.8%		Fall 2012 4-year	24.1%	21.0%	
Other	14.9%	11.5%	12.7%		Fall 2006 5-year	36.9%	34.0%	
Two-Year Persistence of First-time, Full-time, Degree Seeking Undergraduates				Fall 2010 5-year		42.6%	36.0%	
Enter Fall 2009		Enter Fall 2013	Enter Fall 2014		Fall 2011 5-year		43.5%	38.7%
Institution Persistence				Fall 2005 6-year		44.3%	43.2%	
Cohort	695	834	834		Fall 2009 6-year	53.7%	43.7%	
Total	76.0%	75.5%	69.1%		Fall 2010 6-year	49.9%	43.5%	
Same	57.0%	60.3%	54.0%		National Comparison (IPEDS Definition)			
Other	19.0%	15.2%	15.1%		Cohort	Institution Rate	OOS Peers Rate	
Peer Group Persistence				Fall 2006 4-year		6.0%	29.0%	
Cohort	560	567	548		Fall 2010 4-year	18.0%	35.4%	
Total	71.3%	71.1%	71.9%		Fall 2011 4-year	20.0%	34.6%	
Same	44.8%	41.8%	42.7%		Fall 2005 5-year	19.0%	38.5%	
Other	26.3%	29.3%	29.0%		Fall 2009 5-year	37.0%	48.0%	
Average Number of Fall & Spring Semesters and SCH Attempted for Bachelor's Degree				Fall 2010 5-year		36.0%	46.2%	
				Fall 2004 6-year		26.0%	42.5%	
				Fall 2008 6-year		45.0%	50.8%	
				Fall 2009 6-year		44.0%	50.6%	
Institution Grade	Sam	SCH	Peer Group Average Grade	Sam	SCH			

Average Number of Fall & Spring Semesters and SCH Attempted for Bachelor's Degree						
Year	Institution			Peer Group Average		
	Grads	Sem	SCH	Grads	Sem	SCH
FY 2012	642	10.82	144.39	434	12.15	146.05
FY 2015	587	10.73	143.49	445	12.18	143.53
FY 2016	554	11.37	144.18	447	12.76	144.27

Six-year Graduation & Persistence Rate, Fall 2010		
Student Group	Cohort	Rate
For Students Needing Dev Ed		
Institution	132	41.7%
Peer Group	122	36.9%
For Students NOT Needing Dev Ed		
Institution	608	65.0%
Peer Group	394	61.4%

*Peer Group data is average for peer group.

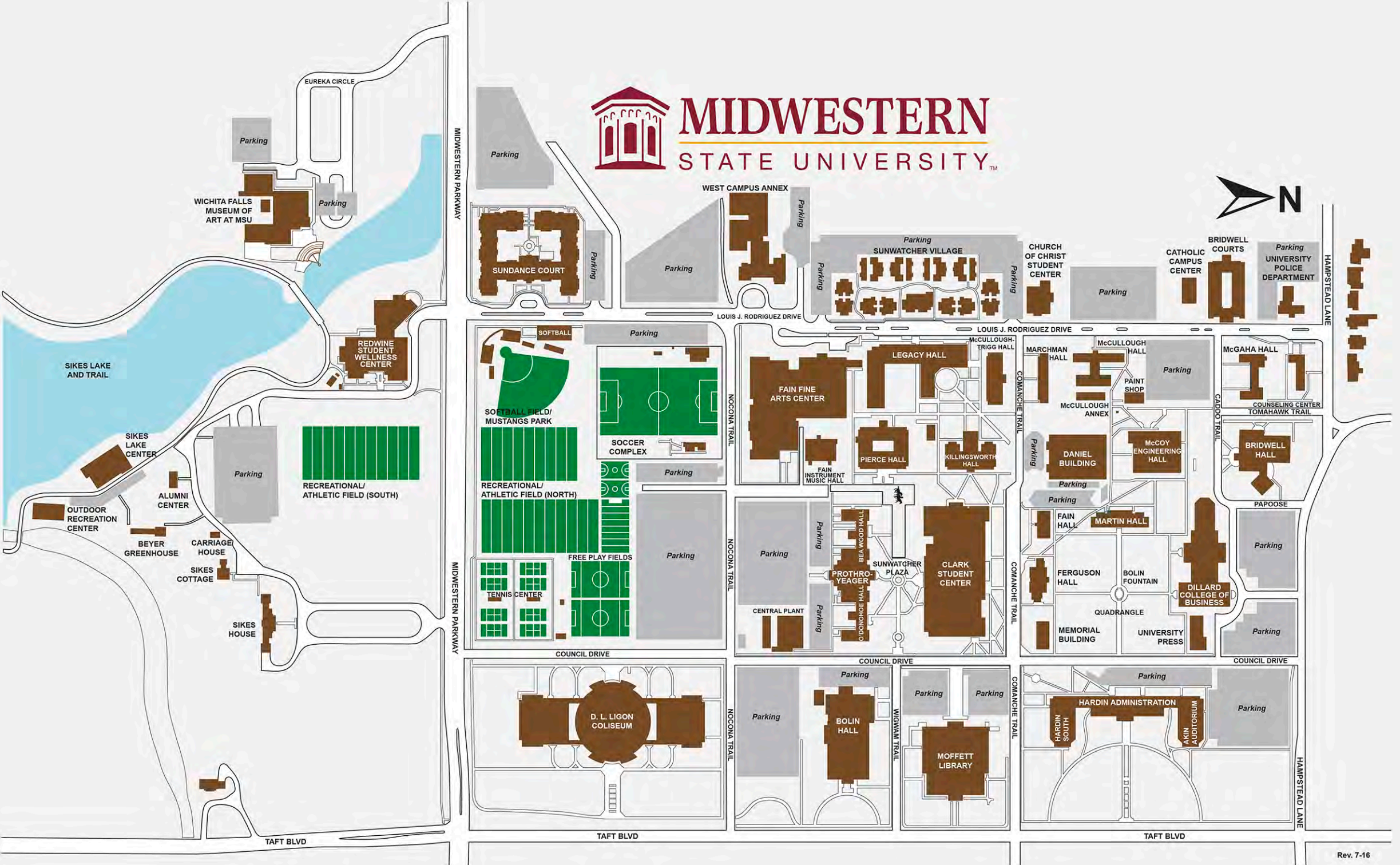
Funding						
Source	FY 2011 Amount	Pct of Total	FY 2015 Amount	Pct of Total	FY 2016 Amount	Pct of Total
Appropriated Funds	\$29,828,351	37.8%	\$29,050,596	35.7%	\$32,245,054	37.1%
Federal Funds	\$12,558,523	15.9%	\$9,217,186	11.3%	\$9,353,030	10.7%
Tuition & Fees	\$29,851,186	37.8%	\$32,331,893	39.8%	\$34,175,093	39.3%
Total Revenue	\$78,936,992	100.0%	\$81,268,127	100.0%	\$87,018,769	100.0%

MSU and Higher Education Acronyms

AACSB, Intl.	Association to Advance Collegiate Schools of Business – The accrediting body for the Dillard College of Business Administration.
ABET	Engineering program accrediting body, previously the Accreditation Board for Engineering and Technology.
AFR	Annual Financial Report – This report is prepared at the conclusion of MSU’s fiscal year – August 31 each year.
AY	Academic Year – the university’s academic year official begins September 1 and ends August 31
COPLAC	Council of Public Liberal Arts Colleges – This organization advances the aims of its member institutions -MSU is the only Texas member - and drives awareness of the value of high-quality, public liberal arts education in a student-centered residential environment.
CPUPC	Council of Public University Presidents and Chancellors – An organization made up of the presidents and chancellors of all Texas public universities.
CRM	Customer Relationship Management – MSU uses CRM software to provide communication management, event management, and process management for the student recruiting and admissions processes.
EURECA	Enhancing Undergraduate Research and Creative Activities – An MSU program designed to promote and facilitate undergraduate research by providing incentives and a support system for undergraduate students to engage in high-quality research and creative activities in an interdisciplinary environment.
E&G	Educational and General – A fund group, these funds are used to provide educational services to MSU students.
FERPA	Family Educational Rights and Privacy Act – A Federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U. S. Department of Education.
FY	Fiscal Year – the university’s fiscal year begins September 1 and ends August 31

HEAF or HEF	Higher Education Assistance Fund – These funds, appropriated by the state to non-Permanent University Fund [PUF] schools, including MSU, can be used to acquire land; construct, repair, and rehabilitate buildings; and purchase capital equipment and library materials.
HIPAA	Health Insurance Portability and Accountability Act – Establishes national standards for the protection of certain health information.
IPEDS	Integrated Post-Secondary Education Data System – A postsecondary education data collection program within the U.S. Department of Education.
LAR	Legislative Appropriations Request – Texas state agencies, including MSU, submit this request for funding to the legislature every two years, prior to the biennial legislative session.
LBB	Legislative Budget Board – A joint committee of the Texas Legislature that develops budget and policy recommendations for legislative appropriations, completes fiscal analyses for proposed legislation, and conducts evaluations and reviews to improve the efficiency and performance of state and local operations.
LSC	Lone Star Conference – MSU is a member of this NCAA Division II athletics conference.
M&O	Maintenance and Operations (fund group)
NCATE	National Council for Accreditation of Teacher Education – Accrediting body for MSU’s teacher education programs.
NSSE	National Survey of Student Engagement – A survey MSU students participate in that reports participation in programs and activities that are provided for students’ learning and personal development. The results provide an estimate of how undergraduate students spend their time and what they gain from attending college.
PUF	Permanent University Fund – A public endowment that provides support to 21 institutions of The University of Texas and the Texas A&M University Systems that were members of those systems prior to the creation of the HEF. These funds can be used to pay interest and principal due on PUF bonds; to provide support for a wide range of programs intended to develop excellence at The University of Texas at Austin, Texas A&M University, Prairie View University, and any new universities; and to provide for the expenses of the two respective System administrations.

SACSCOC	Southern Association of Colleges and Schools Commission on Colleges – One of six regional accreditation organizations recognized by the U.S. Department of Education and the Council for Higher Education Accreditation. SACSCOC accredits public and private institutions of higher education, including MSU. Midwestern State University’s accreditation was reaffirmed in 2013.
SCH	Semester Credit Hour
SGA	Student Government Association – the MSU SGA is a representative body of MSU students. Elections are held each year for a President, Vice President, Secretary, and various Student Senate positions. The Student Senate is made up of senators from registered student organizations, residence halls/apartments, and student classifications (freshman, sophomore, junior, senior, and graduate).
SORM	State Office of Risk Management provides risk management and insurance services to Texas state agencies, including MSU.
THECB	Texas Higher Education Coordinating Board oversees public higher education in Texas including developing and overseeing the state master plan for higher education.
TPFA	Texas Public Finance Authority must review requests by MSU to bond funds and administers the issuance of all MSU debt)
TRB	Tuition Revenue Bond – A vehicle for funding capital improvement projects in Texas higher education. These bonds are paid from state appropriations specifically for this purpose.



Board of Regents Meeting
February 8, 2018
1:30 p.m.

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

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

Call to Order – Chairman Sam Sanchez

Introduction of Visitors – Ms. Julie Gaynor

Opening Comments – Chairman Sanchez

Public Comment

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

Executive Session

18-45. The Board will convene in Executive Session as necessary to consider matters permissible under Chapter 551 of the Texas Government Code, including:

- A. Government Code, Chapter 551, Section .071 – Consultation with Attorneys Regarding Legal Matters, Pending and/or Contemplated Litigation, or Settlement Offers, or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code.
- B. Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease, or Value of Real Property.
- C. Government Code, Chapter 551, Section .073 - Deliberations Regarding a Negotiated Contract for a Prospective Gift or Donation, to include
 - 1. Multiple honorific and gift-related namings
- D. Government Code, Chapter 551, Section .074 – Personnel Matters Relating to the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of Officers or Employees, or to Hear a Complaint or Charge Against an Officer or Employee
- E. Government Code, Chapter 551, Section .076 - Deliberations Regarding Security Audits, including
 - 1. Information Security Program Assessment Report on action taken

Executive Committee

Membership

Sam Sanchez, Chairman

Caven Crosnoe, Vice Chairman

Nancy Marks, Secretary

Tiffany Burks, Member-At-Large

Reading and Approval of Minutes

18-46. The minutes of the Executive Committee meeting November 9, 2017, will be recommended for approval of the Committee.

Campus Construction Update

18-47. Information regarding current construction and repair and rehabilitation projects will be presented in addition to the Status Reports included in the Board Book.

Review of Building Names

18-48. In November 2017, the Board approved a new policy related to “Honorific and Gift-Related Namings.” Following the meeting, President Shipley was asked to have a list compiled of buildings that are intended to be razed, recommissioned, or repurposed in the foreseeable future. This list is included in the Board Book and includes information regarding written agreements or Board action related to the namings. This item is presented as a point of information only.

Moffett Library Renovation Project, Contract Approval Request

18-49. The renovation of Moffett Library was approved by the Board of Regents in August 2017 and a Construction Manager at Risk (CMAR) was selected in November 2017. The design is progressing and the architect has recommended separating the project into two bid phases to facilitate construction beginning in May. The first phase will include renovations to the restrooms and the installation of a new elevator while the second phase will involve all other planned modifications to the library’s interior. The administration requests authorization to contract with the CMAR, M&F Litteken, for the first phase of construction at a value not to exceed \$2 million.

Facilities Services Complex Project Update

18-50. In November 2016, several areas of campus were proposed for the relocation of Facilities Services from the Daniel Building because long-term plans include renovating the Daniel Building for student activities. One of the favored locations occupied 2525 Hampstead and the University Police Department (UPD) site; however, UPD cannot be relocated until the J. S. Bridwell Hall renovation is completed in summer 2020. Consequently, a modified site layout version of the Hampstead design, which includes razing Bridwell Courts, has been developed and will be presented. The administration will request authorization to move forward with the use of the site(s) in this manner and to begin the design process for the complex. The administration will present the design with a project budget to the Board of Regents in May.

Wichita Falls Museum of Art at Midwestern State University - Ratification of Artwork
Accessions and Deaccessions

18-51. In compliance with the Museum's Collections Management Policy, the Museum Director and Curator have recommended the artworks shown in the Board Book for accession to and deaccession from the Museum's Permanent Collection. The Museum Advisory Board approved this action and the administration will recommend ratification of this action by the Board of Regents.

ID	Task Name	Start	Finish	2016	2017	2018	2019	2020	
				N D J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D	
1	TAS-ADA/Fire Marshal Upgrades	Mon 12/7/15	Fri 8/30/19						
2	Architect Selection RFQ	Mon 12/7/15	Fri 2/12/16						
3	Contract Negotiations	Mon 2/15/16	Tue 4/26/16						
4	Design	Mon 4/25/16	Thu 8/31/17						
5	Construction (Fain Fine Arts, Bolin, Hardin, Ferguson)	Fri 9/1/17	Fri 8/30/19						
6									
7	Health Sciences & Human Services Building	Fri 12/18/15	Mon 5/13/19						
8	Architect Selection RFQ	Fri 12/18/15	Mon 2/15/16						
9	Contract Negotiations	Tue 2/16/16	Fri 4/22/16						
10	Design	Mon 4/25/16	Fri 9/8/17						
11	Construction	Wed 12/13/17	Mon 5/13/19						
12									
13	IT Relocation Project	Tue 7/18/17	Fri 6/28/19						
14	Design	Tue 7/18/17	Mon 3/26/18						
15	Construction	Fri 7/27/18	Fri 6/28/19						
16									
17	Health Sciences & Human Services Building Landscaping & Parking	Mon 4/17/17	Fri 5/24/19						
18	Landscape Design, East Quad	Mon 4/17/17	Fri 3/16/18						
19	Landscape Construction, East Quad	Mon 3/19/18	Fri 12/21/18						
20	J. Rogers Promenade Extensions Design	Mon 8/14/17	Thu 3/29/18						
21	J. Rogers Promenade Extensions Construction	Mon 5/14/18	Fri 11/2/18						
22	HS+HS Landscaping Design	Mon 8/14/17	Fri 4/20/18						
23	HS+HS Landscaping Construction	Mon 1/7/19	Fri 5/24/19						
24									
25	Moffett Library Renovations	Mon 9/11/17	Fri 8/16/19						
26	Design	Mon 9/11/17	Mon 5/14/18						
27	Phase 1 Construction (elevator, restrooms)	Mon 5/14/18	Fri 8/31/18						
28	Phase 2A Construction (third floor, half of second floor)	Mon 9/3/18	Fri 1/11/19						
29	Phase 2B Construction (first floor, half of second floor)	Mon 1/14/19	Fri 8/16/19						

Status of Board-Approved Construction Projects

Project	BOR Project Approval Date	Architect/Engineering Firm Approved	BOR Approved Project Budget	Encumbered/Spent Dollars	Additional Projected Costs	Total Project Cost	Over/Under Budget
TAS-ADA/Fire Marshal Upgrades	11/13/2015, 5/13/2016	2/12/2016; Harper-Perkins Architects	\$ 5,270,000	\$ 4,907,584	\$ 362,416	\$ 5,270,000	\$ -
Health Sciences & Human Services Building	11/13/2015, 5/13/2016, 12/13/2017	2/12/2016; Randall Scott Architects	\$ 42,000,000	\$ 37,178,250	\$ 4,821,750	\$ 42,000,000	\$ - (1)
IT Relocation Project	11/10/2017	Datacom Design Group	\$ 1,577,257	\$ 823,118	\$ 754,139	\$ 1,577,257	\$ -
Health Sciences & Human Services Building Landscaping & Parking Project	11/11/2016, 11/10/2017	Landscaping-KDC Associates Parking Lot-Corlett, Probst, & Boyd	\$ 2,370,250	\$ 575,475	\$ 1,794,775	\$ 2,370,250	\$ - (2)
Moffett Library Renovation Project	11/13/15, 8/5/2017	8/5/2017; Holzman Moss Bottino Architects	\$ 7,300,000	\$ 672,006	\$ 6,627,994	\$ 7,300,000	\$ -

(1) Increased budget by \$2 MM; estimates did not match bids.

(2) Increased budget by \$1,270,250. Scope increased to include Health Sciences & Human Services Building landscaping and J. Rogers Promenade extensions.



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

Construction Projects Status Report – Item 18-47

Project completed since the November 2017 Board of Regents meeting includes:

1. MODIFY ENCLOSURE FOR TWO AUTOCLAVES IN BOLIN (\$25k).

Ongoing projects:

HEALTH SCIENCES AND HUMAN SERVICES BUILDING: \$42 MM

- Guaranteed Maximum Price for the building package submitted by the contractor; contract issued.
- Site work resumed in mid-December with the demo of parking lot 13 and replacement of soil.

TEXAS ACCESSIBILITY STANDARDS (TAS), AMERICANS WITH DISABILITIES ACT (ADA), AND FIRE MARSHAL UPGRADES PROJECT: \$5.27 MM

- Upgrades to Bolin, Fain Fine Arts, Ferguson, and Hardin for a 2013 fire marshal inspection and TAS needs. Major construction efforts to be over the summers of 2018 and 2019.
- Began foundation work for a new stairwell at Bolin and a new elevator at Fain Fine Arts.

HEALTH SCIENCES AND HUMAN SERVICES LANDSCAPING AND PARKING PROJECT: \$2.37 MM

- LANDSCAPING - \$772k
 - o Landscaping design of the quad area east of the new Health Sciences and Human Services (HS+HS) building and bounded by J.S. Bridwell Hall, Dillard Building, and McCoy Hall. Will include an emergency vehicle access path.
 - o Received 75% design drawing set and provided feedback on the design.
- HS+HS LANDSCAPING - \$300k
 - o Landscaping design of the area surrounding the new HS+HS building.
 - o Received 75% design drawing set and provided feedback on the design.
- ROGERS PROMENADE EXTENSIONS - \$465k
 - o Two potential extensions to Jesse Rogers Promenade from Comanche to the south end of the new HS+HS quad.
 - o Received 75% design drawing set and provided feedback on the design.
 - o Availability of funds will determine the extent of construction.
- HAMPSTEAD PARKING LOT - \$338k
 - o Project complete.

REPLACEMENT OF LOTS 3 & 6N SOUTH OF PROTHRO-YEAGER: \$950k

- Replacement of the lot south of Prothro-Yeager-Beawood-O'Donohoe planned for summer 2018 using HEAF funds. Also includes an extension of Jesse Rogers Promenade south to Nocona (i.e., east side of Mass Comm).

- Initial designs reviewed, bid documents expected in early February. Construction planned for summer 2018.

JAN THACKER FANTASY OF LIGHTS WORKSHOP EXPANSION: \$140k

- The majority of the funding for this project was contributed by the Thacker Family.
- Expansion of the existing building by ~4000 square feet to provide more storage room.
- Substantial Completion inspection of the building occurred 1/11/2018. Resolving minor punch list items.

ADDITIONAL PROJECTS <\$100k:

Projects in process scheduled for completion this spring or early summer include:

1. Relocation of the Language Lab to Prothro-Yeager-Beawood-O'Donohoe (\$154k).
2. Renovation of Sunwatcher Clubhouse for Housing Administration offices (\$122k).
3. Installation of dust collector and ductwork for Ceramics Lab in Fain Fine Arts (\$93k).
4. Repaint and replace flooring at 2527 Hampstead (\$50k).
5. Upgrade Central Plant's building controls software (\$26k).
6. Repair various roof leaks at Ligon and Fain Fine Arts (\$21k).

Review of Names of Buildings Involved in Construction and Renovation Plans

MSU Campus - February 2018

Name	Honoree	Donor	Year Built	BOR Approval	Current Use	Type (gift or honorific)	Written Agreement	Plans for building	Timeframe	Plans for the name	Notes
McGaha Hall	Charles P. McGaha		Demo'd	Jan-61	N/A	Honorific	None			It has been suggested that a plaque be placed in the Clark Student Center honoring Mr. McGaha	Originally Army barrack
Bolin Science Hall	Mr. and Mrs. D. Houston Bolin	Mr. and Mrs. D. Houston Bolin	1966	Aug-77	Science and Math	Gift	None	Renovation - imminent	0-3 years	The name is in perpetuity and will remain unchanged.	
Marchman Hall	O.F. Marchman	Mrs. O. F. Marchman	1959	Feb-49	Vacant/ Storage	Gift	None	Demolition - imminent (assuming Facilities moves out)	0-3 years		Mrs. O.F. Marchman made a gift to honor her husband sufficient to pay for the brick for the building (formerly a dormitory)
Vinson/Counseling	Jerry Vinson	Jerry Vinson	1949	Name first mentioned 11/1/1960 minutes	Counseling Center	Gift		Demolition - imminent (will need for parking for HSHS)	0-3 years	Plaque was moved to the new Vinson Health Center	The <i>History of MSU</i> book describes Mr. Vinson's original gift of \$15,000 to brick the building.
Bridwell Courts	J. S. Bridwell Foundation	J. S. Bridwell Foundation	1964	Feb-96	Housing	Gift	None	Demolition - imminent	2018	The Bridwell name has been preserved in other areas of campus and approval from the Foundation has been secured.	The Bridwell Foundation provided total funding to purchase the Oaks Apartments.
Daniel Building	Charles Daniel	Charles Daniel (Estate)	1990	Mar-50, 11-88, & 8-89	Facilities Services	Gift	None	Renovation - imminent	0-3 years	It has been suggested that the Daniel name be used as part of a kiosk that provides the history of the MSU brick and the importance of individuals and families that funded the original building bricks.	The Board used the Charles Daniel estate gift as collateral for the funds needed to brick the "H" Dorm. In 1988-89 a new building was built to replace the original building and the name was moved to the current building.
Memorial Building	In honor of those university students who gave their lives in service to their country		1945	Reaffirmed January 1961	Information Systems	Honorific	None	Demolition - possible (Building will be vacated when IT moves; will not be demolished until space needed.)	3-10 years		
McCullough Hall	Mary Victoria McCullough	Everett McCullough	1949	Apr-49	Tutoring	Gift		IT will be relocated to this building when TASP moves to Library	3-10 years		Mr. McCullough donated \$5,000 to brick the building. If IT and the Paint Shop move, the building could be demolished to create a parking lot
McCullough Annex			1949		Storage and meetings			IT will be relocated to this building when TASP moves to Library	3-10 years		
Moffett Library	Sen. George Moffett		1964	May-64	Library	Honorific	None	Renovation - imminent	0-3 years		Senator Moffett carried the state legislation for the institution to join the state system

Review of Names of Buildings Involved in Construction and Renovation Plans

MSU Campus - February 2018

Name	Honoree	Donor	Year Built	BOR Approval	Current Use	Type (gift or honorific)	Written Agreement	Plans for building	Timeframe	Plans for the name	Notes
J. S. Bridwell Hall	J. S. Bridwell	J. S. Bridwell Foundation	1998	Feb-96	Health Sciences	Gift		Renovation - imminent (West College, Intl. Services, IELI and Police will relocate when HSHS building complete)	0-3 years		The Bridwell Foundation provided \$3 million to match state TRB funding to build this building.
Bridwell Regional Simulation Center	J. S. Bridwell Foundation	J. S. Bridwell Foundation	1983	May-11	Nurse Simulation Center	Gift		Renovation - imminent (Purchasing will move to this building when HSHS building complete)	0-3 years		The Bridwell Foundation provided \$250,000 (or 36%) of the building purchase price in 2011
Hardin Administration Building	John C. and Mary C. Hardin	John C. and Mary C. Hardin	1937	Mar-57	Administration	Gift		Renovation - likely	3-10 years		
Ferguson Hall	Billy Ferguson	Mr. and Mrs. W. P. Ferguson	1947	Dec-46	Education	Gift		Renovation - likely	3-10 years		Minutes are vague as this was when the Board worked to establish Hardin College and gave President Boren authority to receive gifts for buildings. A plaque on the building dedicates the building in memory of Billy Ferguson. <i>History of MSU</i> book reports the gift was \$50,000.
Fain Fine Arts Center	Lamar D. Fain	Minnie Rhea Wood and the Fain Foundation	1978	Aug-93	Fine Arts	Gift	Yes	Renovation - likely	3-10 years		The Fain Foundation provided funding when building was built and this naming was approved following a gift from Minnie Rhea Wood of \$2 million.
Clark Student Center	In memory of C. H. Clark		1951	Jan-61	Student Center	Honorific	None	Renovation - likely	3-10 years		
Pierce Hall	In memory of Marvin R. Pierce. former regent		1966	Aug-67	Housing	Honorific	None	Renovation - likely	3-10 years		
Killingsworth Hall	Mr. and Mrs. W. P. Killingsworth	Mr. and Mrs. W. P. Killingsworth	1965	Feb-65	Housing	Gift	None	Renovation - likely	3-10 years		Named for Mr. and Mrs. Killingsworth following a contribution to the MSU Foundation that merited this special recognition.
McCullough-Trigg Hall	Marvin and Adaline McCullough	Marvin and Adaline McCullough	1994	May-92	Housing	Gift	Press release and thank you note	Renovation - likely	3-10 years		A gift by Mr. and Mrs. McCullough made the construction of this hall possible.
Sunwatcher Village Apartments	N/A	N/A	2004	Nov-02	Housing	N/A	N/A	Renovation - likely	3-10 years	N/A	Named based on input from administrative staff and student groups.
Fain Hall	Lamar D. Fain		1945	Jan-61	Greek	Honorific		Renovation - likely	3-10 years		Originally named in memory of Lamar Fain. Funds to renovate the building were later contributed by the Fain Foundation

Review of Names of Buildings Involved in Construction and Renovation Plans MSU Campus - February 2018

Name	Honoree	Donor	Year Built	BOR Approval	Current Use	Type (gift or honorific)	Written Agreement	Plans for building	Timeframe	Plans for the name	Notes
Sikes Lake Center	N/A	N/A	1975	Feb-01	Multi Purpose	N/A	N/A	Renovation - likely	3-10 years	N/A	Previously the Outdoor Education Center (OEC)
Gaines Dental Hygiene Clinic	Sydney and Ethel Gaines	Sydney and Ethel Gaines various contributions	1998	First in 1980 and then in new building in Nov-96	Dental Hygiene	Gift	letter				Originally housed in a stand alone building and named to honor the Syd Gaines family. Mr. Gaines was instrumental in beginning the allied health programs at MSU.

WFMA Accessions Approved by the Museum Advisory Board on February 7, 2018 For Ratification by the MSU Board of Regents

NOTE: In compliance with the approved Collections Management Policy of the WFMA at MSU, the following acquired artworks are recommended by the Museum Director and Curator for accession into the Permanent Collection. The artworks are consistent with the Museum's mission, scope of collection, and code of ethics. All of the artworks under consideration were gifts to the Museum's Permanent Collection and no state funds were used to purchase the artworks. Upon the recommendation of the Museum Advisory Board and the ratification of the MSU Board of Regents, the art will be formally accessioned into the Museum's Permanent Collection in a timely manner, the donors will be thanked, and the artworks properly cared for.



Artwork: Neal Ambrose-Smith, *Where are My Heroes*, 2016, Color lithograph with watercolor additions, 2/4, 30" x 22"

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Jacqueline Bishop, *Out of the Blue (Handpainted)*, 2013, Linocut in black with extensive watercolor additions by the artist over regular edition impression, 1/1, 30" x 22"

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Douglas Bourgeois, *Lyricist*, 2013, Linocut, AP/35, 30" x 22" overall, 18" x 12" image

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Frederick Mershimer, *Works of Man*, 2016, Mezzotint, 10.125" x 15"

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Frederick Mershimer, *Works of Man (NY Stock Exchange)*, 2016, Graphite, 13.5" x 18.255" object, 8.375" x 13.5" image

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Diego Romero, *Fallen Angel*, 2013, Lithograph, 21/50, 18" x 24" object, 14" x 20" image

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Jaune Quick-To-See-Smith, *A Chart of the Human Body*, 2005, Color woodcut and lithograph in gray, 2/12, 30.5" x 22" object, 27" x 21" image

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Miguel Aragon, *Aplacado (El Veladero)*, 2016, Woodcut, 1/10, 51.5" x 38.5" object, 48" x 36" image

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Bruce Lee Webb, *Cowboy*, 2017, Chine colle color aquatint and polymer plate etching, 4/22, 24" x 18" object, 9.75" x 7.75" image

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Tom Uttech, *Tichi Bwa Wabang*, 2016, Lithograph

Donor: Purchased by the 2017 Collectors Circle

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *A Vessel of Love*, Lithograph, 7/5

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *Among the Ruins*, Charcoal

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *In the Moon of the Popping Trees: December*, Charcoal

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *Untitled*, Carbon pencil

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *Epikouros*, Carbon pencil

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Lontas-Warren, *Untitled*,
Colored pencil

Donor: Katherine Lontas-Warren

Date Donated: November 2017



Artwork: Katherine Lontas-Warren, *Bird Study No. 2*, 2007, Drypoint

Donor: Katherine Lontas-Warren

Date Donated: November 2017



Artwork: Katherine Lontas-Warren, *Storm Chatter II*, 2009

Donor: Katherine Lontas-Warren

Date Donated: November 2017



Artwork: Katherine Lontas-Warren,
Untitled, 2007

Donor: Katherine Lontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *A Heaven of Solitude*, 2007, Lithograph, hand-coloring

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *Starts too Near to Ever Arrive*, 2006, Lithograph

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *Evening Boulders: Wichita Mountains*, Charcoal

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren,
Apsuchos, Carbon pencil

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren,
Portrait of Bob, Pastel

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren, *Untitled*

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Katherine Liontas-Warren,
Untitled

Donor: Katherine Liontas-Warren

Date Donated: November 2017



Artwork: Jim Eder, *Canyon Walls – Havasupai*,
1980, Woodcut, 19/50

Donor: Linda Wilson

Date Donated: December 2017



Artwork: Clyde Harris, Untitled, 1939, Woodcut,
14.5" x 10.75" object, 13" x 8" image

Donor: Linda Wilson

Date Donated: August 2017



Artwork: Clyde Harris, Untitled, 1939, Woodcut, 14.5" x 10.75" object, 13" x 8" image

Donor: Linda Wilson

Date Donated: August 2017



Artwork: Clyde Harris, Untitled, 1939, Woodcut, 14.5" x 10.75" object, 13" x 8" image

Donor: Linda Wilson

Date Donated: August 2017



Artwork: Don Loewen, Untitled, 1939, Woodcut, 7.75" x 5.75" object, 6" x 4" image

Donor: Linda Wilson

Date Donated: August 2017



Artwork: Don Loewen, Untitled, 1939,
Woodcut, 9.375" x 7.75" object, 7" x 5" image

Donor: Linda Wilson

Date Donated: August 2017



Artwork: Don Loewen, Untitled, 1939,
Woodcut, 11" x 7.75" object, 7" x 5" image

Donor: Linda Wilson

Date Donated: August 2017



Artwork: Ohmstead, Untitled,
Woodcut, 8.125" x 11" object, 6" x
8.25" image

Donor: Linda Wilson

Date Donated: August 2017

WFMA Deaccessions Approved by the Museum Advisory Board on November 1, 2017 For Ratification by the MSU Board of Regents

In compliance with the approved Collections Management Policy of the WFMA at MSU, the following acquired objects are recommended by the Museum Director and Curator for deaccession from the Permanent Collection. The objects are consistent with the Museum's Deaccession Policy reasons for deaccessioning and no state funds were used to purchase the objects. Upon the recommendation of the Museum Advisory Board and the ratification of the MSU Board of Regents, the objects will be formally deaccessioned from the Museum's Permanent Collection in a timely manner and relocated in accordance with the WFMA Collections Management Policy.

Specific reason for Deaccessioning: The objects listed below do not relate to the WFMA's mission and scope of collection.

Disposal

In considering alternatives for the disposition of deaccessioned objects, the Museum will consider the best interests of the Museum, the public, scholarly and cultural communities it serves, and the public trust it represents. Gift, exchange, or sale to an appropriate tax-exempt institution will be given first consideration. If objects are offered for sale to the public, preference will be given to an advertised public auction, or other public market place, that will best protect the interests, objectives, and legal status of the Museum. No person associated with the WFMA, including any staff, Advisory Board members, Board of Regents members, or representative or relative of such persons, may acquire a work deaccessioned by the WFMA. Income from deaccessions shall be used solely for the purchase or acquisition of another work or works.



Accession Number: 1966.0003.0011

Description: Wood stool, 3.5 x 10 inches

Acquisition Method: Donation, Midwestern University's (now MSU) Museum collection, originally donated by James Crawford



Accession Number: 1966.0005.0013

Description: Skull bark cap, 14.5 x 6.5 inches

Acquisition Method: Donation, Midwestern University's (now MSU) Museum collection, originally donated by Jerry Vinson



Accession Number: 1967.0014.0012

Description: Cross, 5 x 2.75 x 2 inches

Acquisition Method: Donation, Midwestern University's (now MSU) Museum collection, originally donated by W.C Duncan



Accession Number: 1968.0002.0081

Description: Necklace with large blue stone, .25 x 11.75 x 1.5 inches

Acquisition Method: Donation, Erma Tankersley



Accession Number: 1968.0002.0090

Description: Brooch "seven in one" in box, only three stones in box, 4 x 3.25 x 1 inches

Acquisition Method: Donation, Erma Tankersley



Accession Number: 1968.0002.0094

Description: Small tray, made in Yokohama, Japan for this occasion with best wishes of Kress, 3.25 x 3.75 x .125 inches

Acquisition Method: Donation, Erma Tankersley



Accession Number: 1968.0002.0096

Description: Collar button holder, 1 x 2.5 x 2.5 inches

Acquisition Method: Donation, Erma Tankersley



Accession Number: 1968.0002.0097

Description: Cameo and metal brooch, .5 x 2.5 x .5 inches

Acquisition Method: Donation, Erma Tankersley



Accession Number: 1968.0015.0059

Description: Bark Basket, 4.5 x 2.25 x 5 inches

Acquisition Method: Donation, E.W. Maxwell



Accession Number: 1968.0015.0060

Description: Bark Basket, 4 x 4.5 x 4 inches

Acquisition Method: Donation, E.W. Maxwell



Accession Number: 1968.0015.0117

Description: Bark Basket, 2.5 x 5.5 x 5.5 inches

Acquisition Method: Donation, E.W. Maxwell



Accession Number: 1968.0020.0001

Description: Miniature doll purse, 2.125 x 3.25 x 1.25 inches

Acquisition Method: Donation, M.W. McCall



Accession Number: 1968.0026.0001

Description: Miniature teapot, .75 x 1.25 x .75 inches

Acquisition Method: Donation, Knox Egan



Accession Number: 1968.0026.0003

Description: Miniature rolling pin, .5 x 4 x .5 inches

Acquisition Method: Donation, Knox Egan



Accession Number: 1968.0026.0007

Description: Miniature kettle, 1.5 x 2.25 x 1.75 inches

Acquisition Method: Donation, Knox Egan



Accession Number: 1983.0015.0001

Description: Edgeworth chewing tobacco tin box, 2 x 3.125 x .875 inches

Acquisition Method: Donation, Billy Bussey



Accession Number: 1985.0029.0005

Description: Alaska toy icebox, 5 x 3 x 2.5 inches

Acquisition Method: Unknown



Accession Number: 1986.0039.0033

Description: Bowl with handle, 2.5 x 13 x 6 inches

Acquisition Method: Donation, G.L. Vinson



Accession Number: 1987.0001.0016

Description: Marbles, 1.875 x 1.875 inches

Acquisition Method: Donation, Midwestern University's (now MSU) Museum collection, originally donated by Anthony Brollier



Accession Number: 1988.0005.0001

Description: Light Bulb, 5.25 x 2.5 x 2.5 inches

Acquisition Method: Donation, Ron Parker



Accession Number: 1988.0021.0001

Description: Pitcher, 28.5 inches

Acquisition Method: Donation, Mrs. Adolphus D. Foster



Accession Number: 1988.0021.0002

Description: Basin, 4 x 4 x 50.5 inches

Acquisition Method: Donation, Mrs. Adolphus D. Foster



Accession Number: 1988.0021.0003

Description: Basin, 4 x 4 x 12 inches

Acquisition Method: Donation, Mrs. Adolphus D. Foster



Accession Number: 1988.0021.0004

Description: bowl (A, 2 x 5 x 5 inches) and small platter (B, .25 x 4 x 4 inches)

Acquisition Method: Donation, Mrs. Adolphus D. Foster

Academic and Student Affairs Committee

Membership

Lynwood Givens, Chairman
Shawn Hessing
Nancy Marks
Shelley Sweatt

Reading and Approval of Minutes

18-52. The minutes of the Academic and Student Affairs Committee meeting November 9, 2017, will be recommended for approval of the Committee.

Faculty Report

18-53. Dr. David Carlston, Faculty Senate Chairman, will report on behalf of the MSU Faculty Senate.

Staff Report

18-54. Mr. Newman Wong, Staff Senate Chair, will provide information on behalf of the MSU Staff Senate.

Student Government Report

18-55. The MSU Student Government Association (SGA) President, Ms. Maria Peña, will provide an update on Student Government.

Athletics Report

18-56. The MSU Athletics Report is presented in the Board Book. Mr. Kyle Williams, Director of Athletics, will provide additional information and answer questions related to MSU Athletics.

Enrollment Report – Spring 2018

18-57. The 20th class day of the spring semester is February 7, 2018. The spring enrollment report will be presented at the meeting for information only.

Report on Student Attrition – Spring to Fall 2017

18-58. At the November 2017 meeting of the Board of Regents, the administration presented a report on spring 2017 to fall 2017 student persistence. The findings of this report indicated some 9.4% of spring 2017 students, while being otherwise eligible to reenroll for fall 2017, did not reenroll. The largest identified group was upperclass students in health sciences. This is largely the result of competitive program admission requirements, program capacity, and those pursuing completion degrees. The latter group consists of credentialed, working professionals for which the timeline of completing the bachelor's degree is not critical. The administration presented retention initiatives aimed at this population. The Board of Regents requested that the administration further analyze the demographics of students not returning for fall 2017. This information is provided in the Board Book.

Dallas-Fort Worth (DFW) Expansion Update

18-59. The construction of the facility has been delayed relative to the November 2017 update. There are two primary drivers of the delay: (1) the City of Flower Mound required a deceleration lane, and (2) a delay with the contractor and Coserv (electric provider) connecting permanent power to the building. The current schedule calls for a certificate of occupancy to be issued on February 20. It is expected that all furniture and technology will be installed prior to Spring Break. Understanding the risks associated with an aggressive construction schedule, MSU did not schedule face-to-face courses in Flower Mound for the spring 2018 term; all courses are online and hybrid. The face-to-face component of the hybrid courses will occur either later in the spring term in MSU's facility, or at North Central Texas College (NCTC).

MSU's Approach to Dual Credit, Online and Distance Education

18-60. During the November 2017 meeting, the administration was asked to provide information regarding how dual credit offerings as well as online and distance education fit into the vision for academic affairs and student growth. Dr. James Johnston, Provost and Vice President for Academic Affairs, prepared the information included in the Board Book and will discuss his report.

Spring Break Dates for 2018-2019 Academic Year

18-61. The administration will recommend a change to the previously approved dates for the 2018-19 academic year Spring Break. The university has historically worked to align its Spring Break dates with the Wichita Falls Independent School District (WFISD) to help accommodate student teachers in the local district as well as faculty and staff with children in the local schools. When the calendar was originally recommended to the Board the WFISD had not yet set their calendar and MSU's recommendation was based on historical information. When the WFISD published their dates, MSU's Spring Break dates for 2019 were one week earlier than the WFISD. The administration will recommend changing MSU's Spring Break 2019 from March 11-16, 2019 to March 18-22, 2019 in order to align with the WFISD.

MSU Athletics Report

- **19** student-athletes walked the stage this past December.
- **50** MSU student-athletes earned academic honors for the Fall of 2017.
 - (13) President's Honor Roll with no grade lower than an A (4.0 GPA)
 - Men's Basketball (1)
 - Football (3)
 - Cross Country/Track (2)
 - Softball (3)
 - Women's Soccer (3)
 - Women's Tennis (1)
 - (19) Provost's Honor Roll with a GPA of 3.75-3.99
 - Football (5)
 - Men's Golf (2)
 - Women's Basketball (1)
 - Cross Country/Track (2)
 - Women's Golf (1)
 - Softball (3)
 - Women's Tennis (2)
 - Volleyball (2)
 - (17) Dean's Honor Roll with a GPA of 3.50-3.74
 - Football (4)
 - Men's Golf (1)
 - Men's Soccer (2)
 - Men's Tennis (1)
 - Women's Basketball (3)
 - Cross Country/Track (2)
 - Volleyball (4)
 - Team GPA
 - Men's Basketball: 2.4 up from 1.9
 - Football: 2.2 down from 2.4
 - Men's Golf: 3.3 up from 2.9
 - Men's Soccer: 2.4 up from 2.3
 - Men's Tennis: 2.6 down from 2.9
 - Women's Basketball: 2.9 down from 3.0
 - Cross Country/Track: 3.1 stayed the same
 - Women's Golf: 2.9 down from 3.2
 - Women's Soccer: 2.6 down from 2.8
 - Softball: 3.1 up from 2.9
 - Women's Tennis: 2.9 stayed the same
 - Volleyball: 3.0 stayed the same

➤ **Goals for Spring 2018**

- Increase team GPA for all teams for the Spring 2018 semester.
 - All students in good academic standing
 - 100% study hall and tutorial attendance
 - No unexcused instructor reported class absences
 - 100% of active rosters over a 2.0 GPA
- Great football season with a 10-1 record. Won the Lone Star Conference (LSC) Championship and went two rounds deep in the NCAA Playoffs. Mustangs 8th time to make it to the playoffs. Coach Maskill named Regional Coach of the Year. Was one of five coaches nominated for National Coach of the Year. MSU Mustangs Islam Sbeish named 2nd team All American offensive lineman. Robert Grays will always be a huge part of our season and this team, #24 STRONG.
- Men's Soccer went 18-0-2 under 13 year veteran Coach Doug Elder and won the Heartland Conference. 13th year to make playoffs, became #1 in national poll. Elder named South Central Region Coach of the year. Beaten 1-0 by California Pomona to go to Final Four. Three chosen as All Americans.
- Women's Soccer made their 5th appearance in the NCAA playoffs. Season record was 11-7-1. Only two seniors graduating; the future looks good.
- Volleyball was better, however missed the LSC tournament by one team. MSU was 9th and needed to be 8th.
- Men's Basketball has struggled (6-11) but hope to make a run in the last six weeks of the season.
- Women's Basketball playing well (9-5) and have a great chance to finish high in LSC and hopefully make regionals. Coach Noel Johnson got her 133rd win to make her the leader in wins with our women's basketball program.
- MSU's 3rd annual "Christmas with the Mustangs" was again a big success, as both men's and women's basketball teams took part in helping 20 Boys and Girls Club members have a good Christmas. Met at Target and each child received \$100 to spend. Our student-athletes shopped with the kids for Christmas and then took them to Pizza Hut.
- Learfield Director's Cup Division II Final Fall Standings 2017-2018 are awarded based on each institutions finish in the NCAA Championships. MSU scored 151 points from Men's Soccer, Women's Soccer and Football to place #21 overall and #2 in the Lone Star Conference behind West Texas.

- MSU Athletics continues to support our Community Service requirements with 1,083 hours by 202 volunteer student-athletes. MSU's goal is for 100% participation with at least five volunteer hours for each MSU student-athlete.

Student Attrition – Spring to Fall 2017 – Follow Up Report
Board of Regents Meeting
February 8, 2018

In addition to that previously reported, the following additional information is provided regarding students that did not return for fall 2017.

- The distribution of students not returning is similar to MSU's overall population on gender and geographic origin variables.
- Attrition for domestic Hispanic and Black students was disproportionately high. This discrepancy remains so along income, with Black students having the lowest average family income, Hispanic students the second lowest, and Asian and White students having the highest average levels of income.
- Of the students not persisting, 43% have family incomes of less than \$50,000 per year; 36% have family incomes of \$50,000 to \$99,999 per year; 14% have incomes of \$100,000 to \$149,999 per year; and 6% have incomes greater than \$150,000 per year.
- Thirty percent of this population reside on-campus, compared to 25% of the overall student population. Approximately one-half of on-campus residents not persisting have family incomes of less than \$50,000 per year. Academic standing distribution of those residing on-campus is similar to those not residing on-campus.
- The distribution along academic standing, i.e. good standing or academic probation, is unaffected by income. It is, though, affected by race/ethnicity. Students of two or more races are most likely to be on academic probation, followed by Black, Hispanic, White, and Asian students.
- Some 27% of freshmen in this population were on academic probation, followed by sophomores (20%), juniors (13%), and seniors (10.4%).

Conclusion

In summary, there are income, race/ethnicity, campus housing, and academic support considerations for persistence at MSU. In addition to the new programs and support for the students reported in November, the data suggest efforts by the university should focus on transition and academic support and the following steps are necessary.

- The university recently entered into an agreement with Harwick-Day to provide a financial aid optimization for MSU. This process will allow MSU to understand enrollment, including retention, implications for financial aid decisions. As seen in the analysis, attrition followed income lines.
- The recent initiatives in the first year (learning communities, reimagined freshman seminar) and the creation of the TASP are aimed at student academic support.

- The recent recommendations of the Admissions and Financial Aid Task Force will assist with preparedness and support.
- Bridge programs for underprepared students are being introduced for summer 2018, and will increase in scope and focus in subsequent years.
- Drop, fail, and withdrawal rates for gateway courses the first two years should be studied, with an emphasis on course-specific support. Open and specific tutoring services that were introduced last semester have been very well received by students and are also anticipated to help with these rates.
- In its support of historically marginalized students, continued investment in MSU's new Office of Equity, Inclusion, and Multicultural Affairs is necessary.

Dual Credit Offerings and Expanding Distance Education Offerings Report
Board of Regents Meeting
February 8, 2018

Dual Credit

Dual credit courses, whereby high school faculty teach courses for MSU, are not currently offered at MSU. However, the MSU Access Program allows current high school students who meet eligibility requirements to enroll in a limited number of courses on campus with college students. Area high schools participating in the Access Program may also award high school credit for the MSU courses depending on the Memorandum of Understanding (MOU) with the high school, but not all area high schools are giving high school credit for these MSU courses.

In order to consider the benefits of offering traditional dual credit, discussions were held with the academic leadership. In advising against beginning to offer dual credit the following concerns were identified:

- MSU has completed articulation agreements with many area community colleges that allow a partnership agreement whereby the lower level coursework (1000 and 2000 level) is exclusively offered by the community college. The benefit of this type of agreement is in cementing the community college's commitment to a seamless articulation for their students, who, on completion of their associate degree, are directed to MSU for the balance of the coursework toward a baccalaureate degree. Because most community colleges rely heavily on the dual credit market that MSU would be very late entering, the administration believes that doing so now would damage these new and strengthening relationships and articulations.
- Financially, for MSU to enter the dual credit market beyond what is currently done with the Access Program, it would significantly increase the institution's adjunct budget and require us to "compete on volume" because these courses are generally offered at a greatly discounted rate. Further, the university is reimbursed for enrollment by the State at a higher rate for 3000 and 4000 level courses and minimally for 1000 and 2000. To address this discounted rate for a dual credit course and the lower reimbursement rate, the university would have to offer a large number of courses. This would require additional marketing and advertising, thus increasing our reliance on marketing costs to open this new market, and increasing our instructional costs at a lower reimbursement for lower level courses.

For these first two reasons, the administration decided, even as this market continued to show promise, to continue to strengthen MSU's collaborative relationships with community colleges, rather than introduce a competitive model. This makes MSU the first choice of area community colleges for training dual credit teachers through education courses and for collaborating on new programming to be offered on-site at community colleges. The university will continue to focus on increased enrollment in graduate courses, the other end of the enrollment spectrum, which is being accomplished now with good success.

Online and Distance Education

MSU has offered online courses since 1999. In the fall of 2008, 1,337 MSU students took at least one online class. Today this number has increased to 2,590. Additionally, MSU offers 287 fully online courses to 1,194 online-only students.

MSU's present major growth effort in the distance education market is through the completion degrees offered at the Flower Mound site. These 100% online completion degrees were modified slightly (requiring three to four face-to-face meetings) to attract additional students. Fully online versions continue to be offered as well. The faculty continually adapts courses and programs to online formats as opportunity and technology allow. The most recent example is an online version of the Anatomy and Physiology course.

There is of course large scale growth of distance education by some institutions, predominantly comprehensive public or private institutions that offer numerous sections with large enrollments. These sections are usually overseen by "coaches" with a single faculty member supervising the overall program. Faculty at MSU consider a major distinguishing characteristic of our instructional venue to be small class sizes and personalized attention, even in our online formats.

With the success and growth in online and distance education that MSU is currently experiencing, the administration believes it best to continue the current efforts and directions that best align with our public liberal arts mission. If the administration were directed to more rapidly increase MSU's online offerings, it would be preferable to do so via distance education and the working adult market in Flower Mound in order to best capitalize on the residential nature of the Wichita Falls campus.

Finance Committee

Membership

Jeff Gregg, Chairman

Warren Ayres

Caven Crosnoe

Lynwood Givens

Reading and Approval of Minutes

18-62. The minutes of the Finance Committee meeting November 9, 2017, will be recommended for approval of the Committee.

Summaries of Financial Support and Comprehensive Campaign Update

18-63. The following reports are presented in the Board Book and additional information will be provided regarding external financial support.

- A. Comprehensive Campaign New Gifts and Commitments
- B. Comprehensive Campaign Cash and Grants
- C. FY 18 Monthly Comparison of New Gifts and Commitments
- D. FY 18 Monthly Comparison of Cash/Grants
- E. FY 18 Sources of Gifts
- F. Legacy Society Report

Report on Financial Ratios

18-64. The administration has calculated the university's financial ratios and an in-depth report is provided in the Board Book for information only. A presentation on the core ratios will be reviewed at the meeting.

Financial Reports

18-65. The administration will recommend the FY 2017 Annual Financial Report and the September, October, November, and December, 2017 Financial Reports for acceptance. These reports were previously distributed to the Board. Dr. Marilyn Fowlé's summary report is shown in the Board Book.

Investment Report

18-66. The administration will recommend the first quarter FY 2018 investment report for acceptance. This report was previously distributed to the Board. Dr. Marilyn Fowlé's summary report is shown in the Board Book.

Investment Policy Changes

18-67. The recent Public Funds Investment Act (PFIA) audit by MSU's Director of Internal Audits resulted in recommended changes to the university's two investment policies (#4.182 for Operating Funds and #4.196 for Endowment Funds). The modified policies are shown in the Board Book. The change to Policy 4.182 is the addition of language that is required by statute. The changes to Policy 4.196 correct the reference to the training requirement to match the requirements of the PFIA. A statement is also

recommended for addition to state that MSU will follow another system's asset allocation if the institution contracts with the system for investment.

Salary/Title/Position Changes in FY 18 Budget

18-68. The reports of personnel changes in October through December 2017 are presented in the Board Book for information only. Additionally, salary and position changes approved by the President will be presented for ratification as shown below.

<u>Position</u>	<u>Action</u>	<u>Additional Funding</u>	<u>Net Current FY Actual Cost (Savings)</u>	<u>Annual Budget Increase (Decrease)</u>
19 Staff Positions	Filled above and below budget		\$(79,870)	\$(21,315)
Two Staff Positions	Reclassified or Promoted (above budget)	Salary Savings and Athletic Funds	14,570	14,570
<i>Total</i>			<i>\$(65,300)</i>	<i>\$(6,745)</i>

Purchase of New Pianos

18-68A. Through the generosity of the Perkins-Prothro Foundation and Dale and Joe Prothro, longtime donors to the fine arts programs, the university is able to acquire approximately 25 new electronic, upright, and grand pianos, in addition to a piano lab. The university's Policy 2.24, Approval and Execution of University Contracts, provides that contracts of \$500,000 or more per year require Board approval. The administration will request authorization to purchase the pianos at a cost not to exceed \$1.2 million. The source of the funds will primarily be donated funds, with a small amount of Fain Fine Arts reserve funds used to finalize the purchase.

Undergraduate and Graduate Application Fees Increases

18-69. The administration will recommend increasing the undergraduate and graduate application fees, both of which have not been updated in fifteen years. The recommended action is to increase the undergraduate application fee from \$25 to \$40, and increase the graduate application fee from \$35 to \$50, effective September 1, 2018. Additional information is provided in the Board Book. The proposed increases are comparable to peer institutions in Texas and keep MSU in competitive fee position. Increasing the application fees achieves two objectives: (1) provides an increase in revenue, and (2) indicates a stronger commitment to the institution, allowing admissions counselors to focus time and resources on those applicants most likely to enroll.

Tuition and Fee Review and Recommendations 2018-2019

18-70. The administration will recommend tuition and fee increases for FY 19 as outlined below. These recommendations have been presented to and discussed with the Student Government Association. Additional information regarding these proposed rates, as well as tuition and fee history and comparisons are shown in the Board Book.

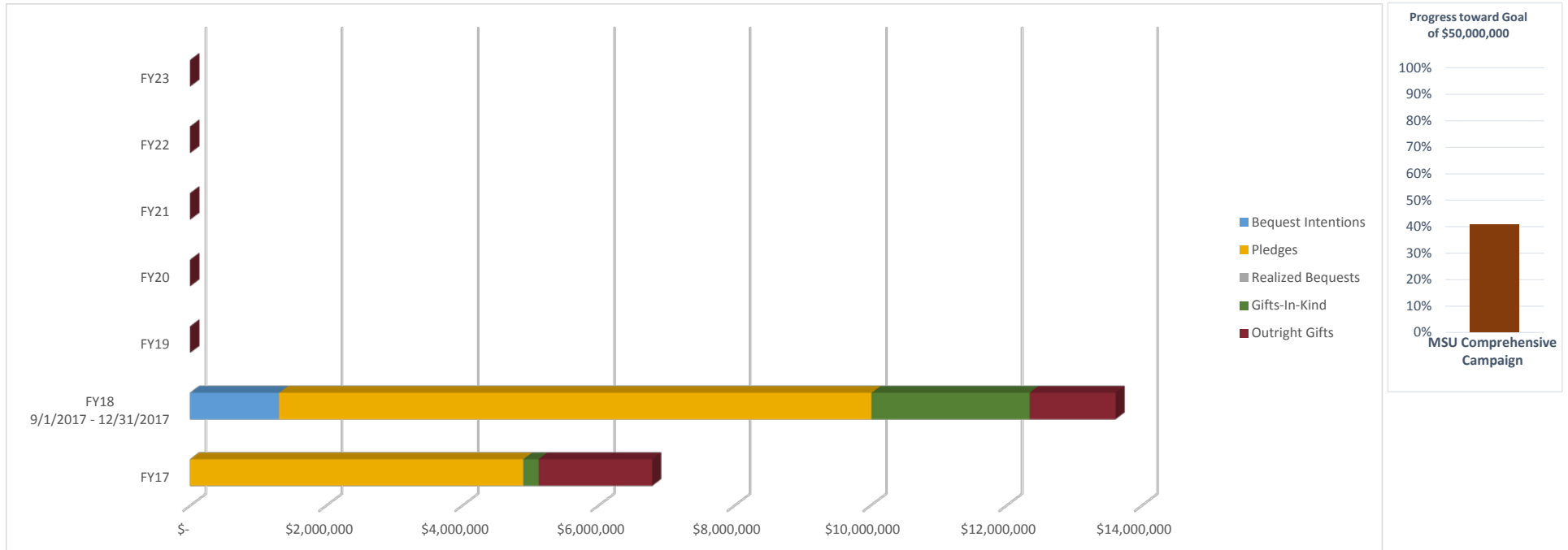
- A. **Designated Tuition** – Beginning in fall 2014, Midwestern State University established a fixed tuition plan for all students for four years (12 consecutive terms – fall, spring and summer terms). No increase in designated tuition was recommended for the current 2017/2018 year. The administration will recommend an increase in designated tuition for new students beginning fall 2018 from \$123.85 per semester credit hour (SCH) to \$133.00 per SCH. With this increase, new students taking 15 SCH would pay \$137.25 more in designated tuition per semester than current students with the same course load. As with the current plan, this rate would be fixed for these individuals for 12 semesters (four academic years). This rate increase will generate approximately \$470,000 annually. This increase will be used for increased scholarships, faculty pay raises, new hires, and assist in covering reduced funding from state and other sources.
- B. **University Services Fee** - The administration will recommend increasing the University Services Fee for all students, from \$72.65 to \$80.65 per SCH, effective with the fall 2018 semester. This increase of \$8 per SCH will generate approximately \$960,000 annually. This additional revenue would be used for on-going increases to the university's operation including increased software maintenance, health insurance, new hires, and pay raises for staff. This will also help offset some of the funding reductions from state and other sources.
- C. **Student Services Fee** – The administration will recommend increasing the Student Services Fee for all students from \$17.05 to \$18.75 per SCH, effective with the fall 2018 semester. This increase of \$1.70 per SCH will generate approximately \$110,000. The maximum amount charged to a student in a semester is \$250 which will not change from the current maximum amount. The revenue will be used for student services and activities.
- D. **Wellness and Recreational Center Fee** – The administration will recommend increasing the Wellness and Recreational Center Fee from \$120 to \$130 per long semester and \$60 to \$65 per summer semester, beginning the fall 2018 semester. This will generate approximately \$60,000 and will be used to replace and/or repair aging equipment in the Wellness Center. The current \$120 rate was established 10 years ago and has never been increased.
- E. **Distance Education Fee** – The administration will recommend increasing the Distance Education Fee from \$50 to \$55 per SCH, beginning fall 2018. This fee is charged only to students taking online courses who receive waivers for both the Wellness and Recreational Center Fee and the Clark Student Center/Union Fee. This fee increase will generate approximately \$117,000 and will be used to cover expenditures for distance education in the academic area.

Midwestern State University

Comprehensive Campaign Comparison of New Gifts and Commitments

Gift Type	FY17		FY18 9/1/2017 - 12/31/2017		FY19		FY20		FY21		FY22		FY23		Grand Total
Bequest Intentions	\$	-	\$	1,309,164	\$	-	\$	-	\$	-	\$	-	\$	-	1,309,164
Pledges	\$	4,893,063	\$	8,706,434	\$	-	\$	-	\$	-	\$	-	\$	-	13,599,497
Realized Bequests	\$	6,030	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	6,030
Gifts-In-Kind	\$	222,338	\$	2,326,062	\$	-	\$	-	\$	-	\$	-	\$	-	2,548,400
Outright Gifts	\$	1,671,241	\$	1,270,285	\$	-	\$	-	\$	-	\$	-	\$	-	2,941,526
Grand Total	\$	6,792,672	\$	13,611,945	\$	-	\$	-	\$	-	\$	-	\$	-	20,404,617

NG&C Bar - by Gift Type

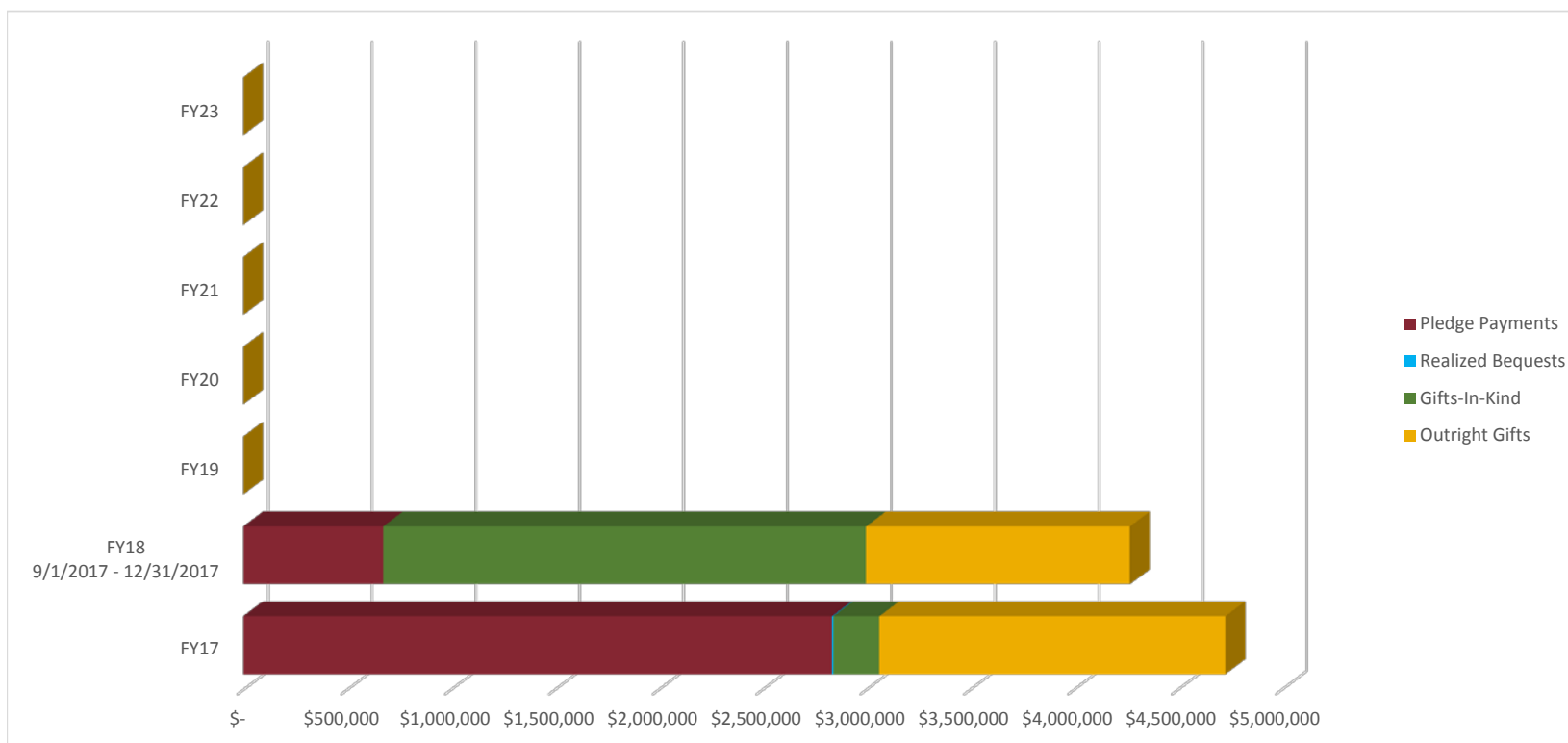


Midwestern State University

Comprehensive Campaign Comparison of Cash/Grants

Gift Type	FY18		FY19	FY20	FY21	FY22	FY23	Grand Total
	FY17	9/1/2017 - 12/31/2017						
Pledge Payments	\$ 2,836,367	\$ 674,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,510,581
Realized Bequests	\$ 6,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,030
Gifts-In-Kind	\$ 222,338	\$ 2,326,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,548,400
Outright Gifts	\$ 1,665,211	\$ 1,270,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,935,496
Yearly Total	\$ 4,729,945	\$ 4,270,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000,507

Cash Bar - by Gift Type

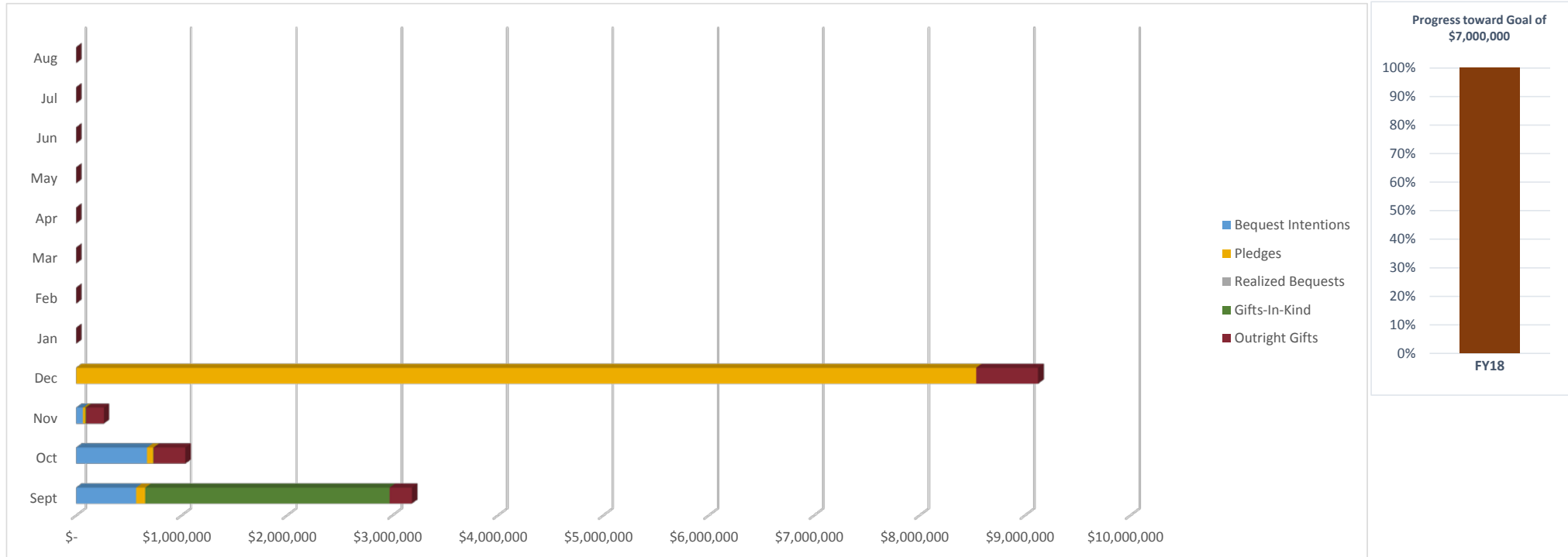


Midwestern State University

FY18 Monthly Comparison of New Gifts and Commitments

Gift Type	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Grand Total
Bequest Intentions	\$ 570,163	\$ 673,201	\$ 65,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,309,164
Pledges	\$ 86,746	\$ 59,670	\$ 21,218	\$ 8,538,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,706,434
Realized Bequests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts-In-Kind	\$ 2,317,200	\$ 1,927	\$ 6,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,326,062
Outright Gifts	\$ 211,567	\$ 302,702	\$ 168,454	\$ 587,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,270,285
Grand Total	\$ 3,185,676	\$ 1,037,500	\$ 262,406	\$ 9,126,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,611,944

NG&C Bar - by Gift Type

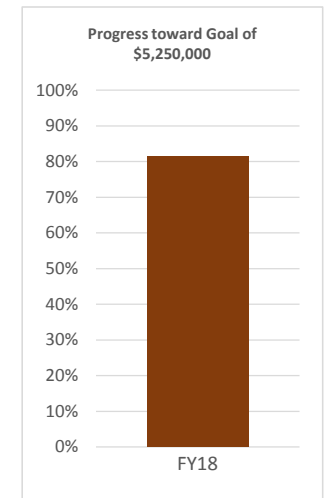
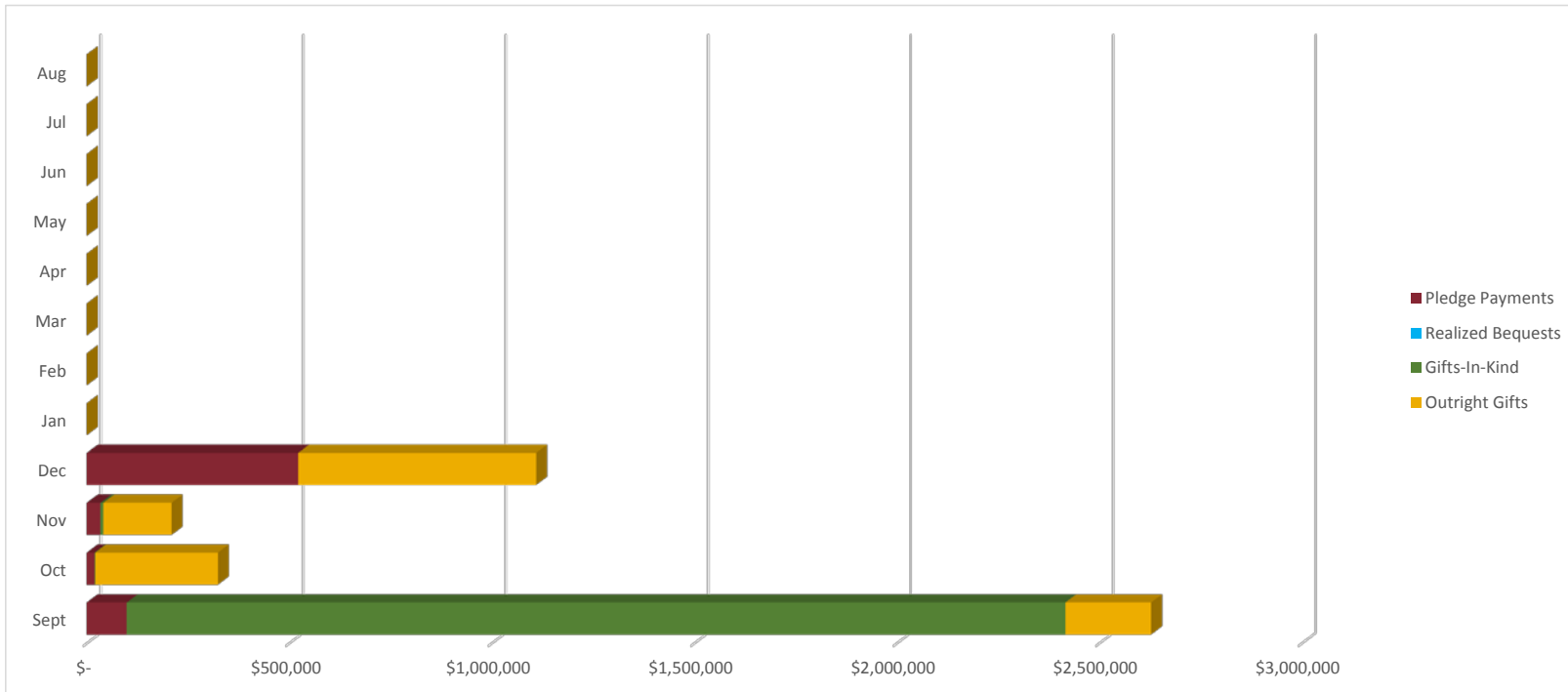


Midwestern State University

FY18 Monthly Comparison of Cash/Grants

Gift Type	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Grand Total
Pledge Payments	\$ 99,134	\$ 19,114	\$ 34,135	\$ 521,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 674,216
Realized Bequests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts-In-Kind	\$ 2,317,200	\$ 1,927	\$ 6,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,326,062
Outright Gifts	\$ 211,567	\$ 302,702	\$ 168,454	\$ 587,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,270,285
FY18 Total	\$ 2,627,902	\$ 323,743	\$ 209,524	\$ 1,109,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,270,562
FY17 Total	\$ 348,887	\$ 424,967	\$ 394,297	\$ 362,056	\$ 294,323	\$ 92,958	\$ 221,671	\$ 89,615	\$ 509,063	\$ 582,704	\$ 98,200	\$ 1,311,206	\$ 4,729,945
<i>Difference</i>	\$2,279,015	(\$101,224)	(\$184,773)	\$747,338	(\$294,323)	(\$92,958)	(\$221,671)	(\$89,615)	(\$509,063)	(\$582,704)	(\$98,200)	(\$1,311,206)	(\$459,383)

Cash Bar - by Gift Type

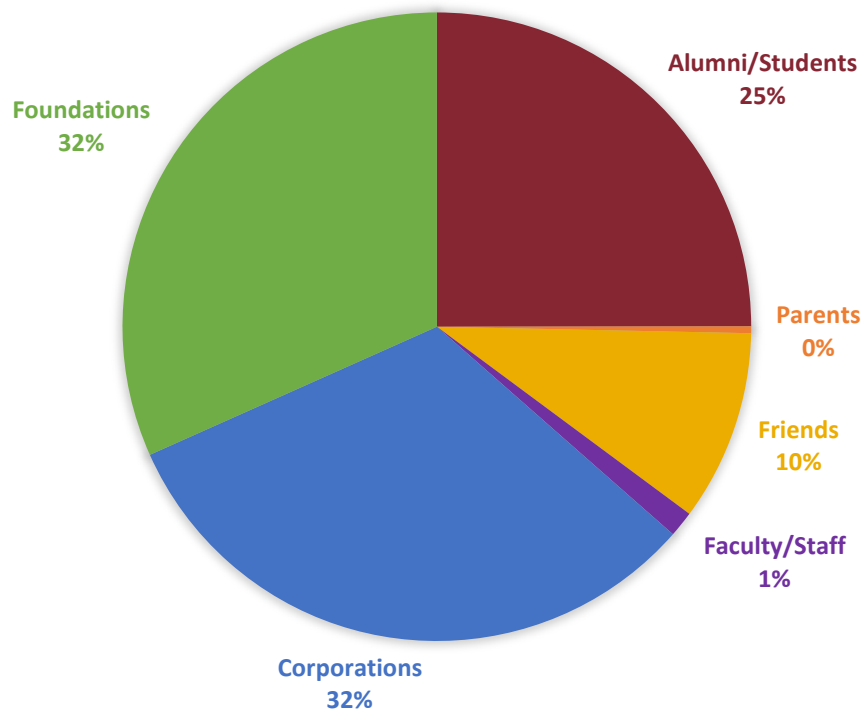


Outside Sources Scholarships through 12/31/2017	\$104,162.21
Alumni Memberships through 12/31/2017	\$14,080.00

Midwestern State University

Sources of Outright Gifts/Grants

FY18 (Sept 1, 2017 through Dec 31, 2017)



Alumni/Students		\$459,874.48	25%
Alumni	\$356,238.91		
Students	\$103,635.57		
Parents		\$6,396.62	0%
Friends		\$180,817.24	10%
Faculty/Staff		\$24,438.72	1%
Active	\$10,393.72		
Retired	\$14,045.00		
Corporations		\$586,117.41	32%
Direct Gifts & Grants	\$585,267.41		
Matching Gifts	\$850.00		
Foundations		\$583,220.30	32%
TOTAL		\$1,840,864.77	100%

*Does not include Gift-in-Kind of: \$ 2,326,061.65



Update
September 1, 2017 to December 31, 2017

Living Members

Anonymous (3)
Ed Blankenship ('04)
Vikki Chaviers ('77, '99)
Max C. Folmar ('66)
John and Hitomo Greening ('64)
Dr. Patricia Perryman ('84)
Bill ('84) and Gladys Sharp
Dr. Anthony E. "Tony" Stephens ('64)
Margaret Stevens ('49)
Janis James Steward ('83)
Brenda Terry
Dr. R. Steven Tipps (Former Faculty)
Betty R. Wagner
Dr. Patricia ('74) and Michael Wooten

Number of Gifts Confirmed	13
Actual Amount Confirmed	\$ 2,088,162.00
Campaign Value Confirmed	\$ 1,309,667.00
Number of Gifts Documentation Pending	3

<https://mwsu.edu/universityadvancement/planned-giving>

Review of Midwestern State University Financial Ratios FY15-17

Introduction

Attached is a matrix of the main financial ratios for the university. Calculations were performed with targets as established by “Strategic Financial Analysis for Higher Education, 7th Edition”, written by Prager, Sealy and Company, 2010. The institution’s information was derived from the Annual Financial Reports for the years FY15, FY16, and FY17. For purposes of this set of calculations, the state appropriations for the Tuition Revenue Bond (TRB) issuances and their related interest and principal payments and debt liability were subtracted from the numbers as shown in the grey filled cells. With this adjustment, the review is simplified to data that are not skewed with large amounts of state-covered debt.

The information is broken into four categories: 1) Resource sufficiency and flexibility; 2) Debt management; 3) Asset performance and management; and 4) Operating results. Each category has ratios that are pertinent to measuring the performance of the institution in that area. Lastly, the Composite Financial Ratio is shown that provides an overall financial health of the institution using four of the core financial ratios.

Resource Sufficiency and Flexibility

The only ratio in this category is the Primary Reserve Ratio. This ratio asks the question: Are the resources sufficient and flexible enough to support the mission? This core strategic financial ratio is based on the expendable net assets divided by the total expenses. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserve without relying on additional net assets generated by operations. It is reasonable to expect expendable net assets to increase at least in proportion to the rate of growth in operating size. The trend on this ratio is important. The target is to have more than .40 times the net assets compared to expenses. MSU’s Primary Reserve Ratio has been over .40 times for the last three years, with FY17 at its highest level, .429x. This ratio would be higher if not for the \$8M added net pension liability required by new FASB guidelines added in FY15. If the net pension liability was not included, the ratio would be above .50x.

Debt Management

This category includes four ratios: 1) Viability; 2) Debt Burden; 3) Debt Service Coverage; and 4) Interest Burden.

Viability Ratio – Viability is a core strategic financial ratio and compares the amount of net assets of the institution over the amount of long term debt the institution holds. This ratio asks the question: Are debt resources managed strategically to advance the mission? A ratio of 1:1 (100%) or greater indicates that as of the balance sheet date, an institution has sufficient expendable net assets to satisfy the long-term debt obligations. However a ratio of less than 100% shows an institution that is less self-reliant and has less operating flexibility, but can still

function. The level that is “right” for an institution is institution-specific and should be targeted to balance the financial, operating and programmatic objectives. MSU’s Viability is slightly less than 100%.

Debt Burden Ratio – Debt Burden ratio is not a core strategic financial ratio, but it is a key tool in measuring debt affordability. It measures the institution’s dependence on borrowed funds as a source of financing its mission and relative cost of borrowing to overall expenditures. The ratio is calculated with debt service in the numerator and total expenses less depreciation plus debt service principal payments as the denominator. Debt service includes principal and interest payments. The industry has viewed an upper threshold for this ratio at 7%. MSU’s ratio is below 7% if TRB debt is not included.

Debt Service Coverage Ratio – This ratio measures the excess of income over adjusted expenses available to cover annual debt service payments. It shows the net revenue stream available to meet the institution’s debt burden should economic conditions change. The higher the ratio, the better. Because the change in net assets can be volatile, it is sometimes helpful to average or smooth several years of this ratio. Because MSU had a large adjustment for a new net pension liability in FY15 (\$8.7M) and an investment loss in FY16, in these two years the ratio was negative. With a more stable year in FY17, the ratio was 32%.

Interest Burden Ratio – The Interest Burden Ratio is similar to the Debt Service Burden Ratio, except that this ratio excludes principal payments. The numerator is all interest payments on indebtedness and the denominator is the total operating expenses less depreciation plus debt service payments. Because this ratio includes only interest, the target for this ratio should be lower than that for the Debt Service Burden Ratio and it is recommended an institution’s budget not exceed 5-7% being devoted to paying interest. The greater the interest burden, the less flexibility the institution has to adjust spending in other areas of the budget if financial conditions deteriorate. Because of the low interest rate environment and MSU refinancing all issuances of more expensive debt to lower rates, MSU’s interest burden falls well below 5%, with the ratio in FY17 being 2.9%.

Asset Performance and Management

This category has three ratios and reflects on how well the institution is managing its net assets and physical assets.

Return on Net Assets Ratio – This ratio is another key strategic financial ratio. This ratio asks the question: Does asset performance and management support the strategic direction? The ratio determines whether the institution is financially better off than in previous years by measuring total economic return and should be reviewed over an extended period. A decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution’s mission. On the other hand, an improving trend in this ratio indicates that the institution is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility. The numerator is the change in total net assets with the denominator the beginning of that fiscal year’s total net assets. MSU’s ratios in both FY15 and FY16 were

negative due to the restatement in FY15 for the net pension liability and in FY16 for loss in investments. FY17 showed a positive return of 1.9%. The target over time should be in the 3-4% range.

Physical Asset Reinvestment Ratio – This ratio calculates the extent capital renewal is occurring compared with physical asset usage, represented as depreciation expenses. A ratio above 1:1 (100%) indicates that the institution is investing more in physical assets than is being depreciated. Again, since there are ebbs-and-flows to investment in physical assets, this ratio should be reviewed over multiple years. MSU has shown investment over the last two years above 200%. With the construction occurring on campus over the coming years, this should continue to be a strong positive ratio.

Age of Facilities Ratio – This ratio measures the average age of the total plant facilities by measuring the relationship of current depreciation to total depreciation. This ratio is important because it provides a rough sense of the age of the facilities and the potential need for future resources to be invested in plant to cover deferred maintenance. The ratio uses as the numerator accumulated depreciation and the denominator as depreciation expense. An acceptable level for this ratio is 14 years or less for predominately undergraduate liberal arts institutions. MSU's ratio has been slowly increasing from 10.5, 11.6 to 12.6 in FY17. However, once new facilities are brought on line over the next few years, the average age should drop back down.

Operating Results

There are four Operating Results ratios that deal with the level of net operating revenue, and tuition and fee levels at the institution. The last three ratios, Net Tuition and Fees Contribution, Net Tuition Dependency and Net Tuition per Student FTE are all considered "Contribution" ratios to provide further analysis on tuition and fee revenues and can help address reasons an institution's overall financial ratios have behaved in the manner observed.

Net Operating Revenue Ratio – This ratio is a key strategic financial ratio and explains how the surplus from operating activities affects the behavior of the other three core ratios. It asks the question: Do operating results indicate the institution is living within available resources? A large surplus or deficit directly impacts the amount of funds an institution adds to or subtracts from net assets thereby affecting the Primary Reserve, the Return on Net Assets and the Viability ratios. A positive ratio indicates the institution has experienced an operating surplus for the year. A small deficit may be unimportant if the institution is financially strong, is aware of the causes of the deficit and has active plans in place to cure the deficit. The ratio is calculated by taking the net income divided by revenues. For public institutions, a range of 4-6% is appropriate over time. MSU had a negative ratio in FY15 and FY16 but showed a positive 1.57% in FY17.

Net Tuition and Fee Contribution – This ratio shows the amount of expenses which are covered by net tuition and fees. This includes Federal and state financial aid revenues. Ideally, public institutions should be receiving less than 60% of its revenues from students. This would also translate to expenses being less than 60% paid by students. At MSU, the ratio has been falling in the 45-50% range over the last several years.

Net Tuition Dependency Ratio – This ratio measures tuition and fees as a percentage of total operating income. This measure also reflects how dependent the institution is on payments by students as a portion of operating income. This ratio should be reviewed over multiple years to see whether dependency is increasing or decreasing. Ideally, the ratio should be decreasing over time. MSU’s ratios were in the 51% range, but dropped in FY17 to less than 48%.

Net Tuition Per Student FTE – This is a similar measure to the other two ratios shown above, with an increase in the net tuition per student being seen as a positive occurrence. This ratio allows the institution to see the average amount of actual tuition revenue on a per-student basis. This measure is also duplicated with state appropriation included (without state-paid debt service included) to reflect on whether the institution is receiving more or less revenue on a per student basis in prior year. In FY17, the institution obtained less tuition and fees than in FY16, but more than in FY15. The decrease in FY17 is due to more waivers and exemptions being given out than was offset with increasing tuition and fee rates. This pattern also was seen when state appropriations were included in the calculation, given that state appropriations were flat between FY16 and FY17.

Composite Financial Index

After reviewing the four core ratios, it is helpful to combine them into a single score allowing a weakness or a strength in a specific ratio to be offset by another ratio result, or the Composite Financial Index (CFI). This score provides a more holistic approach to understanding an institution’s total financial health. Ideally when reviewing ratios, all component entities should also be included. MSU did not include its Charitable Trust or Foundation financials in the calculation of these ratios other than flow-through of revenue from endowments or gifts which came from one of the component entities to the institution. If these entities were included, MSU’s ratios would be strengthened for the most part.

The CFI score must be taken into context with other associate plans and activities an institution has to meet its mission-critical issues. While a poor CFI score may show an institution with some challenges, a high CFI score may not necessarily indicate a successful institution in relation to achievement of its mission.

Creating a Common Scale

The first calculation is to articulate the four ratios to a common scale. Because the number generated from each score has a different “healthiness” rating compared to the others, the scores must be turned into a common strength for each ratio. The conversion of the four is shown on the table attached.

Weighting the Ratios

The next step after calculating common ratio strengths is to multiply this score with a weight. A key feature of the CFI is that its number allows weaknesses in individual ratios to be quantitatively offset by strengths in other ratios. The weights shown on the attachment are used

because the belief that retained wealth and strategic use of debt are stronger indicators of long-term institutional financial health than measures depending on a single year's performance. In other words, an institution may have to reinvest in itself periodically, which may mean generating a controlled deficit. These may be the most important strategic investments an institution makes.

Totaling the Calculations

The last step in calculating the CFI is to total the four results. A 3 score represents the threshold value of neither re-engineering the institution to offset poor performance nor having excessive resources to allow creative transformation. A score of 1 is required to access debt and Department of Education compliance and remediation issues. A score between 2 and 3 suggests substantive programmatic adjustment and some re-engineering of the institution to improve its financial health. Above a 3, the institution has sufficient resources to invest in positive future states and perhaps even allow experimentation in new initiatives. MSU's score in FY17 was at a 2.2 – but again, this does not include any of MSU's component entities in the financial ratio calculations. In addition, the net pension liability (that was required to be added to the institution's financials in FY15) caused negative ratios in many of the core areas. Given these adjustments, MSU's CFI score is most likely too low per this edition's guidelines for financial health.

Summary

The financial ratio analysis for MSU over the last three fiscal years when not including Tuition Revenue Bond debt or appropriations, reflects an institution which is stable, but not overly wealthy. To improve the Composite Financial Index, an increase in net income (and therefore net assets) would be ideal in the coming years. This can be accomplished by either increasing enrollment and/or controlling expenses. MSU has been investing in strategic priorities over the last several years to create a more mission-centered institution. Executive management realizes that investing financial resources into initiatives that will increase enrollment, provide services that students demand, fairly compensate faculty and staff, and create enhanced campus opportunities is preferred to building up reserves that do not move the institution forward. Debt levels are reasonable when TRB debt is not considered and as the institution grows, additional levels of debt will not be unwarranted. Overall, MSU's financial condition based on the set of financial ratios shown could be strengthened but is stable.

Financial Ratios without TRB payments (indicated with grey fill)

	Calculation	Target	FY15	FY16	FY17
Resource Sufficiency and Flexibility					
* Primary Reserve Ratio	<u>Expendable Net Assets</u>				
	Total Expenses	>.40x	40.0%	41.7%	42.9%
Debt Management					
* Viability Ratio	<u>Expendable Net Assets</u>	>100%	92.1%	96.3%	91.8%
	Long Term Debt				
Debt Burden Ratio	<u>Debt Service</u>		5.7%	6.9%	5.6%
	Total Expenditures	< 7%			
Debt Service Coverage	<u>Adj. Change in Net Assets</u>		-211.466%	-13.836%	31.698%
	Debt Service				
Interest Burden	<u>Interest Expense</u>		2.8%	4.2%	2.9%
	Total Expenditures	<5-7%			
Asset Performance and Management					
* Return on Net Assets Ratio	<u>Change in Net Assets</u>	3-4%	-10.8%	-1.0%	1.9%
	Total Net Assets				
Physical Asset Reinvestment Ratio	<u>Capital Expenditures</u>	100%	22.7%	226.5%	216.9%
	Depreciation Expense				
Age of Facility	<u>Accumulated Depreciation</u>	<14 years	10.5	11.6	12.6
	Depreciation Expense				
Operating Results					
* Net Operating Revenue	<u>Operating Income + Net Nonoperating Revenues</u>	2-6%	-11.97%	-0.85%	1.57%
	Operating Revenues + Nonoperating Revenues				
Net Tuition and Fees Contribution	<u>Net Tuition & Fees</u>	<60%	45.6%	50.3%	45.5%
	Total Expenses				
Net Tuition Dependency Ratio	<u>Net Tuition & Fees</u>	Going Down	51.9%	51.5%	47.8%
	Total Adj Operating Income				
Net Tuition Per Student FTE	<u>Net Tuition and Fees</u>		7,696	8,675	8,101
	Student FTE's				
	w/ Appropriation		11,691	12,994	12,676
Composite Financial Index					
Conversion of Ratios into Strength Factors		Factor			
Primary Reserve		0.133	3.0	3.1	3.2
Net Operating Revenues		0.013	(9.2)	(0.7)	1.2
Return on Net Assets		0.02	(5.4)	(0.5)	0.9
Viability Ratio		0.417	2.2	2.3	2.2
Weighting Scheme					
Primary Reserve			35%	35%	35%
Net Operating Revenues			10%	10%	10%
Return on Net Assets			20%	20%	20%
Viability			35%	35%	35%
CFI Calculation					
Primary Reserve			1.1	1.1	1.1
Net Operating Revenues			(0.9)	(0.1)	0.1
Return on Net Assets			(1.1)	(0.1)	0.2
Viability			0.8	0.8	0.8
Total		>3.0	(0.2)	1.7	2.2



Financial Ratios

By Dr. Marilyn Fowle'
February 8, 2018



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Financial Ratios

- Method to measure and analyze financial information
- Provides overall indicators of financial health and a gauge of institutional performance
- Determine whether the institution is using its financial resources effectively to achieve its mission
- Can focus planning activities on steps necessary to improve financial profile

Questions to be Answered

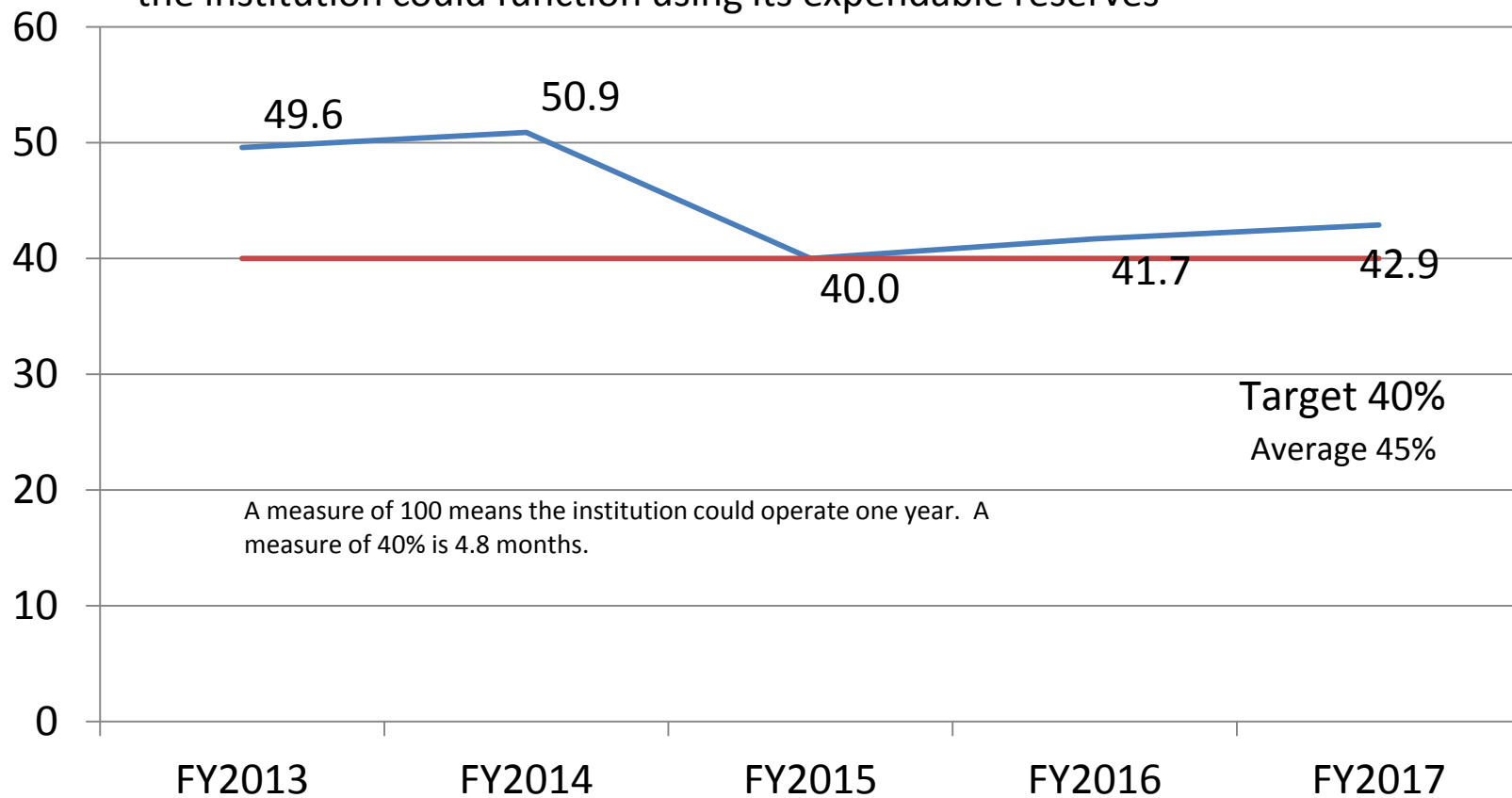
- Does the institution have sufficient liquidity?
- Are the resources sufficient and flexible enough to support the mission?
- Are the financial resources, including debt, managed strategically to advance the mission?
- Does asset performance and management support the strategic direction?
- Do operating results indicate the institution is living within available resources?

Key Ratios

- Liquidity - Primary Reserve Ratio
- Debt Coverage - Viability Ratio
- Asset Performance - Return on Net Assets Ratio
- Financial Operating Results - Net Operating Ratio
- Overall Financial Strength- Composite Financial Index, which takes all four ratios listed above into account

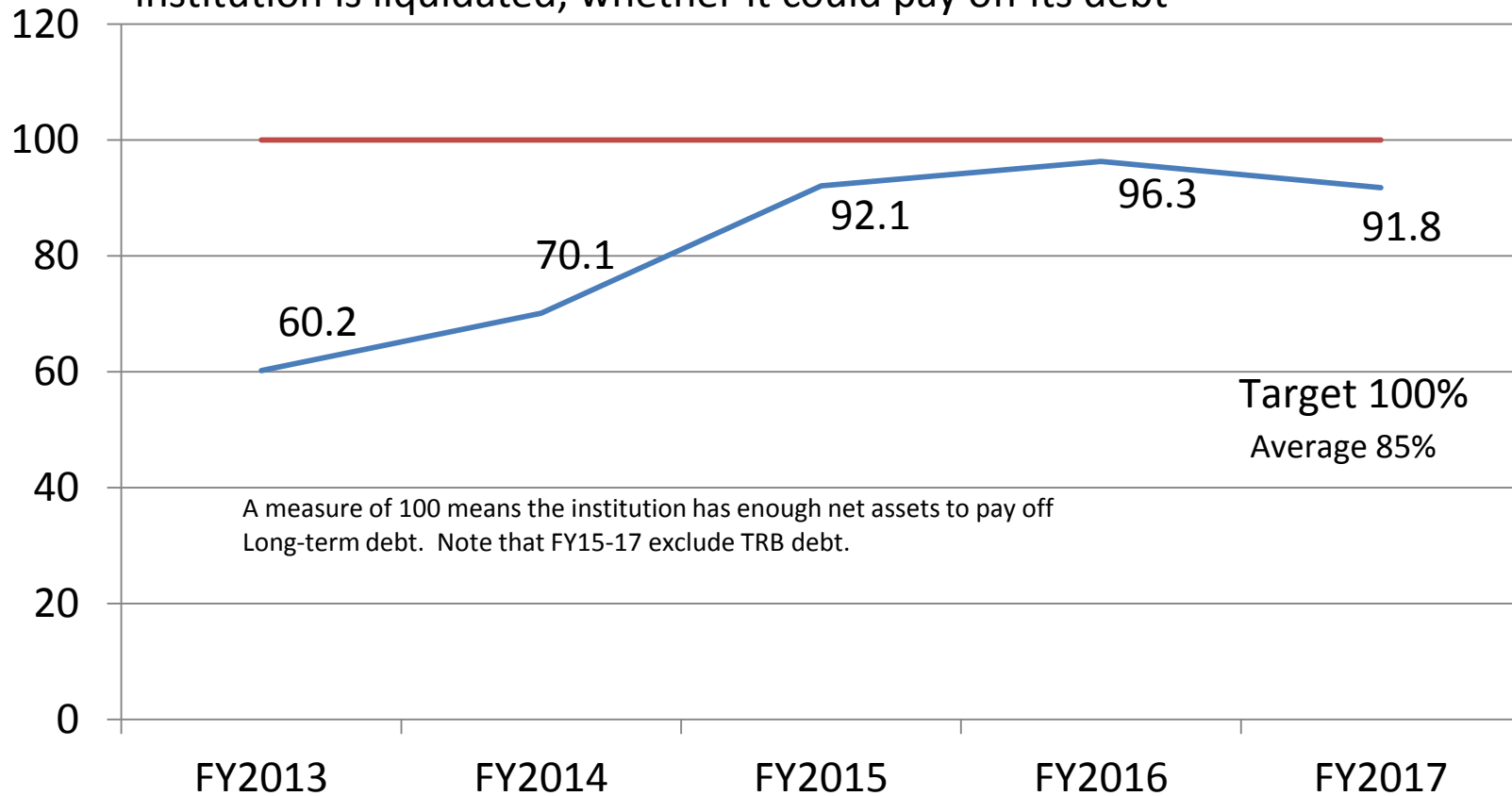
Liquidity Primary Reserve

Compares expendable net assets to total expenses – indicates how long the institution could function using its expendable reserves



Debt Management Viability Ratio

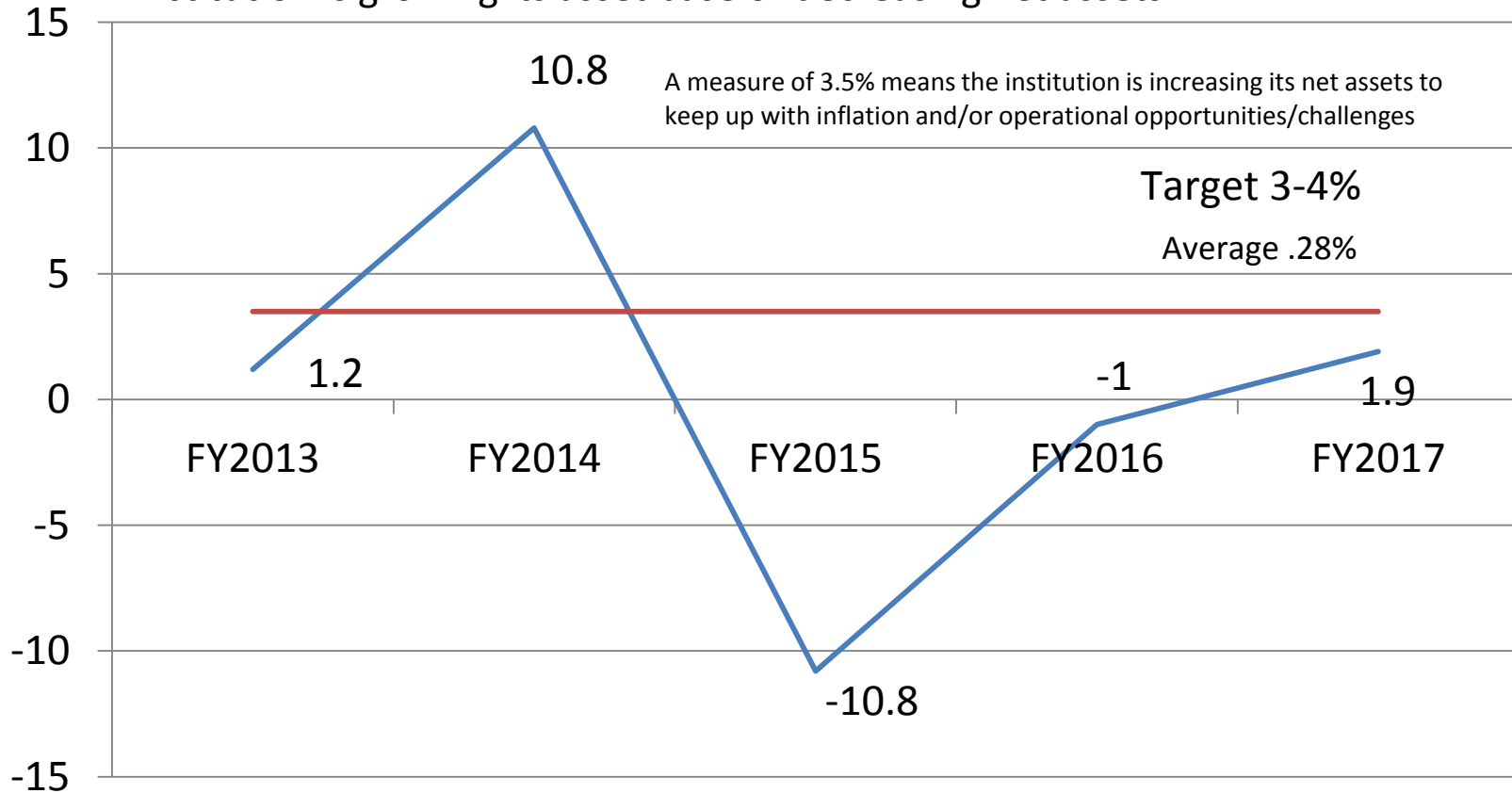
Compares expendable net assets to long term debt – indicates if the institution is liquidated, whether it could pay off its debt



Asset Performance & Management

Return on Net Assets Ratio

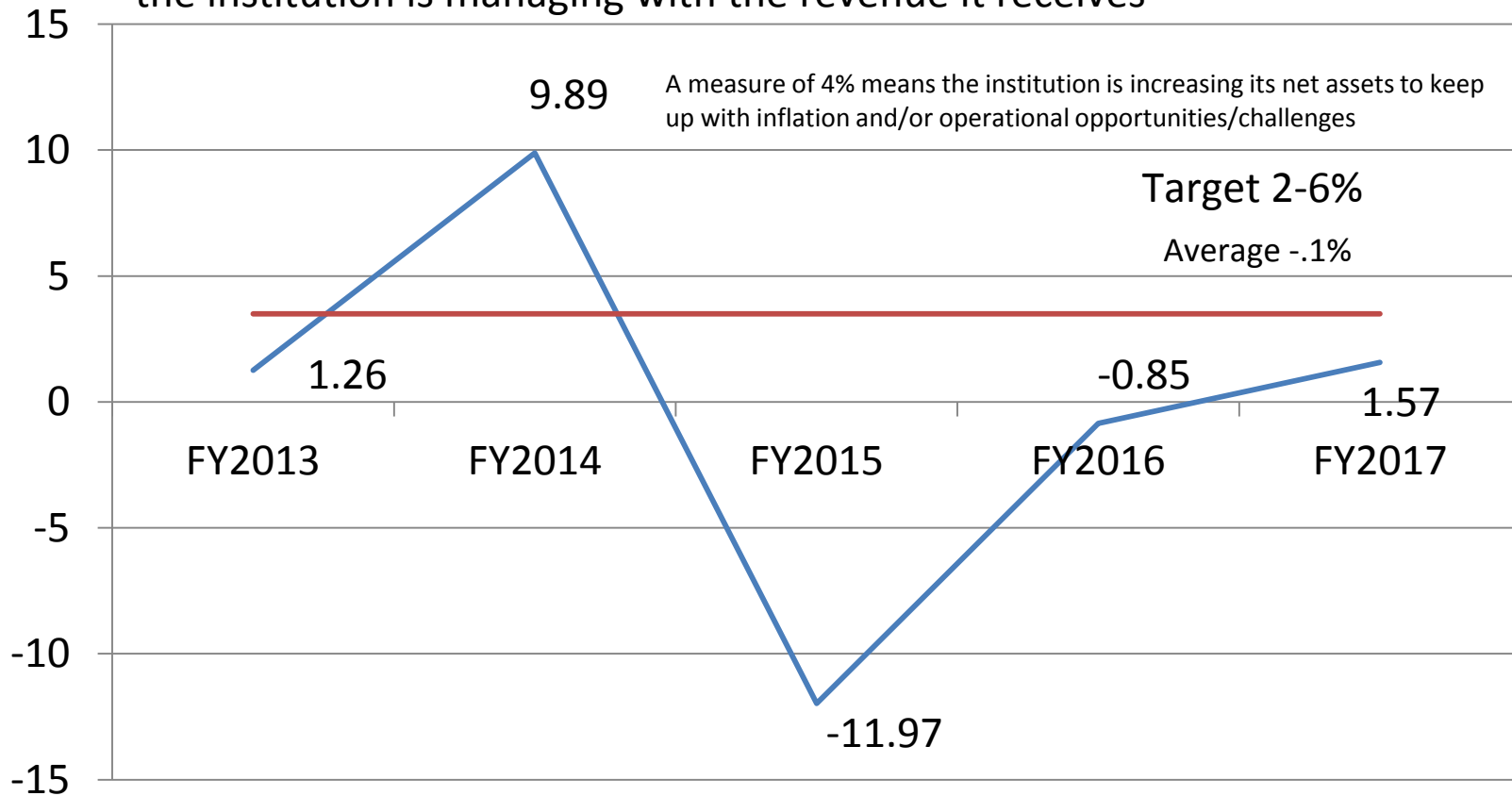
Compares the change in net assets to total net assets – indicates if the institution is growing its asset base or decreasing net assets



Operating Results

Net Operating Revenue

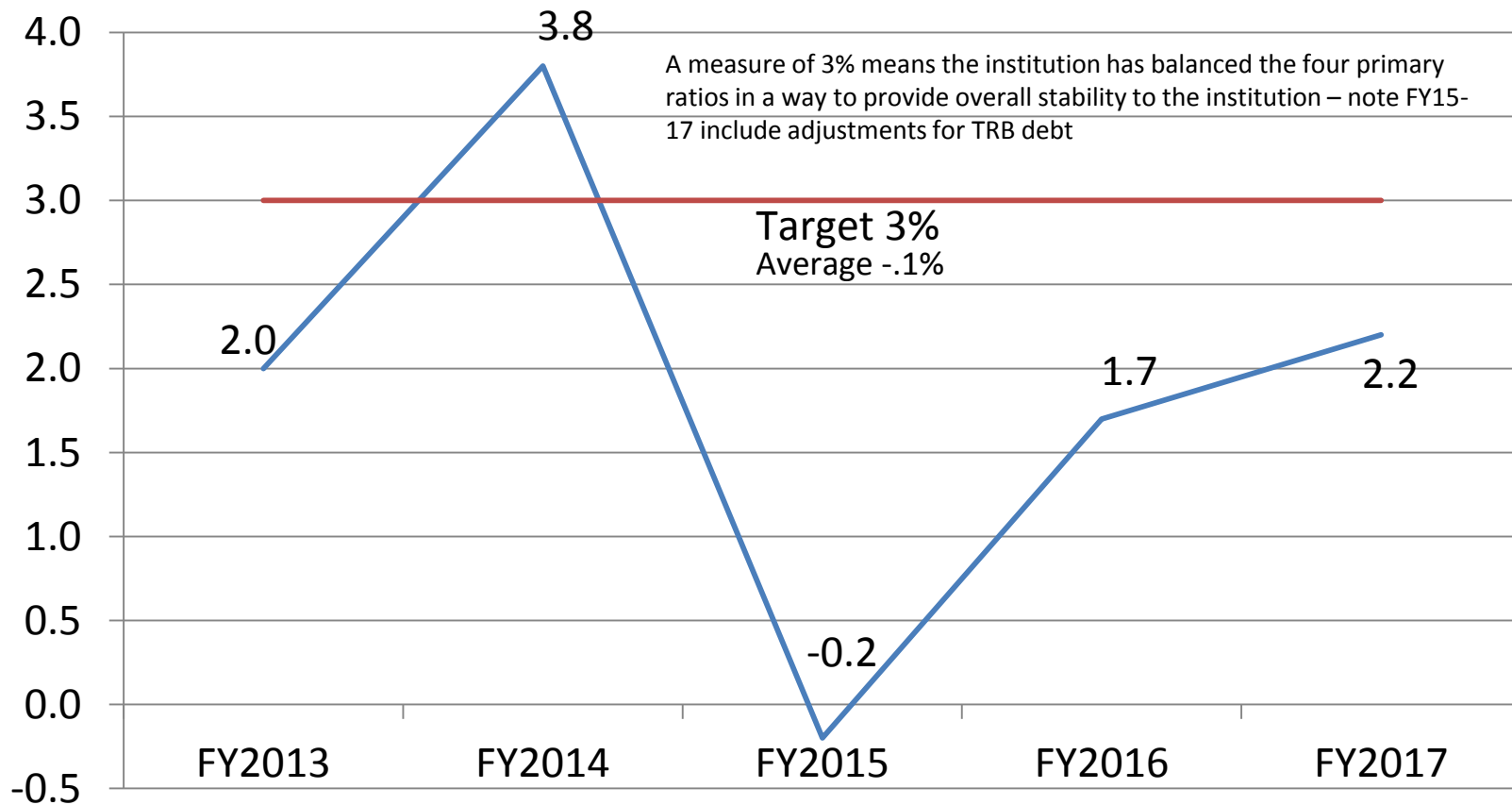
Compares the net income with overall revenue – indicates how well the institution is managing with the revenue it receives



Financial Health

Composite Financial Index

Uses all four ratios to calculate an overall financial health ratio – indicates how well overall the institution is managing its finances -



Financial– Summary Report

Financial Report

The quarterly report is through December 31, 2017. Schedule One highlights that total revenue for the institution was \$44.3 million, up \$1.5 million compared to the same period last year. Operating revenue made up of tuition and fees, grants, and auxiliary enterprises were up \$1 million. Non-operating revenue including state appropriations was up \$442K. Expenses have decreased from \$47.3 million to \$47 million, a decrease of \$325K or -0.7%. The largest decrease was repairs and maintenance due to timing difference on booking the maintenance expense of donated software (down \$1.3 million). Salaries, wages and other payroll related costs increased less than \$300K because of a one-month hold on filling of any vacant positions.

Schedules Two and Three show that overall revenues and expenses are tracking positively to budget, with revenues at 83.3% and expenses at only 32.7% to an expected 33.3% at the end of December. Schedule Three shows that the institution was short of meeting its tuition and fee revenue goals for the fall with tuition and fees being about \$210K short of budget. Auxiliaries were \$155K over budget with a stronger than expected performance in the students purchasing food plans. Tuition and fee shortfalls will be made up by reduced expenditures.

Lastly, on Schedule Four, the ending balances of working capital funds show a use of \$2.4 million commitment in reserves due to carry forward budgeting with prudent use of reserves. All of the items on this report were included in the original FY18 budget.

Investment – Summary Report

Investment Report

The quarterly investment report is through November 30, 2017, as required by the Public Funds Investment Act.

The report shows that at the end of November the university held a total of \$34 million in cash and cash investments. Of that, \$5.6 million was in highly liquid cash investments, plus \$1.2 million at the state treasury. Texas A&M University System (TAMUS) held \$27 million of the funds. TAMUS cash investments earned \$101,000 of interest and dividends over the quarter and \$2,196,000 of unrealized gain since inception. The institution kept \$5.6 million in Texpool/Logic/Class, all short-term over-night investment vehicles. The balances of the funds, \$260,000 are held in securities purchased before the institution contracted with TAMUS and was managing its own cash. The small amount of common stock, \$71,000 in book value, is showing a \$166,000 gain since being acquired. The university has yielded on the overall cash holdings anywhere from 1.3% to 2.22% a month over the quarter.

The university has also invested the \$55.9 million of bond proceeds on the tuition revenue bond projects. At the end of November, these funds earned \$135,000 for the quarter. The university's endowed funds are held at both American National Bank with \$9.2 million and, as of March 1, 2015, at Texas A&M University System for \$12 million. The funds held by American National had a realized gain of \$50,000 in market value since last quarter and overall have appreciated market value of 20.7% since obtaining the funds. The university received \$33,700 distribution from these funds for the quarter. The Texas A&M University System Endowment Pool had a realized gain of \$116,000 in market value for the quarter, and a market gain of 3.7% since inception. The university received \$21,000 in distributions net of fees for the quarter.

Also included in the report are the quarterly reports provided by TAMUS on the Cash Concentration Pool and the System Endowment Funds.

Policy 4.182 Business Affairs & Finance

INVESTMENT POLICY – OPERATING FUNDS

Date Adopted/Most Recent Revision: ~~11/10/2017~~—02/09/2018

A. Purpose

The purpose of this investment policy is to establish cash management and investment guidelines for the investment and protection of university operating funds in order to ensure that the university's investments are duly authorized, properly managed, and adequately protected. This policy will be reviewed annually by the Board of Regents. This policy is intended to:

1. Establish prudent investment procedures.
2. Assure that investment assets are adequately safeguarded.
3. Assure that adequate accounts and records are maintained which reflect investment position and results.
4. Assure that a system of good internal controls is maintained.

This policy provides investment guidelines for all operating funds invested by Midwestern State University to ensure compliance with university standards, the Public Funds Investment Act (TX Govt. Code 2256), Texas Education Code 51.0031, and all other state and federal laws.

B. Investment Objectives

1. Safety of Principal:

Each investment transaction shall seek to reduce the likelihood of capital losses, whether from security defaults or erosion of market value.

2. Liquidity:

The investment portfolio shall remain sufficiently flexible to enable the university to meet all operating requirements which may be reasonably anticipated in any funds.

3. Public Trust:

In managing the investment portfolio, officials shall avoid any transaction that might impair public confidence in the university. Investments shall be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived. No security shall be purchased that has either a limited or nonexistent secondary market.

4. Rate of Return:

The investment portfolio shall be designed with the purpose of regularly exceeding the average return of three month U.S. Treasury bills and the State of Texas Treasury yield.

The investment program shall seek returns above this threshold, consistent with the overall investment policy and other investment objectives.

C. Investment Fund Administration

1. Investment Responsibility

Investment responsibilities are delegated by the Midwestern State University Board of Regents to the President and the Vice President for Administration and Finance. Each member of the Board shall attend at least one (1) training session relating to the person's responsibilities under the Public Funds Investment Act within six (6) months after taking office. The university's chief financial officer and controller shall attend at least one (1) training session relating to that person's responsibilities within six (6) months after assuming duties and shall attend a training session not less than once in a two (2) year period and prepare a report to the Board of Regents on such training. This training must include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act (TX Govt. Code 2256.007). The university's chief financial officer shall also provide a report within six months of the end of each legislative session on any changes to the Public Funds Investment Act passed that session.

2. Day-to-Day Supervision

The Controller shall be responsible for the daily supervision and implementation of the investment program and shall be authorized to purchase, sell, and invest university funds in accordance with the Public Funds Investment Act and Education Code 51.003 and this investment policy, with approval of the President or the Vice President for Administration and Finance.

3. Record Keeping

Transaction and accounting records shall be complete and prepared on a timely basis with consideration at all times to the adequacy of an audit trail. Internal controls will assure responsible separation of duties and diminish the real and prospective burden on individual employees.

4. Custody

Custody of investment assets shall be in compliance with applicable laws and arranged to provide as much security, trading speed, and flexibility as possible.

D. Investment Strategy - Short-term Operating Funds

1. The daily cash position will be monitored by the Controller to ensure that non-interest bearing cash is minimized. The collection time of all dividend and interest payments will be accelerated to the extent possible. The university will maintain a minimum of \$1,000,000 available in overnight funds which will be kept in Texpool, Logic, or repurchase agreements. Should balances fall below this amount for any reason they will be replenished at the earliest opportunity from the first available cash receipts.
2. Overnight or short-term (thirty [30] days) funds shall be invested through a competitive bid or offer process as frequently as the market dictates as follows:
 - a. Banks in the local area are to be contacted by telephone to obtain their current certificate of deposit rates.
 - b. An unaffiliated investment broker is to be contacted to obtain statewide Texas banks' certificate of deposit rates.
 - c. Texpool or LOGIC, or other Board-approved cash investment pools are to be contacted to obtain current overnight rates.
 - d. Funds shall be placed based on the best rate quoted.
3. Transactions to purchase or sell securities shall be entered into on the basis of "best execution," which normally means best realized net price for the security. Settlement of all transactions except investment pool funds must be on a delivery versus payment basis.
4. The goal of the university will be that the portfolio shall be adequately diversified at all times in accordance with these investment guidelines. Specific investment ranges and investment policy limitations are as follows:

	Minimum	Maximum
U.S. Treasury Obligations	0%	100%
Federal Agency Obligations	0%	90%
Federal Agency Mortgage-Backed	0%	25%
Municipal Obligations	0%	50%
Certifications of Deposit (Insured)	0%	20%
Purchase Agreements (Collateralized)	0%	20%
Mutual Funds	0%	15%
Approved Investment Pools	0%	50%
University System Cash Concentration Pool	0%	90%

5. The university's pooled investment fund is comprised primarily of operating funds, and fund balance equity that carries forward from year to year. At the beginning of each fiscal year, the Controller and Vice President for Administration and Finance will analyze current operating cash needs as well as any cash requirements for capital projects that will occur within the next two (2) years. If the university is not using a University System Cash Concentration Pool arrangement, the university will be required to more closely monitor its investments and maturities. This monitoring and analysis will include a two (2) year time line which clearly identifies any known cash requirements and the approximate month in which the cash must be available. Once an analysis of project needs has been assembled, an analysis of current economic conditions and interest rate levels and projections from third party outside sources should be reviewed. Investment maturities are to be structured in such a way as to maintain a liquid or currently maturing balance for all operating funds budgeted for expenditure during the fiscal year. If interest rates are rising or anticipated to increase these funds may be kept in short-term investment pools such as TEXPOOL. If interest rates are falling or are projected to fall, these funds should be invested to match projected cash needs as determined. Funds in excess of operating funds may be invested, preferably by staggering maturities, for longer than a year.
6. Bond proceeds are to be invested separately and apart from the university's pooled investment fund and maturities are to be structured in such a way as to provide sufficient cash to meet construction expenditures.
7. Endowment funds are to be invested in accordance with the university's separate Investment Policy – Endowment Funds.
8. Investments donated to the university for a particular purpose or for a specific use as specified by the donor may be held in investments other than those identified as authorized investments in this policy. Such investments shall be held apart from the university's pooled investment fund. Those investments shall be subject to all other requirements of this policy.
9. The investment staff shall be responsible for following the "prudent person" standard which shall be applied in the management of the portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

E. Investment Brokers/Dealers

1. The Board of Regents and the President may hire independent investment advisors or investment managers to assist university personnel in the execution of their investment responsibilities. All routine investments will be purchased or sold utilizing an established list of qualified firms. The Board of Regents shall annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the university. Qualified firms must be regulated by the Securities Exchange Commission and be members of the Financial Industry Regulatory Authority (FINRA).
2. A written copy of this investment policy shall be presented to any business organization (investment pool or an investment management firm under contract to manage the entity's portfolio with discretionary authority) offering to engage in an investment transaction with the university. The qualified representative of the business organization shall execute a written instrument substantially to the effect that the business organization has:
 - a. Received and reviewed this investment policy; and
 - b. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the university and the organization that are not authorized by the university's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the university's entire portfolio or requires an interpretation of subjective investment standards.
 - c. The investment officer may not acquire or otherwise obtain any authorized investment described in this investment policy from a person who has not delivered the written instrument to the university as described above.
 - d. Nothing in this section relieves the university of the responsibilities of monitoring the investments made by the university to determine that they are in compliance with this investment policy.

F. Investment Ethics

Officers and investment staff involved in the investment process shall refrain from personal business activity, as defined by the Public Funds Investment Act (TX Govt. Code 2256.005), that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. A member of the Board shall not direct nor participate in the decision to purchase or sell securities of a firm with which such member is significantly affiliated. Securities will not be purchased from or sold to a member of the Board. All investment staff must report any personal business relationship or relationship within the second degree of affinity or consanguinity with an individual or another firm or organization to

the President and the Internal Auditor. On an annual basis the staff will report the nature and extent of any investments in or business transacted with such firms.

G. Investment Guidelines

Funds must be invested at all times in strict compliance with the Public Funds Investment Act (TX Govt. Code 2256) and other applicable laws, unless invested according to Texas Education Code Section 51.0031 which allows the Board of Regents to contract with another institution under prudent person investment standards.

1. Authorized Investments. Authorized investments include the following.

- a. Obligations of the United States or its agencies and instrumentalities including the Federal Home Loan Bank.
- b. Direct obligations of the State of Texas or its agencies and instrumentalities.
- c. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States with a maturity of 10 years or less.
- d. Other obligations, the principal of an interest on which are unconditionally guaranteed or insured by the State of Texas or United States.
- e. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.
- f. Certificates of deposit issued by state, national, or savings banks having a main office or branch office in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation or secured by a Federal Home Loan Bank letter of credit, or its successors, or collaterally secured by those obligations as listed above in a.-e.
- g. Interest bearing bank deposits insured by the FDIC or the National Credit Union Share Insurance Fund.
- h. Fully collateralized repurchase agreements having a defined termination date, secured by obligations described in a. above, and the securities are pledged to the university, held in the university's name and deposited at the time the investment is made with the university or with a third party selected and approved by the university, and is placed through a primary government securities dealer as defined by the Federal Reserve, or a financial institution doing business in this state. Repurchase agreement means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described in a. above, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. This term includes a direct security repurchase agreement and a reverse security repurchase agreement. The term of any reverse security repurchase agreement may not exceed

- ninety (90) days after the date the reverse security repurchase agreement is delivered. Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.
- i. Prime domestic bankers' acceptances with a stated maturity of two-hundred-seventy (270) days or less from the date of issuance and will be liquidated in full at maturity, are eligible for collateral for borrowing from a Federal Reserve Bank, and are accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1, P-1, or the equivalent by at least one nationally recognized credit agency and is fully secured by an irrevocable letter of credit issued by a bank.
 - j. Commercial paper with a stated maturity of two-hundred-seventy (270) days or less from the date of its issuance that is rated not less than A-1, P-1, or the equivalent by at least two (2) nationally recognized rating agencies, or is rated at least A-1, P-1, or the equivalent by at least one (1) nationally recognized credit agency and is fully secured by an irrevocable letter of credit issued by a bank.
 - k. SEC-registered, no-load money market mutual funds and no-load mutual funds as described in and limited by the Public Funds Investment Act (TX Govt. Code 2256.014) and in compliance with SEC Rule 2a-7.
 - l. Bond funds that have a duration of less than one year and whose investments are limited to investment grade securities excluding asset-backed securities.
 - l. Guaranteed Investment contracts for bond proceeds as described in the Public Funds Investment Act (TX Govt. Code 2256.015)
 - m. Investment Pools as described in the Public Funds Investment Act (TX Govt. Code 2256.016) including the maximum average dollar-weighted maturity of the pool based on the stated maturity date, with the Weighted average maturity limit not to exceed 90 days for a no-load money market mutual fund, two years for a no-load mutual fund, 90 days for a constant dollar pool, and none for a floating net asset value pool. Corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.
 - o. A contracted arrangement with a university system as defined under Education Code 51.0031 which allows the university to invest its cash into a system's cash concentration pool.

2. **Unauthorized Investments**

Effective September 1, 1995, in compliance with the Public Funds Investment Act (TX Govt. Code 2256.009b), the following are not authorized investments:

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (interest-only).
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (principal only).
- c. Collateralized Mortgage obligations that have a stated final maturity date of greater than ten (10) years.
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

H. **Performance Measurement**

The investment performance of the funds will be measured by an unaffiliated organization with recognized expertise in this field, and compared against the stated performance goals.

Measurement will occur at least monthly and will be used to evaluate the results on investment holdings and will include monitoring any rating changes in the university's investments.

Prudent measures will be taken to liquidate an investment that fails to maintain the minimum required rating in a given month, as required by TX Govt. Code 2256.021.

Reports will be prepared in compliance with generally accepted accounting principles and will describe in detail the investment position of the university and will include, by individual investment, the book value, market value, accrued interest, maturity dates, any purchases, sales, gains or losses and the fund or pooled account for which each individual investment was acquired. Reports shall be distributed to the President, the Vice President for Administration and Finance, and the Internal Auditor. The Board of Regents shall receive the report no less than quarterly. The reports to the Board of Regents must be prepared and signed by the investment staff of the university and certified as to the portfolio's compliance with these policies and the Public funds Investment Act (TX Govt. Code 2256.023), unless the funds are invested under Texas Education Code Section 51.0031, for which the reporting will be provided by the contracted institution. The university Internal Auditor will perform a compliance audit at least once every two years with results reported to the State Auditor, President, and the Board of Regents not later than January 1 of each even-numbered year on those funds held locally and not invested through contract according to Texas Education Code Section 51.0031.

I. **Interest Rate Risk Measurement**

The university will measure on a quarterly basis the interest rate risk of its securities. The university will monitor and be aware of the overall interest rate and market value risk it is taking.

4.196 Administration & Finance

INVESTMENT POLICY – ENDOWMENT FUNDS

Date Adopted/Most Recent Revision: ~~08/06/2010~~ 02/09/2018

A. Purpose

The purpose of this investment policy is to establish cash management and investment guidelines for the investment and protection of university endowment funds in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Texas Property Code Chapter 163. Endowment funds include, but are not limited to, gifts of property, stock, and real assets that have been donated to the university to provide funding for scholarships, professorships, and other uses as specified by the donors.

This policy applies to all individual and quasi-endowment funds held by Midwestern State University. Funds functioning as endowments (often referred to as quasi-endowments) are used to account for resources that the governing board, rather than the donor, has determined are to be retained and managed like an endowment. Principal and income of these funds may be utilized at the discretion of the governing board.

The endowment funds may be invested as authorized by this policy and, for short periods of time, be placed in authorized university depositories for the processing of receivables and disbursements.

B. Investment Objectives

This policy is designed to fulfill the following objectives:

1. provide security of invested principal;
2. provide for appreciation of principal;
3. provide a continuing and dependable cash payout within market constraints;
4. provide for planned liquidity for anticipated cash flow purposes;
5. manage market risks;
6. maximize overall total return within the established risk constraints; and
7. provide for diversification of investment assets.

The long term objective of an endowment is to preserve the intergenerational equity of the endowment while providing an appropriate current spending policy. All endowment funds will be managed by the “prudent person standard.”

Endowment funds should be invested to provide funding for scholarships, fellowships, professorships, and other uses as specified by donors or the Board of Regents. Income must be sufficient to provide an adequate cash stream to support the programs for which the endowments were created. In addition, the corpus of the endowment accounts should appreciate over time, exclusive of growth derived from donations, to ensure preservation of purchasing power, and also to satisfy the need for future growth in payouts.

Endowment funds will be invested to meet these objectives, by maximizing total return consistent with an appropriate level of risk and subject to generation of adequate current income. Additionally, the investments shall be diversified to provide reasonable assurance

that investment in a single security, a class of securities, or market sector will not have an excessive impact on the funds.

C. Investment Fund Administration

1. Investment Officers

Investment responsibilities are delegated by the Midwestern State University Board of Regents to the president and the vice president for administration and finance. Investment officers, as designated by the board, are responsible for all investment management decisions and activities of the endowment funds.

~~Each investment officer must attend ten hours of investment training within twelve months of assuming the position and attend ten hours within each succeeding two-year period.~~

Each investment officer shall disclose any personal or business relationship with any business organization engaging in an investment transaction with the university. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the university shall file a statement disclosing that relationship. The disclosure shall be filed with the president and the board. No investment officer of the university may accept anything of value in connection with investment transactions. All soft dollar transactions are strictly prohibited.

No investment officer may engage in an investment transaction except as provided under terms of this policy.

2. Investment Committee

The responsibilities of the Board of Regents Committee with investment oversight are to:

- a. assist in the development and implementation of investment policies, objectives, and guidelines;
- b. prepare an asset allocation analysis and recommend an asset allocation strategy with respect to the endowment's objectives;
- c. review investment managers, including search, selection, and recommendation to the investment officers and/or MSU Board of Regents;
- d. review performance evaluation reports, and
- e. review contracts and fees for both current and proposed investment managers.

3. Day-to-Day Supervision and Record Keeping

The controller shall be responsible for the daily supervision and implementation of the investment program under the direction of the Vice President for Business Affairs and Finance.

D. Standard of Care

The "prudent person standard" shall be the standard used in all investment functions and shall be applied in the context of individual transactions as well as management of the overall portfolio. Accordingly, all investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, emphasizing the probable safety of their capital as well as the expected income to be derived.

All investments shall be consistent with the board's approved Investment Policy – Endowment Funds. Investment officers shall not be held personally liable for a specific security's credit risk or market value change as long as actions were in accordance with this policy and procedures, unexpected deviations were reported to the president in a timely manner, and all appropriate actions were taken to control adverse developments.

E. Investment Strategies

The endowment performance objective is to grow the market value of assets net of inflation, spending, and expenses, over a full market cycle (generally defined as a three to five year period) without undue exposure to risk. The endowment is particularly risk-averse to the probability of not meeting the total return goal. Liquidity must be considered and sufficient to meet the spending needs and expenses.

The total return goal can be achieved while assuming acceptable risk levels commensurate with "market volatility". To achieve the total return goal, the endowment's assets will be invested to generate appreciation and/or dividend and interest income.

Because the portfolio is expected to endure into perpetuity, and because inflation is a key component in the performance objective, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but it is a residual to the investment process and used to meet short-term liquidity needs. Other asset classes are included to provide diversification and incremental total return.

The cash payout requirement for endowment funds is significant and continuous. The target distribution will be between four and five percent.

The portfolio shall be diversified to diminish risks associated with particular securities, market sectors, or industries with an excessive impact on the funds.

The university shall pursue an active portfolio management strategy for endowment funds. The investment officers and investment managers will regularly monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions. Quarterly reviews of performance shall be made by the investment officers.

Strategic Asset Allocation Parameters (maximums) are as follows:

- | | | |
|----|--------------------------|-----|
| 1. | U.S. and Global Equities | 70% |
| 2. | Alternative Assets* | 30% |
| 3. | Fixed Income and Cash | 40% |

*No more than 20% in any one class of alternative assets. The administration will monitor the level of alternative investments to maintain a target level of 30% or less of all endowment fund investments.

Texas Education Code 51.0031 allows the Board of Regents to contract with another institution to invest university funds under prudent person investment standards. Any funds managed by another university or university system will follow the asset allocation parameters outlined in the contract.

Summary of the Personnel Position Status Reports for 9/1/17 – 12/31/17

Total net new positions as of 12/31/17 = 0.0

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
October 31, 2017

POSITIONS	APPROVED BUDGET		POSITIONS		TOTAL POSITIONS		SALARY	FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT POSITIONS	
	9/1/2017		ADDED (DELETED)				(SAVED)						
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	ADDED	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
EXEC, ADMIN & MANAGERIAL	48.00	5,044,178			48.00	5,044,178		46.00	4,781,894	2.00	262,284	48.00	5,044,178
REGULAR FACULTY	256.59	18,219,977			256.59	18,219,977	13,365	247.09	17,743,526	9.50	489,816	256.59	18,233,342
PROFESSIONAL NON-FACULTY	168.12	7,786,750			168.12	7,786,750	(5,496)	165.62	7,569,323	2.50	211,931	168.12	7,781,254
CLERICAL AND SECRETARIAL	95.08	2,444,076			95.08	2,444,076	(1,648)	89.08	2,350,481	6.00	91,947	95.08	2,442,428
TECH & PARAPROFESSIONAL	23.75	1,092,491			23.75	1,092,491	8,099	22.75	1,042,667	1.00	57,923	23.75	1,100,590
SKILLED CRAFT	29.00	1,025,330			29.00	1,025,330		29.00	1,025,330	0.00	0	29.00	1,025,330
SERVICE & MAINTENANCE	70.00	1,596,427			70.00	1,596,427		60.00	1,387,183	10.00	209,244	70.00	1,596,427
POLICE	14.00	561,122	0.00	0	14.00	561,122	6,305	13.00	534,828	1.00	32,599	14.00	567,427
GRAND TOTALS	704.54	37,770,351	0	0	704.54	37,770,351	20,625	672.54	36,435,232	32.00	1,355,744	704.54	37,790,976

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
November 30, 2017

POSITIONS	APPROVED BUDGET		POSITIONS		TOTAL POSITIONS		SALARY	FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT POSITIONS	
	9/1/2017		ADDED (DELETED)				(SAVED)						
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	ADDED	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
EXEC, ADMIN & MANAGERIAL	48.00	5,044,178			48.00	5,044,178	8,800	46.00	4,790,694	2.00	262,284	48.00	5,052,978
REGULAR FACULTY	256.59	18,219,977			256.59	18,219,977	13,365	247.09	17,743,526	9.50	489,816	256.59	18,233,342
PROFESSIONAL NON-FACULTY	168.12	7,786,750			168.12	7,786,750	(5,496)	165.62	7,569,323	2.50	211,931	168.12	7,781,254
CLERICAL AND SECRETARIAL	95.08	2,444,076			95.08	2,444,076	(10,977)	89.08	2,341,152	6.00	91,947	95.08	2,433,099
TECH & PARAPROFESSIONAL	23.75	1,092,491			23.75	1,092,491	8,099	22.75	1,042,667	1.00	57,923	23.75	1,100,590
SKILLED CRAFT	29.00	1,025,330			29.00	1,025,330		29.00	1,025,330	0.00	0	29.00	1,025,330
SERVICE & MAINTENANCE	70.00	1,596,427			70.00	1,596,427	265	60.00	1,387,448	10.00	209,244	70.00	1,596,692
POLICE	14.00	561,122			14.00	561,122	5,916	13.00	534,439	1.00	32,599	14.00	567,038
GRAND TOTALS	704.54	37,770,351	0	0	704.54	37,770,351	19,972	672.54	36,434,579	32.00	1,355,744	704.54	37,790,323

MIDWESTERN STATE UNIVERSITY
PERSONNEL POSITION STATUS REPORT
December 31, 2017

POSITIONS	APPROVED BUDGET		POSITIONS		TOTAL POSITIONS		SALARY	FILLED POSITIONS		VACANT POSITIONS		TOTAL CURRENT POSITIONS	
	9/1/2017		ADDED (DELETED)				(SAVED)						
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	ADDED	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
EXEC, ADMIN & MANAGERIAL	48.00	5,044,178			48.00	5,044,178	8,800	46.00	4,790,694	2.00	262,284	48.00	5,052,978
REGULAR FACULTY	256.59	18,219,977			256.59	18,219,977	13,365	247.09	17,743,526	9.50	489,816	256.59	18,233,342
PROFESSIONAL NON-FACULTY	168.12	7,786,750			168.12	7,786,750	(7,475)	165.62	7,567,344	2.50	211,931	168.12	7,779,275
CLERICAL AND SECRETARIAL	95.08	2,444,076			95.08	2,444,076	(13,762)	89.08	2,338,367	6.00	91,947	95.08	2,430,314
TECH & PARAPROFESSIONAL	23.75	1,092,491			23.75	1,092,491	8,099	22.75	1,042,667	1.00	57,923	23.75	1,100,590
SKILLED CRAFT	29.00	1,025,330			29.00	1,025,330		29.00	1,025,330	0.00	0	29.00	1,025,330
SERVICE & MAINTENANCE	70.00	1,596,427			70.00	1,596,427	(4,452)	60.00	1,382,731	10.00	209,244	70.00	1,591,975
POLICE	14.00	561,122			14.00	561,122	5,916	13.00	534,439	1.00	32,599	14.00	567,038
GRAND TOTALS	704.54	37,770,351	0	0	704.54	37,770,351	10,491	672.54	36,425,098	32.00	1,355,744	704.54	37,780,842

Midwestern State University Reporting of Personnel Changes
Fiscal Year 18
October - December, 2017

I. ENTERING EMPLOYEES

1. Jerry Aberdeen – PC Network Technician, Flower Mound – 10/01/17
2. Llanona Jeanette Keen – Student Services Coordinator, Flower Mound – 10/01/17
3. Martinay Sandell – Financial Aid Processor/Counselor – 10/01/17
4. Tania Correia – Library Assistant I – 10/01/17
5. Mel Martinez – Instructional Designer, HRSA Grant (MUSTANGS Project), Nursing – 10/09/17
6. Vicki Jackson – Project Manager, HRSA Grant (MUSTANGS Project), Nursing – 10/11/17
7. Joshua Ysasi – Financial Aid Processor/Counselor – 10/15/17
8. Justin Goetze – Groundskeeper, Facilities Services – 10/16/17
9. Alan Moser - Groundskeeper, Facilities Services – 10/16/17
10. Laurel Clement – Professional Counselor, Counseling Center – 10/23/17
11. Jenny Schroeder – Academic Counselor Coordinator, Dillard College of Business – 10/23/17
12. Raddiete Ghion – Geoscience Outreach Coordinator – 10/30/17
13. Joelee Ashley – Secretary, Social Work – 11/01/17
14. Carla Tettleton – Secretary, BAAS – 11/01/17
15. Aaron Dwayne Williams – Police Officer III – 11/15/17
16. Amanda Clawson – Administrative Assistant, Dillard College of Business – 11/20/17
17. Desiree Gazdik – Human Resources Assistant II – 11/20/17
18. Richard Elliott – Audio Visual Technician, Information Technology – 11/27/17
19. Jeffery Sampson – Custodian, Facilities Services – 11/27/17
20. Debra Chavez – Custodian, Facilities Services, 12/01/17
21. Madison Johnson – Teller, Business Office – 12/04/17
22. Emily Billings – Electronic Access Media Librarian – 12/11/17
23. Elmer Dennis Studdard – Student Center Maintenance Technician – 12/11/17

II. EXITING EMPLOYEES

1. Ronald Scott Riecker – Student Center Maintenance Technician – 10/06/17
2. Cassie Stone – Human Resources Assistant II – 10/11/17
3. Anna Montoya – Custodian, Facilities Services – 10/13/17
4. Stephanie Chavez – Administrative Assistant, Dillard College of Business – 10/16/17
5. Nathaniel Wilkes – Custodian, Facilities Services – 10/23/17
6. Stacy Johnson – Library Assistant III – 10/26/17
7. Blake Barington – Sports Information Director, Athletics – 10/27/17
8. Susan McGrath – Library Assistant III – 10/31/17
9. Amanda Walton - Coordinator, Graduate Student Recruitment, Admission, and Retention – 10/31/17

III. RETIRING EMPLOYEES

1. Cynthia Richards – Custodian, Facilities Services – 10/31/17
2. Lori Case – Assistant Director, Purchasing and Contract Management – 12/31/17
3. Martha Crump – Assistant Professor, Dental Hygiene – 12/31/17
4. Bruce Looney – Custodial Foreperson, Facilities Services – 12/31/17
5. Kevin Rainsberg – Residence Hall Maintenance Technician – 12/31/17

Proposed Change to Undergraduate and Graduate Application Fees

Undergraduate Application Fee

Increase the application fee by \$15, from \$25 to \$40 effective September 1, 2018. Applicants will continue to qualify for fee waivers via SAT/ACT, or through the free/reduced lunch program at their high school.

Rationale for the Change

The proposed \$40 application fee will allow MSU to remain at a competitive fee while at the same time providing additional revenue that is needed to help meet future recruitment goals. While a moderate increase, an applicant paying the higher fee is a stronger indicator of intent to enroll, allowing MSU to spend limited human and fiscal resources on applicants with a greater likelihood to enroll.

Peer Comparisons

Institution	Undergraduate Application Fee
Texas A&M at College Station	\$75
University of Texas at Austin	\$75
University of North Texas	\$75
Texas State University	\$75
University of Houston (main)	\$75
A&M Galveston	\$75
Texas Tech University	\$60 (\$75 for spring applications)
University of Texas at Arlington	\$60
University of Texas at Dallas	\$50
Texas Woman's University	\$50
Tarleton State University	\$45
Sam Houston State University	\$45
Stephen F Austin University	\$45
West Texas A&M University	\$40
University of N. Texas at Dallas	\$40
Prairie View A&M University	\$40
A&M Corpus Christi University	\$40
University of Texas at Tyler	\$40
Midwestern State University (Proposed)	\$40
Angelo State University	\$35
Lamar University	\$25
Sul Ross University	\$25
Texas A&M Kingsville	\$25
Texas A&M Commerce	None

Revenue Generation

Based on application numbers from the fall 2016 final application report, the following is an example of the difference in revenue that an increased application fee would create.

Revenue based on \$25 Fee*	Revenue Stream based on \$40 Fee**
3017 applications @ \$25 = \$75,425	2564 applications @ \$40 = \$102,560

*excludes any waivers issued

**assumes a 15% decrease in applications due to increased fee

McAda Graduate School Application Fee

Increase the application fee by \$15, from \$35 to \$50 effective September 1, 2018. Application fee waivers will continue to be available to students who request a waiver and complete the application process.

Rationale for the Change

Midwestern State University has not updated the graduate application fee since it was initiated by the Board of Regents at its November 2003 meeting. Increasing the application fee keeps MSU on par with other Texas graduate schools and generates additional revenue for graduate student recruitment.

Peer Comparisons Based on Current Fees

Institution	Graduate Application Fee
Lamar University	\$0
Texas State University	\$10
Sul Ross State University	\$25
University of Houston	\$25 - \$150 (varies by program)
Texas A&M Kingsville	\$35
Angelo State University	\$40
University of Texas at Arlington	\$40
University of Texas at Tyler	\$40
West Texas A&M University	\$40
Sam Houston State University	\$45
Tarleton State University	\$45
Midwestern State University (Proposed)	\$50
Prairie View A&M University	\$50
Stephen F. Austin State University	\$50
Texas A&M College Station	\$50
Texas A&M Commerce	\$50
Texas A&M Corpus Christi	\$50
Texas A&M Galveston	\$50
Texas Woman's University	\$50
University of North Texas at Dallas	\$50
University of Texas at Dallas	\$50
Texas Tech University	\$60
University of Texas at Austin	\$65
University of North Texas	\$75

Revenue Generation

Based on data from the AY 2016-2017 application report, an estimate of the revenue differential from an increased application fee for domestic graduate students is presented in the table below. An estimate assuming a 10% decrease in applications because of this increase as also presented.

Number of applications (AY 2016-2017)	Application Fee	Revenue*
665	\$35	\$23,275
665	\$50	\$33,250
	<i>Revenue differential</i>	\$9,975
If 10% decrease is realized = 599	\$50	\$29,950
	<i>Revenue differential</i>	\$6,675

*excludes any fee waivers issued

Mandatory Tuition and Fee Schedule Comparison

Fall 2017 to Proposed Fall 2018

	New Student Fall 2017 15 Hours	New Student Fall 2018 15 Hours	Sophomores Fall 2018 15 Hours	Juniors Fall 2018 15 Hours	Seniors Fall 2018 15 Hours
State Tuition	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
University Designated Tuition	1,857.75	1,995.00	1,857.75	1,857.75	1,821.00
Student Union/Center Fee	55.00	55.00	55.00	55.00	55.00
Recreational Center Fee	120.00	130.00	130.00	130.00	130.00
Student Service Fee	250.00	250.00	250.00	250.00	250.00
Athletic Fee	120.00	120.00	120.00	120.00	120.00
Instruct Enhancement Fees - avg*	257.50	257.50	257.50	257.50	257.50
University Services Fee	1,089.75	1,209.75	1,209.75	1,209.75	1,209.75
Total for 15 SCH	<u>\$ 4,500.00</u>	<u>\$ 4,767.25</u>	<u>\$ 4,630.00</u>	<u>\$ 4,630.00</u>	<u>\$ 4,593.25</u>
Fall 2017 Charge		\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,463.25
Overall Percentage Increase over Fall 2017		5.939%	2.889%	2.889%	2.913%

<i>Per Semester Credit Hour</i>	<i>Actual Fall</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Designated Tuition	\$ 123.85	\$ 133.00	\$ 123.85	\$ 123.85	\$ 121.40
University Services Fee	72.65	80.65	80.65	80.65	80.65
Student Service Fee	17.05	18.75	18.75	18.75	18.75
Flat Semester Fee					
Wellness and Recreational Center Fee	120.00	130.00	130.00	130.00	130.00
Non-Mandatory Fee					
Distance Education Fee	50.00	55.00	55.00	55.00	55.00

TASSCUBO Summary of Tuition and Fee Survery Responses

Institutions Without College-Specific Tuition

averaged from variable program tuition and fees

Institution Name	FY16 Rates				FY17 Rates				Proposed FY18 Rates			
	Fixed Rate	% Enrolled	Variable Rate	% Enrolled	Fixed Rate	% Enrolled	Variable Rate	% Enrolled	Fixed Rate	% Enrolled	Variable Rate	% Enrolled
University of Texas at Dallas									\$ 6,729			
University of North Texas	\$ 5,268	17%	\$ 5,045	83%	\$ 5,516	n/a	\$ 5,260	n/a	\$ 5,731	n/a	\$ 5,465	n/a
Texas State University	\$ 5,334	<1%	\$ 4,973	99%	\$ 5,484	<1%	5,109.05	99%	\$ 5,706	<1%	\$ 5,311	99%
University of Texas at Austin									\$ 5,694			
Texas A&M University									\$ 5,516			
University of Texas at Arlington					\$ 5,403				no response			
Texas A&M University at Galveston	\$ 4,994	100%	n/a	n/a	\$ 5,344	n/a	\$ 5,183	n/a	\$ 5,434	n/a	\$ 5,270	n/a
Tarleton State									\$ 5,418			
Lamar University									\$ 5,393	n/a	\$ 5,046	n/a
Sam Houston State University	\$ 4,965	<1%	\$ 4,469	99%	\$ 5,054	n/a	\$ 4,758	n/a	\$ 5,266	n/a	\$ 4,945	n/a
Stephen F. Austin State University									\$ 5,129	n/a	\$ 4,769	n/a
Texas Tech					\$ 5,000	low average			no response			
Prairie View A&M University	\$ 4,823	100%	n/a	n/a	\$ 4,989	n/a	\$ 4,989	n/a	\$ 4,979	n/a	\$ 4,979	n/a
Texas A&M University - Corpus Christi									\$ 4,722			
Midwestern State University	\$ 4,209	100%	n/a	n/a	\$ 4,389	100%	n/a	n/a	\$ 4,500	100%	n/a	n/a
Texas Woman's University									\$ 4,439			
University of Houston - Clear Lake									\$ 4,328			
Sul Ross State University - Alpine Campus	\$ 3,815	0%	\$ 3,605	100%	\$ 4,119	0%	\$ 3,909	100%	\$ 4,245	n/a	\$ 4,035	n/a
Angelo State									\$ 4,197	n/a	\$ 4,108	n/a
West Texas A&M University ⁴	\$ 3,757	100%	n/a	n/a	\$ 3,968	n/a	\$ 3,840	n/a	\$ 4,194	n/a	\$ 4,064	n/a
University of Texas at El Paso	\$ 4,020	0%	\$ 3,631	100%	\$ 4,140	n/a	\$ 3,794	n/a	no response			
Texas A&M University - Commerce	\$ 3,716	100%	n/a	n/a	\$ 4,004	n/a	\$ 3,875	n/a	\$ 4,088	n/a	\$ 3,944	n/a
Texas A&M University - San Antonio	\$ 3,727	100%	n/a	n/a	\$ 4,035	n/a	\$ 3,904	n/a	no response			
University of Houston - Downtown									\$ 3,943			
University of Houston - Victoria	\$ 3,632	Less than 1%	\$ 3,543	99%	\$ 3,886	n/a	\$ 3,684	n/a	no response			
Texas A&M - Texarkana									\$ 3,817	n/a	\$ 3,694	n/a
University of Texas Rio Grande Valley ³	\$ 3,650	100%	n/a	n/a	\$ 3,724	100%	n/a	n/a	\$ 3,798	100%	n/a	n/a
Sul Ross State University - Rio Grande College	\$ 2,630	0%	\$ 2,480	100%	\$ 2,742	0%	\$ 2,592	100%	\$ 2,832	n/a	\$ 2,682	n/a
Lamar Institute of Technology ¹	n/a	n/a	\$ 2,637	100%	n/a	n/a	\$ 2,720	100%	n/a	n/a	\$ 2,817	n/a
Lamar State College - Orange ²	n/a	n/a	\$ 2,404	100%	n/a	n/a	\$ 2,510	100%	no response			

Footnotes:

⁴ Public technical school part of Texas State System

² Two year institution part of Texas State System

³ UTRGV does not offer a variable rate plan. Tuition and mandatory fees are capped at 12 hours per semester.

⁴ Accepted majors in the College of Business, the School of Engineering and Computer Science and the Department of Nursing also pay varying amounts of differential tuition. For most students, this occurs at the beginning of their Junior year.

Undergraduate Tuition and Fee Schedule Comparison

	Fall 2009 15 Hours	Fall 2010 15 Hours	Fall 2011 15 Hours	Fall 2012 15 Hours	Fall 2013 15 Hours	Fall 2014 15 Hours	Fall 2015 15 Hours	Fall 2016 15 Hours	Fall 2017 15 Hours	Fall 2018 Proposed 15 Hours
State Tuition	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
University Designated Tuition	1,404.00	1,448.25	1,513.50	1,672.50	1,672.50	1,785.00	1,821.00	1,857.75	1,857.75	1,995.00
Student Service Fee	232.50	232.50	232.50	232.50	232.50	232.50	232.50	250.00	250.00	250.00
Student Union/Center Fee	35.00	35.00	35.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Instruct Enhcmnt/Course Fees - avg*	135.00	135.00	135.00	135.00	207.00	207.00	207.00	242.50	257.50	257.50
Technology Fee	330.00	330.00	330.00	255.00	-	-	-	-	-	-
Medical Service Fee	15.00	15.00	15.00	15.00	-	-	-	-	-	-
Wellness Center Fee	15.00	15.00	15.00	15.00	-	-	-	-	-	-
Publication Fee	5.00	5.00	5.00	5.00	-	-	-	-	-	-
Library Fee	105.00	105.00	120.00	120.00	-	-	-	-	-	-
International Education Fee	4.00	4.00	4.00	4.00	-	-	-	-	-	-
Recreational Center Fee	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	130.00
Energy Surcharge Fee	97.50	120.00	135.00	195.00	-	-	-	-	-	-
Athletic Fee	-	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Academic Support Fee	-	60.00	60.00	60.00	-	-	-	-	-	-
University Services Fee	-	-	-	-	676.80	813.75	903.75	993.75	1,089.75	1,209.75
Total for 15 SCH	<u>\$ 3,248.00</u>	<u>\$3,494.75</u>	<u>\$3,590.00</u>	<u>\$ 3,754.00</u>	<u>\$3,838.79</u>	<u>\$4,088.24</u>	<u>\$ 4,244.75</u>	<u>\$ 4,389.00</u>	<u>\$ 4,500.00</u>	<u>\$ 4,767.25</u>

*To be consistent, average IEF and course fees include 3 SCH each: ENGL, HIST, BIOL, MATH, SOCL

Hourly rate of Designated Tuition	\$ 93.60	\$ 96.55	\$ 100.90	\$ 111.50	\$ 111.50	\$ 119.00	\$ 121.40	\$ 123.85	\$ 123.85	\$ 133.00
DT % increase over prior year	5.643%	3.152%	4.505%	10.505%	0.000%	6.726%	2.017%	2.018%	0.000%	7.388%
% increase over regulated \$24 rate								416.042%		
Total increase over prior year	\$ 180.75	\$ 246.75	\$ 95.25	\$ 164.00	\$ 84.79	\$ 249.45	\$ 156.51	\$ 144.25	\$ 111.00	\$ 267.25
Total % increase over prior year	5.893%	7.597%	2.726%	4.568%	2.259%	6.498%	3.828%	3.398%	2.529%	5.939%
Average amount per SCH	\$ 216.53	\$ 232.98	\$ 239.33	\$ 250.27	\$ 255.92	\$ 272.55	\$ 282.98	\$ 292.60	\$ 300.00	\$ 317.82
Average SCH % increase over prior	5.893%	7.597%	2.726%	4.568%	2.259%	6.498%	3.828%	3.398%	2.529%	5.939%
Fall headcount enrolled	6,343	6,426	6,182	5,916	5,870	5,874	6,043	6,064	6,080	

Audit, Compliance, and Management Review Committee

Membership

Tiffany Burks, Chairman
Lynwood Givens
Jeff Gregg
Shawn Hessing

Reading and Approval of Minutes

18-71. The minutes of the Audit, Compliance, and Management Review Committee meeting November 9, 2017, will be recommended for approval of the Committee.

Committee for Presidential Performance and Compensation Review

18-72. The Board By-laws provide that the Audit, Compliance, and Management Review Committee will oversee the yearly presidential performance review. The Committee will request information from the President as necessary in preparation for this review.

Compliance Update

18-73. An update regarding compliance activities since the last Board meeting is presented in the Board Book for information only.

Audit Update

18-74. An update on audit activities from Director of Internal Audits Leigh Kidwell is presented in the Board Book for information only.

Joint Admission Medical Program (JAMP) Audit Report

18-75. Midwestern State University was selected by the JAMP Council to provide an audit for FY 17. The JAMP audit report is included in the Board Book and is presented for the Board's acceptance.

Public Funds Investment Act (PFIA) Audit Report

18-76. Texas Government Code, Chapter 2256 requires state agencies and institutions of higher education to have a compliance audit of management controls on investments at least once every two years. The PFIA audit report is included in the Board Book and is presented for the Board's acceptance.

National Collegiate Athletic Association (NCAA) Independent Accountants' Report on Procedures Performed

18-77. The NCAA mandates at least once every three years intercollegiate athletic program operating revenues and expenses are subject to agreed-upon procedures to be performed by a qualified independent accountant. The procedures were performed on FY 2017 Athletics Department financial information. The report is included in the Board Book and is presented for the Board's acceptance.

MSU Policies and Procedures Manual Changes – Policy 4.131

18-78. Changes to Policy 4.131, Equal Opportunity and Affirmative Action Policy Statement, are presented in the Board Book. The proposed wording will bring the university's policy in line with current state and federal guidelines, and best practices.

Compliance Activities Update

In accordance with the requirements set forth in Policy 2.26(C)3(b), *Institutional Compliance and Ethics Program*, the following is an update regarding the content and operation of the University's compliance and ethics program.

- The Environmental Health, Safety, and Risk Management Committee (EHSRM) met on December 4, 2017. At the meeting, workers' compensation claims were reviewed, traffic and safety concerns were discussed, and policy revisions were identified.
- The Electronic Accessibility Compliance Committee met on December 19, 2017. Committee members provided updates on compliance initiatives, and two policies were revised. Both policies, Policy 4.151, *Web Accessibility*, and Policy 3.340, *Americans with Disabilities Act*, are currently being vetted by governance groups and will be presented for consideration and approval at the May 2018 board meeting.
- The Compliance and Ethics Coordinating Committee met on November 14, 2017. This committee is comprised of key representatives from various university departments who have day-to-day operational responsibilities. Updates were provided on university compliance activities and the importance of maintaining compliance calendars was discussed.
- The Chairman of the Compliance and Ethics Coordinating Committee met with the President's Cabinet on November 28, 2017 to provide an update on campus-wide compliance activities and to evaluate the effectiveness of the University's compliance and ethics program, as required by Policy 2.26(C)2(b)4.
- The Department of Veterans Affairs (VA) performed a routine VA education compliance survey on November 27, 2017. They examined selected beneficiary files and associated benefit certifications. They found: 1) Veteran-student records were complete and adequate for completion of the survey; 2) The School Certifying Official (SCO) demonstrated satisfactory knowledge of the VA education certification process and thoroughly answered all questions presented during the visit; 3) All required certification corrections have been submitted. One discrepancy was noted. The University inaccurately certified enrollment dates through the date of commencement. The correct enrollment end date is the last day of finals, approximately two days prior to commencement. The Office of the Registrar has already corrected its certification processes and begun the process of correcting former certification.
- Work continues on the University's plan to address all recommendations received from the Clery Act and the Title IX compliance assessments.

- One tip was received between October and December through the EthicsPoint anonymous hotline. The tip information lacked sufficient details to perform an investigation. With no additional information provided, the tip was closed. One tip reported in September involving a policy violation is still ongoing. None of the tips received involved a fraud or compliance concern.
- One hundred seventy (170) contracts were processed through the University's Contract Management System in the first quarter of fiscal year 2018 (September 1, 2017 – November 30, 2017). As of November 30, 2017, a total of 2,908 contracts were included in the repository with 1,098 being active.



Internal Audit Activities Update

I am pleased to provide an update on this quarter's Office of Internal Audits activities.

- The Joint Admission Medical Program (JAMP) audit for fiscal year 2017 was completed. The audit objective was to provide assurance that the University complied with the JAMP Agreement and Expenditure Guidelines. The report is included in the Board Agenda.
- The Public Funds Investment Act (PFIA) audit was completed. The audit objective was to review the University's compliance as of August 31, 2017 with: PFIA, Government Code, Section 2256; management controls on investments; and University policy. The report is included in the Board Agenda.
- The independent CPA firm, Edgin, Parkman, Fleming & Fleming, PC, completed the National Collegiate Athletic Association (NCAA) agreed-upon procedures. These procedures were performed to assist the University in evaluating whether the Athletics Department's Statement of Revenue and Expenses complied with NCAA by-laws. Their report is included in the Board Agenda.
- In-progress projects from the Fiscal Year 2017 Internal Audit Plan:
 1. Continued review of the University's compliance with The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act and Title IX of the Education Amendments of 1972 to the Civil Rights Act of 1964 draft reports.
 2. Continued facilitation of the special project, Evergreen Student Support Study.
 3. Preparation of the petty cash audit report.
- In-progress projects from the Fiscal Year 2018 Internal Audit Plan:
 1. Planned the Facilities audit required by the Texas Higher Education Coordinating Board.
 2. Provided audit assistance to the Department of Veterans Affairs during their scheduled on-site compliance survey.
 3. Provided ethics and compliance advisory services to various University departments.
- Internal audit focus for the next quarter:
 1. Plan and perform the Benefits Proportional by Fund audit.
 2. Begin the annual risk assessment process.

Respectfully submitted,

Leigh Kidwell, CPA, CGMA
Director
January xx, 2018

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Office of Internal Audits
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
o 940.397.4914 f 940.397.4037

October 26, 2017

Dr. Suzanne Shipley, President
Midwestern State University
3410 Taft Blvd.
Wichita Falls, TX 76308

Dear Dr. Shipley,

We have completed an audit of the Joint Admission Medical Program (JAMP) agreement for fiscal year 2017. The audit objective was to provide assurance that Midwestern State University (MSU) is in compliance with the JAMP Agreement and the JAMP Expenditure Guidelines.

The JAMP Council developed an objective, data-driven methodology by which a subset of institutions are selected to provide audits rather than requiring every institution to submit one each year. MSU was selected to provide an audit by the JAMP Council for fiscal year 2017. This audit was conducted in accordance with Section 5.3 of the fiscal year 2016 – 2019 Agreement between the JAMP Council and MSU.

The Joint Admission Medical Program was created by the Texas Legislature to support and encourage highly qualified, economically disadvantaged Texas resident students pursuing a medical education. It is a unique partnership between more than sixty public and private four-year undergraduate institutions and all nine Texas medical schools. The JAMP Council awarded MSU \$12,416 in fiscal year 2017 to fund the university's program. Unexpended funds at the end of the grant year must be returned. MSU had to return \$3,334 of unexpended funds at the end of the fiscal year 2017.

The audit included financial activity for the period of 9-01-16 to 8-31-17 and resulted in one finding. A JAMP committee was not convened as required. Section 4 of the JAMP Agreement requires the Faculty Director to *"Convene a committee to oversee all aspects of the Program at the School. The committee shall obtain academic and administrative guidance relevant to the administration of the program, including, but not limited to, admissions, student records, financial aid, and accounting services."*

Recommendation: We recommend the committee be convened to meet the requirements of the JAMP Agreement, and minutes of the meetings be documented to support program administration.

Management Response: At the date of this report, the JAMP Faculty Director has already convened the committee consisting of himself, the Grants Accountant, and the Academic Counselor for the College of Science and Mathematics. The committee will meet twice a year going forward. The Director will also ensure the committee members are copied on all correspondence throughout the year.

All expenditures appear to be appropriate and in accordance with JAMP Agreement and JAMP Guidelines. We appreciate the assistance of the Dr. Chris Hansen, Faculty Director, and Hayley Roach, Grants Accountant. Page 103 of 212

Respectfully submitted,

Leigh Kidwell, CPA, CGMA
Director

Public Funds Investment Act Audit
as of August 31, 2017
Report 18-2



Office of Internal Audits

Leigh Kidwell, CPA, CGMA, Director

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EXECUTIVE SUMMARY

Introduction

The Office of Internal Audits has completed an audit of Midwestern State University's (University) compliance with the Public Funds Investment Act (PFIA), Texas Government Code, Chapter 2256. We performed our audit procedures in accordance with the *International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

Overview

The Texas Legislature enacted the PFIA in 1995 to improve the transparency and management of investments by state agencies, higher education institutions, community colleges, and local governments. The PFIA provides guidance related to investment policies and strategies; board and investment officer responsibilities; standards of care; training; authorized investments; and internal reporting requirements.

PFIA, Chapter 2256.005 (n) requires a compliance audit of management controls on investments and adherence to the institution's established investment policies to be performed by the institution's internal auditor or by a private auditor. The audit results must be reported to the state auditor not later than January 1 of each even-numbered year.

The Texas Education Code, Section 51.0031 was amended during the 2013 Legislative session to allow governing boards with less than \$25 million in book value of endowment funds to enter into a contract to pool its funds with another institution. As a result of this amendment, the University contracted with Texas A&M University System (TAMUS) for portfolio investment services. TAMUS and other institutions with total endowments of at least \$95 million in book value on May 1, 1995, are not required to comply with PFIA per Texas Government Code, Chapter 2256.004. Based on the provisions in Government Code, Section 2256.004, we interpreted that the University's funds invested with TAMUS are not subject to the PFIA.

Objective

Our audit objective was to review compliance with the Public Funds Investment Act (Government Code, Section 2256), management controls on investments, and adherence to the University investment policy as of August 31, 2017.

Scope

The scope of our audit was fiscal year 2017 including operating and bond funds reflected on the quarterly investment reports and excluding the operating, quasi-endowment, and endowment funds invested with TAMUS.

Methodology

Our audit procedures consisted of reviewing the University's investment policy to ensure consistency with the PFIA; testing compliance with the investment policy and the PFIA; examining the adequacy of investment internal controls; and other procedures as deemed necessary.

Summary of Findings and Observations

Based on our audit procedures, the University appears to be generally in compliance with the Public Funds Investment Act as of August 31, 2017. We noted an opportunity for improvement as discussed in the attached Details of Audit Observations.

Acknowledgements

We appreciate the assistance provided to us during our audit by Chris Stovall, Controller; Debbie Barrow, Director of Board and Government Relations; and Marilyn Fowle', Vice President of Administration and Finance.



Leigh Kidwell, CPA, CGMA
Director of Internal Audits
Midwestern State University
Wichita Falls, Texas
December 21, 2017

DETAILS OF AUDIT OBSERVATIONS

Observation 1 – Liquidation

Background

PFIA Section 2256.005(b)(4)(F) states that investment policies must include procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

When an investment is required to maintain a minimum rating and it fails to maintain the minimum, it no longer qualifies as an authorized investment. PFIA Section 2256.021 requires entities to take all prudent measures that are consistent with its investment policy to liquidate any investment that does not have the required minimum rating.

Observation

While performing our audit procedures, we noted that University Policy 4.182, *Investment Policy – Operating Funds*, includes procedures to monitor rating changes, but did not include procedures for the liquidation of investments that do not have the required minimum rating.

Recommendation

To comply with the Public Funds Investment Act, the University should amend Policy 4.182 to include procedures to liquidate investments that do not meet the required minimum rating requirements.

Management Response

The operating funds investment policy (Policy 4.182) will be amended to include procedures to liquidate investments that do not meet minimum rating requirements as required by Texas Gov't Code 2256.021. The policy will be presented for review and approval at the regularly scheduled February 2018 Board of Regents meeting.

Responsible Party

Chris Stovall, Controller



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Accountants' Report

Midwestern State University
3410 Taft Boulevard
Wichita Falls, Texas 76308

We have performed the procedures enumerated in Attachment A, which were agreed to by the President of Midwestern State University (MSU), solely to assist MSU in evaluating whether the accompanying Statement of Revenue and Expenses (SRE) (Exhibit 1) of MSU's Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended August 31, 2017. MSU's management is responsible for the SRE and the SRE's compliance with those requirements. The sufficiency of these procedures is solely the responsibility of MSU and the NCAA. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A either for the purpose for which this report has been requested or for any other purpose.

The procedures and our findings are included in Attachment A.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the SRE of MSU's Athletics Department for the year ended August 31, 2017. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the MSU's management, MSU's Athletics Department, MSU's Board of Regents, and the NCAA, and is not intended to be and should not be used by anyone other than those specified parties.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
December 7, 2017

MIDWESTERN STATE UNIVERSITY
NCAA AGREED-UPON PROCEDURES FOR THE ATHLETICS DEPARTMENT'S
STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED AUGUST 31, 2017

ATTACHMENT A

All Revenue Categories

Procedures:

- A. Compare and agree each operating revenue category reported in the statement during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 4.0% of the total revenues, no procedures are required for that specific category.
- B. Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.
- C. Compare each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. Obtain and document an understanding of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Up-on procedures report.

Findings:

The Athletics Department's Statement of Revenues and Expenses (SRE) for the year ended August 31, 2017 was obtained. All of the operating revenue categories were reconciled to the amounts from MSU's internal accounting records and agreed to supporting records.

The following revenues differed from the prior year amounts by greater than 10% and the explanations for those variances follow:

Revenue Category	2016-17	2015-16	Change	% Change
Ticket Sales	\$ 117,526.00	\$ 133,586.00	\$ (16,060.00)	-12.0% (1)
Student Fees	1,188,448.00	1,039,349.00	149,099.00	14.3% (2)
Guarantees	12,000.00	13,500.00	(1,500.00)	-11.1% (3)
Contributions	351,451.67	306,060.60	45,391.07	14.8% (4)
NCAA/Conference Distributions including all Tournament Revenues	98,357.80	23,035.00	75,322.80	327.0% (5)
Program Sales, Concessions, Novelty Sales, and Parking	43,603.04	60,060.00	(16,456.96)	-27.4% (6)
Royalties, Advertisements and Sponsorships	114,162.50	136,596.00	(22,433.50)	-16.4% (7)
Endowment and Investment Income	-	6,170.00	(6,170.00)	-100.0% (8)
Other	128,003.03	152,930.11	(24,927.08)	-16.3% (9)

Explanations provided by MSU's Athletics Department:

- (1) Ticket Sales decreased \$16,060.00 or 12.0% due to having only four (4) home football games in 2016-17 as well as hosting the NCAA Men's Regional Basketball tournament in 2015-16, and not in 2016-17.
- (2) Student fees increased \$149,099.00 or 14.3%. As discussed below, the student fees recorded is based on budgeted amounts instead of actual amounts. Additional amounts were budgeted for 2016-17 compared to 2015-16. However, it should be noted that actual student fees decreased by \$14,323 (\$1,284,517 in 2016-17 compared to \$1,298,840 in 2015-16).
- (3) Guarantees decreased \$1,500.00 or 11.1% due to the Men's Basketball team having the same number of games with guarantees, but less money per game.
- (4) Contributions increased \$45,391.07 or 14.8% due to a special fundraising effort to send the Volleyball team to Buenos Aires (\$34,553).
- (5) NCAA/Conference Distributions including all Tournament Revenues increased \$75,322.80 or 327.0% due to additional NCAA Championship participation in 2016-17. Some out of town NCAA tournament games included (1) Women's Soccer made it to the 2nd round of the NCAA, Men's Soccer made it to the quarterfinals of the NCAA, Football made it to the first round of the NCAA, and Women's Tennis made it to the NCAA Championships.

- (6) Program Sales, Concessions, Novelty Sales and Parking decreased \$16,456.96 or 27.4% due to having only four (4) home football games in 2016-17 as well as hosting the NCAA Men's Regional Basketball tournament in 2015-16, and not in 2016-17.
- (7) Royalties, Advertisements, and Sponsorships decreased \$22,433.50 or 16.4% due to probable misclassification in the prior year of \$13,656 (should have been coded to Contributions).
- (8) Endowment and Investment Income decreased \$6,170.00 or 100% due to reporting differences between years as no amounts were reported in 2016-17. Per further analysis, MSU believes \$31,233 should have been recorded for 2016-17, but was recorded as Other Revenue.
- (9) Other decreased \$24,927.08 or 16.3% due to probable misclassification in the prior year of \$14,396 (should have been classified as NCAA/Conference Distributions).

Relative to the budget to actual variances, MSU does not prepare its budget to coincide with the NCAA revenue categories; therefore, this analysis could not be made.

Ticket Sales

Procedure:

1. Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Institution in the statement and the related attendance figures and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues, no procedures were performed.

Student Fees

Procedures:

2. Compare and agree student fees reported by the institution in the statement for the reporting to student enrollments during the same reporting period and recalculate totals.
3. Obtain and document an understanding of the institution's methodology for allocating student fees to intercollegiate athletics programs.
4. If the athletics department is reporting that an allocation of student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.

Findings:

MSU assesses a \$10 per semester hour, not to exceed \$120, Intercollegiate Athletic Fee to cover the expenses of the Athletic Program. MSU records the Intercollegiate Athletic Fee in a special restricted fund and transfers out to the Athletic Program and other funds to repay athletic-related debt service payments. These transfers are made annually based on the budgeted amounts.

The number of students by semester was obtained and a prediction test of the Intercollegiate Athletic Fee was made, after accounting for actual exemptions. The predictive test computed a total fee of \$1,285,220. The total revenues in the restricted fund for the year ended August 31, 2017 was \$1,284,517 for a difference of \$703.

During the year ended August 31, 2017, the restricted fund transferred \$1,188,448 to the Athletic Department and \$59,912 to fund the athletic-related debt service payments. The difference between the recorded Intercollegiate Athletic Fee revenue of \$1,284,517 and the transfers out totaling \$1,248,360 is \$36,157. The reason for the difference is that MSU transfers the monies based on budgeted amounts versus actual amounts. At August 31, 2017, the ending fund balance of the restricted fund was \$234,494.

The Athletics Department does not report an allocation of student fees as countable as generated revenue. All student fees are from the \$10 per semester hour as noted above.

Direct State or Other Governmental Support

Procedure:

5. Compare direct state or other governmental support recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

Direct Institutional Support

Procedure:

6. Compare the direct institutional support recorded by the institution during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

Finding:

MSU computes the direct institutional support based on the Athletics Department's budget for the fiscal year. The computation for 2016-17 was obtained and totaled \$4,234,091. This amount was also the amount that was transferred to the Athletics Department for the year by MSU. The amount originally computed, budgeted and transferred was not changed for actual operations.

Transfers Back to Institution

Procedure:

7. Compare the transfers back to institution with permanent transfers back to institution from the athletics department and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

Indirect Institutional Support

Procedure:

8. Compare the indirect institutional support recorded by the institution during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

Guarantees

Procedures:

9. Select a sample of settlement reports for away games during the reporting period and agree each selection to the institution's general ledger and/or the statement and recalculate totals.
10. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the institution's general ledger and/or the statement and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues, no procedures were performed.

Contributions

Procedure:

11. Any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution and recalculate totals.

Finding:

The contributions reported in the SRE is \$351,451.67 and the amount per MSU's accounting system is \$414,534.17. The difference is \$63,082.50. A reconciliation was prepared. The difference relates to the Athletics Department classifying \$91,937.50 as Royalties, Advertisements and Sponsorships less \$28,855.00 not recorded as revenue in the accounting system.

Furthermore, the amount per MSU's accounting system was compared to the amounts tracked by MSU's Donor Services Department. Donor Services reported Athletics Department gifts in 2016-17 of \$446,796.84. The difference between Donor Services and the accounting system is \$32,262.67. A reconciliation was prepared within \$2,000.30. The difference primarily related to the timing of reporting of the contributions between fiscal years.

There were no aggregate gifts of 10% or more for 2016-17; consequently, no additional procedures were required.

In-Kind

Procedure:

12. Compare the in-kind recorded by the institution during the reporting period with a schedule of in-kind donations and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

However, during the procedures with Contributions above, MSU's Donor Services reported \$162,746.01 of gifts in-kind, but none were reported in the SRE.

Compensation and Benefits Provided by a Third-Party

Procedures:

13. Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the institution and select a sample of funds from the Summary and compare and agree each selection to supporting documentation, the institution's general ledger and/or the Summary and recalculate totals.
14. If the third party was audited by independent auditors, obtain the related independent auditors' report.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

Media Rights

Procedures:

15. Obtain and inspect agreements to understand the institution's total media (broadcast, television, radio) rights received by the institution or through their conference offices as reported in the statement.

16. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the institution's general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

NCAA Distributions

Procedure:

17. Compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

Conference Distributions

Procedures:

18. Obtain and inspect agreements related to the institution's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.
19. Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues, no procedures were performed.

Program Sales, Concessions, Novelty Sales and Parking

Procedure:

20. Compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues, no procedures were performed.

Royalties, Licensing, Advertisements and Sponsorships

Procedures:

21. Obtain and inspect agreements related to the institution's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.
22. Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues, no procedures were performed.

Sports Camp Revenues

Procedures:

23. Inspect sports camp contract(s) between the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the institution's methodology for recording revenues from sports camps.
24. Obtain schedules of camp participants and select a sample of individual camp participant cash receipts from the schedule of sports camp participants and agree each selection to the institution's general ledger, and/or the statement and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

It should be noted that sports summer camps are held, but the revenues are not included in the SRE.

Athletics Restricted Endowment and Investment Income

Procedures:

25. Obtain and inspect endowment agreements (if any) to gain an understanding of the relevant terms and conditions.
26. Compare and agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income defined within the related endowment agreement and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

However, based on other procedures, an amount should have been recorded in this classification as the Athletics Department from restricted endowments and investment income during 2016-17.

Other

Procedure:

27. Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues, no procedures were performed.

Bowl Revenues

Procedures:

28. Obtain and inspect agreements related to the institution's revenues from post-season bowl participation during the reporting period to gain an understanding of the relevant terms and conditions.
29. Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total revenues. Because this reporting category is less than 4.0% of total revenues (none), no procedures were performed.

All Expense Categories

Procedures:

- A. Compare and agree each expense category reported in the statement during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 4.0% of the total expenses, no procedures are required for that specific category.
- B. Compare and agree a sample of expenses obtained from the above operating expense supporting schedules to adequate supporting documentation.
- C. Compare each major expense account over 10% of the total expenses to prior period amounts and budget estimates. Obtain and document an understanding of any variations greater than 10%. Report the analysis as a supplement to the final agreed-upon procedures report.

Finding:

The Athletics Department's SRE for the year ended August 31, 2017 was obtained. All of the expense categories were reconciled to the amounts from MSU's internal accounting records and agreed to supporting records.

The following revenues differed from the prior year amounts by greater than 10% and the explanations for those variances follow:

Expense Category	2016-17	2015-16	Change	% Change
Guarantees	\$ 60,550.00	\$ 42,000.00	\$ 18,550.00	44.2% (1)
Severance Payments	39,302.00	25,518.00	13,784.00	54.0% (2)
Recruiting	69,306.88	51,876.00	17,430.88	33.6% (3)
Team Travel	421,971.20	331,097.00	90,874.20	27.4% (4)
Fund Raising, Marketing and Promotion	-	19,230.00	(19,230.00)	-100.0% (5)
Medical Expenses and Medical Insurance	208,504.39	170,886.00	37,618.39	22.0% (6)
Memberships and Dues	41,927.56	50,584.00	(8,656.44)	-17.1% (7)
Other Operating Expenses	404,703.26	151,972.00	252,731.26	166.3% (8)

Explanations provided by MSU's Athletics Department:

- (1) Guarantees increased \$18,550.00 or 44.2% due to (a) three (3) less Men's Basketball games with guarantees (decrease of \$4,200), (b) one (1) additional Women's Basketball game with a guarantee (increase of \$2,325), (c) the same number of Football games with additional guarantees (increase of \$20,000), and (d) a miscellaneous increase of \$425.
- (2) Severance Payments increased \$13,784.00 or 54.0% due to the Athletics Director retiring in 2016-17 and MSU had to pay his accrued vacation.
- (3) Recruiting increased \$17,430.88 or 33.6% due to the coaches spending more time traveling to recruit in 2016-17 compared to the prior year.
- (4) Team Travel increased \$90,874.20 or 27.4% due to having seven (7) out of town football games in 2016-17 and more teams went further in the NCAA playoffs in 2016-17 than the prior year.
- (5) Fund Raising, Marketing and Promotion decreased \$19,230.00 or 100% due to reporting differences between years as no amounts were reported in 2016-17.
- (6) Medical Expenses and Medical Insurance increased \$37,618.39 or 22.0% due to an increase in the number of Athletics Department paid medical expenses for the student athletes. In 2016-17, 27 (twenty-seven) athletes required surgery while only 17 (seventeen) required surgery in 2015-16.
- (7) Memberships and Dues decreased \$8,656.44 or 17.1% due to probable misclassification in the prior year of \$8,221 (should have been classified as Other Operating Expense).
- (8) Other Operating Expenses increased \$252,731.26 or 166.3% due to differences in reporting between years. Some specific increases include (a) software purchases (\$17,160), (b) Football conference rings (\$24,000), (c) non-student wages (\$38,891), and (d) non-travel team meals (\$24,377). However, the prior year details to this classification could not be located; therefore, all of the reasons could not be identified.

Relative to the budget to actual variances, MSU does not prepare its budget to coincide with the NCAA expense categories; therefore, this analysis could not be made.

Athletic Student Aid

Procedures:

30. Select a sample of students (10% of the total student-athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40 and 20% of total student-athletes for institutions who have not, with a maximum sample size of 60) from the listing of institutional student aid recipients during the reporting period. Data should be captured by the institution through the creation of a squad list for each sponsored sport.
31. Obtain individual student account detail for each selection and compare total aid in the institution's student system to the student's detail in CA or the institution report that ties directly to the NCAA Membership Financial Reporting System.
32. Perform a check of each student selected to ensure their information was reported accurately in either the NCAA's CA software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
 - a. The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value will be calculated for you on the squad list labeled "Rev. Dist. Equivalent Award".
 - b. A student-athlete can only be included in one sport. Note: NCAA CA software will place an asterisk by the student-athlete within the sport that is not countable towards grants-in-aid revenue distribution per sport hierarchy listed in the DI manual.
 - c. All equivalency calculations should be rounded to two decimal places. Note: The NCAA CA software and the on-line summary form will automatically round to two decimal places.
 - d. The full grant amount should always be the full cost of tuition for an academic year, not semester. The "Period of Award" column on the NCAA CA squad list can identify those student-athletes receiving aid for a particular semester.
 - e. If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.
 - f. Student-athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the squad list.
 - g. Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women and FBS football should be included in the calculations.
 - h. If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
 - i. If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.
 - j.
33. Recalculate totals for each sport and overall.

Findings:

MSU utilizes the NCAA's CA software; therefore, a sample size of 10% was required. Based on a total of 293 athletes receiving financial aid, a sample size of 30 was computed. The following is the population and sample size by sport:

Sport	Total Count	Total Receiving Aid	Sample Size
Football	141	123	12
Men's Basketball	17	14	1
Women's Basketball	16	16	2
Men's Soccer	32	28	3
Women's Soccer	28	27	3
Men's Tennis	10	9	1
Women's Tennis	9	9	1
Women's Softball	16	16	2
Women's Volleyball	17	15	1
Men's Golf	9	8	1
Women's Golf	8	8	1
Women's Cross Country/Track	19	20	2
Totals	322	293	30

Based on the student aid procedures performed, two exceptions were noted as follows:

- One student athlete's aid was incorrectly reported at \$5,940.00, but should have been \$8,940.00. This error also caused the equivalency calculation to change from .34 to .37.
- One student athlete's aid was incorrectly reported at \$7,900.00, but should have been \$7,932.00. This error did not change the equivalency calculation.

The Athletics Department did not have the Pell Grant information for the student athletes; therefore, no procedures relative to the Pell Grant were performed.

The following is a reconciliation of the student aid by sport and overall:

Sport	Compliance Assistant	SRE	Difference
Football	\$ 609,419.47	\$ 614,546.55	\$ (5,127.08)
Men's Basketball	152,674.40	176,651.00	(23,976.60)
Women's Basketball	167,734.40	167,858.00	(123.60)
Men's Soccer	154,200.00	155,870.00	(1,670.00)
Women's Soccer	158,237.00	171,588.00	(13,351.00)
Men's Tennis	62,264.00	63,699.00	(1,435.00)
Women's Tennis	96,006.35	98,773.00	(2,766.65)
Women's Softball	104,580.00	104,625.00	(45.00)
Women's Volleyball	93,584.50	93,693.00	(108.50)
Men's Golf	62,000.00	62,000.00	-
Women's Golf	88,046.00	85,765.00	2,281.00
Women's Cross Country/Track	190,956.00	201,392.00	(10,436.00)
Non-Program Specific	-	6,600.00	(6,600.00)
Totals	\$ 1,939,702.12	\$ 2,003,060.55	\$ (63,358.43)

Per MSU's Athletics Department, the student aid reported in the NCAA's CA software are estimates while the amounts in the SRE are actual student aid amounts.

Guarantees

Procedures:

34. Obtain and inspect visiting institution's away-game settlement reports received by the institution during the reporting period and agree related expenses to the institution's general ledger and/or the statement and recalculate totals.

35. Obtain and inspect contractual agreements pertaining to expenses recorded by the institution from guaranteed contests during the reporting period. Compare and agree related amounts expensed by the institution during the reporting period to the institution's general ledger and/or the statement and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

Procedures:

36. Obtain and inspect a listing of coaches employed by the institution and related entities during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing.
37. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reporting period.
38. Obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period.
39. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.

Findings:

Of the ten (10) head coaches and fourteen (14) assistant coaches, a sample of five (5) head coaches and three (3) assistant coaches were selected for testing. The head coaches selected included the following programs: football, men's basketball, women's basketball, golf (the head coach coaches both men's and women's golf), and women's cross country and track. The assistant coaches selected included the following programs: football, softball, and volleyball.

Based on the procedures performed, the following findings were noted:

- One head coach was paid \$900 more than the Head Coach Employment Agreement executed November 11, 2016. However, the amount paid agreed to the Notice of Employment for Staff Employees executed September 9, 2016.
- Per the Head Coach Employment Agreements, three head coaches receive additional compensation for hosting radio programs. All three coaches were paid the amounts based on the contracted amounts. However, the treatment of the payments is inconsistent. Two of the head coaches' payments were classified as bonuses and the other as a stipend. For retirement purposes, bonuses are not treated as retirement compensation, but stipends are.
- Per the Head Coach Employment Agreements, all head coaches are eligible for performance incentives; academic and performance. For those tested, three head coaches earned performance incentives in 2016-17. Two of the head coaches' payments were classified as bonuses and the other as a stipend. For retirement purposes, bonuses are not treated as retirement compensation, but stipends are.
- Per the Head Coach Employment Agreements, three head coaches are eligible to receive additional compensation for hosting summer camps. In summary, the head coach is eligible to receive compensation of net proceeds of the respective summer camps. In 2016-17, two head coaches received compensation for hosting the summer camps. An Electronic Personnel Action Form (EPAF) was submitted for one head coach for \$6,000 and it was paid. Another EPAF was remitted and \$3,000 was paid and the EPAF was subsequently voided.

Coaching Other Compensation and Benefits Paid by a Third-Party

Procedures:

40. Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing.
41. Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the institution in the statement during the reporting period.
42. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third party expenses recorded by the institution in the statement during the reporting period and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses (none), no procedures were performed.

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities

Procedures:

43. Select a sample of support staff/administrative personnel employed by the institution and related entities during the reporting period.
44. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period and recalculate totals.

Findings:

Of the twelve (12) administrative staff, thirty-one (31) temporary positions, seven (7) student positions, seventeen (17) graduate assistants and twenty-two (22) overtime paid for custodians, grounds, etc., a sample of three (3) administrative staff, one (1) temporary position, one (1) student position and two (2) graduate assistants were selected for testing. Of the total of seven (7) tested, no exceptions were noted.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party

Procedures:

45. Select a sample of support staff/administrative personnel employed by the third parties during the reporting period.
46. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by the institution in the statement during the reporting period and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses (none), no procedures were performed.

Severance Payments

Procedure:

47. Select a sample of employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Recruiting

Procedures:

48. Obtain and document an understanding of the institution's recruiting expense policies.
49. Compare and agree to existing institutional- and NCAA-related policies.
50. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Team Travel

Procedures:

51. Obtain and document an understanding of the institution's team travel policies.
52. Compare and agree to existing institutional- and NCAA-related policies.
53. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

Findings:

MSU does not have a specific team travel policy. However, MSU follows its Travel Guide for all travel, including athletics team travel. The Travel Guide was obtained. MSU's Athletics Department explained that the NCAA does not have a regular season travel manual, but has a championship travel policy. Furthermore, they provided several references to the NCAA's By Laws relating to travel. The information from the NCAA's By Laws do not contradict MSU's Travel Guide.

Furthermore, the team travel expenses were in agreement to the general ledger amounts without exception.

Equipment, Uniforms and Supplies

Procedure:

54. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Game Expenses

Procedure:

55. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Fund Raising, Marketing and Promotion

Procedure:

56. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Sports Camp Expenses

Procedure:

57. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses (none), no procedures were performed.

It should be noted that sports summer camps are held, but the expenses are not included in the SRE.

Spirit Groups

Procedure:

58. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses (none), no procedures were performed.

Athletic Facility Debt Service, Leases and Rental Fees

Procedures:

59. Obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements).
60. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses (none), no procedures were performed.

Direct Overhead and Administrative Expenses

Procedure:

61. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Indirect Institutional Support

Procedure:

62. Tested with revenue section - Indirect Institutional Support.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses (none), no procedures were performed.

Medical Expenses and Medical Insurance

Procedure:

63. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Memberships and Dues

Procedure:

64. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of the transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Other Operating Expenses and Transfers to Institution

Procedure:

65. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Finding:

The detail to the other operating expenses was obtained and it was agreed to the amounts reported in the SRE without exception. The detail consisted of one thousand seventy-six (1,076) transactions totaling \$422,180.45. A sample of fifteen (15) transactions totaling \$52,925.20 was selected for testing. No exceptions were noted except for the payment for preseason meals for the football team. The payment was for \$19,633.00 and the services rendered from August 11, 2016 to August 25, 2016 which is before the start of the fiscal year. A note on the invoice was that there were two adjustments to the invoice and the final invoice was not received until October 14, 2016. However, the invoice was for the previous fiscal year, but was reported in the 2016-17 year.

Student-Athlete Meals (non-travel)

Procedure:

66. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses, no procedures were performed.

Bowl Expenses

Procedure:

67. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Finding:

According to guidelines in the NCAA's 2017 Agreed-Upon Procedures, no procedures are required if a specific reporting category is less than 4.0% of the total expenses. Because this reporting category is less than 4.0% of total expenses (none), no procedures were performed.

Other Reporting Items

Excess Transfers to Institution and Conference Realignment Expenses

Procedure:

68. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Finding:

MSU did not have any excess transfers to institution and conference realignment expenses; consequently, no procedures were performed.

Total Athletics Related Debt

Procedures:

69. Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.
70. Agree the total annual maturities and total outstanding athletic debt related to supporting documentation and the institution's general ledger, as applicable.

Findings:

Obtained the repayment schedules for all outstanding intercollegiate athletics related debt for the year ended August 31, 2017. The only two debt issuances related to athletics are the 2010 series and a portion of the 2016A series, which refunded a portion of the 2010 series. The principal and interest amounts were agreed to the annual maturity schedules without exception. Furthermore, the total annual maturities for the athletics-related debt, and all of MSU's debt, were agreed to MSU's Unaudited Financial Report for the year ended August 31, 2017 without exception.

Total Institutional Debt

Procedure:

71. Agree the total outstanding institutional debt to supporting documentation and the institution's audited financial statements, if available, or the institution's general ledger.

Finding:

The total annual maturities for all of MSU's debt were agreed to MSU's Unaudited Financial Report for the year ended August 31, 2017 without exception.

Value of Athletics Dedicated Endowments

Procedure:

72. Obtain a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, the general ledger(s) and audited financial statements, if available.

Findings:

Obtained MSU's listing of endowments at August 31, 2017, which included nine individual accounts specifically dedicated to athletics. The total book value of the nine accounts was \$567,644 at August 31, 2017. The fair market value could not be obtained as MSU records the changes in market value in total, but it is not allocated to the individual accounts.

Because Midwestern State University Foundation, Inc.'s (Foundation) sole purpose is for the advancement of MSU, it is considered an affiliated organization. Obtained the Foundation's audit report and related schedules for the year ended August 31, 2016 as the audit for the year ended August 31, 2017 was not available. The related schedules, which agreed to the audit report, reported four accounts with a total fair market value of \$775,812.

Value of Institutional Endowments

Procedure:

73. Agree the total fair market value of institutional endowments to supporting documentation, the institution's general ledger and/or audited financial statements, if available.

Finding:

Obtained MSU's listing of endowments at August 31, 2017 at book value. The fair market value could not be obtained as MSU records the changes in market value in total, but it is not allocated to the individual accounts. All of MSU's endowments are held in two separate investment accounts and were agreed, along with the other investments, to MSU's Unaudited Financial Report for the year ended August 31, 2017 without exception.

Total Athletics Related Capital Expenditures

Procedures:

74. Obtain a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period.
75. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Findings:

MSU provided a listing of all capital expenditures for the year ended August 31, 2017. The listing included improvements made to the football and soccer fields; however, MSU did not consider them to be athletics-related as no athletics funds were used for the improvements and the fields are used for both athletics and students. These expenditures totaled \$544,414, but are not included in the SRE.

Midwestern State University
Statement of Revenues and Expenses - Athletics Department
For the Fiscal Year Ended August 31, 2017

	Football	Men's Basketball	Women's Basketball	Men's Soccer	Women's Soccer
Revenues:					
Ticket Sales	\$ 27,524.00	\$ 38,305.00	\$ 37,629.00	\$ 2,587.00	\$ 1,904.00
Student Fees	344,650.00	95,076.00	95,076.00	83,191.00	95,076.00
Guarantees	-	3,500.00	8,500.00	-	-
Contributions	70,351.25	97,540.59	12,913.50	9,613.53	6,080.00
Third Party Support	-	-	-	-	-
Direct State or Other Government Support	-	-	-	-	-
Direct Institutional Support	1,227,886.00	338,727.00	338,727.00	296,386.00	338,728.00
Indirect Facilities and Administrative Support	-	-	-	-	-
NCAA/Conference Distributions Included all Tournament Revenues	21,000.00	-	-	15,400.00	11,200.00
Broadcast, Television, Radio and Internet Rights	-	-	-	-	-
Program Sales, Concessions, Novelty Sales, and Parking	-	-	-	-	-
Royalties, Advertisements and Sponsorships	-	-	-	-	-
Sport Camps Revenues	-	-	-	-	-
Endowment and Investment Income	-	-	-	-	-
Other	20,941.89	121.17	-	5,000.00	3,615.13
Total Revenues	1,712,353.14	573,269.76	492,845.50	412,177.53	456,603.13
Expenses:					
Athletic Student Aid	614,546.55	176,651.00	167,858.00	155,870.00	171,588.00
Guarantees	40,000.00	17,300.00	3,250.00	-	-
Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	530,374.20	239,962.00	176,908.00	161,166.00	97,585.00
Coaching Other Compensation and Benefits Paid by a Third Party	-	-	-	-	-
Support Staff/Administrative Other Compensation, Benefits and Bonuses Paid by the University and Related Entities	24,463.00	-	-	-	-
Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party	-	-	-	-	-
Severance Payments	4,451.00	-	-	-	-
Recruiting	37,515.78	8,159.28	7,716.30	5,336.24	3,881.22
Team Travel	69,944.57	36,240.25	18,938.65	31,569.87	29,959.94
Equipment, Uniforms and Supplies	49,321.70	25,081.89	18,392.05	18,784.38	13,936.66
Game Expenses	55,802.64	13,295.00	11,975.00	6,500.00	7,143.20
Fund Raising, Marketing and Promotion	-	-	-	-	-
Sport Camps Expenses	-	-	-	-	-
Direct Facilities, Maintenance, and Rental	19,089.99	814.00	2,623.98	1,892.39	1,809.25
Spirit Groups	-	-	-	-	-
Indirect Facilities and Administrative Support	-	-	-	-	-
Medical Expenses and Medical Insurance	104.53	-	-	-	-
Memberships and Dues	-	30.00	330.01	1,500.00	280.00
Other Operating Expenses	60,906.70	10,010.18	8,250.57	14,777.10	12,292.76
Total Expenses	1,506,520.66	527,543.60	416,242.56	397,395.98	338,476.03
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ 205,832.48	\$ 45,726.16	\$ 76,602.94	\$ 14,781.55	\$ 118,127.10

EXHIBIT 1

Men's Tennis	Women's Tennis	Women's Softball	Women's Volleyball	Men's Golf	Women's Golf	Women's X Country/ Track	Non-Program Specific	Total
\$ -	\$ -	\$ 5,780.00	\$ 3,767.00	\$ -	\$ -	\$ -	\$ 30.00	\$ 117,526.00
47,538.00	59,422.00	83,191.00	83,192.00	35,653.00	47,538.00	118,845.00	-	1,188,448.00
-	-	-	-	-	-	-	-	12,000.00
10,149.10	8,120.00	1,105.00	34,630.00	20,534.50	361.00	2,907.00	77,146.20	351,451.67
-	-	-	-	-	-	-	-	-
169,364.00	211,705.00	296,386.00	296,386.00	127,023.00	169,364.00	423,409.00	-	4,234,091.00
-	-	-	-	-	-	-	-	-
5,200.00	-	-	-	3,150.00	3,150.00	-	39,257.80	98,357.80
-	-	-	-	-	-	-	6,949.60	6,949.60
-	-	-	-	-	-	-	43,603.04	43,603.04
-	-	-	-	-	-	-	114,162.50	114,162.50
-	-	-	-	-	-	-	-	-
3,255.44	2,199.44	1,850.00	12,954.67	20,593.00	17,300.00	2,565.96	37,606.33	128,003.03
235,506.54	281,446.44	388,312.00	430,929.67	206,953.50	237,713.00	547,726.96	318,755.47	6,294,592.64
63,699.00	98,773.00	104,625.00	93,693.00	62,000.00	85,765.00	201,392.00	6,600.00	2,003,060.55
-	-	-	-	-	-	-	-	60,550.00
43,509.00	45,234.00	97,031.00	118,858.00	63,281.00	64,733.00	73,689.00	-	1,712,330.20
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	725,248.00	749,711.00
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	34,851.00	39,302.00
673.99	751.72	1,844.28	1,612.91	220.99	1,301.58	274.69	17.90	69,306.88
6,093.06	9,616.76	11,384.21	55,859.54	552.44	17,552.48	21,550.26	112,709.17	421,971.20
9,457.90	6,389.46	9,911.46	5,123.81	14,496.52	6,874.90	8,026.19	3,364.95	189,161.87
2,018.69	1,628.03	8,730.00	11,563.80	23,338.00	31,780.00	2,415.00	50,803.39	226,992.75
-	-	-	-	-	-	-	-	-
81.00	-	819.52	968.00	183.14	-	321.00	143,137.50	171,739.77
-	-	-	-	-	-	-	-	-
182.40	173.00	-	-	-	-	-	208,044.46	208,504.39
170.00	170.00	140.00	115.00	5,257.50	12,995.05	260.00	20,680.00	41,927.56
4,317.29	2,000.45	1,344.41	8,818.57	401.23	4,734.92	1,393.65	275,455.43	404,703.26
130,202.33	164,736.42	235,829.88	296,612.63	169,730.82	225,736.93	309,321.79	1,580,911.80	6,299,261.43
\$ 105,304.21	\$ 116,710.02	\$ 152,482.12	\$ 134,317.04	\$ 37,222.68	\$ 11,976.07	\$ 238,405.17	\$ (1,262,156.33)	\$ (4,668.79)



Midwestern State University

Policies and Procedures Manual

Jump to...

Please select...

MSU Policy Search

4.131 Human Resources

EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION POLICY STATEMENT

Date Adopted/Most Recent Revision: 08/04/2006

A. General

Midwestern State University has established an affirmative action plan to set forth the university's commitment to equal opportunity in employment and education and to ensure compliance with federal and state laws and regulations in these areas.

B. Commitment to Equal Opportunity

1. Midwestern State University affirms its commitment to a policy that all of the people of Texas shall have an opportunity to participate in higher education including equal employment opportunity for all persons presently employed by or seeking employment with this university, and equal educational opportunities for all students or applicants for admission to the university and its educational programs. All personnel actions will be administered without regard to race, color, age, sex (including pregnancy, gender identity, and sexual orientation), religion, disability, genetic information, veteran status, or national origin, or any other legally protected category, class, or characteristic except where sex or age may be bona fide qualifications.
2. To ensure that equal opportunity in employment and in all personnel practices exists, Midwestern State University is fully committed to an affirmative action and recruitment plan. Comprehensive and intensive efforts will be made to recruit, employ, train, and promote the most qualified persons, including qualified women and minorities wherever and whenever these protected groups are underutilized, with respect to availability, in any job or position category.

C. Responsibility

Although the president has overall responsibility and authority for full implementation of these policies, the director of human resources is delegated the necessary authority and designated the equal employment opportunity coordinator with assigned duties of formulating Midwestern State University's plan; devising to implement that plan; establishing goals and objectives for the plan; and, at least annually, surveying, auditing, and monitoring the plan and reporting any deficiencies or problems and the progress made to the president and concerned government officials.

D. Compliance

Compliance with the intent of the university's policy of equal employment opportunity and the letter of the affirmative action and recruitment plan for employment and retention of minorities will be a part of acceptable standards of performance for all personnel.

Authority: Texas Labor Code, Chapter 21

Board of Regents Meeting Agenda
February 9, 2018
9:00 a.m.

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

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

Call to Order – Chairman Sam Sanchez

Introduction of Visitors – Ms. Julie Gaynor

Opening Comments - Chairman Sanchez

Public Comment

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

Reading and Approval of Minutes

18-79. Minutes of the regular Board of Regents meetings November 9 and 10, 2017, and the special Board meeting held December 13, 2017 will be recommended for approval.

Executive Committee Consent Agenda, Items and Report

Academic and Student Affairs Committee Consent Agenda, Items and Report

Finance Committee Consent Agenda, Items and Report

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

University Leadership Report

18-80. President Shipley, Dr. Todd Giles, and Dr. David Hartman will provide information to include the following.

- A. MSU Lifelong Learning Center – Dr. Giles and Dr. Hartman
- B. Comprehensive Campaign Update – Dr. Shipley
- C. Why is the Regulatory Oversight for Higher Education Increasing? – Dr. Shipley

Executive Session

18-81. The Board will convene in Executive Session as necessary to consider matters permissible under Chapter 551 of the Texas Government Code, including:

- A. Government Code, Chapter 551, Section .071 – Consultation with Attorneys Regarding Legal Matters, Pending and/or Contemplated Litigation, or Settlement Offers, or on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code.
- B. Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease, or Value of Real Property.
- C. Government Code, Chapter 551, Section .073 - Deliberations Regarding a Negotiated Contract for a Prospective Gift or Donation, to include
 - 1. Multiple honorific and gift-related namings
- D. Government Code, Chapter 551, Section .074 – Personnel Matters Relating to the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of Officers or Employees, or to Hear a Complaint or Charge Against an Officer or Employee
- E. Government Code, Chapter 551, Section .076 - Deliberations Regarding Security Audits, including
 - 1. Information Security Program Assessment Report on action taken

Closing Comments

Adjournment

MSU Lifelong Learning Center

(Presented by Dr. Todd Giles and Dr. David Hartman)

I. Lifelong Learning Centers

- A. Lifelong Learning Centers (LLCs) are educational community outreach programs designed to promote personal and professional growth through non-credit courses, educational travel opportunities, film series, concerts, lectures, and brown bag luncheons for learners over fifty years of age who are not enrolled in credit-bearing programs and/or courses. LLCs offer short courses that can be taken for pleasure, to gain an understanding of new subject matter, or to expand upon current knowledge.
- B. Why MSU: While MSU already offers numerous courses (non-credit and continuing education units) through the Center for Continuing Education, as well as online training certification classes through our partnership with Ed2Go, the establishment of an LLC with strong strategic alignment with MSU's mission, vision, and strategic plan will help further our institutional commitment as a "leading public liberal arts university" by more directly engaging new communities of citizens to "contribute constructively to society through their work and through their private lives," to quote MSU's Mission Statement.
- C. Instructors: Instructors will include qualified community volunteers and current and retired MSU faculty.

II. Background

- A. The LLC Founding Council was charged by President Shipley on 10.23.17.
 - 1. Founding Council Members: David Hartman and Todd Giles (co-chairs); Pat Thacker, Elizabeth Yeager, John Hirschi, Henry Florsheim, David Wolverton (community representatives); Sam Watson [ex officio], Kathy Zuckweiler, Rhonda McClung, Pam Morgan, Leigh Kidwell, and Newman Wong (MSU staff).
- B. Location: 2527 Hampstead.
- C. Work to date:
 - 1. Individual LLC research (UNT, UNC-Asheville, TTU, OSU, Vanderbilt, Virginia, UMass, Emory, and Shepherd).
 - 2. Phone interviews with above LLC directors.
 - 3. Established list of LLC best practices.
 - 4. Formed subcommittees (see below).

III. Moving Forward

A. Subcommittees

1. Property: Facilitate the re-purposing and furnishing of 2527 Hampstead.
2. Curriculum: Suggest course offerings and other educational programming, such as one-time lectures, film series, travel, and brownbag luncheons as determined by community interest; create various documents, such as instructor contracts, instructor expectations/guidelines, program evaluation forms, etc.; recommend membership levels/costs and benefits; develop appropriate curriculum management and delivery methodologies and activities commensurate with LLC best practices and MSU's public liberal arts mission. Work with Administration and Community Outreach committees to produce promotional materials for marketing the program.
3. Fundraising: Research funding opportunities such as local, state, and national granting agencies, local civic funding, corporate sponsorships and appropriate individuals; establish fundraising parameters and procedures in concert with MSU's development staff.
4. Administration: Enlist and oversee instructors; develop and disseminate course schedules, brochures, registration forms, and other marketing materials in conjunction with the Curriculum and Community Outreach committees and MSU marketing staff; work with MSU webmaster to design website and social media pages; collaborate with various MSU staff to identify resources that can be used to implement program activities.
5. Community outreach: Establish networks with campus administration, alumni, community leaders, and statewide programs for older adults; develop mutually beneficial community partnerships with local civic and arts organizations; represent the program to various community organizations; work with Curriculum and Administration committees to produce and disseminate promotional materials for marketing the program.

B. Complete data gathering.

1. Community focus groups (early Feb. 2018).
2. Write and disseminate online survey (mid Feb./early Mar. 2018)

C. LLC site visit to UNT and/or UNC-Asheville.

- D. Develop community relationships with Wichita Falls Alliance for Arts and Culture, Kemp Center, Wichita Falls Art Association, Wichita Falls Museum of Art at MSU, Wichita Falls Symphony Orchestra, Backdoor Theatre, Wichita Theatre, Sheppard AFB, the Chamber of Commerce, city and county governments, and senior living communities.
- E. Report back to Board of Regents (May 2018).

IV. Conclusion

- A. Building Community Rapport: MSU's LLC will offer intellectually stimulating university-level learning opportunities which strengthen engagement between campus and the Texoma community. Along with strategically extending our mission into the community, the LLC will also act as a point of pride for MSU faculty and staff, donors, alumni, the region, and the state. From its inception, the LLC will be a collaborative member-staff led organization with shared planning, governance and objectives.

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Executive Committee
November 9, 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, November 9, 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. Other regents attending the meeting were Mr. Warren Ayres, Dr. Lynwood Givens, Mr. Jeff Gregg, Mr. Shawn Hessing (via teleconference), 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; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Mr. Newman Wong, Chairman, MSU Staff Senate; Mr. Kyle Williams, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the MSU Student Government Association (SGA) were Ms. Maria Peña, SGA President, and Mr. Jacob Warren, SGA Observer. Two students attending the meeting were Ms. Francine Baron and Ms. Laura Sorge. Representing the news media were Ms. Kara McIntyre, reporter and Editor, and Ms. Harlie David, photographer, for *The Wichitan*; Ms. Claire Kowalick, reporter for the Wichita Falls *Times Record News*; Ms. Katya Guillaume and Mr. Curtis Jackson, KFDX-TV 3; and Ms. Sarah Hines, KAUZ Channel 6.

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

Reading and Approval of Minutes

18-03. The minutes of the Executive Committee meeting August 3, 2017, were approved as presented.

Campus Construction Update

18-04. 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. The first slide showed the near term plans that were presented to the Board in May 2017. He reviewed the plans and noted that since May the McGaha Building and three houses on Hampstead Lane had been razed and a parking lot was constructed on Hampstead Lane. He reported that current plans were to begin construction of the new Health Sciences and Human Services (HSHS) building, add a Lifelong Learning Center in the home at 2527 Hampstead, and relocate Facilities Services to the area on Hampstead Lane so that the Daniel Building could be renovated

to house some of the student services. Mr. Owen pointed out that when the Health Sciences and Human Services (HSHS) building is operational, the occupants of Bridwell would move to the new building and the West College of Education faculty and staff would move to Bridwell Hall. He added that programming of Ferguson Hall after the West College moves was not complete. He indicated that at some point the Counseling Center building would be razed to provide additional parking. Slides Three and Four showed the hardscape master plan. Mr. Owen stated that the plan would eventually include pedestrian traffic from the north end of Hardin to the south end of Bolin on Council Drive; and from Council Drive to McCullough-Trigg Hall on Comanche Trail. He noted that an architect was working on the landscaping for the quadrangle area between Bridwell Hall, McCoy Engineering Hall, and the new HSHS building. He added that an item later in the agenda would recommend adding the landscaping of the HSHS building to the scope of work. Slide Five showed a satellite rendering of what this area of campus would look like with this work completed and Slide Six showed an early design artist's rendering of the new HSHS quadrangle area. The remaining slides provided information related to progress on the Jan Thacker Fantasy of Lights Workshop, the Housing Administration move to Sunwatcher Village, the former Housing Administration area in Beawood Hall conversion to a Language Lab, additional lighting around campus, and a kiln installation at the Fain Fine Arts Building.

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

MSU Deferred Maintenance Reports – Campus Condition Index

18-05. Mr. Sanchez stated that the reports included in the Board Book were required by statute and show deferred maintenance projects completed in FY 17, as well as those planned for the next five years. There being no questions or discussion, Mr. Sanchez noted that this item was presented for information only and no action was necessary.

Moffett Library Renovation Project – Architect Contract Approval and CMAR Recommendation

18-06. Mr. Sanchez stated that the administration recommended two action items related to this project and asked Mr. Owen to review the recommendations. Mr. Owen reported that in August the Board approved the recommendation to select Holzman Moss Bottino Architects (HMB) as the architect of record for this project. He stated that the administration negotiated the contract and requested authorization to move forward with the contract as presented. Mr. Owen added that the university sent out a Request for Proposal for a Construction Manager at Risk (CMAR) for the project and the administration recommended approval of M&F Litteken.

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

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Information Technologies Relocation Project Authorization Request

18-07. Mr. Sanchez asked Mr. Owen to review this item and the recommendations. Mr. Owen stated that the administration previously determined the projects that would be paid from Tuition Revenue Bond (TRB) funding and this included the Information Technologies Relocation Project. He reminded the Board that the HSHS building would have a data center installed and the current equipment would be moved to HSHS from the Memorial Building basement. He stated that the HSHS building project would include the cost of

the walls, ceiling, and floor, but the additional equipment, air conditioning units, backup generators, and other items needed for the data center would be paid from the project budget that was recommended for approval.

Mr. Crosnoe moved approval of the motion. The motion was seconded by Mrs. Marks and was approved.

Health Sciences and Human Services Building Project – Construction Contract Approval

18-08. Mr. Sanchez asked Mr. Owen to explain the item and recommendations. Mr. Owen stated that at the August Board meeting the administration requested authorization to enter into a contract for the HSHS building site package if its value plus the estimate for the building package totaled less than \$29.25 million. The site package bid came in within those estimates and the contract moved forward. He stated that the bids on the building package were opened October 12 and approximately ten days later the Construction Manager at Risk (CMAR) notified Mr. Owen that the bids were significantly higher than the budget. Following review, the CMAR provided a written document indicating that the bids placed the project \$7.5 million over budget. The CMAR immediately began reviewing the project for ideas to save money. Mr. Owen presented three slides showing the original building renderings (see Attachment 2). He stated that the administration wanted to preserve as much of the interior of the building for student learning, and was looking at modifying the exterior of the building to save dollars. He added that new renderings had not yet been done. He reviewed the recommended modifications to the project that were being considered. Slide One showed the eastern view of the building and Mr. Owen explained that the white wall to the side of the glass wall would be eliminated. He stated that the interior four-story atrium could be reduced to two stories, which would result in savings of approximately \$500,000. He indicated that this would also give the building additional floor space for student use. Mr. Owen noted that the penthouse shown on Slide Two would be removed and the air conditioning systems would move closer to the center of the building. He referred to the west entrance shown in Slide Three and reported that the terracotta tile would be replaced with either MSU brick or Exterior Insulation Finishing System (EIFS), which is synthetic stucco. He stated that brick was preferred because of its longer life. He reported that the administration was considering removing the glass atrium entrance on the west side of the building as well as possibly removing the colonnade on the corner. Mr. Owen reported that the architect was reviewing the feasibility of the list of changes that had been recommended by the CMAR. He added that the administration would likely be able to review the final list after Thanksgiving. He stated that they anticipated identifying savings to the project of between \$4.5 and \$5 million. He commented that if the target was reached the architect would be asked to provide new detailed drawings of the modified design, the CMAR would refine his estimates, and a new contract would be drawn up. He added that if the project savings were not at the \$4.5-\$5 million level, the only other option would be to redesign and rebid the project, which would probably take an additional six months.

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Mr. Owen reminded the Board that five percent of the project total, or \$2 million, was held back in case there were cost overages. He added that the Texas Accessibility Standards (TAS), Americans with Disabilities Act (ADA), and Fire Marshal Upgrades Project had cost savings of \$500,000. The remaining \$500,000 needed to move forward, assuming the savings mentioned above, would come from the remaining TRB funded

projects related to Moffett Library, Bridwell Hall, and Information Technology (IT) relocation.

Mr. Owen reported that the university received three project estimates in August that showed the project to be within budget. The estimates were from the general contractor, the architect, and an independent estimator. After the bids came in over budget, the CMAR stated that market conditions were such that the estimators undervalued the labor market. Mr. Owen stated that other factors could include a strong economy, low unemployment rate, several billions of dollars' worth of TRB projects underway statewide, and major hurricane damage in Texas. Dr. Johnston and Dr. Fowlé had discussions with institutions across the state and they had similar experiences.

Mr. Sanchez presented the administration's request for authorization to issue a contract for the building's construction at a total project Guaranteed Maximum Price (GMP) of \$33.0 million, plus \$850,000 from the Information Technologies Relocation Project budget. The administration further requested authorization to increase the HSHS building project's total budget to \$41 million from the \$40 million maximum previously approved by the Board of Regents. He noted that the additional \$1 million would be funded through residual savings from other TRB funded projects: (a) Moffett Library Renovation Project, (b) Bridwell Renovation Project, (c) IT Relocation Project, and the (d) TAS, ADA, and Fire Marshal Upgrades Project. Mrs. Marks seconded the motion.

Mr. Gregg asked about the construction contract and asked why the university would pay for the additional cost rather than the contractor. Mr. Owen responded that the CMAR was not yet under contract to build the building. Mrs. Marks asked if university personnel had reviewed the recommended changes. Mr. Owen responded that this would be done after Thanksgiving and the administration would have an opportunity to accept or reject the recommended changes. Dr. Givens asked if the project needed to be rebid since it was going to be a very different project. Mr. Owen responded that rebidding does not always work in favor of the building owner because some of the vendors may not bid and the previous bid amounts have been made public.

Dr. Givens stated that he did not want to see this action taken hurriedly. Mr. Sanchez expressed agreement. He stated that the originally proposed concept and style of the building were very appealing to the Board and some of the proposed changes could dramatically change the look of the building and it was difficult for him to visualize this without updated renderings. Mr. Crosnoe added that one of the things the Board was told when the design was originally presented was that this would make MSU more competitive with other universities. He stated that if the Board had been presented a scaled-down version in the beginning it would have likely been approved. However, since the original design was approved, he would like to see what the scaled-down version would look like before approving the project to move forward. Ms. Owens stated that as a student she would like to see the administration attempt to keep at least the design of the front of the building. She added that students look at other schools and they wanted new and innovative design on the building. Dr. Shipley stated that the administration was looking to protect square footage in the building because that is what would impact student learning. She stated that she welcomed the wisdom of the Board.

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The Board then discussed the option of having a special Board meeting when more information and renderings were available. Dr. Shipley commented that the administration would work with the architect and CMAR. She added that it might be necessary to determine two options; one with the original design and a smaller building, and one with the current square footage and a modified design. Mr. Sanchez indicated that perhaps a combination of less square footage and less design would be possible. He asked if the IT Relocation portion of the project would be affected by the change to the building. Mr. Owen responded that the IT portion of the project would not change.

Mr. Sanchez indicated that no action would be taken and this matter would be tabled until a special meeting was scheduled in December.

Health Sciences and Human Services Landscaping and Parking Project Authorization Request

18-09. Mr. Owen stated that the Board previously authorized the administration to proceed with the landscape design for the HSHS building quadrangle located east of the new building. The administration recommended expanding the project as presented in the Board Book. Mrs. Marks moved approval of the recommendations as presented and Mrs. Burks seconded the motion.

Mr. Crosnoe asked if this action should be approved since the previous action was delayed. Mr. Owen responded that the work on the design of the HSHS area would not be done until the building was defined. He added that this project included other work and design that could be accomplished in the meantime.

Following discussion, the motion carried.

MSU Policies and Procedures Manual Change – Policy 4.146

18-10. Mr. Sanchez noted that in August 2017 the Board had an opportunity to review a draft of possible changes to Policy 4.146, now titled Honorific and Gift-Related Namings, and the policy was recommended at this meeting for approval. He asked Mr. Vidmar to review the recommendation. Mr. Vidmar stated that the administration reviewed this policy as part of the preparation for and beginning of the Comprehensive Campaign. He indicated that he and Mr. Macha reviewed similar policies of Texas and national peer institutions to ensure MSU's policy was in line with best practices. He noted that in Section C.5 related to Naming Recognitions, the policy states that the target for the recognition of gifts was 10 years. He reiterated that this length of time was a best practice target, but that it could be changed as part of the gift agreement. He added that the approval of this policy did not change previous namings or agreements.

Mrs. Burks moved approval of this policy change as presented. Mr. Crosnoe seconded the motion.

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Mrs. Marks asked if it was normal that the criteria for a gift-related naming be based on no less than 33% of the value of the building. Mr. Vidmar responded that it represented best practices. Ms. Owen asked if the recommended numbers in the policy were in line with MSU's peers. Mr. Vidmar responded that the policy was very much in line with policies of peer institutions.

There being no further discussion, the motion was approved.

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

18-11. Mr. Sanchez noted that the administration recommended the ratification of the accessioning of artworks into the Museum's Permanent Collection as shown in the Board Book.

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

Adjournment

The Executive Committee discussion concluded at 2:30 p.m.

Reviewed for submission:



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

ATTACHMENT:

1. Construction Update - Project Photographs
2. HSHS Building Original Renderings

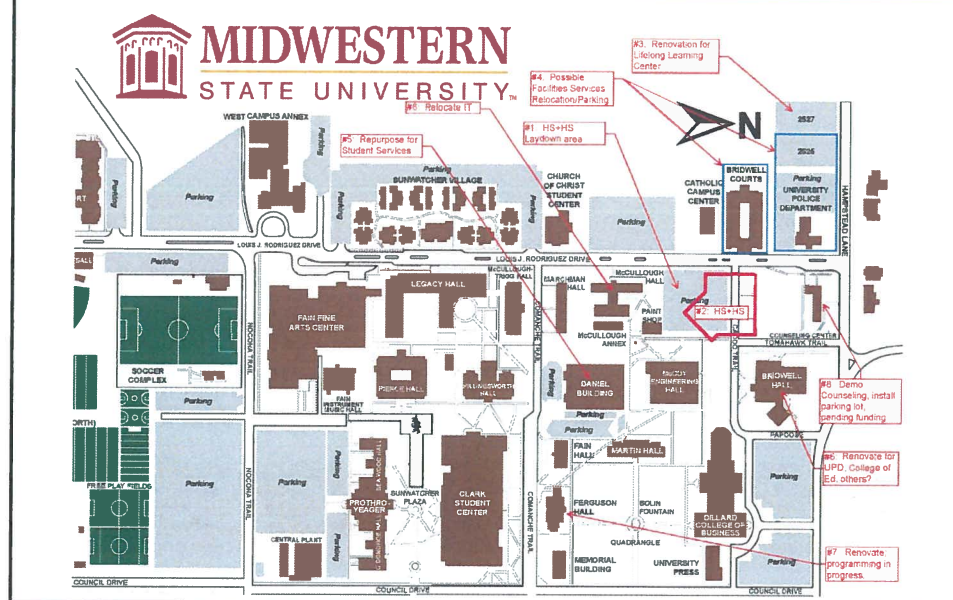


Construction Update Status

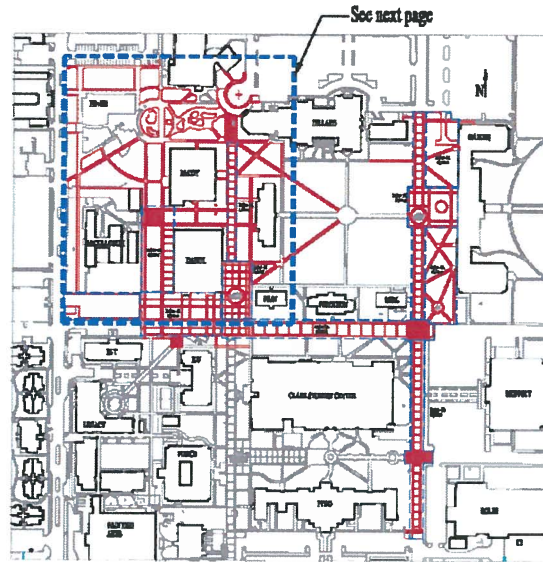
November 9, 2017

by
Kyle Owen

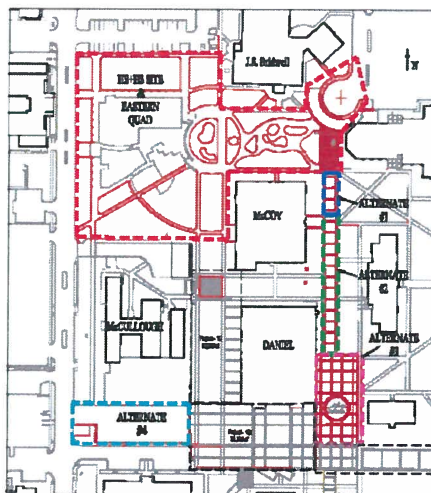
Near Term Plans



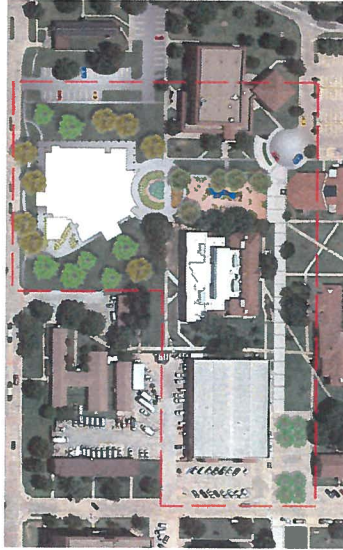
**Hardscapes
Master
Plan**



**Health Sciences &
Human Services
Landscaping and
Parking Project
Expansion Plans**



Health Sciences & Human Services Eastern Quad

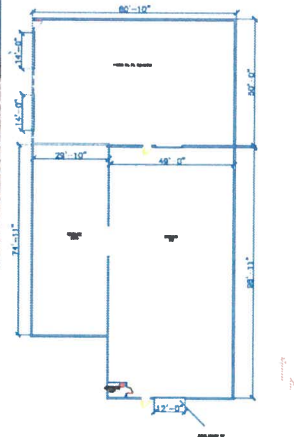


Health Sciences & Human Services Eastern Quad



Midwestern State University HS+HS Quad

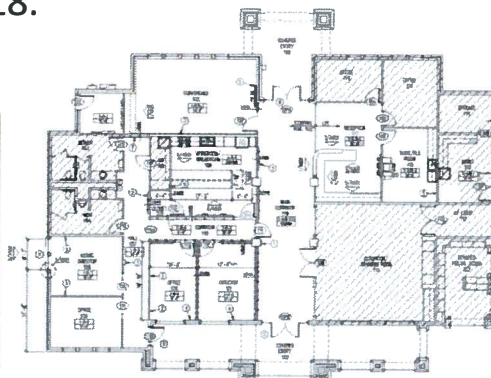
Jan Thacker Fantasy of Lights Workshop Expansion:



Sunwatcher Clubhouse & Beawood Conversion



- Renovations for Housing Administration.
- Beawood area vacated to become a Language Lab by summer 2018.



- Additional lighting around campus.



- Kiln installation at FFA.

Health Sciences & Human Services Building



Eastern view:



Health Sciences & Human Services Building



Northeast corner view:



Southwest corner view:



MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Academic and Student Affairs Committee
November 9, 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 2:30 p.m., Thursday, November 9, 2017. Academic and Student Affairs Committee members in attendance were Dr. Lynwood Givens, Chair; Mr. Shawn Hessing (via teleconference); Ms. Nancy Marks; and Dr. Shelley Sweatt. Other regents attending the meeting were Mr. Warren Ayres, Ms. Tiffany Burks, Mr. R. Caven Crosnoe, Mr. Jeff Gregg, Mr. Sam Sanchez, and Student Regent 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; Mr. Kyle Owen, Associate Vice President for Facilities Services; Dr. Kristen Garrison, Associate Vice President for Undergraduate Education and Assessment; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Mr. Newman Wong, Chairman, MSU Staff Senate; Mr. Kyle Williams, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Dr. Kym Acuña, Assistant Professor of Educational Leadership & Technology; 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) were Ms. Maria Peña, SGA President, and Mr. Jacob Warren, SGA Observer. Two students attending the meeting were Ms. Francine Baron and Ms. Laura Sorge. Representing the news media were Ms. Kara McIntyre, reporter and Editor, and Ms. Harlie David, photographer, for *The Wichitan*; Ms. Claire Kowalick, reporter for the Wichita Falls *Times Record News*, Ms. Katya Guillaume, KFDX-TV 3; and Ms. Sarah Hines, KAUZ Channel 6.

Dr. Givens called the meeting to order at 2:30 p.m.

Reading and Approval of Minutes

18-12. The Academic and Student Affairs Committee approved the minutes of the August 3, 2017, meeting as presented.

Faculty Report

18-13. Dr. Givens stated that Dr. David Carlston, Chairman of the Faculty Senate, would present his report. Dr. Carlston reported that the Faculty Senate had been working through a number of policy and procedures revisions and revisiting a long list of campus compliance related matters. He stated that the process of review and discussion had shown that things are moving in the right direction. He added that the process had been collaborative. Dr. Carlston reported that the Senate is conducting a follow-up faculty satisfaction survey, adding that the most recent survey such as this was approximately three years ago. He noted that the survey would look at many aspects of faculty life,

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including burnout. He stated that faculty put a great amount of effort into teaching, research, and the variety of activities in which they are involved. He added that just as student retention is important, faculty retention is important as well. He noted the importance of having a faculty that is engaged and isn't burned out. He stated that he would report further on the survey results at a future meeting.

Dr. Carlston stated that a number of items appear later in the agenda that address student retention, enrollment, and student recruiting. He stated that he could provide additional comment during the discussion of the items if necessary. He noted that one of the significant concerns of faculty is student preparedness. The preparedness level of high school graduates is slowly sliding backward and the expectations and the mode of delivery at the university level sometimes exceed their preparedness. He reported that the Faculty Senate was working with the Provost's office and through the survey to identify ways that faculty skills can be built to help students with preparedness. Dr. Carlston added that while faculty want the best and the brightest students, it appears MSU may not be reaching students who could be successful at MSU and the faculty are excited with some of the changes and recommendations that will be made later in the meeting.

Dr. Givens stated that one of the reasons he selected to attend a university was the professors he wanted to learn from. He asked if MSU faculty feel they play a part in the growth of the institution because of their reputation and ability to attract students. Dr. Carlston replied in the affirmative. He added that faculty have an opportunity to participate in many outreach and recruiting events. He stated that faculty want to be helpful in the process. Dr. Givens asked Dr. Carlston to convey to the faculty on behalf of the Board that the Board respects them and believes they are key to attracting the right kind of students to MSU.

There being no further questions, Dr. Givens thanked Dr. Carlston for his report.

Staff Report

18-14. Dr. Givens announced that Mr. Newman Wong, the new Chairman of the MSU Staff Senate, would present the Staff Report. Mr. Wong reported that he is a Research Analyst in the Office of Institutional Research and Assessment. He stated that the members of the Staff Senate continue to be active on campus, with representation on the Strategic Planning Committee and the Budget Oversight Committee. He mentioned that during the fall semester the guest speakers for their meetings included Dr. Keith Lamb speaking about the Flower Mound campus, Ms. Julie Gaynor presenting information on university branding, Ms. Angie Reay providing details about the new personal training services provided through the Wellness Center, and Ms. Kathy Rice, providing an update on the employee time-tracking system. Mr. Wong reported that the recent recipients of the "You Make a Difference Award" were Mr. A. J. Lopez, Social Media Coordinator; Mr. Matt Steimel, Programmer Analyst II; and Ms. Judy Salazar, Benefits Administrator.

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Dr. Givens congratulated Mr. Wong on his election as chairman and thanked him for his report.

Student Government Report

18-15. Ms. Maria Peña, MSU Student Government Association (SGA) President, provided an update to the Board. She stated that the SGA began the year with the goal of providing

events and activities for the students to become familiar with the SGA. She reported that early in the fall students were affected by a series of crises including hurricanes, changes to the Deferred Action for Childhood Arrivals (DACA) policies, and the passing of Robert Grays. She stated that the SGA worked to ensure students were aware of assistance programs that were available on campus. She noted that following Robert Grays' passing the SGA established a Go Fund Me account to raise money for the family. She added that the football team established another account and raised \$20,000, in addition to the \$6,000 raised through the SGA's efforts. The Student Senate took action to provide a plaque on a bench in front of the D. L. Ligon Coliseum in Robert's memory.

Ms. Peña reported that in preparation for Homecoming the SGA reviewed the campus tradition of a torchlight parade to determine if it should continue in light of the recent protests on a campus in Charlottesville, Virginia. She stated that a task force was formed to study the campus climate in this regard. Information was provided to students regarding the history of the parade which began in 1985. Approximately 90% of the feedback received from the surveys favored continuing the torchlight parade and it continued as part of the Homecoming activities.

She noted that the Student Senate would consider changes to the by-laws and constitution to include possibly restructuring the Senate. She added that the SGA was surveying students regarding their satisfaction with the overall university, to include dining, housing, and safety.

Dr. Givens thanked Ms. Peña for the work she is doing and for her report.

Athletics Report

18-16. Mr. Kyle Williams, the newly appointed Director of Athletics, stated that he was humbled and blessed to have the opportunity to oversee the athletics program at MSU. He thanked Dr. Shipley for her confidence in him. He reviewed his report which was included in the Board Book. He added that with the growth of the Lone Star Conference (LSC) he was disappointed that new football schools were not added, but indicated that they would continue to work on this matter. He reported that the Grays family attended the football game the previous Saturday and Robert's jersey was retired.

Mr. Sanchez asked if the conference would continue as the LSC once the Heartland Conference schools join. Mr. Williams responded that it would be the LSC. Mr. Sanchez asked about prospects of schools with football programs. Mr. Williams stated that the University of Texas at Tyler was a possibility, although they are a Division III school and would have to move to Division II.

Dr. Givens congratulated Mr. Williams on his appointment and thanked him for his report.

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Fall 2017 Enrollment Report and Upperclass Student Retention Discussion

18-17. Dr. Givens noted that the Board Book included the fall enrollment report as well as a summary of retention initiatives. He asked Dr. Lamb and Dr. Johnston to provide information for discussion. Dr. Lamb reviewed the fall enrollment report and information included in the Board Book. He noted that 9.4% of the students enrolled in

the spring 2017 that were eligible to re-enroll in the fall 2017, did not re-enroll. He stated that this was a significant loss and was very difficult to overcome from an enrollment standpoint. He added that of that number, 50.1% were classified as juniors or seniors and about 25% were in the allied health or pre-allied health programs. He reported that he and Dr. Johnston worked on identifying areas that could be addressed as shown in the Board Book. Dr. Johnston stated that the 25% of students who are health science majors fell into roughly two groups. The first group is students who have an associate's degree and license credentials and are interested in MSU's completion degree programs in radiologic science and respiratory care. These students do not need the baccalaureate degree to continue in their profession, but are looking to complete a degree for upward mobility in their field. He indicated that if the institution moves to parts of term offerings it will address the challenge of life getting in the way and students stopping out during the program. He stated that programs are being offered through parts of term through the Flower Mound campus and should be expanded to the Wichita Falls campus in the future. He explained that parts of term moves a one-half time student to a three-quarter time student and accelerates the program. The second group are pre-health sciences and pre-allied health students. The programs have competitive admissions and the administration is identifying a number of ways to help students if they miss an admissions cycle. One of the options is the identification of signature minors that would enhance the student's life goals and career path and give them another opportunity to apply for the program. Dr. Johnston added that academic counselors had been placed in each of the colleges to become experts in the majors by college. This will free faculty to assume more of a mentoring and coaching role. He indicated that faculty are interested in identifying and engaging with majors early in their academic careers to help them be successful, and to identify early any "lack of fit" issues. He stated that MSU is partnering with a number of community colleges through articulation agreements to help students move seamlessly from community college to MSU.

Mrs. Burks asked if any thought had been given to sending a letter to the students who did not return asking them to share their reasons for not returning. Dr. Johnston responded that some of the faculty had asked for the list of non-returning students so that they could contact the students in their areas. Mrs. Burks suggested that all of the students be contacted. Dr. Lamb responded that students on financial aid, approximately 70%, were contacted by the Financial Aid Office. Dr. Shipley asked if Mrs. Burks would like to see the information summarized and shared with the Board. Mrs. Burks responded that she would. Mrs. Marks added that she would like to know the age of the students. Mr. Sanchez indicated that he would also be interested in the majors of the students outside of the health sciences and asked if any of the initiatives would target those students. Dr. Lamb responded that with the large number of students from the allied health area the initiatives were designed to target those students. He stated that later in the meeting Dr. Garrison would discuss the first-year experience, academic seminars, and learning communities, which were built to address all students. Dr. Johnston added that the advisors in the colleges and the counseling and mentoring efforts would be initiatives across all disciplines.

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Dr. Sweatt asked how students are admitted to the allied health programs. Dr. Johnston responded that the programs had established a minimum grade point average on core coursework, and particularly for those courses the students will use as foundations for the programs, such as Anatomy & Physiology and Microbiology. He added that most of the

programs use a point system and students are at the mercy of the applicant pool. He stated that admission to the completion degrees is based on each student's licensure and certification. Students who have an associate's degree, are licensed in good standing, and are qualified to practice are generally accepted into the programs if there is room in the cohort. He added that the respiratory and radiology programs accept an average of 30 new completion degree students each semester. Dr. Sweatt asked if students on the path are aware of the requirements so that they are not surprised if they don't move on. Dr. Johnston responded that the advisors have historically worked with the students and guided them along the process.

Mr. Ayres asked if many students from other institutions enter MSU's online programs. Dr. Johnston responded that for the completion degrees respiratory has exceeded the 200 student mark and radiology has more than 300 students. He stated that at any given time there are approximately 300 students in the RN to BSN program, adding that this is a program from which students might stop in and out.

Dr. Givens thanked Dr. Lamb and Dr. Johnston for the information and discussion. He noted that this item was presented as a point of information only and no action was necessary.

Dallas-Fort Worth (DFW) Expansion Update

18-18. Dr. Lamb reported that the update was included in the Board Book. He stated that the building in Flower Mound was being bricked and the university and North Central Texas College (NCTC) was scheduled to take possession of the building January 15. He added that the partnership with NCTC was working well. He thanked Dr. Fowlé for her assistance working on specifications and pricing for the technology and furniture packages.

There being no questions, Dr. Givens noted that this item was presented for information only.

Recess

The committee meeting recessed at 3:22 p.m. and reconvened at 3:32 p.m.

December 2017 Graduating Class

18-19. Dr. Givens reported that the administration was recommending approval of the candidates for December 2017 graduation as presented in the Board Book. He noted that 516 were on the list compared to 490 in 2016. Mrs. Marks moved approval of this item as presented. Dr. Sweatt seconded the motion and it was approved.

First-Year Experience Report

18-20. Dr. Givens noted that the Board Book included information regarding the First-Year Experience at MSU. He asked Dr. Kristen Garrison, Associate Vice President for Undergraduate Education and Assessment, to begin the presentation. Dr. Garrison reviewed information regarding MSU's First-Year Experience (FYE) as shown in Attachment 1. She noted that the FYE was included in the MSU Strategic Plan 2017-2022 and had been deliberately developed to address student needs. She stated that the university was working to develop programming that links academic coursework to outside programming. She reviewed the three components of MSU's FYE (Slide Three)

to include learning communities, academic seminars, and peer mentors. Slide Four outlined the fall learning communities in 2016 and 2017. She explained the single, multi, and partial formats that have been used. She stated that research shows that a single learning community is the ideal pairing; the single format includes 20 students registered for two of the same courses. She noted, for example, that students might be registered in an English course and a Political Science course and the two faculty members would develop an integrated curriculum. She added that the other formats of multi and partial have also been used successfully. She reported that the Peer Mentor program was piloted in the fall with eight peer mentors assigned to the learning communities. She added that the academic seminars would be piloted in the spring.

Dr. Garrison introduced two students, Ms. Francine Baron and Ms. Laura Sorge. She noted that these students conducted research on Learning Communities during the fall 2016 semester as part of the Enhancing Undergraduate Research Endeavors & Creative Activities (EURECA) program, under the guidance of Dr. Kym Acuña, Assistant Professor of Educational Leadership & Technology. Ms. Sorge and Ms. Baron thanked the Board for the opportunity to present their research which was included as part of Attachment 1. Ms. Sorge noted that in 2016 they conducted a year-long research project looking at students' perceived benefits of learning communities at MSU. She reviewed the methodology used and she and Ms. Baron reviewed their findings. Ms. Sorge noted that the most exciting finding was that the overall college experience of the students was improved due to learning communities. Ms. Baron presented the conclusions of the research and indicated it was a pleasure to find out what the students had to say about learning communities. Dr. Garrison added that the two students' findings were published in the *Journal of Higher Education and Social Policy*.

Mr. Sanchez asked if freshmen students were integrated with upper-class students. Dr. Garrison responded that they would be integrated through the peer mentor program. Mr. Sanchez asked if freshmen are required to participate in learning communities or if participation is optional. Dr. Garrison responded that the program is optional because the university does not have enough learning communities to make it a requirement. Mrs. Marks asked if there are challenges with scheduling of the two courses. Dr. Garrison responded that it could sometimes be a concern. She added that the biggest challenge is that students enter college with dual or advanced placement credit. This makes the job of anticipating what two courses every student might need in the core a bit challenging. She indicated that they are working with the Academic Advising Committee to help determine what classes students might need.

Mr. Ayres asked if this was the first time MSU had offered learning communities. Dr. Garrison responded that MSU began offering learning communities in 2014 and 2015, with about five offered. She added that when her position was created she was tasked with growing the program.

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Mr. Crosnoe noted that the research indicated there was a small percentage of students who did not like the program and stated he would be interested in knowing why. Dr. Garrison stated that some of the reasons given are that sometimes the classes are actually harder because the assignments require more critical thinking. She added that more passive learners tended to not like the learning community model because it requires them to be actively engaged in the courses.

Dr. Givens thanked Dr. Garrison, Ms. Baron, and Ms. Sorge for their presentations and information. He indicated that this item was presented as a point of information only.

Financial Aid and Admissions Task Force Report and Admissions Criteria Recommendation

18-21. Dr. Givens reported that Dr. Garrison chaired the Financial Aid and Admissions Task Force (FAATF) and asked her to review this item and present the recommendation of the administration. Dr. Garrison reviewed the report that was included in the Board Book, providing a summary of the work of the FAATF. She then reviewed the recommendations of the FAATF on page three of the report and noted that some of the recommendations were already in place. She stated that the FAATF found that some of the faculty concerns had to do with the lack of tracking of the different points at which students were admitted to the university. She indicated that the Task Force identified eight tracking codes that will be applied to a student's application and will help the institution keep track of persistence and graduation rates, progress toward a degree, and grade point average (GPA) of students depending on how they entered the university. She stated that the codes would be implemented in the Spring 2018 so that students will be tracked more effectively. She added that the centralized Tutoring & Academic Support Programs (TASP) office opened in September with 15 tutors. TASP is open 1:00-9:00 p.m. Sunday through Thursday.

Dr. Garrison reported that the FAATF also recommended increasing the academic scholarship renewal requirements. She reported that at the present time freshmen students could have a scholarship renewed with a 1.7 accumulative grade point average (AGPA) and sophomores must have a 2.0 AGPA. The Task Force recommended raising the requirements to renew an academic scholarship to a 2.5 AGPA for freshmen and a 3.0 AGPA for sophomores. Dr. Garrison noted that the university offers two first-year seminar courses that are designed to provide new students with focused and intensive academic support, those courses being College Connections and Skills for Success. She stated that the FAATF is looking at the curriculum, retention, and performance of students who take College Connections and will also review the curriculum and effectiveness of Skills for Success.

Dr. Garrison stated that the one pending recommendation regarding admissions criteria required action by the Board of Regents. She reported that the FAATF recommended expanding MSU's automatic admission to include students who graduate in the top 25% of their high school class. She noted the chart that was in each Regent's folder (see Attachment 2) which provided data regarding admission requirements and retention and graduation rates at Texas peer institution. She reviewed this information which showed four institutions that currently admit the top 25%. She added that of the other institutions that do not admit the top 25%, only Texas Tech University had a required entry ACT score that was higher than MSU's requirement. She stated that the FAATF determined that MSU may be discouraging some really great students from applying because they are not in the top 10%. She added that those students see automatic admission to the other schools as the path of least resistance and the schools with lower test score requirements than MSU as the second least resistant path. Dr. Garrison noted that the data showed that the first-year retention rate of students in the 11-25% rank had been 80-81% during the last five years. She added that this was 10 percentage points higher than MSU's overall first-year retention rate. The FAATF also found that the graduation rates of the institutions that expanded to the top 25% were higher than MSU's. She noted that while

this did not indicate a cause and effect, the group felt there was a correlation. Based on the data and the other changes that are being implemented the FAATF recommended this change to the President and the Board of Regents.

Dr. Shipley stated that the recommendation had been discussed by the Faculty Senate twice and reviewed by the Cabinet. The administration recommended the following change to MSU Admissions policies beginning with the fall 2019 class:

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

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

Dr. Sweatt stated her understanding that Tarleton State University's enrollment had really grown during the last few years. Dr. Shipley stated that Tarleton State University and Angelo State University were offering many dual credit courses and that had added to their growth. Dr. Lamb added that Tarleton State University had been offering classes in Fort Worth for about 10 years which significantly increased their enrollment.

Mr. Gregg noted that the data presented showed that Texas Tech University has the highest admissions standards and also has higher retention and graduation rates. He asked Dr. Garrison to comment. Dr. Garrison responded that Texas Tech University draws from a different cohort than does MSU. She stated that they are a Research One (R1) university and have a different appeal. She added that the FAATF grappled with determining who MSU is as an institution. She noted that the group believes MSU draws a different kind of student and it is important to let those students know that they have a place at MSU. Dr. Sweatt asked Dr. Garrison to describe the type of student MSU draws. Dr. Garrison responded that the FAATF decided that the students who are drawn to MSU are well-rounded students. She added that, for the most part, they want to do really well in school, but they also want to have leadership opportunities and be involved. She stated that they tend to work hard at school, and want to do things such as work in the Writing Center, participate in the Model UN, or do independent research through EURECA. MSU wants those students and they need to know this is a great place for them.

Ms. Marks stated that if this recommendation was approved it was important that the university has programs in place that will help them succeed. She indicated it appeared this was happening. Dr. Garrison expressed agreement. She added that drawing more students in this cohort would actually allow the institution to be more successful in reaching the students who aren't prepared and tailoring support systems for them. Mr. Sanchez asked how the institution would let students know of this change. Dr. Garrison responded that the admissions team would make a robust effort in their recruiting to get the word out.

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Dr. Givens asked for a motion before the matter was discussed further. Dr. Sweatt moved approval of the recommendation as presented. Mrs. Marks seconded the motion.

Ms. Owens noted that in the FAATF recommendations it was mentioned that the advising experience would be improved. She asked how the group planned to assess whether advising was getting better. Dr. Garrison responded that the new director of TASP, Ashley Hurst, was chairing the Academic Advising Committee. She stated that since this is a change in the advising model, the group would create an advising manual to reflect the new workflow and pattern for students. Once the documents are created the assessment of the effectiveness of the workflow would begin.

Mr. Sanchez asked if it would affect current students or those yet to enroll. Dr. Garrison responded that it would affect students enrolling for the fall of 2019. Mr. Crosnoe asked why it cannot take effect until 2019. Dr. Lamb responded that the university was already recruiting and admitting students for the fall of 2018. A change before 2019 would require the republishing of all of the recruiting pieces and changing the criteria for those students whose applications had already been considered. Mr. Crosnoe stated that if this change was good for the institution, it should be made as quickly as possible, which would be in 2018. Dr. Shipley asked if students who apply after the decision was made could be evaluated based on the new criteria. Dr. Lamb responded that they could be, adding that he was trying to determine how to get the word out to students if all of the materials were not reprinted. He added that students who had already applied would need to be reconsidered based on the new criteria. Mr. Ayres asked if there were a large number of students who had been approved for admission for the fall of 2018. Dr. Lamb responded in the affirmative. He stated that he would work with the admissions staff to determine what could be done that would not be intrusive on the staff. He added that the website could be updated immediately. Mr. Crosnoe noted that increasing the automatic admission requirement could possibly reduce the volume of work required of the admissions staff in reviewing applications.

Dr. Givens noted that the school he teaches at does not rank its students and indicated his thinking that the trend was to move away from ranking. He also asked why a change to the SAT/ACT standards was not recommended rather than changing to accepting the top 25%. Dr. Givens then apologized to Dr. Lamb for voting against this same recommendation a couple of years previously. He indicated that at the time he did not appreciate the magnitude of the problem. Dr. Lamb responded that there was no need for an apology. Dr. Shipley responded to Dr. Givens' questions saying that there is a strong feeling in the admissions community that test scores can be less reliable than performance and that standing within the class shows how well the student performs rather than what they can show they know on a standardized test. Dr. Lamb added that class rank is still widely used although there are schools that have moved away from rankings. He added that it is a much better predictor of college performance and success than is standardized testing.

Mr. Sanchez asked how MSU's standards compared with Council of Public Liberal Arts Colleges (COPLAC) institutions. Dr. Shipley stated that she would look at the information but noted that there are multiple parts of an equation that make an institution a COPLAC school. She stated that other comparisons would positively affect MSU, such as the percentage of residential students, more so than would admissions standards. Dr. Garrison added that the FAATF looked at COPLAC schools' admissions standards and would provide the information to the Board.

Dr. Sweatt commented that she appreciated the work of the Task Force in gathering the information and looking at internal barriers to access. She added that having the support of the faculty was a great strength behind the recommendation.

Dr. Givens asked if the Board was ready to vote on the motion. Mr. Crosnoe asked to review the motion relative to the effective date of the change. Ms. Barrow stated that the motion was that the new standard would go into effect with the fall 2019 class. She indicated that the motion could be changed to be silent regarding the date. Dr. Sweatt and Mrs. Marks approved the modification to their motion and second with the final motion as follows.

Approve the following change in the MSU admissions policies:

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

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

There being no further discussion, the motion was approved.

Low-Producing Degree Programs

18-22. Dr. Givens stated that the Board Book included information regarding the Texas Higher Education Coordinating Board (THECB) review of academic programs to ensure they produce an adequate number of graduates. He asked Dr. Johnston to review this item and explain the administration's recommendations. Dr. Johnston noted that the THECB notifies institutions of low-producing programs each year. The three programs identified were offered within the West College of Education. Dr. Capps worked with the faculty to recommend solutions as shown in the Board Book. He stated that through the recommended action these important academic areas would be preserved through a certificate option, concentration, or minor within the degrees noted. The administration sent these preliminary recommendations to the THECB and they were receptive to this approach pending MSU Board approval. Dr. Johnston noted that once approved by the MSU Board, the changes would be submitted to the THECB for final approval.

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

Adjournment

The meeting of the Academic and Student Affairs Committee adjourned at 4:18 p.m.

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Reviewed for submission:




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

ATTACHMENTS:

1. First-Year Experience and Learning Communities Presentation
 2. Admission Requirements and Retention/Graduation Rates Texas Peer Institutions
-



 **First-year Experience (FYE)**

Overview

- Strategic Initiative 3 of MSU's Strategic Plan (2017-2022): "Creating a Destination Residential University."
- Strategy 3b: create "signature first-year experience."
- Defined as deliberate and strategic programming that ties academic work with student activities and support resources in order to help first-year students acclimate to college.



First-year Experience (FYE)

MSU's Model

- **Fall Learning Community:** a collaborative and interdisciplinary effort between two (or more) faculty who link first-year courses and develop three assignments that integrate content from the two courses.
- **Spring Academic Seminar:** additional curriculum added to an existing core course that already emphasizes a basic research skill.
- **Undergraduate Peer Mentors:** assigned to LC and AS to supplement academic instruction with study and life skills support.



First-year Experience (FYE)

Fall Learning Community

- Fall 2016
 - 15 Learning Communities
 - 308 students, 22 faculty
- Fall 2017
 - 16 Learning Communities
 - 299 students, 27 faculty
- Formats
 - Single: paired courses with the same cap
 - Multi: a higher-volume course (60 students) paired with 3 sections (20 students each) of a lower-volume course
 - Partial: a higher-volume course (100 students) linked to 1 section (25 students) of a lower-volume course

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Students' Perceptions of the Benefits of Learning Communities

Adding Value to Student Learning Experiences

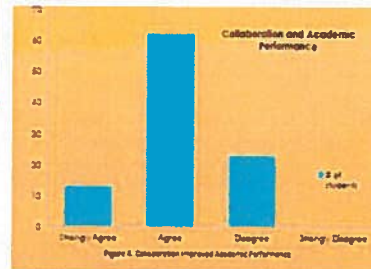
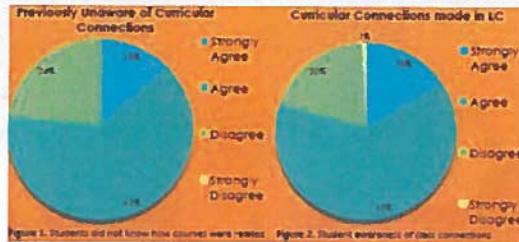
Laura Sorge & Francine Baron
Kym Acuña, Ed. D -- Faculty Mentor



Methodology.

- A 47 question student survey administered to 5 learning communities.
- Academic and social benefits.
- Total of 107 surveys answered out of 319 total freshmen taking LC's (33.5% return rate).
- Observations of 2 courses, 3 times each.
- 10 student interviews.
- Faculty surveys.

→ Students were previously unaware of relationships of course content.



→ Students enjoyed working with peers, felt comfortable doing so and felt that it improved their academic performance.

→ Students reported paying attention in class, participated in class discussions and asked and answered questions regularly.

89% of faculty agreed that the students were more lively & energetic because they knew each other

→ Students understood the purpose of learning communities, were satisfied with their implementation and looked forward to their learning community courses.



→ While the students did not feel the workload was lighter in the learning community courses, they did feel it was appropriate.

- Students were able to make meaningful connections and build relationships with classmates.

"It's difficult to make friends in a new environment and I've already made quite a couple that I am going to see both in class and out of class."

- Scheduling was not an issue for students in the LC.

- Students recognized that they were asked to use higher order thinking skills in LC coursework.

- Students felt professors were positive, worked together and were more accessible to them because of the LC.

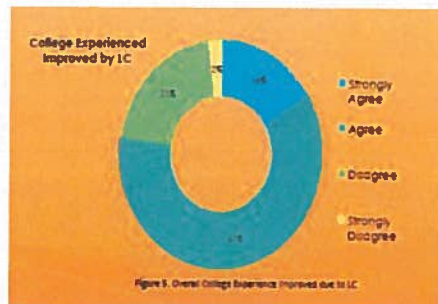
"She's constantly looking for anyway to help me..."

"LC professors tend to know what's going on in the other class, more so than the other teachers so they plan around that as far as tests go"

- Students felt the campus was providing them academic and social support so they might be more successful.

"Probably to help college kids adjust to the...to college lifestyle. And it is nice to know people you are gonna see twice a week... or twice a day in our case."

- Overall college experience was improved due to LC.





Conclusions.

Discussion

Students in LCs report improved social relations, academic engagement, and a recognition of the effort of the university to help them to be successful.

Professors found that students were more engaged and that the use of LCs is a sustainable initiative which contains noticeable benefits.



BOARD OF REGENTS meeting
November 2017
Item 18-21

Admission Requirements and Retention/Graduation Rates¹
Texas Peer² Institutions

IHE	top 10	next 15	top 50	FY retention (%)	4-year grad (%)	6-year grad (%)
MSU	automatic	21 ACT/1070 SAT	21 ACT/1070 SAT	69.8 (overall); 91 (top 10); 81 (11-25%)	20.9	40.8
Angelo State	automatic	17 ACT/900 SAT	17 ACT/900 SAT	66.5	20.4	37.5
Sam Houston	automatic	automatic	20 ACT/960 SAT	76.3	29.9	50.6
Stephen F. Austin	automatic	17 ACT/930 SAT	20 ACT/1030 SAT	71.5	30.2	44.2
Tarleton State	automatic	automatic	16 ACT/880 SAT	70.7	27.9	42.9
Texas Tech	automatic	24 ACT/1180 SAT	26 ACT/1260 SAT	83.6	33.7	59.9
UNT	automatic	20 ACT/ 1030 ACT	23 ACT /1130 SAT	79.6	24.7	49.9
UTA	automatic	automatic	22 ACT/ 1130 SAT	69.1	22.5	46.5
WTAM	automatic	automatic	18 ACT/ 940 SAT	64.7	27.1	44.2

¹ Graduation and retention data taken from THECB Online Institutional Resumes, 2016

² Institutions receiving applications and inquiries from students who also apply to MSU

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Finance Committee
November 9, 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 4:18 p.m., Thursday, November 9, 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, Mr. Shawn Hessing (via teleconference), 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; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Mr. Newman Wong, Chairman, MSU Staff Senate; Mr. Kyle Williams, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the MSU Student Government Association (SGA) were Ms. Maria Peña, SGA President, and Mr. Jacob Warren, SGA Observer. Representing the news media was Ms. Claire Kowalick, reporter for the Wichita Falls *Times Record News*.

Chairman Gregg called the meeting to order at 4:18 p.m.

Reading and Approval of Minutes

18-23. The Finance Committee approved the minutes of the August 3, 2017, meeting as presented.

Summary of Financial Support and Comprehensive Campaign Update

18-24. Mr. Gregg highlighted some of the gifts received since the last meeting of the Board as shown below.

- A. The Thacker Family contributed \$125,000 for the expansion of the Jan Thacker Fantasy of Lights Workshop.
- B. Fairway Outdoor Advertising is an MSU Athletic Corporate Sponsor for FY 18, contributing advertising valued at \$30,000.
- C. Mr. Al Guinn donated \$20,000 to the MSU Annual Fund for the Laing/Guinn Challenge, to match new and lapsed donors.

D. Mr. Wayne Reed, Jr. contributed \$15,000 in gift-in-kind services of advertising from KJTL-Fox 18 and KFDX-TV.

E. The MSU Cycling Team received \$10,000 from Hotter 'N Hell Hundred.

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 reports.

Mr. Vidmar reported that the Comprehensive Campaign is an 84-month campaign. He indicated that a copy of the Campaign Case Statement was given to each Regent. He asked that the Board members review and enjoy the strategies behind the pillars of the campaign. Mr. Vidmar then reviewed the reports included in the Board Book. He stated that the first report showed the Comprehensive Campaign Comparison of New Gifts and Commitments. He mentioned that the report for FY 18 was through only September 30, 2017. He noted that \$9.9 million had been raised through the campaign thus far. He explained that the blue line in the report represented bequest intentions. He stated that under the leadership of Assistant Vice President Rhonda McClung, more than \$500,000 of planned gifts had been documented. He pointed out the third report that showed the FY 17 new gifts and commitments. He reported that \$6.792 million was attained, representing 123.5% of the goal. The next report showed the FY 17 comparison of cash/grants with the goal exceeded by 7%. The reports on giving in FY 18 through September 30 followed. Mr. Vidmar noted a large gift-in-kind for academic software licensing valued as \$2.3 million was received through the work of Dr. Scott Meddaugh. The last report showed members of the 1922 Legacy Society to acknowledge individuals who have documented planned gifts to MSU. He noted that the total value of the nine gifts is \$1.8 million. He added that the campaign value is a prorated derivative and ratio with a discounted value of \$570,000. Dr. Shipley thanked Mrs. McClung for her work during her first month at MSU.

Mr. Vidmar asked Mr. Hessing to comment on Board involvement in the campaign. Mr. Hessing stated that he mentioned to the Board in August his recommendation to have 100% Board participation. He noted that a letter would be sent to each Regent in the next 30-45 days to provide additional information and he encouraged everyone to be a part of the campaign.

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.

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Quasi-Endowment Funds Reports – FY 17

18-25. Mr. Gregg noted that the Board Book included the quasi-endowment fund reports for the Redwine Fund and the Frank and Nancy Harvey Student Development Fund. He added that Dr. Fowlé was available to answer questions. There being no discussion, Mr. Gregg noted that this item was presented as a point of information only.

Financial Reports

18-26. Mr. Gregg stated that the administration recommended acceptance of the July, 2017, Financial Report as previously distributed. He stated that Dr. Fowlé would provide preliminary information regarding the FY 17 year-end report. Dr. Fowlé noted that Mr. Stovall was finishing up the Annual Financial Report (AFR) and that it would be sent to the Board within the next few weeks. She reviewed the presentation shown in Attachment 1. She stated that this was a trend analysis of certain financial indicators.

Slide Two showed Net Income which was the difference between revenues and expenditures. Slide Three showed Income Sources. She pointed out that net tuition and fees had grown steadily over time. She added that the increase in state appropriations was the Tuition Revenue Bond (TRB) funding and not an increase in operational funds. She explained that as the number of students living on campus increased the Sales and Services numbers also increased.

Slide Four showed Payroll Expenses. Dr. Fowlé reported that Salaries and Wages had increased by almost 40% since FY 09 while payroll-related expenses (employee and retiree health insurance) had increased by 88% during the same period of time. She commented that expenses other than payroll were shown on Slide Five. She stated that depreciation had remained steady over the years. Dr. Shipley asked if the increase in depreciation was bad, good, or neutral. Dr. Fowlé responded that depreciation parallels assets. She noted that capital equipment and furniture are depreciated quicker while buildings depreciate slower.

Slide Six showed the university's Financial Assets. She noted that the large spike between FY 15 and FY 16 was the result of the issuance of bonds for the new residence hall. Those investments decreased as the funds were spent to build the new facility. Investments increased substantially again in FY 17 with the issuance of TRB bonds. Slide Seven presented Physical Assets other than Buildings and Infrastructure and Slide Eight showed Buildings and Infrastructure. She noted that the increase in FY 16 was due to the addition of Legacy Hall.

Current Liabilities were shown on Slide Nine. Dr. Fowlé stated that deferred revenues were the tuition and fee payments that are made in August before the new fiscal year began in September. Non-Current Liabilities shown on Slide 10 are bonds. She indicated that bonds payable increased by \$35 million in FY 15 for Legacy Hall and the mass communication addition debt. The debt increased again in FY17 with the issuance of the TRB debt. Assets and Liabilities were shown on Slide 11, Net Position was presented on Slide 12, and a summary was shown on Slide 13.

Mr. Ayres moved the acceptance of the July financial report as presented. Mr. Crosnoe seconded the motion and it was approved without discussion.

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Investment Report

18-27. Mr. Gregg stated that the administration recommended the Board's acceptance of the fourth quarter FY 17 investment report as previously distributed. He noted that Dr. Fowlé's summary was presented in the Board Book.

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

Investment Policy Changes per Legislative Changes

18-28. Dr. Fowlé reported that after each legislative session she was required by statute to review with the Board the legislative changes that needed to be incorporated in the university's investment policies. She noted that no changes were required to the Investment Policy – Endowed Funds, but that changes were required to the Investment Policy – Operating Funds. She reviewed each of the highlighted changes presented in the Board Book. Mr. Gregg stated that it appeared the only significant change was the addition of the Federal Home Loan Bank and National Credit Union Share Insurance Fund. Dr. Fowlé added that the policy also now allows the use of short bond funds.

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

Salary/Title/Position Changes in FY 17 Budget

18-29. Mr. Gregg stated that the reports of personnel changes in July and August 2017 were presented for information only and the list of salary, title, and position changes was presented for ratification. He noted that two staff positions were filled above or below the budgeted amounts, the Assistant Vice President for Gift Planning and Development was added through private donations, and a position was reclassified and the title changed.

There being no discussion, Mr. Ayres moved the Board ratify the changes as presented. Mr. Crosnoe seconded the motion and it was approved.

Salary/Title/Position Changes in FY 18 Budget

18-30. Mr. Gregg noted that the report of personnel changes in September 2017 was presented for information only and the list of salary and position changes was presented for ratification. He reported that 11 positions were filled above and below the budgeted amounts, a faculty position was changed from nine to eleven months, and funds for a faculty promotion were added to the budget.

Dr. Givens moved the Board ratify the personnel changes as presented. Mr. Crosnoe seconded the motion and it was approved.

Approval of New Positions – Enrollment Management

18-31. Mr. Gregg stated that the administration requested the Board's authorization to add the positions of Vice President for Enrollment Management and Assistant to the Vice President for Enrollment Management during the current fiscal year. He noted that the specific request was included in the Board Book. He asked Dr. Shipley to comment on this request. Dr. Shipley stated her belief that it was time for the institution to add a Vice President for Enrollment Management position. She noted that when she became president she tried to reduce the number of vice presidents, which resulted in the university's administrative costs percentage going down. She indicated that the discussions earlier in the meetings provided support for this request. She stated that MSU needs an expert in enrollment management if the institution is going to grow like its

sister institutions. She stated that the estimate put forward in the Board Book would provide the new funding necessary in the FY 17 budget for the new positions and search expenses.

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

Budget Adjustment for International Recruitment Fee

18-32. Mr. Gregg noted that in May the Board of Regents authorized an International Recruitment Fee and that the fee was not included in the FY 18 budget. He stated that the administration was recommending an increase in the FY 18 revenue and expense budgets of \$400,000 to reflect this new fee and the related expenditures. Dr. Fowlé explained that in May the Board approved a pass-through fee that would be charged to international students and then paid to the recruiting agents. She indicated that the administration had determined an estimate of revenue and expenditures that needed to be included in the budget. Mr. Ayres asked about the amount of a typical fee. Dr. Lamb responded that the amount of the fee depended on the economy of the market from which each student comes. He noted that the fee for Chinese students is approximately \$9,500 and that the amount would be different for students from other areas. Mr. Ayres asked if recruiters work a country for different universities. Dr. Lamb responded that they generally do. Dr. Givens asked what criteria are used to determine the fee that is charged. Dr. Lamb responded that the university contracts with a third party that represents the agents. In this way the university does not have direct contract with the agents and the third party negotiates with the agents.

Dr. Givens asked if the fact that MSU charges certain nationalities more than other nationalities could be perceived as discriminatory. Dr. Lamb responded that he did not think it would be. Dr. Shipley asked Dr. Lamb to mention why this fee was originally recommended. Dr. Lamb stated that the administration had become concerned that some students were being charged exorbitant fees. This process allows the university to streamline the process for the student and make certain they are paying one fee only. Dr. Givens stated that he wanted to be certain that MSU was free from discriminatory practices by charging this fee and asked that the matter be researched. Dr. Shipley indicated that the matter would be reviewed.

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

Corporate Contracts for Academic Degree Programs

18-33. Mr. Gregg noted the administration's request for authorization to negotiate corporate contracts in order to attract additional groups of students via corporate clients. Dr. Lamb stated that there is interest in the Flower Mound area from corporations and entities to negotiate a tuition and fee structure that works for the corporation and MSU. Mr. Ayres asked if the corporations would pay tuition for their employees to MSU directly rather than the students paying. Dr. Lamb responded in the affirmative.

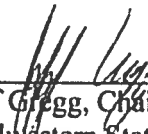
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Dr. Givens moved approval of this item as presented. Mr. Ayres seconded the motion and it was approved.

Adjournment

The Finance Committee discussion concluded at 5:00 p.m.

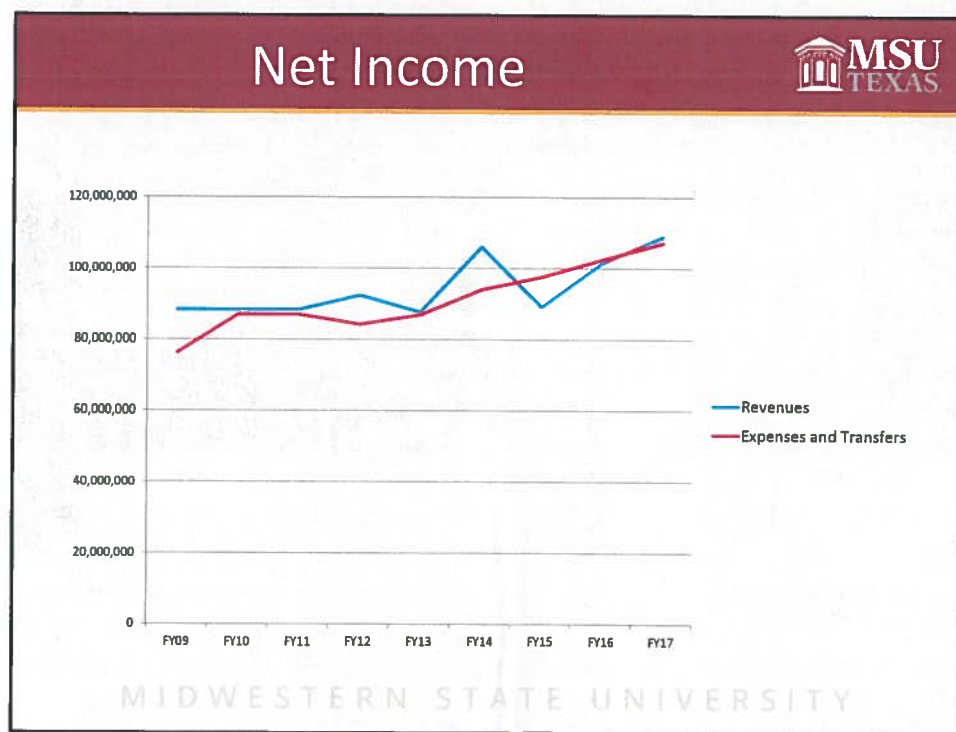
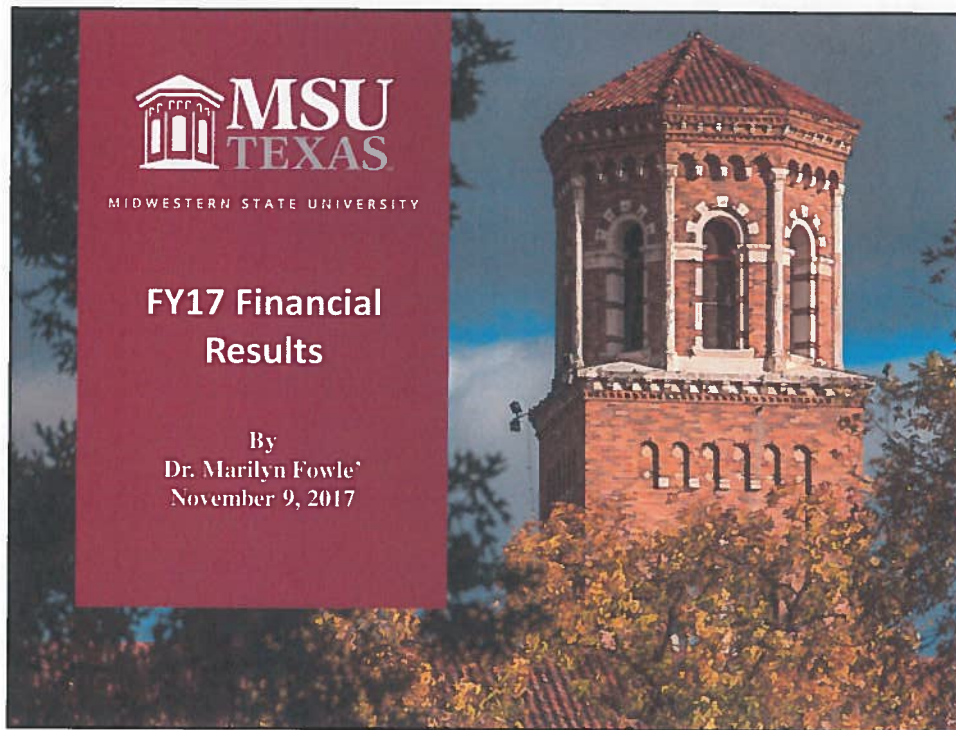
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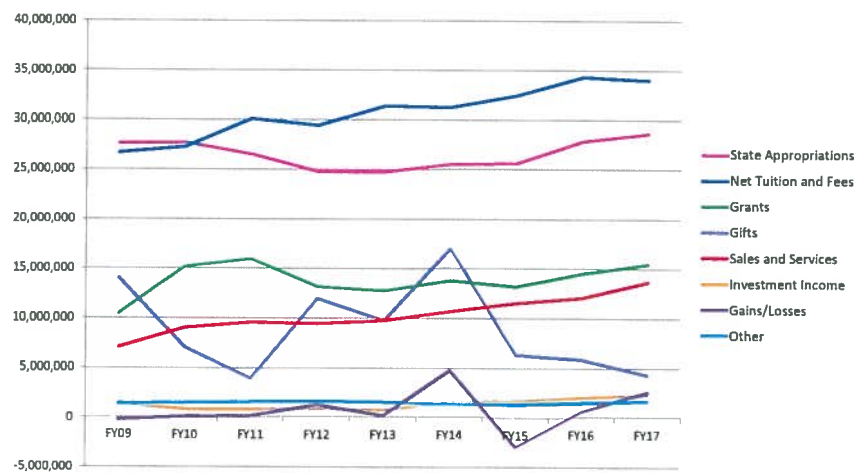
Jeff Gregg, Chairman
Midwestern State University
Board of Regents Finance Committee

ATTACHMENT:

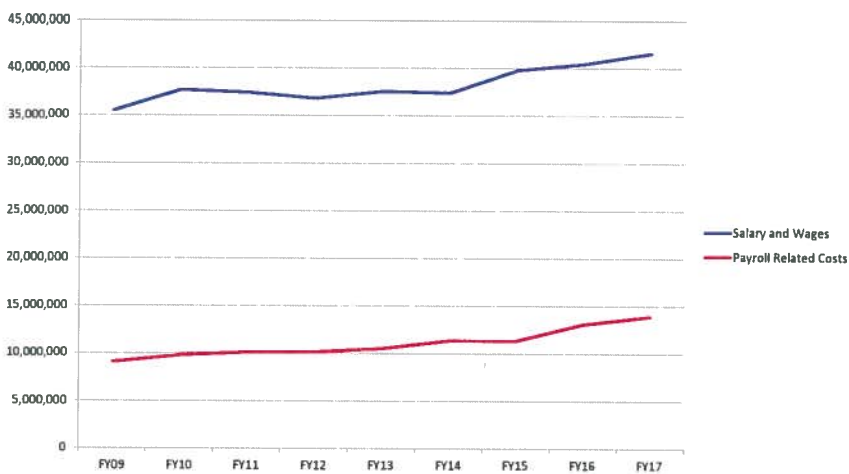
1. FY 17 Annual Financial Report Financial Results Presentation



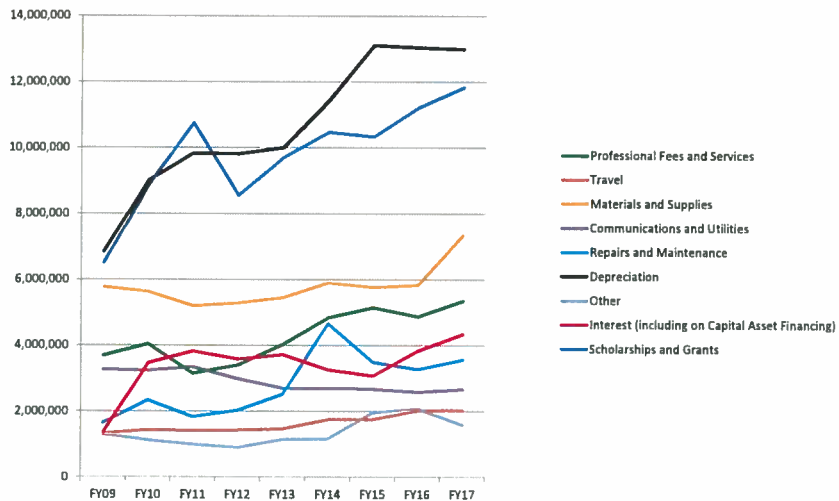
Income Sources



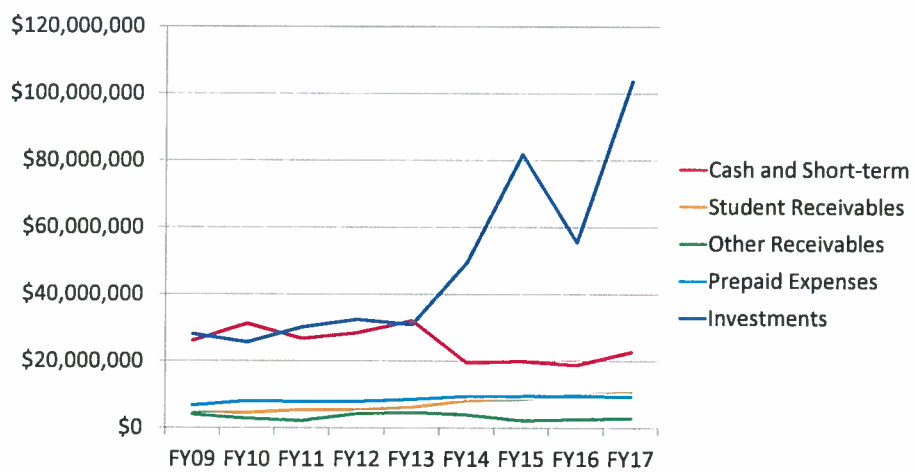
Payroll Expenses



Expenses Other Than Payroll

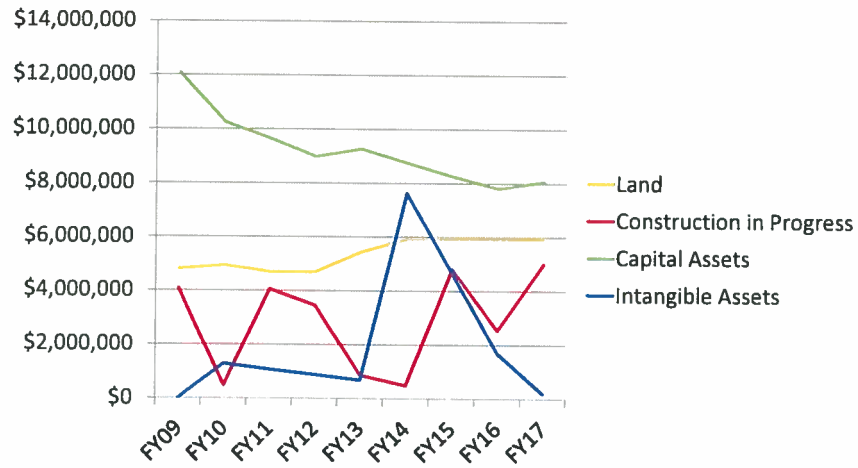


Financial Assets

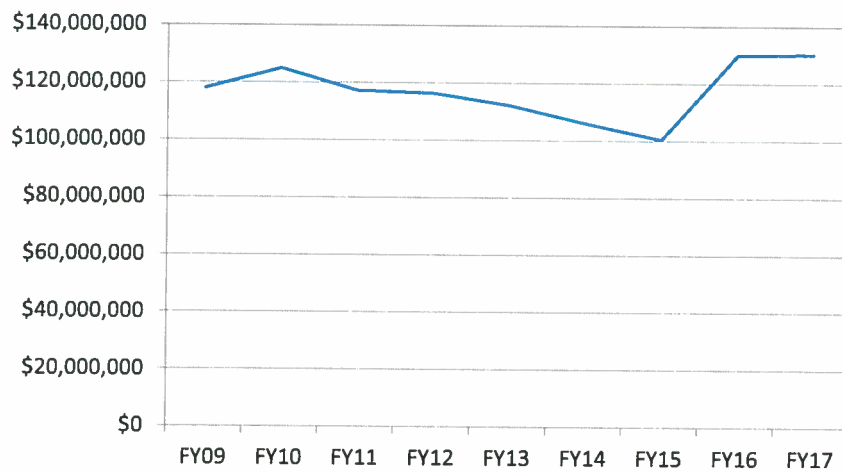


Physical Assets

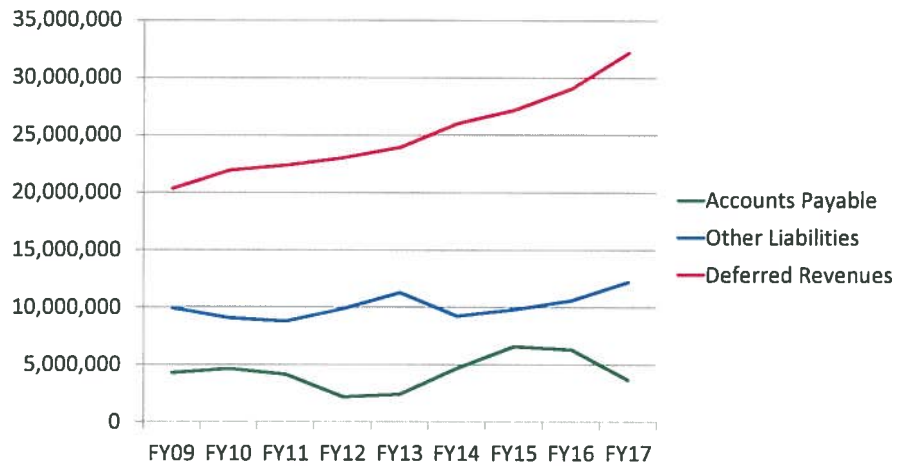
(Other than Buildings and Infrastructure)



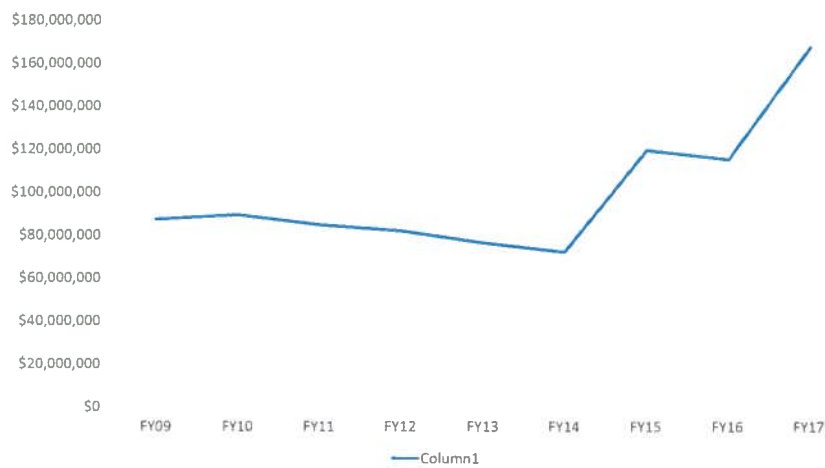
Buildings and Infrastructure



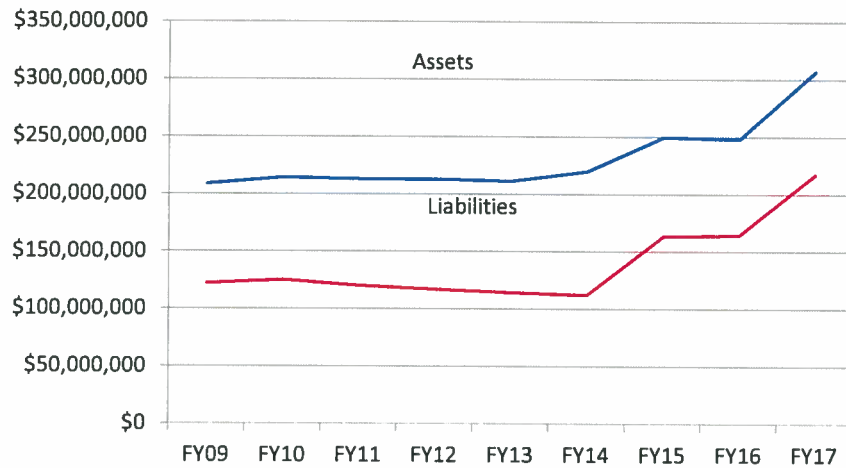
Current Liabilities



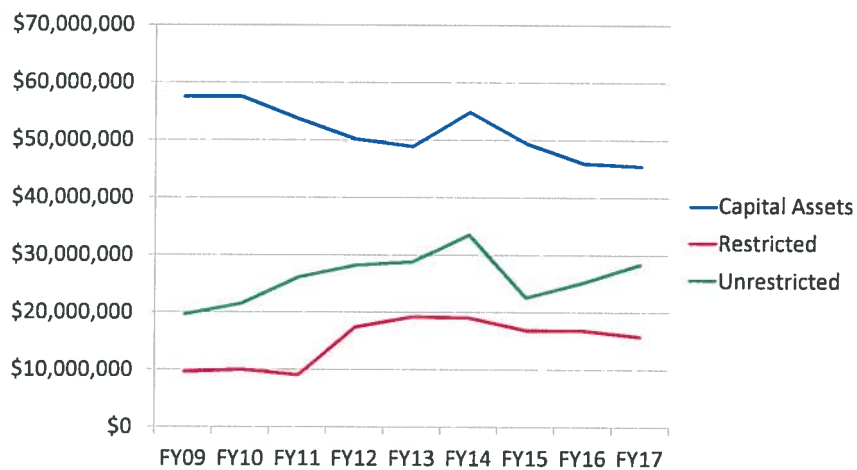
Non-current Liabilities



Assets and Liabilities



Net Position



Summary



- After discounts and increased scholarships, income from tuition and fees has flattened
- Significant positive gains in auxiliary sales and investment gains
- Expenses growing fastest for benefits, scholarships and depreciation
- Some unusual occurrences have increased assets (buildings and investments) but also increased liabilities (debt) to offset
- Continue to invest in capital assets in order to preserve asset base and cover depreciation
- Overall, financial position has remained steady from last year

MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS
Audit, Compliance, and Management Review Committee
November 9, 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 5:00 p.m., Thursday, November 9, 2017. Committee members in attendance were Ms. Tiffany Burks, Chair; Dr. Lynwood Givens; Mr. Jeff Gregg; and Mr. Shawn Hessing (via teleconference). 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; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Mr. Newman Wong, Chairman, MSU Staff Senate; Mr. Kyle Williams, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Julie Gaynor, Director of Marketing and Public Information; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the MSU Student Government Association (SGA) were Ms. Maria Peña, SGA President, and Mr. Jacob Warren, SGA Observer.

Chair Burks called the meeting to order at 5:00 p.m.

Reading and Approval of Minutes

18-34. The Audit, Compliance, and Management Review Committee approved the minutes of the August 3, 2017, meeting as presented.

Historically Underutilized Business Report – FY 17

18-35. Mrs. Burks noted that the report was included in the Board Book as a point of information only and there was no discussion.

Compliance Update

18-36. Mrs. Burks stated that this update was included in the Board Book as a point of information only and there was no discussion.

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FY 17 Internal Audit Annual Report and Audit Update

18-37. Ms. Kidwell noted that the Board Book included the FY 17 Internal Audit Annual Report. She stated that the report was in compliance with the Texas Internal Auditing Act, included the services provided during the last fiscal year, and also explained any deviations from the FY 17 audit plan. She explained that a few items were postponed from FY 17 to FY 18 due to scheduling conflicts or the reallocation of audit resources.

She thanked the Board, the President, and university management for their support in the performance of her responsibilities and asked that the report be approved.

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

Internal Audit Quality Assurance Review Self-Assessment Report

18-38. Mrs. Burks stated that in preparation for the peer review process the Office of Internal Audits conducted a self-assessment. This document was presented in the Board Book for the Board's acceptance. Ms. Kidwell stated that the principal objective of the self-assessment was for her to assess her office's conformance with the applicable standards that govern the internal audit process for the state of Texas. She indicated her opinion was that the office generally conforms to all of the standards and she identified opportunities to enhance the processes. She assessed two areas as partially conforms and that those two areas (Quality Assurance and Improvement Program and Monitoring Progress Procedures) would be her main focus in the upcoming year. She stated that she also included four goals in the report. She reported that two peer reviewers would be on campus in December to perform the external validation of the self-assessment.

Dr. Givens asked about her goal of completing her certification. Ms. Kidwell responded that with the heavy audit load in the fall she had postponed the final test until March.

Dr. Givens moved the Board accept the self-assessment as presented. Mr. Gregg seconded the motion and it was approved.

MSU Policies and Procedures Manual Changes

18-39. Mrs. Burks noted that modifications to two policies were presented for the Board's approval as shown below.

A. Policy 2.31, Administration Selection Process – Mrs. Burks stated that the current policy requires the Board of Regents to evaluate the university president's performance at the February Board meeting each year. The administration recommended that the policy be changed as presented to require the evaluation to occur no later than the May meeting each year. She added that this change would provide flexibility and would fit better with the academic and budget calendars.

B. Policy 3.314, Ethics Policy for Employees of Midwestern State University – Mrs. Burks asked Mr. Macha to present this item. Mr. Macha noted that the modifications to this policy were required by SB 20 which was passed by the Texas Legislature in 2015. He stated that as part of the process of becoming compliant with this legislation the Board approved the Compliance Policy in May of 2016, and approved the Conflict of Interest/Conflict of Commitment Policy in May of 2017. He explained that the proposed policy was the third part of the required policies. He noted that the changes were highlighted. He stated that some of the language from the Conflict of Interest/Conflict of Commitment Policy was also included in the Ethics Policy as required.

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Dr. Givens stated that under Part B, Standards of Ethical Conduct, Items 2 and 3 were very strong statements about MSU employees not being allowed to accept other employment. He expressed his thinking that it was standard practice for faculty to do outside consulting or other work. Mr. Macha responded that the language was from Texas Government Code Section 572.051. Mr. Sanchez stated his understanding that employees were required to give full disclosure of any outside employment and only matters causing a conflict of interest or commitment would be prohibited. Dr. Givens asked if the faculty and staff were aware of this policy change. Mr. Macha responded that they were and that the policy had been fully vetted with the campus community.

There being no further discussion, Mr. Gregg moved approval of the two policy changes as presented. Dr. Givens seconded the motion and it was approved.

Adjournment

The Audit, Compliance, and Management Review Committee discussion concluded at 5:11 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
November 9, 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 1:30 p.m., Thursday, November 9, 2017. Regents in attendance were Mr. Sam Sanchez, Chairman; Mr. R. Caven Crosnoe, Vice Chairman; Ms. Nancy Marks, Secretary; Mr. Warren Ayres; Ms. Tiffany Burks; Dr. Lynwood Givens; Mr. Jeff Gregg; Mr. Shawn Hessing (via teleconference); 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; Mr. Kyle Owen, Associate Vice President for Facilities Services; and Mr. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Mr. Newman Wong, Chairman, MSU Staff Senate; Mr. Kyle Williams, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Mr. Mark McClendon, Director of Institutional Research and Assessment; 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) were Ms. Maria Peña, SGA President, and Mr. Jacob Warren, SGA Observer. Representing the news media were Ms. Kara McIntyre, reporter and editor, and Ms. Harlie David, photographer, for *The Wichitan*; Ms. Claire Kowalick, reporter for the *Wichita Falls Times Record News*, Ms. Katya Guillaume and Mr. Curtis Jackson, KFDX-TV 3; and Ms. Sarah Hines, KAUZ Channel 6.

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

Opening Comments

Mr. Sanchez welcomed everyone to the meeting and noted that each regent had a new MSU Texas travel mug, courtesy of Mr. Vidmar and the University Advancement Office. 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.

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University Dashboard

18-01. Mr. Sanchez stated that beginning in 2012 the administration developed a dashboard which contained measures that were deemed important to the university. Since that time the dashboard has been updated and presented to the Board each November. He asked

Mr. Mark McClendon, Director of Institutional Research and Assessment, to comment on the Dashboard. Mr. McClendon stated that the Dashboard was a snapshot of university data in areas of importance. He noted that the Dashboard was divided into five categories: Student Access, Residential University Experience, Student Success, Operational Effectiveness, and Competitive Resources. He noted that enrollment was slowly rebounding. He mentioned that 40% of MSU's first-time, full-time (FTFT) students are from the Dallas-Fort Worth area. He added that in reviewing high school enrollment in Texas during the last 15 years, the enrollment in the majority of regions in Texas has increased by 20% while Region IX, of which Wichita Falls is a part, has declined by 5%. He pointed out the increase in the number of Hispanic students as well as the number of students receiving Pell grants. In looking at the Residential University Experience section, Mr. McClendon noted that the EURECA participation had slowly increased.

In the Student Success section Mr. McClendon pointed out that while the first year retention rate peaked in 2014-2015 with 73%, the university's six-year graduation rate had climbed to 45%. Mr. Ayres noted that MSU had 1,800 seniors and 814 freshmen and asked if that was normal. Mr. McClendon responded that it was, adding that transfer students increase enrollment in the upper levels.

Dr. Givens asked why the information was not included regarding Item 1.5, Percentage of FTFT Who Met Unconditional Standards. Mr. McClendon responded that through the work of the Financial Aid and Admissions Task Force during the last year, the process for documenting the review process was changed and it was agreed that this number did not accurately reflect the admissions review process. He indicated that this particular measure would likely be changed to another form next year. He added that he would be glad to provide the number for 2016-2017.

Dr. Sweatt asked how the target numbers were determined. Mr. McClendon responded that the Cabinet reviews the Dashboard each year, considers trends, and determines the targets. Mr. Ayres asked if the budget was built based on these targets. Dr. Fowlé responded that the budget was built on historical data and projections.

Dr. Sweatt asked how the Dashboard is used. Mr. McClendon indicated that it is a snapshot of where the university is at a given time. Mrs. Marks stated that the Dashboard was beneficial to her and that she referred to it regularly. She added that it was a good way to identify areas that need additional attention. Dr. Shipley commented that it was a basic way to identify trends. She stated that reviewing the Dashboard can help to project and to adjust behavior.

There being no further discussion, Mr. Sanchez noted that this item was presented as a point of information only.

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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 5:11 p.m.

Executive Session

Mr. Sanchez announced that the Board of Regents would go into Executive Session to discuss Items 18-02A (Consultation with Attorney), 18-02B (Real Property), 18-02D (Personnel Matters), and 18-02E (Deliberations Regarding Security Audits) as allowed by Texas Government Code Sections 551.071, 072, 074, and 076. The Executive Session began at 5:11 p.m. Mr. Sanchez, Mr. Hessing (via teleconference), Mrs. Burks, 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 18-02E and left the meeting at 5:18 p.m. The closed session concluded at 5:28 p.m. and the open meeting resumed.

Adjournment

There being no further business, the meeting adjourned at 5:29 p.m.

Reviewed for submission:



Nancy Marks, Secretary
Midwestern State University
Board of Regents

**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
November 10, 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, November 10, 2017. Regents in attendance were Mr. Sam Sanchez, Chairman; Mr. Caven Crosnoe, Vice Chairman; Ms. Nancy Marks, Secretary; Mr. Warren Ayres; Ms. Tiffany Burks; Dr. Lynwood Givens; Mr. Jeff Gregg; 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. Matthew Park, Associate Vice President for Student Affairs and Dean of Students. Other university personnel attending the meeting included Dr. David Carlston, Chairman, MSU Faculty Senate; Mr. Newman Wong, Chairman, MSU Staff Senate; Mr. Kyle Williams, Director of Athletics; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Mr. Chris Stovall, Controller; Ms. Cammie Dean, Director of Student Transition Services and the Priddy Scholars Program; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media were Ms. Kara McIntyre, reporter and Editor, and Ms. Harlie David, photographer, for *The Wichitan*; Ms. Claire Kowalick, reporter for the Wichita Falls *Times Record News*; and Ms. Sarah Hines, KAUZ Channel 6. Attending the first portion of the meeting was Ms. Justice Carwile, Priddy Scholar.

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

Opening Comments

Mr. Sanchez welcomed everyone and thanked them for their participation in Thursday's meetings. He noted that Mr. Hessing was unable to attend the meeting. 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

18-40. The minutes of the Board of Regents meetings held August 3 and 4, 2017, were approved as presented.

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Executive Committee Report

Mr. Sanchez noted the items presented at the Executive Committee meeting for committee approval and information only, as well as an item presented with no action taken pending further review. Information concerning these items may be found in the minutes of the Executive Committee meeting held November 9, 2017.

Item Presented for Committee Approval Only

18-03. Committee Minutes

Items Presented for Information Only

18-04. Campus Construction Update

18-05. MSU Deferred Maintenance Reports – Campus Condition Index

Item Presented and No Action Taken Pending Further Review

18-08. Health Sciences and Human Services Building Project

Health Sciences and Human Services Building Project – Construction Contract Approval

18-08. Mr. Sanchez noted that some members of the Board requested that discussion of this item be reopened. Mr. Gregg asked if the Tuition Revenue Bond (TRB) funds could be used for other projects if the Health Sciences and Human Services (HSHS) building became too cost prohibitive. Dr. Shipley indicated her understanding that the funds could be used only for the purposes authorized. Ms. Barrow confirmed that the state authorized funding for certain purposes and the building was the largest part of the university's original TRB funding request. Dr. Givens expressed concern that the new HSHS building was not going to be large enough to accommodate growth in the programs and asked if the building was needed. Dr. Johnston responded that the new building would not only bring the Simulation Center to campus, thereby allowing disciplines in addition to nursing to use the Center more effectively, but it would provide an interdisciplinary learning environment and bring a synergy of departments under one roof. He stated that it would provide a truly collaborative teaching and learning space. He added that the College has grown significantly and enrolls approximately 40% of MSU's student population. He noted that the new building would address the growth of the last 20 years and would position the College for the future. Dr. Givens stated that when the Board toured the Simulation Center several years ago he did not see anything there that he thought was 21st-century technology. Dr. Johnston responded that the Simulation Center was placed in a building that was designed as a day surgery space and the faculty has made it work. He stated that modern simulation centers look very different from MSU's and the new building will include a modern simulation center. Dr. Shipley added that the HSHS administration and faculty are currently in closed areas in a building that is not designed for today's health care. The new building will change the delivery of education to students. Dr. Givens stated that as MSU grows it is likely unrealistic to think that any school or college will be housed in one building in the future. He indicated that the administration and Board should perhaps attempt to get the design everyone wants and sacrifice on size since more room will likely be needed in the future.

Mr. Gregg asked if it was possible to add on to Bridwell Hall rather than build a new building. Dr. Shipley responded that it would likely be problematic since the university received funding for a new building. Dr. Fowlé expressed agreement. Dr. Johnston added that early in the process an addition to Bridwell Hall was considered and it was determined that a new building was the most economical option to pursue.

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Mr. Gregg asked what liability the architect had for designing a building that could not be built within the available budget. Dr. Fowlé responded that the contract stated that if the

bids were not within budget the architect would have to redesign the building at no cost to the university. She added that she was optimistic the administration and CMAR could bring the project to within budget and that the design would be great. Mr. Gregg stated that from what he heard in the conversation Thursday the top priority was to save square footage. Mr. Sanchez noted that while functionality was most important because it is a learning facility, the aesthetic part of the building is very important because it is a corner piece for the university. Dr. Shipley stated that she heard general agreement that the square footage was important but that the Board wanted extra design features as much as possible.

Mr. Sanchez thanked the Board for their discussion and indicated that the administration would work to schedule a special meeting in the coming weeks.

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.

- 18-06. Moffett Library Renovation Project – Architect Contract Approval and Construction Manager at Risk (CMAR) Recommendation – authorized the administration to contract with Holzman Moss Bottino Architects for design services and approved M&F Litteken as CMAR as presented.
- 18-07. Information Technologies Relocation Project Authorization – approved the project at a cost of \$1,577,257, and authorized the president to increase the budgeted and contracted amounts by five percent as presented.
- 18-09. Health Sciences and Human Services Landscaping and Parking Project Authorization – authorized the expansion of the project as presented, approved the project total cost not to exceed \$2,370,250, and authorized the president to increase the budgeted and contracted amount by five percent.
- 18-10. *MSU Policies and Procedures Manual* Change – Policy 4.146 – approved the modified Policy 4.146, Honorific and Gift-Related Namings, as presented.
- 18-11. Wichita Falls Museum Ratification of Accessioned Artworks – ratified the accessioned items as presented.

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

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Academic and Student Affairs Committee Report

Dr. Givens noted the items presented at the Academic and Student Affairs Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held November 9, 2017.

Item Presented for Committee Approval Only

- 18-12. Committee Minutes

Items Presented for Information Only

- 18-13. Faculty Report
- 18-14. Staff Report
- 18-15. Student Government Report
- 18-16. Athletics Report
- 18-17. Fall 2017 Enrollment Report and Upperclass Student Retention Discussion
- 18-18. DFW Expansion Update
- 18-20. First-Year Experience Report

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.

- 18-19. December 2017 Graduating Class – approved the list of candidates for graduation as presented.
- 18-21. Financial Aid and Admissions Task Force Report and Admissions Criteria Recommendation – approved the following change to MSU's admissions policies:

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

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

- 18-22. Low-Producing Degree Programs – approved the following:

- A. Consolidate the Master of Education in School Counseling with the Master of Education in Clinical Mental Health.
- B. Consolidate the Master of Arts in Training and Development under the current Master of Arts in Human Resources as a certificate option in Training and Development.
- C. Consolidate the Master of Education in Reading Education under the current Master of Education in Curriculum and Instruction as an 18-hour minor.

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

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Finance Committee Report

Mr. Gregg noted the items presented at the Finance Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the Finance Committee meeting held November 9, 2017.

Item Presented for Committee Approval Only

18-23. Committee Minutes

Items Presented for Information Only

18-24. Summary of Financial Support and Comprehensive Campaign Update

18-25. Quasi-Endowment Funds Reports – FY 17

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.

18-26. Financial Reports – accepted the monthly financial report for July, 2017.

18-27. Investment Report – accepted the fourth quarter 2017 Investment Report.

18-28. Investment Policy Changes per Legislative Changes – approved changes to the Investment Policy – Operating Funds (4.182) as presented.

18-29. Personnel Reports and Changes in FY 17 Budget – ratified the changes presented.

18-30. Personnel Reports and Changes in FY 18 Budget – ratified the changes presented.

18-31. Approval of New Positions – Enrollment Management – authorized the administration to add two FTE positions in enrollment management as presented, and authorized a budget increase not to exceed \$125,000 for search expenses and to fund the positions and office expenses during FY 18 as presented.

18-32. Budget Adjustment for International Recruitment Fee – authorized an increase in the FY 18 revenue and expense budgets of \$400,000 to reflect this new Fee and related expenditures.

18-33. Corporate Contracts for Academic Degree Programs – authorized the administration to negotiate corporate contracts for certain academic degree programs 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

Mrs. Burks noted the items presented at the Audit, Compliance, and Management Review Committee meeting for committee approval and information only. Information concerning these items can be found in the minutes of the committee meeting held November 9, 2017.

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Item Presented for Committee Approval Only

18-34. Committee Minutes

Items Presented for Information Only

18-35. HUB Report – FY 17

18-36. Compliance Activities Update

Audit, Compliance, and Management Review Committee Consent Agenda

Mrs. Burks 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.

18-37. FY 17 Internal Audit Annual Report and Audit Update – approved report as presented.

18-38. Internal Audit Quality Assurance Review Self-Assessment Report – accepted the self-assessment as presented.

18-39. *MSU Policies and Procedures* Changes – approved changes to the following policies as presented.

- A. Policy 2.31 – Administration Selection Process (University President performance evaluation)
- B. Policy 3.314 – Ethics Policy for Employees of Midwestern State University

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. Burks' motion to approve the Consent Agenda as presented. The motion was approved.

University Leadership Report

18-41. Dr. Shipley stated that she was pleased to have reports from several individuals. She noted that the first presentation would be made by Dr. James Johnston. Dr. Shipley explained that when Dr. Johnston was appointed Provost the faculty asked to hear his vision for academics at MSU. She noted that he presented this information to the faculty and staff early in the fall and she asked him to present to the Board an Executive Summary of the information.

- A. Creating Our Signature – Dr. Johnston reviewed his presentation (see Attachment 1). He indicated his thinking that the university needed to further develop its signature in order to present something that is distinctive and uniquely MSU. Slides Four through Seven outlined three areas of focus: Curriculum, Student Support, and Traditions/Identity. Slide Three included a cross-reference to show where each area intersects with the Strategic Plan.

1. Curriculum

- a. This area includes focusing on a series of new minors that are intended to be broad and available to majors across the institution. He mentioned that a minor in Creativity and Innovation or Entrepreneurship and Innovation, for example, could be adapted to address the needs of students in various majors. He indicated that as advisors and faculty determine students' goals for their

degrees the student can possibly be guided to one of these minors that will enhance their college experience and marketability.

- b. Signature Experiences Programs – Dr. Johnston explained that these are high-impact practices such as undergraduate research, learning communities, and study abroad. He stated that he appointed a task force to look at the capacities of these programs and to determine the possibility of making involvement in a signature experience program a requirement for graduation.
- c. Growth in Graduate Programs and Terminal Degrees – Dr. Johnston reported that he was working with administrators to determine capacity in MSU's graduate programs and to add targeted, specific recruiting efforts for programs that have the capacity for growth. He added that he would like the institution to pursue the addition of unique doctoral degrees that are ideally suited to MSU's mission.

2. Student Support

- a. Bridge Program – This is a program that would provide a bridge for students from high school to the rigors of college. He indicated that plans were being made to offer a pilot program during the summer of 2018. He reported that Dr. Kristen Garrison, Associate Vice President for Undergraduate Education and Assessment, and Dr. Kristi Schulte, Director of Residence Life, were co-chairing this initiative.
- b. Reorganization of Academic Success Center (ASC) to Tutoring and Academic Support Programs (TASP) – Dr. Johnston noted that this was discussed at Thursday's meeting and that student response had been positive.
- c. Strengthen First-Year Experience – Dr. Johnston stated that the administration would continue to gather and analyze data on the Academic Seminar Courses and the Learning Communities that were reported on Thursday. He added that the administration might look at expanding Learning Communities to sophomore courses.
- d. Targeted Recruiting – Dr. Johnston reported that he and Dr. Lamb had had a number of conversations about recruiting for specific departments that have enrollment capacity.

3. Traditions/Identity – Dr. Johnston stated that MSU needed to do more to connect students, the community, and alumni to the university.

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- a. Senior Campus Walk – Plans are being made to initiate this event in May. Dr. Johnston reported that graduating seniors will gather at the Hardin Administration Building and will be ceremoniously led through each of the academic buildings. Faculty and staff will congratulate the students as they move through the buildings. A reception for faculty and staff will follow as a thank you for their work during the academic year.

- b. Campus Commencement and Graduation Weekend Event – Dr. Johnston noted that commencement is one of the last impressions students have of the university. He reported that he appointed a task force to look at the logistics of what it would take to bring commencement back to campus and make it a weekend event. Some of the ideas to consider might be to begin with the Senior Campus Walk on Thursday evening and then have an Alumni Association and community-sponsored lunch for graduates and their families in the quadrangle. The specialty graduations could be held on Friday afternoon, followed by one-half of the college graduations Friday evening, and the other half on Saturday morning. He added that when the university has an on-campus stadium it could be the venue for a single campus graduation. He stated that it was important to make the last memory of the university memorable.
- c. Outstanding Alumni Lunch with Spring Celebration of Scholarship – Dr. Johnston reported that he asked the Celebration of Scholarship Committee to work with Mr. Vidmar's office to compile a list of local alumni and organize a luncheon to bring together the best of MSU's alumni and students. He stated that such an event would connect students with alumni and could possibly result in internship opportunities. It would also help reconnect local alumni to the university.

Dr. Johnston thanked the Board for the opportunity to present an overview of what the academic affairs area would be working on during the next five years.

Dr. Givens asked that the administration provide information at the next meeting regarding two items that were not mentioned as part of the vision. The first item was dual credit. He stated that he would like to understand why MSU has not pursued dual credit as a growth area. The second item is online competitiveness. He stated that he would like to understand what programs are currently offered online and what the university's vision is for advancement and growth in this area. Dr. Johnston responded that the information would be provided.

- B. Priddy Scholars Program – Dr. Lamb thanked The Priddy Foundation for believing in Dr. Shipley's vision when discussions began to establish a program that would impact first generation and middle-income students. He stated that students from families that earn \$50,000 to \$125,000 per year are among the students that struggle the most to pay for college. These students generally do not receive grants or free types of money to attend college and they do not have the means to pay for college without taking out significant loans, especially if they have siblings also in college. First-generation students also face more hurdles and have more difficulty accessing and completing college, not because of their ability, but because of the lack of opportunity and support. The Priddy Scholar Program provides an incredible opportunity for a group of these students. The scholarships through this program cover tuition, fees, room, board, and books for four years, and also fund study abroad. He reported that by affecting first-generation students in this way, the impact is multigenerational. Dr. Lamb introduced Ms. Cammie Dean, Director of the Priddy Scholars Program, and Ms. Justice Carwile, one of the Priddy Scholars. Dr. Lamb commended Ms. Dean for

her work with the program, noting that she was a first-generation college student who was afforded an opportunity at the University of Iowa through a federal Trio Program. He indicated that she has a good understanding of what it takes to succeed and make the most of an opportunity such as this.

Ms. Dean thanked The Priddy Foundation for making this program possible. She noted that the Board Book included information about the program and commented on some of the activities in which the students have been involved. Ms. Justice Carwile reported that she graduated from City View High School in Wichita Falls and was a freshman at MSU, majoring in psychology. She stated that she was very fortunate to receive this scholarship and to participate in the Priddy Scholars Program. She reported that she has an older brother who is also in college and without this scholarship she would have had to go to a community college and live at home. Dr. Shipley stated that one of the program goals was that the students would develop a closeness with others in the group. She asked her if that had happened and what it has meant to her academic success and personal happiness. Ms. Carwile responded that scholars live on the same floor of the residence hall and that her roommate is a Priddy Scholar. She stated that she never thought she would have such a wide group of friends, and indicated it was made possible through the Priddy Scholar Program. Dr. Sweatt asked what impact living in the residence hall had on her. Ms. Carwile responded that it had made a huge impact on her college experience. She stated that by living in the residence hall she has the opportunity to explore the campus and have access to campus activities.

Mr. Gregg commended Dr. Sweatt, Mrs. Marks, and The Priddy Foundation for recognizing this need and for the Foundation's generous contribution.

- B. *The Undergraduate Experience: Focusing Institutions on What Matters Most* – Dr. Shipley reported that she attended the Association of Governing Board's Annual Meeting in Dallas last spring with Mrs. Marks and Dr. Sweatt. Dr. Sweatt commented on the book at the May Board meeting and a copy of the book was sent to each of the regents. Beginning early in the fall semester the President's Cabinet read the book and discussed it each week over several months. She noted that the takeaway from the book was that we at MSU are doing probably two-thirds of what matters most. MSU is a campus that focuses on undergraduate learning and knows that is the heart of what we do. We know where we want to go, we have goals, and we communicate those well. We have a sense of leadership at each of our levels and have a culture that is unified. The places the book talked about in which the group saw a gap was setting expectations and creating regular opportunities for improvement. This book was about recognizing what works but it also pointed out that successful institutions are always moving toward improvement and are always urging their community to get better. She reported that it was during the discussion of the book that it became apparent to her that the institution needed to step out and make an investment on the one thing at which we were not succeeding, and that was growth. This book also helped the Cabinet focus on alignment. She noted that when she assumed the presidency of MSU she found a lot of silos and isolated strength across campus. She stated that work remains to be done to take the strengths that are

currently isolated and bring them together so that MSU can be a well-aligned institution.


Dr. Shipley stated her hope for more meetings like this where the Board can hear about the wonderful things that are being done with student learning. She added that she hoped the Board would help the institution get its systems and processes in place so that the university will grow.

Ms. Sanchez thanked Dr. Johnston, Dr. Lamb, Ms. Dean, Ms. Carwile, and Dr. Shipley for the information they provided.

Adjournment

Mr. Sanchez thanked everyone for their attendance. He indicated that the Board would soon hear from Ms. Barrow to schedule the special meeting in December. He added that the next regular meetings of the Board were scheduled for February 8 and 9. There being no further business, the meeting was adjourned at 10:04 a.m.

I, Nancy Marks, the fully appointed and qualified Secretary of the Midwestern State University Board of Regents, hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting November 10, 2017.



Nancy Marks, Secretary
Midwestern State University
Board of Regents

ATTACHMENT:

1. Provost's "Creating Our Signature" Presentation



Why a “Signature”?

- ❖ It reflects one’s identity and personality
- ❖ It is individualistic
- ❖ It is distinctive

Need for a Signature

- ❖ From Junior College to University
 - Commuter to residential
- ❖ Who or what is MSU?
- ❖ Allows us to focus on, and embrace, what we do best



Three Focal Areas

- ❖ **Curriculum:**
 - ❖ Strategy 1E, Tactic 1 & 2; Strategy 2B, Tactic 1 & 2; Strategy 3A, Tactic 1; Strategy 3B, Tactic 2; Strategy 3C, Tactic 1; Strategy 4A, Tactic 2; Strategy 4B, Tactic 1
- ❖ **Student Support:**
 - ❖ Strategy 2D, Tactic 1; Strategy 2E; Strategy 3B, Tactic 1 & 2
- ❖ **Traditions/Identity:**
 - ❖ Strategy 1D, Tactic 1 & 2; Strategy 3E, Tactic 1; Strategy 4A



Curriculum

- ❖ Series of minors
- ❖ Signature Experiences Program
- ❖ Growth in graduate programs & move up to offer terminal degrees



Student Support

- ❖ Bridge Program
- ❖ Reorganization of Academic Success Center (ASC) to Tutoring and Academic Support Programs (TASP)
- ❖ Strengthen First Year Experience
- ❖ Targeted recruitment and enrollment where capacity or opportunity exists



Traditions/Identity

- ❖ Senior Campus Walk
- ❖ Campus commencement and graduation weekend event
- ❖ Outstanding Alumni Lunch with Spring Celebration of Scholarship (beginning of strengthening connections between students and alum)



**MINUTES
BOARD OF REGENTS
MIDWESTERN STATE UNIVERSITY
December 13, 2017**

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:30 p.m., Wednesday, December 13, 2017. Regents in attendance were Mr. Sam Sanchez, Chairman; Mr. Caven Crosnoe, Vice Chairman; Ms. Nancy Marks, Secretary; Mr. Warren Ayres; Dr. Lynwood Givens (via teleconference); Mr. Jeff Gregg; Mr. Shawn Hessing; Dr. Shelley Sweatt; and Student Regent Shayla Owens. Regent Tiffany Burks was unable to attend.

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; Mr. Barry Macha, General Counsel; Ms. Leigh Kidwell, Director of Internal Audits; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media were Mr. Tyler Manning, the new Editor of *The Wichitan*; Ms. Rachel Johnson, *The Wichitan* photographer; and Ms. Sarah Hines, KAUZ Channel 6.

Chairman Sanchez called the meeting to order at 2:30 p.m. and Ms. Gaynor introduced the guests.

Opening Comments

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

Public Comment

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

Health Sciences and Human Services (HSHS) Building Project – Construction Budget and Contract Approval

18-43. Mr. Sanchez stated that at the November meeting of the Board of Regents the administration informed the Board that the bids for this building came in substantially over budget. At that time the Board asked the administration to continue working with the architect and the Construction Manager at Risk (CMAR) to review options for the building. He mentioned that a summary of the project history, financing details, and budget overview, as well as revised drawings, were provided to the Board for their review the week previous (see Attachment 1). He asked Dr. Shipley to comment. Dr. Shipley thanked the Cabinet for their work during this process. She stated that this is a very important building for the university and that she looked forward to hearing the responses of Board members regarding the plans and the financing.

Dr. Fowlé reported that she was available to answer any questions related to the project history summary that was provided to the Board. She added that Provost Johnston was available to answer questions related to the use of the facility or functionality with regard to academic programs and student learning.

Mr. Owen began his presentation by reviewing the new renderings which showed the recommended changes to the building. He stated that the ideas and savings determinations occurred simultaneously and mentioned that some of the changes that the administration approved had not yet been incorporated into the renderings. Slide Two showed the southeast corner of the building. He reported that one of the cost savings ideas was to change the terracotta tile on the stair tower to Exterior Insulation Finishing System (EIFS), which is synthetic stucco. He stated that five different bricks are used to put together the "MSU Brick." He mentioned that the administration determined that it would be better to select one of the brick colors to cover the area that was originally terracotta tile. He stated this would help define certain areas of the building. He pointed out that the stair towers on the building would all be reduced to the same height as the top of the building. He added that the original design included a wall that extended further out from the atrium and it was eliminated. He pointed out that the eastern side of the building would still have a large glass view into the building. Mr. Owen noted that the atrium was reduced from four floors to three floors. He added that the original design included structural steel to support and provide an aesthetic look to the glass. This structural steel was eliminated. Dr. Shipley noted that the building would still be four stories but that the atrium would only be three stories. Mr. Owen pointed out that the fourth floor would have access to the large window. Mr. Hessing indicated his understanding that by reducing the height of the atrium, square footage would be added to the building on the fourth floor. Mr. Owen responded that Mr. Hessing's understanding was correct. He noted that the penthouse on the top of the building would be reduced in size from about 1,500 square feet to 120 square feet.

Slide Three showed a southwest view of the building. Mr. Owen noted that the changes were similar to the previous slide with the terracotta tiles being replaced by EIFS or brick and the stair tower being reduced to the same height as the building. He added that the west entrance was previously all glass and it was modified to a more traditional design. Slide Four showed a west facing perspective with similar changes and Slide Five presented a similar view from the northwest.

Mrs. Marks asked if the new bricks used would be a different color than the MSU brick shown in the rendering. Mr. Owen clarified that the brick already planned for the building was the traditional MSU brick and that is what is shown in the rendering. The other shades of brick would be used in the areas of the building that would have originally been covered with terracotta tiles. He stated that in that way the different colorations would be similar to the original design. Dr. Shipley stated that EIFS is less durable than are terracotta tiles. She added that this is a work in progress and the administration is still considering options. She indicated that the administration would like to try the lightest possible color brick where the white EIFS is shown on the slide and the closest to a terracotta color brick where the terracotta EIFS is shown. She stated that the result would be an all brick exterior rather than the stucco look similar to what is on Legacy Hall. Mr. Owen added that brick could be used on a 100-year building while the

EIFS lasts approximately 30 years and must be maintained to keep it sealed. Dr. Fowlé added that the price for brick or EIFS was the same.

Slide Six showed a view of the interior of the three-story atrium. Mr. Owen noted that the original glass elevator in the atrium would be changed to a standard elevator. Slide Seven showed a different view of the atrium. He noted that the structural steel that was part of the original design of the large atrium window was removed. Dr. Sweatt asked why the structural steel was included in the original design and if there would be an impact with its being removed. Mr. Owen responded that in addition to the steel being included for aesthetic purposes, it also helped support the glass structure. He added that in the modified design, the framework of the glass structure would be tied into the building. Dr. Sweatt if the window would still be structurally sound and Mr. Owen responded that it would be.

Slides Eight through Eleven showed the original building renderings from November 2016 with the changes noted. He added that the original renderings included a Spanish tile roof but that the tile roof was eliminated from the design early in the process because of cost. Mr. Sanchez asked what would be housed in the penthouse. Mr. Owen responded that the original design placed air handlers in the penthouse, but that in the new design these air handlers would be outside the penthouse. He stated that it was more of an aesthetic decision to put them inside originally. Dr. Shipley noted that the original renderings show the texture of the tile and that is why Dr. Fowlé suggested the use of brick rather than stucco.

Slide Twelve showed a summary of the major identified savings. Slide Thirteen showed the original and revised budgets as well as information related to additional funds that were available for the project. Mr. Owen mentioned that the architect fees and other services costs increased as a result of the higher construction budget. He noted that the difference between the original and revised budgets was an increase of \$4 million. He commented that \$2 million had been held in reserve to cover any cost overage; \$1 million was taken from the original equipment budget; and almost \$2 million would be pulled from savings from other Tuition Revenue Bond (TRB) projects. Mrs. Marks asked what Other Services includes. Mr. Owen responded that it includes management fees and required testing and inspections on various parts of the project.

Mr. Sanchez stated he was very frustrated with the increased architect fees. He noted that the architect knew what the budget was before he designed and presented the project to the Board. He added that it was difficult to pay the architect more for work that shouldn't need to be done. He asked Mr. Macha if there were some way to ensure something like this would not happen again in the future. Mr. Macha responded that he and the administration would look at what could be done. Mr. Crosnoe stated that the Board was told in November that the university would not have to pay the architect for a new design and questioned the additional cost. Mr. Owen responded that if the institution wanted the architect to redesign the building for \$29.25 million, the architect would have to do the work without additional compensation. However, since the university wants more than what the \$29.25 million would provide for the building, the contract requires that the architect must be paid a percentage of the increased construction cost. Mr. Hessing expressed the same frustration as did Mr. Sanchez with paying the architect an additional \$390,000. He agreed that the university should make changes to future contracts so that

this does not happen again. Mr. Hessing asked if the funds that would be taken from the other TRB projects were the result of project savings or modifications in the scope of the projects. Dr. Shipley commented that the administration considered numerous options, and determined that portions of the Bridwell Hall renovation and repurposing project would be left unfinished and would be completed when other university funds became available. She added that any savings achieved through the various projects would be used on other TRB projects as needed. Dr. Fowlé reported that the Texas Accessibility Standards (TAS), Americans with Disabilities Act (ADA), and Fire Marshal Upgrades Project was almost \$600,000 under budget. She stated her hope that additional savings would be achieved. She commented that Bridwell Hall is a well-furnished building and added her hope that much of the configuration and space could be put to use economically.

Mr. Ayres asked if the TRB funding was allocated specifically to certain projects or if the university had the latitude to move the funds as needed. Dr. Fowlé responded that the university requested funds for certain things and the funds were allocated for those projects. She added that the university must use the funds for those purposes, but the funds within the overall budget can be moved around. Dr. Shipley stated her understanding that the biggest portion of the funding request was for the HSHS building.

Mr. Hessing noted that the budget figures seemed to show an 11% increase in cost while the architect fees increased by 17%. Mr. Owen stated that the architect's fee was 7.25% and this percentage would apply to the additional costs. Dr. Fowlé added that the architect's fee was based on the construction budget and not the total cost of the project.

Mr. Sanchez stated that the administration did a great job with the redesign, but noted that the Board did not want to be in this position again. He commented that the architect presented a design and said it would come in within budget. The fact that it came in extremely over budget was very disappointing. Dr. Shipley responded that the administration shared the Board's frustration.

Dr. Shipley asked Dr. Fowlé or Mr. Owen to explain the Guaranteed Maximum Price (GMP) portion of the second part of the administration's recommendation shown on Slide Fourteen. Mr. Owen stated that this represents the "risk" portion for the Construction Manager at Risk (CMAR). The CMAR must construct the building for the Guaranteed Maximum Price (GMP), unless the university authorizes a change in scope. Mr. Hessing stated his understanding that the GMP of \$34.301 million was the \$33.55 million plus the \$811,000 for the data center. Mr. Owen responded that was correct.

Mr. Sanchez presented the administration's recommendations as follows:

1. Approval of increasing the project budget to \$42.811 million (\$42 million from the HSHS budget plus \$811,000 for the server room from the Information Technology Relocation Project budget) and;
2. Authorize the administration to negotiate and award a Guaranteed Maximum Price (GMP) contract with Trinity Hughes/Sundt (THS) of \$34.301 million to construct the Health Sciences and Human Services building and the data center.

Mr. Hessing moved approval of these recommendations and Mr. Ayres seconded the motion.

Mr. Gregg asked if the project would be rebid. Mr. Owen responded that if the Board approved these recommendations the university would be locked into a contract with Trinity Hughes/Sundt. Mr. Gregg asked how this firm was selected. Mr. Owen responded that the university went through a Request for Proposals process approximately one year ago and this firm was recommended to and approved by the Board. Ms. Owens asked when the ground would be broken on the project. Mr. Owen responded that if approved a fence would be up the following Monday and work would resume on the site preparation.

Dr. Shipley indicated that Ms. Owens' comments at the November meeting about the expectations students had for this building were very important. She asked Ms. Owens if she was satisfied with the impact of the new design in terms of what she thought students wanted to see in the new facility. Ms. Owens responded that she was.

Mr. Crosnoe noted the \$1 million reduction in equipment for the building. He asked if less equipment was needed or if the administration was going to have to find other ways to pay for the needed equipment. Dr. Shipley responded that the equipment was needed and it would require fundraising.

There being no further discussion the motion was approved.


Executive Session

18-44. Mr. Sanchez stated that the Board of Regents would go into Executive Session to discuss Items 18-44A (Consultation with Attorney), 18-44B (Real Property), and 18-44C (Prospective Gift or Donation) as allowed by Texas Government Code Sections 551.071, 072, and 073. The Executive Session began at 3:05 p.m. Mr. Sanchez, Dr. Givens (via teleconference), Mr. Hessing, Mr. Gregg, Mr. Ayres, Mr. Crosnoe, Ms. Owens, Mrs. Marks, Dr. Sweatt, Dr. Shipley, Mr. Macha, and Ms. Barrow remained for the discussion. Mr. Vidmar remained for discussion of Item 18-44C and Dr. Fowlé joined the meeting for the discussion of Item 18-44B. The closed session concluded at 3:40 p.m. and the open meeting resumed. Mr. Sanchez stated that the only items discussed were the items announced and no votes were taken.

Adjournment

There being no further business, the meeting adjourned at 3:40 p.m. Mr. Sanchez thanked everyone for their participation and wished everyone a wonderful holiday season.

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 December 13, 2017.


Nancy Marks, Secretary
Midwestern State University
Board of Regents

ATTACHMENT:

1. HSHS Building Project History, Financing Details, Renderings and Budget Overview

Review of Gunn College of Health Sciences and Human Services Building Project

The new Gunn College of Health Sciences and Human Services building was Midwestern State University's top priority Tuition Revenue Bond (TRB) request during the 84th legislative session. In addition to the building, the TRB request included funds for ADA/Fire Marshal updates in several campus buildings, a library renovation, relocation of Information Technology (IT), and repurposing of the Bridwell building that would be vacated by the Gunn College.

The university completed master planning efforts to analyze the university's greatest needs in order to have a successful TRB request to the legislature in August 2014. The university justified a total of \$73 million in its TRB appropriation request, with \$61 million requested for a new HSHS building at 126,250 square feet. This amount of space was determined through the master planning process to accommodate significant HSHS growth and to match Texas peers for these types of programs.

In May 2015, the legislature approved \$58.4 million in TRB funding for the university, with the first date of issuance possible in the fall of 2016. Bond payment appropriations did not begin until September 1, 2016. The university issued the Tuition Revenue Bonds in October 2016. The university hired HMB Architects in November 2015 to review the original master planning programming of \$73 million and recommend a revised scope for the projects within the \$58.4 million approved by the legislature. Their work was completed in April 2016 and they recommended adjusting totals to the following amounts for the projects:

HSHS building	\$40.0 million
Library renovation	\$ 7.5 million
ADA/Fire Marshall	\$ 5.6 million
IT Move	\$ 1.6 million
Bridwell Repurpose	<u>\$ 3.7 million</u>
Total	\$58.4 million

In February 2016 the Board of Regents approved Randall Scott and Associates (RSA) as the architect for the project. The Board of Regents approved the HSHS project budget in May 2016 in the amount of \$38 million with \$2 million being held in reserve in case of higher than anticipated construction costs as was experienced with the Legacy Hall building project. The Board also approved Trinity Hughes/Sundt (THS) as the Construction Manager at Risk (CMAR). RSA began meeting with the stakeholders in May 2016 to review programmatic needs and budget constraints. From this assessment, it was determined a building of approximately 83,000 square feet would meet the needs of the College within the budget constraint total of \$38 million. RSA presented a design for the building to the Board in November 2016 and received a favorable review. The original budget for the project was broken into these categories:

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Construction	\$29.25 million
Equipment	\$ 4.10 million
Furniture	\$.70 million
Architect Fees	\$ 2.50 million
Other services	<u>\$ 1.45 million</u>
Total	\$38.00 million

Based on the programming and preliminary design approval of the Board, RSA began to finalize building specifications with more refined estimates of cost. During this period, THS reviewed the plans and also developed estimates of cost. MSU also hired Broaddus and Associates to assist with the project management and to provide a third cost estimate. All three construction estimates came in at \$29.25 million, which met the overall \$38 million budget goal. Because the estimates showed that the design was within budget, RSA developed drawings that were 100% complete to send out to bid. The more detailed the drawings, the more accurate contractors can be when they submit their best pricing. Without complete drawings, contractors are more likely to build in a “fudge factor” to cover surprises that might turn up in the final drawings. Subcontractors had one month to review the plans and submit their best pricing.

RSA divided the project into two “packages.” This was done to ensure that the project was started in a timely fashion to meet an aggressive schedule and align with Board of Regents meetings for the most expeditious approval. Bid Package One was for site work (e.g. piers, foundation and utility infrastructure), came in at budget, and was approved by the Board at the August 2017 meeting, with construction planned to begin around the middle of October. Bid Package Two was for the building itself, was completed September 6, and bids were opened October 12. After bids were accepted by MSU on Bid Package Two, the total on both bid packages was \$36.73 million, \$7.48 million, or 26%, over budget. With the overage on Bid Package Two, a slowdown was ordered on the site work in case changes had to be made in those areas.

At the November 2017 Board of Regent’s meeting, the administration informed the Board that the HSHS building project bids came in higher than expected and recommended the project budget be raised to \$41 million. The Board requested more information on the modifications that would be necessary to ensure the building came in at the increased budget amount. It was agreed that a special Board meeting would be scheduled in December to review the budget as well as modifications that would be necessary to the project. Following the November meeting the administration worked with RSA and THS to adjust the project to something that would provide some of the design elements that were important to the Board and would meet the instructional needs of the academic areas in the building. An overriding goal was to maintain the square footage originally identified as necessary for the delivery of academic programs.

THS worked with the subcontractors on ideas that could reduce the cost of the project. From this process, \$3.64 million was identified as changes that could be made and would not dramatically impact the functionality, square footage, or appearance of the building.

The amended cost of the construction portion of the project currently stands at \$33.49 million or \$4.24 million over the original \$29.25 million construction budget. With a more expensive building, other expenses related to the construction have increased by approximately \$700,000. To cover the increase, management proposes several financial adjustments to the original plan:

1. Expend/release the \$2 million held in reserve;
2. Reduce the project’s equipment budget by \$1 million; and
3. Reduce other TRB budgets by the remaining amount needed (approximately \$2 million).

This results in the following revised budget:

Construction	\$33.55 million
Equipment	\$ 3.10 million
Furniture	\$.65 million

Architect Fees	\$ 2.89 million
Other services	<u>\$ 1.81 million</u>
Total	\$42.00 million

In order to realize the \$3.64 million in construction savings, 34 items were changed to lower cost construction methods. Items which had the largest decrease compared to the original bids include the following:

Replace west side terra cotta with stucco (EIFS)	\$694,000
Add 4 th floor at atrium, delete smoke exhaust	\$663,000
Reduced scope of east exterior wall	\$400,000
Sheetrock stairwell's steel instead of fireproof paint	\$310,000
Significant reduction in size of mechanical penthouse	\$300,000
Change glass elevator to standard	\$199,000

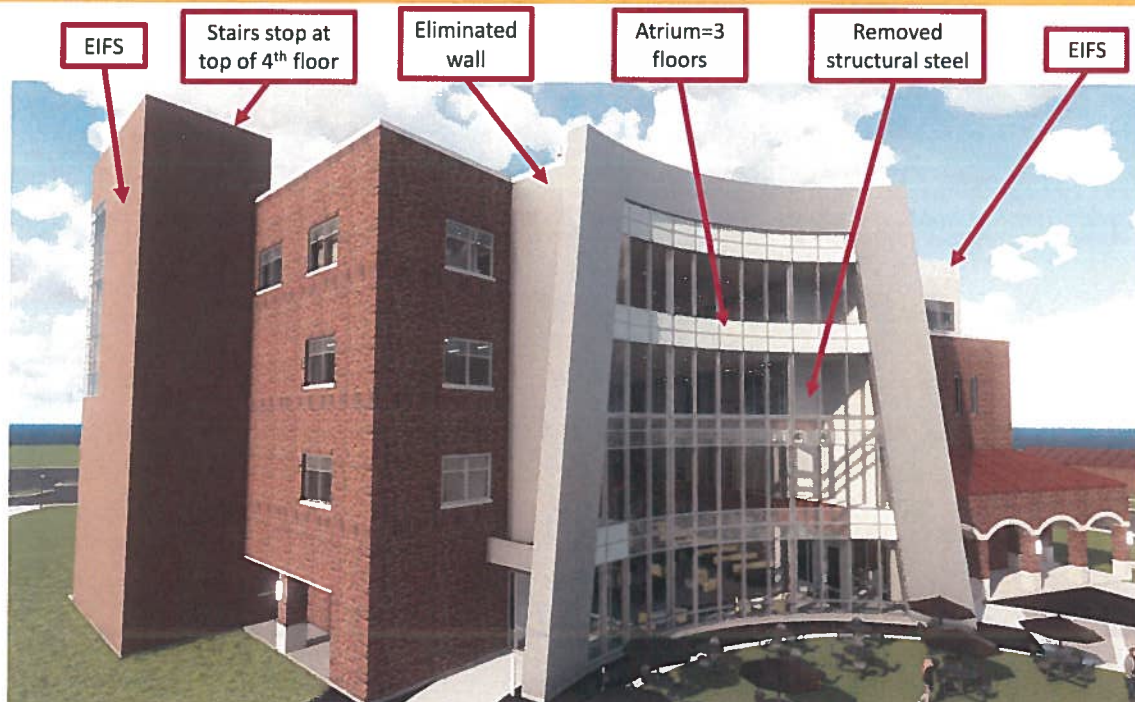
As part of this construction project, MSU will contract with an audit firm to audit the bills from THS, RSA, and any other contractor to ensure accurate billing. MSU will issue an RFQ in the next month to solicit an audit firm to perform this work throughout the building project. The cost of this contract will be in the \$50,000 range, but similar projects have saved universities multiples of this fee in identifying billing errors. Ms. Kidwell, Director of Internal Audits, will work with Facilities Services to hire the audit firm and coordinate their work.

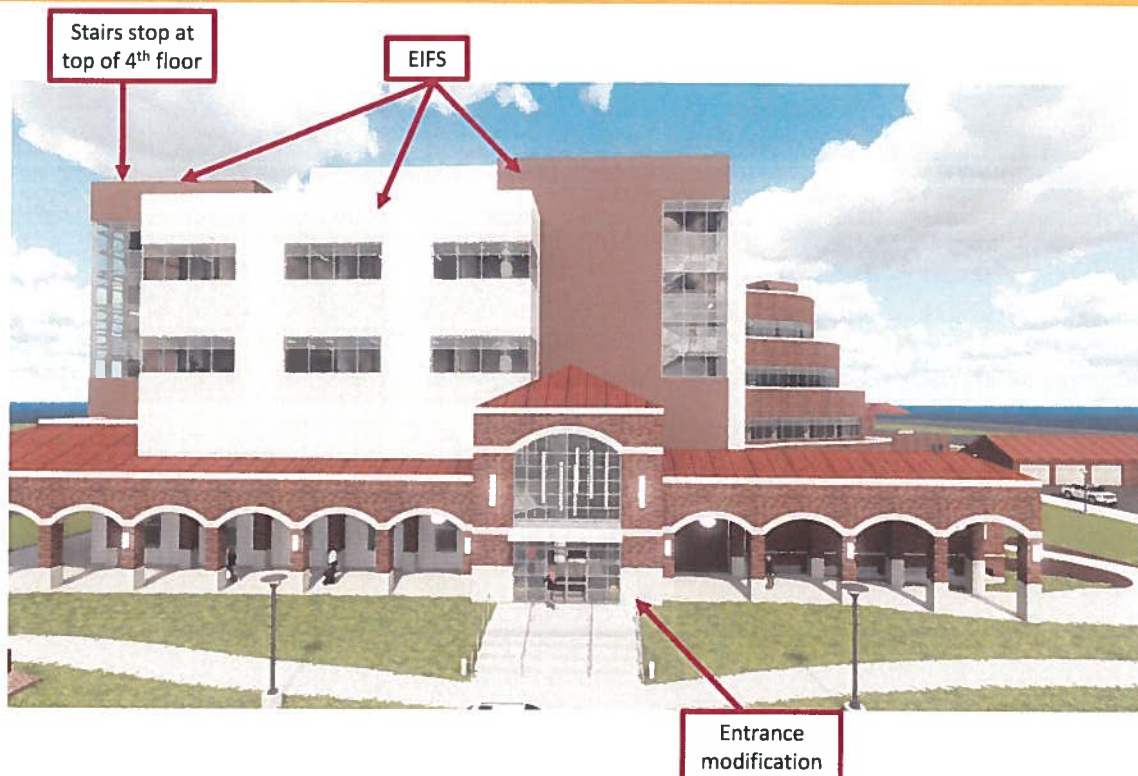
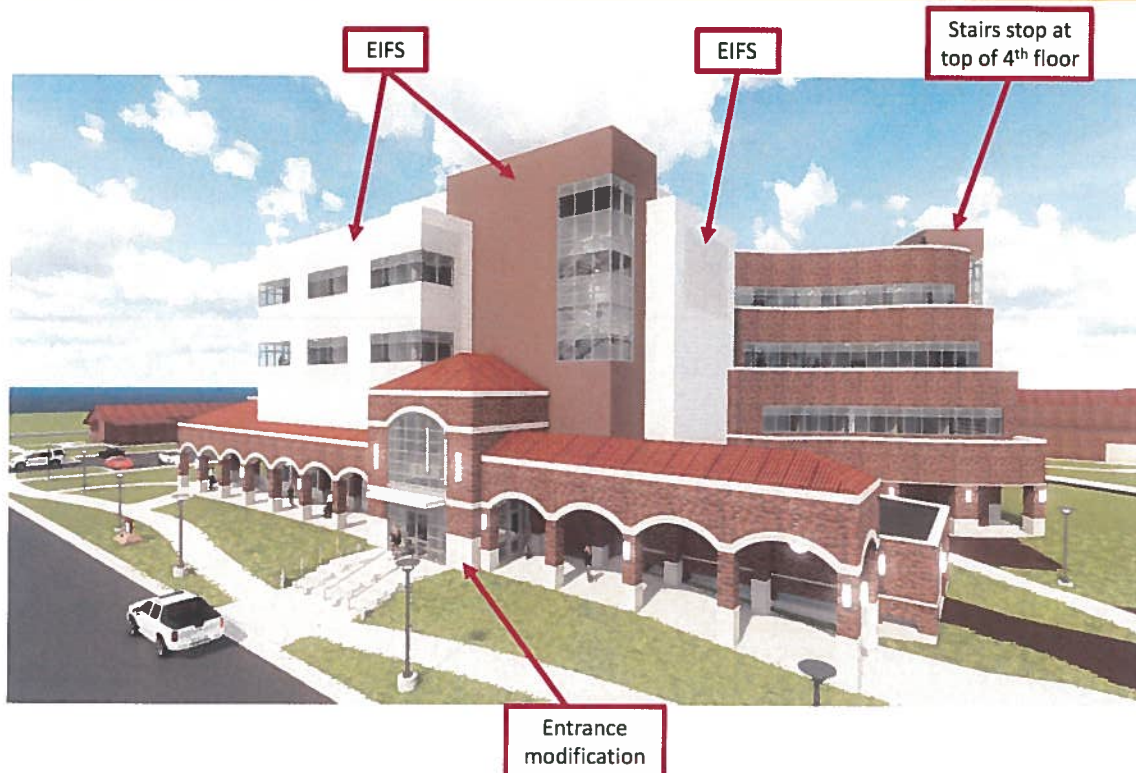
Included in the HSHS project, is a new, more secure server room/data center for IT. Funding for the specialty construction items for this room totals \$811,000 and will come from the IT Relocation TRB project budget. THS has provided a guaranteed maximum price (GMP) for the new HSHS building of \$34.3 million, including the server room expense (\$33.49 million plus \$811,000).

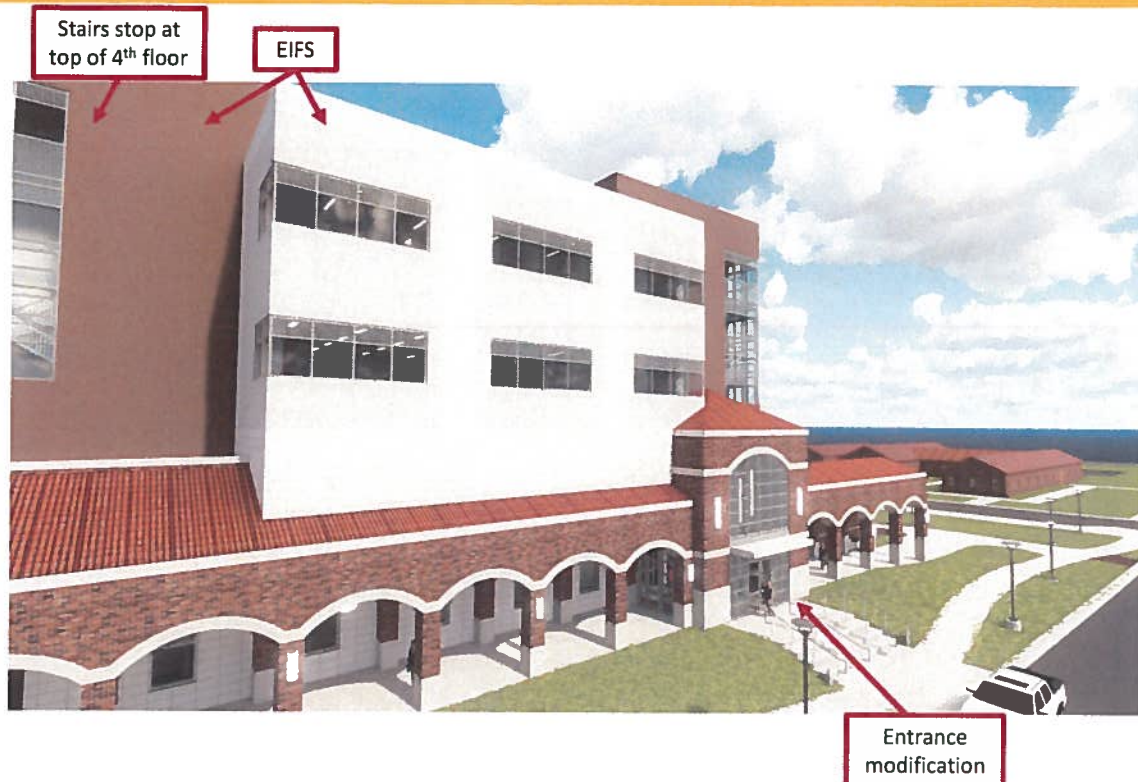
Gunn College of Health Sciences & Human Services Building Project Update

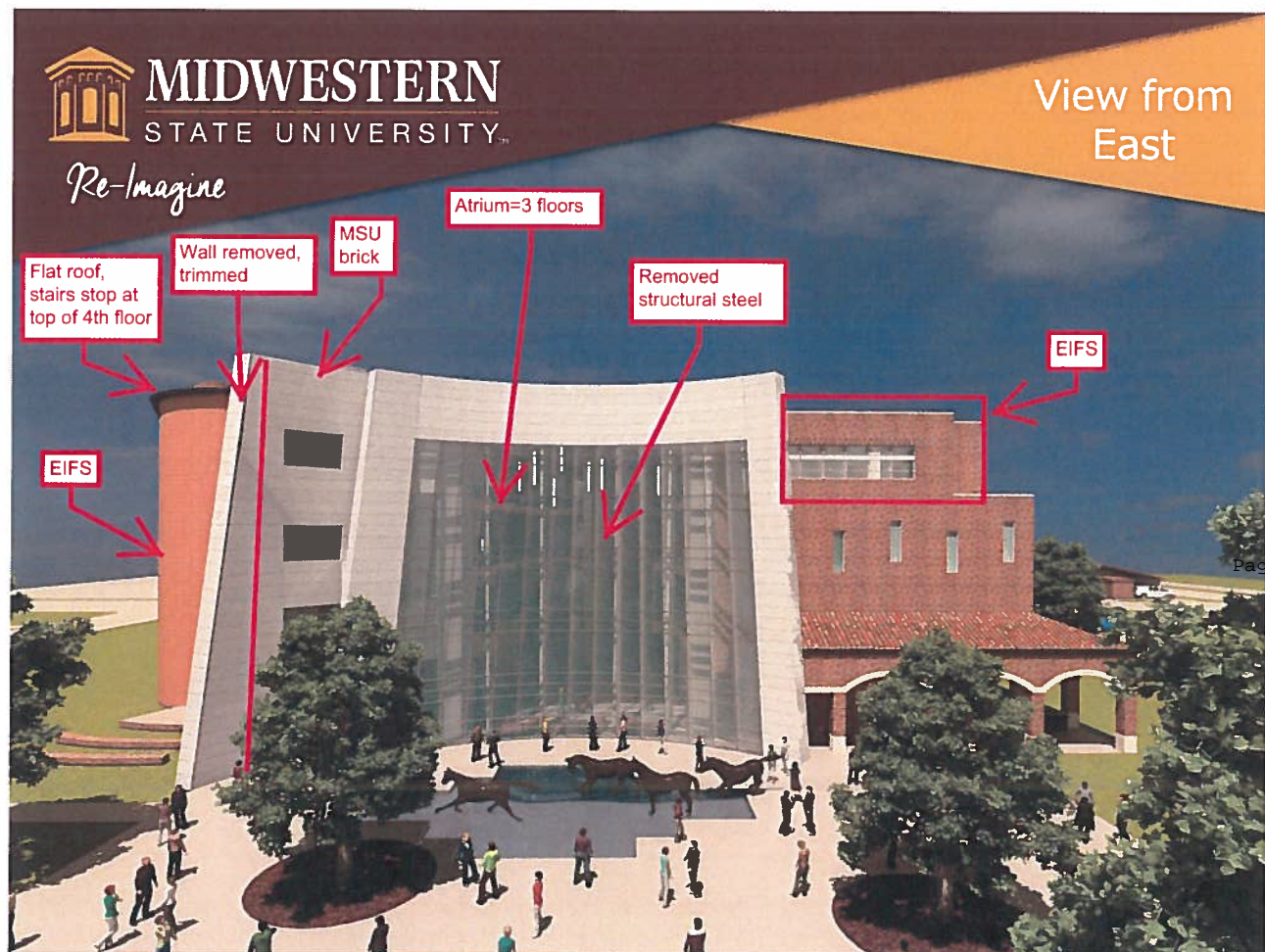
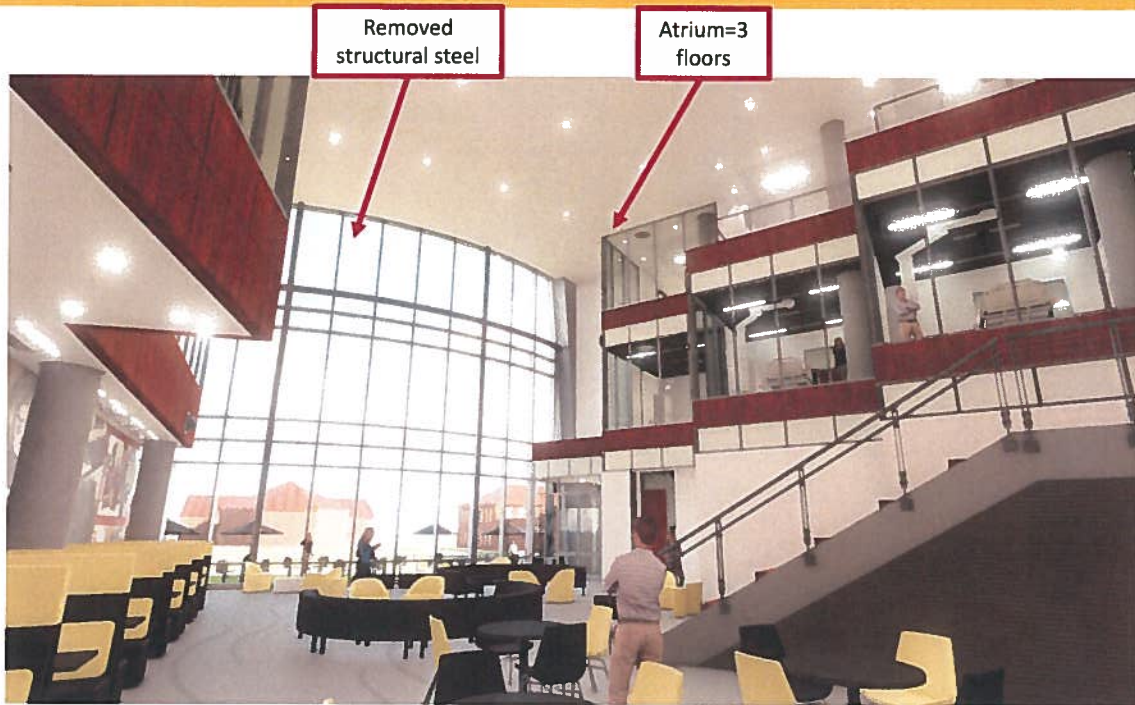
December 13, 2017

HS+HS: Renderings of Design Adjustments, Southeast











MIDWESTERN
STATE UNIVERSITY

Re-Imagine

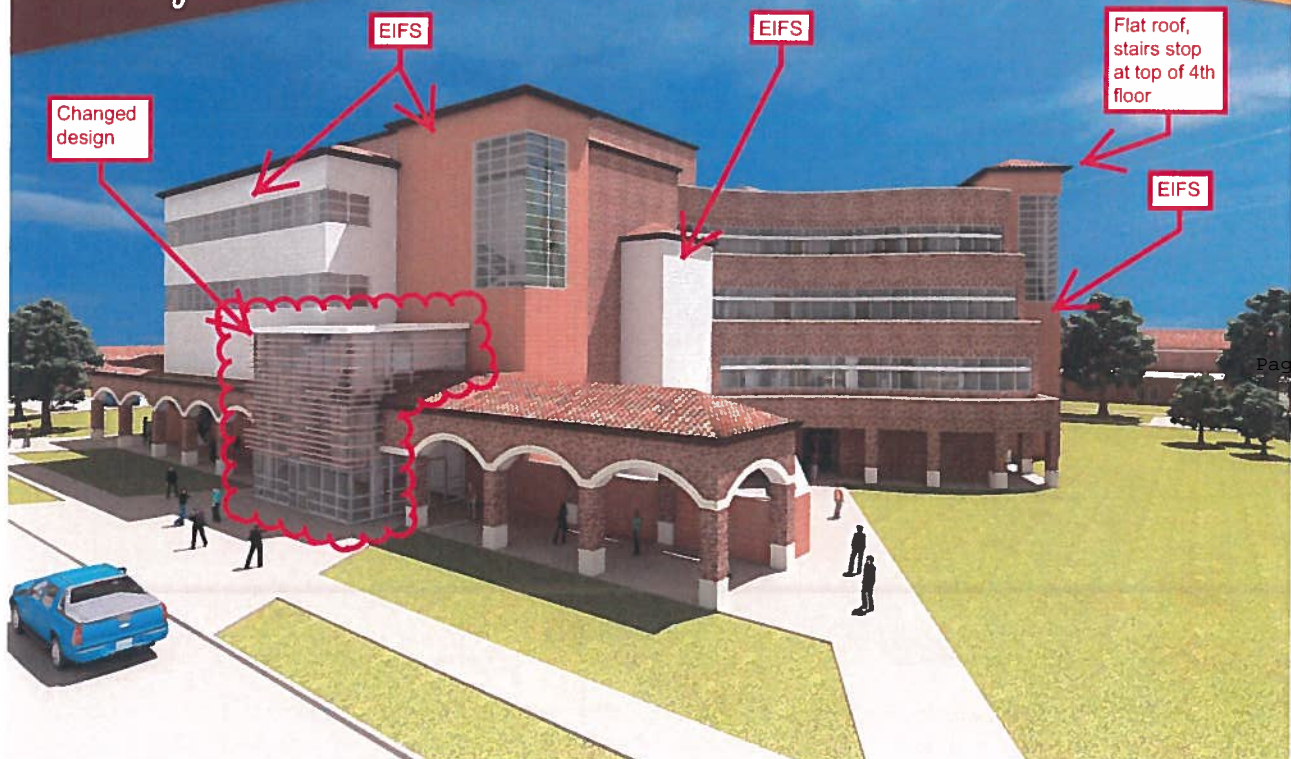
View from
Northeast



MIDWESTERN
STATE UNIVERSITY

Re-Imagine

View from
Southwest



Removed
structural steel



HS+HS: Identified Savings



- Nov, 2017: THS developed savings options totaling \$3.64 MM. Largest savings:
 - Replace terra cotta with stucco EIFS, west side of building \$694k
 - Atrium 3 stories, delete most smoke exhaust \$663k
 - Reduce scope of east glass wall \$400k
 - Sheetrock stairwell steel instead of fireproof paint \$310k
 - Penthouse size reduction \$300k
 - Change glass elevators to standard \$199k

	<u>Revised Budget</u>	<u>Original Budget</u>
	(Dec, 2017)	(Nov, 2016)
Construction	\$33.55 MM	\$29.25 MM
Equipment	\$3.10 MM	\$4.10 MM
Furniture	\$0.65 MM	\$0.70 MM
Architect Fees	\$2.89 MM	\$2.50 MM
Other Services	<u>\$1.81 MM</u>	<u>\$1.45 MM</u>
TOTAL	\$42.00 MM	\$38.00 MM

Fund via:

- \$2 MM reserves
- \$1 MM dec in project equip
- \$1.96 MM other TRB projects

The administration recommends the following:

1. Approval of project budget of \$42,811,000 (\$42,000,000 from HS+HS, \$811,000 from IT Relocation).
2. Authorization to contract with THS for a GMP of \$34,301,000 for HS+HS and the data center.