

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

June 6, 2003

The eighteenth meeting of the West Virginia University Board of Governors was held on June 6, 2003, at 12:15 p.m. in the Rhododendron Room of the Mountainlair. Board members in attendance were Hank Barnette, Stan Cohen, Paul Gates, Steve Goodwin, Chris Gregory, Terry Jones, Vaughn Kiger, Doug Leech, Joe Lopez, Paul Martinelli, Ted Mattern, and Parry Petroplus. Betty Chilton, Tom Potter and Rod Thorn were absent and excused.

A number of WVU officers, regional campus officers and representatives of the press were also present including:

From WVU:

President David C. Hardesty, Jr.;

Provost and Vice President for Academic Affairs and Research, Gerald Lang;

Vice President for Student Affairs, Ken Gray;

General Counsel, Tom Dorer;

Chief of Staff, Margaret Phillips;

Associate Provost for Academic Programs, Rosemary Haggett;

Associate Provost for Academic Personnel, C. B. Wilson;

Associate Vice President for Student Affairs, Amir Mohammadi

Associate Vice President for Finance, Gary Rogers;

Associate Vice President for Health Sciences, Bob Biddington;

Assistant Vice President for Facilities, Joe Fisher;

Assistant Vice President for Planning, Narvel Weese;

Assistant Vice President for Human Resources, Myrtho Blanchard;

Special Assistant to the President/Provost, & Assistant BOG Secretary, Ginny Petersen;

Special Assistant to the Chief of Staff, Jennifer Fisher;

Assistant to the Vice President for Administration, Finance and Human Resources, Sherri Belmear;

Associate Athletic Director, Russ Sharp;

Assistant Director for County Relations, Extension, David Snively;

From WVU at Parkersburg:

Erik Bitterbaum, Campus President and Regional Vice President, WVU

From West Virginia University Institute of Technology:

Karen LaRoe, Campus President and Regional Vice President, WVU;

Steve Goodman, Interim Executive Vice President for Academic Affairs;

Mike Neese, Assistant to the President and Dean of Students;

From Potomac State College of West Virginia University:

Mary Rittling, Campus President and Regional Vice President, WVU;

A number of members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, Hank Barnette at 12:15 p.m.

Mr. Lopez moved that the following resolution be adopted: The motion was seconded, and the resolution was approved unanimously.

The President is authorized and directed, with the advice of counsel, to take all actions, including litigation, that are determined to be necessary and appropriate to protect the interests of West Virginia University as a result of injury caused or to be caused to West Virginia University and others as a result of the wrongful actions planned, taken, or to be taken by the Atlantic Coast Conference (ACC) or others. The filing of litigation on June 6, 2003 against the ACC and others, and all necessary and appropriate actions related thereto, are hereby ratified and confirmed.

The meeting was then recessed to allow board members to attend a Press Conference regarding the filing of a law suit by WVU and others against the ACC.

The meeting was reconvened at 1:00 p.m. by Chairman Barnette.

APPROVAL OF MINUTES

Mr. Kiger moved that the minutes of the meeting of April 4, 2003 be approved as written. The motion was seconded and passed*.

CHAIRMAN'S COMMENTS

Mr. Barnette recognized and thanked outgoing Regional Campus Presidents, Mary Rittling, of Potomac State College of West Virginia University and Erik Bitterbaum, of West Virginia University at Parkersburg. Each was presented with a clock and a certificate.

Mr. Barnette reported that the President's four year evaluation was essentially complete, and that the committee's report would be discussed during executive session.

Mr. Barnette noted that he had had discussions with the Alumni Association about new space for the Association.

He commended Mr. Duke Perry, Mr. Marshall Miller, Mr. Ray Lane and Mr. Lyn Dotson for the WVU Foundation's extraordinary work on the WVU Campaign.

Mr. Barnette commended the WVU administration on Commencement activities "led with distinction and feeling".

He reported that he had attended a meeting with the Governor, members of the Higher Education Policy Commission, and other State officials regarding education, and that all spoke highly of and were supportive of West Virginia University.

He noted that he had received frequent briefings on developments in the Big East discussions.

***Unless otherwise stated, all motions were passed unanimously.**

PRESIDENT'S COMMENTS

President David Hardesty reported that he has learned that Governor Bob Wise will make an effort to direct some money coming from the Federal Government to Higher Education this year. Such money would most likely be designated for Scholarships for part time students; Research; Growth; and Health Sciences.

COMMITTEE REPORTS

Executive: Hank Barnette reported that the Executive Committee had received a report on the budget, discussed the Kanawha Valley Presence and Governmental Relations, deciding to form task forces on the topics, heard an update on the Big East / ACC situation, considered and edited a proposed Conflict of Interest form, and discussed the four year evaluation of President Hardesty.

Academic Affairs: Paul Gates reported that the Academic Affairs committee considered: 1) modifications to Policy 2 to bring it into compliance with new legislation; 2) the adoption of a new Policy regarding Adjunct Faculty – as mandated by recent legislation; 3) the approval of a modified Reciprocity Agreement between WVU at Parkersburg and Washington State Community College (changed from previous meeting); 4) approval of a major in women's studies; 5) approval of a multi-categorical special education program; 6) Conversion of an M.S. degree to a Clinical Doctorate in Audiology; 7) approval of a computer engineering degree at West Virginia University Institute of Technology; 8) a resolution allowing the WVU institutions to affiliate with the North Central Association for purposes of accreditation; and 9) heard a report on the plan for changing Potomac State College of West Virginia University from a regional campus to a division of WVU as directed in recent legislation.

The Academic Affairs Committee extended special thanks to Presidents Rittling and Bitterbaum for their dedicated leadership and service to their campuses.

Business Affairs and Audit Committee: Doug Leech reported that the Business Affairs and Audit Committees received a report of the audit plan by representatives of Deloitte & Touche, LLP. and were moving approval of that plan to the list of action items. They also considered 1) a revision of the Tuition and Fee Schedule for West Virginia University Institute of Technology 2) a modification to Policy 4 regarding travel reimbursement for meals on one day trips; 3) leases on three properties to provide additional student housing over the next three years; 4) the construction of a building for the Eastern Panhandle Clinical Campus of the Robert C. Byrd Health Sciences Center; 5) purchase of two properties at 20 and 36 Campus Drive, for campus expansion; 6) renovations to the WVU Coliseum; 7) improvements to the soccer facilities at West Virginia University; and 8) approval of a Resolution related to a bond issuance.

President Hardesty noted that he recently toured the Madison House (approved for lease purchase by the BOG at their April meeting) and feels it is a valuable acquisition for the campus.

Student Affairs and University Relations: Terry Jones reported that the Student Affairs and University Relations committees had met jointly. They heard reports from/about the Enrollment Management Council, in fulfillment of one of President Hardesty's assignments from the Board. The annual report by the Director of the West Virginia University Department of Intercollegiate Athletics about the department's strategic plan was also presented.

Mr. Jones asked that the report be included in the minutes as follows:

Enrollment Management Council Report

A presentation was made by WVU's Enrollment Management Council, a nine member group established by President Hardesty to create a comprehensive enrollment plan. Co-chair Russ Dean led the discussion, noting that the group monitors and refines financial aid leveraging strategy, maintains enrollment goals and maximizes net student revenue to the campus.

Among the points made:

- The group has improved the academic image of WVU by raising the academic profile of the first-year class.
- Thirty percent of the expected revenue supporting the University's FY 04 budget is expected to be derived from tuition and fees. This meets the goal of maintaining the enrollment needed to support the university's budget.
- An objective of the group is to attract and retain the highest possible quality first-year students and maintain a first year class size of 4200.
- Under the Enrollment Council, some significant developments and actions have been taken. These include a Scholarship Management Task Force, a major retention effort just launched to improve the first-year retention and graduation rates, incorporation of statistical models for data planning and decision-making, Scholarship Visitation Days, development of predictive models that enable weekly monitoring and evaluation of admissions, dozens of integrated marketing accomplishments, including the creation of recruiting web pages and a top-of-the-line Visitors Resource Center.

Major issues now facing the Council are classroom capacity, faculty capacity, residence hall capacity and maintaining academic standards and a quality educational experience.

(Members of the Council are Russ Dean, Amir Mohammadi, Carolyn Curry, Keith Garbutt, Duane Nellis, Brenda Thompson, Lyn Dotson, Sue Day-Perroots and Narvel Weese)

Department of Athletics Update

As requested by the Board of Governors, Athletic Director Ed Pastilong gave an update on the department's strategic planning.

- A year ago Director Pastilong outlined a strategic direction that called for a \$24.5 million facility investment, including goals of increasing revenues, building reserves, reducing expenditures, and increasing competitiveness. This was premised on the Department remaining a self-sustaining program.
- Mr. Pastilong provided an update on the past year, including:
 - A robust facilities agenda, some of which is already visible — the addition of premium floor seating at the Coliseum to increase revenues and improve the arena. Some of the work is not as visible such as maintenance that includes recaulking and recoating the football stadium.
 - He also reported on increased recruiting budgets, installation of video equipment and facility renovations for men's and women's basketball.
 - Increased recruiting budget for football and facilities renovations.
 - Construction of soccer fields and soccer grand stands.
 - Reorganization of the Mountaineer Athletic Club.

- ❑ Expanded revenue through, for example, increased trademark revenues that are applied to scholarships.
- ❑ The elimination of five sports to reduce the Department's expenses. While reduced expenditures were called for in the strategic direction, larger than expected tuition increases have occurred since then, as well as escalating security costs, and increases in insurance. These factors further compelled the need to reduce expenses to help offset these mandated increases.

The Director noted accomplishments since the Board presentation last year, including:

- a higher than average graduation rate
- clearance in the NCAA investigation
- several clean financial audits
- competitive success in football, basketball, women's soccer, wrestling, and baseball

In response to a question, Mr. Pastilong noted that obtaining BOG approval now for projects such as the Coliseum and Soccer Facilities, despite current uncertainties about the Big East, will allow the Department to weigh alternatives, and move ahead with the master plan if it appears warranted once the Big East issue is more resolved.

Nominating: Terry Jones reported that the Nominating Committee proposed the election of the following slate of officers for 2003-2004: Curtis H. Barnette, Chairman; Thomas E. Potter, Vice-Chairman; T. Joseph Lopez, Secretary.

ELECTION OF OFFICERS

Ted Mattern moved that the officers be elected as proposed by the nominating committee. The motion was seconded, and was approved. The officers for 2003-2004 will be: Curtis H. Barnette, Chairman; Thomas Potter, Vice-Chairman; T. Joseph Lopez, Secretary.

Mr. Mattern also moved that the chairmen of the standing committees and board liaisons be approved as presented: Academic Affairs, Paul Gates, Business Affairs, Doug Leech, Student Affairs, Betty Chilton, University Relations, Terry Jones, Health Sciences, Tom Potter, Audit, Doug Leech, Compensation, Hank Barnette, Regional Campus Liaison, Joe Lopez, and Athletics Liaison, Rod Thorn. The motion was seconded and approved.

Chairman Barnette asked each member to review his/her committee appointments and let him know if they wished a different or specific assignment.

MEETING DATES

Mr. Jones moved that the dates for the Board of Governors meetings for 2003-2004 be approved as presented. The motion was seconded and approved.

Mr. Barnette asked each member to check his/her calendar and provide feed-back regarding the proposed meeting dates for 2004-2005.

INFORMATION ITEMS

Financial Plan

Mr. Gary Rogers, Associate Vice President for Finance, made a presentation on the status of the University's budget for the 2002-2003 year. He noted that all indicators are on target for this year, and that the University should begin the new fiscal year with a positive cash balance. He reported revenues were steady, the expenditure plan on track, applications for Fall, 2003 strong and sponsored programs receipts strong. He noted that the severance plan costs will all be noted in the current year, although they will be paid out over a number of years.

Mr. Rogers also reported on the 2004 budget or plan. He noted the University's projected shortfall of \$30 Million, from a combination of reduced appropriations and increases in mandated expenses. He laid out the management plan for addressing the shortfall: \$15.7 M in increased tuition and fees revenue, a result of larger enrollments and the new fee structure; other cost reductions at WVU and the Health Sciences totaling \$11.3 M, at the Regional Campuses totaling \$2.0 M, and additional cost savings of \$1.0 M. He detailed a few of the actions being taken to make these cuts feasible. He noted that these are not just aspirations, but that there are plans behind each to make them doable, and that progress will be continually monitored.

Student Representative Report

Mr. Chris Gregory, Student Representative to the Board of Governors, presented his annual report to the Board. He noted this is the first year that the representative to the BOG has been the student body president, and that he felt it was the appropriate level of representation. He introduced his successor, Charles Battleson, and discussed two areas of student support that they feel could use some improvement – advising and career planning, and offered their suggestions for improvement in these areas.

Dr. Cohen noted that advising and career planning can never be over emphasized. Mr. Goodwin noted that having a student representative of Chris' caliber has been wonderful, and expressed his appreciation for what Chris has brought to the Board.

Mr. Barnette noted that the presentation calls for follow-up and asked that it be revisited in six months.

ACTION ITEMS

Based on discussions of each item at the respective Committee meeting, and with the recommendation for approval of each committee, Mr. Barnette asked for final discussion on any action item. Dr. Cohen inquired about how students living in the space to be leased for student housing would be supported. Mr. Mohammadi reported that all student services will be deployed to all residence houses, leased or owned. President Hardesty noted that the goal is to make the freshmen year a meaningful experience no matter what the type of residence hall.

There being no further questions, Mr. Leech moved approval of the following action items:

1. **Modification of BOG Policy 2: Academic Freedom, Professional Responsibility, Promotion and Tenure**

Resolved: That the West Virginia University Board of Governors approves a modification of BOG Policy 2 to bring it into compliance with newly enacted legislation (HB2224). The motion was seconded and passed.

- 2. Adoption of BOG Policy 12: Emergency Rule on Adjunct Faculty**
Resolved: The West Virginia University Board of Governors approves an emergency rule on Adjunct Faculty, as called for in recent legislation (HB2224) and puts the rule out for a thirty day comment period. The motion was seconded and passed.
- 3. Renewal of a Reciprocity Agreement – as Modified**
Resolved: The West Virginia University Board of Governors approves the renewal of a Reciprocity Agreement between West Virginia University at Parkersburg and Washington State Community College. The motion was seconded and passed.
- 4. Approval of a New Major in Women’s Studies**
Resolved: The West Virginia University Board of Governors approves the initiation of a new major in Women’s Studies in the Eberly College of Arts and Sciences at West Virginia University. The motion was seconded and passed.
- 5. Approval of a Multi-Categorical Special Education Certification**
Resolved: The West Virginia University Board of Governors approves converting the existing individual programs in Mild/Moderate Mental Impairments, Learning Disabilities, and Behavioral Disorders into a single multi-categorical program in Mild/Moderate or High Incidence Disabilities. The motion was seconded and passed.
- 6. Change of Degree from M.S. in Audiology to an Au.D. in Audiology**
Resolved: The West Virginia University Board of Governors approves a change of degree from an M.S. in Audiology to a Clinical Doctorate (Au.D.) in Audiology in the College of Human Resources and Education at West Virginia University. The motion was seconded and passed.
- 7. Approval of a New Degree in Computer Engineering**
Resolved: The West Virginia University Board of Governors approves offering of a Bachelor of Science in Computer Engineering at West Virginia University Institute of Technology. The motion was seconded and passed.
- 8. Affiliation with the Higher Learning Commission**
Resolved: The West Virginia University Board of Governors authorizes West Virginia University, West Virginia University at Parkersburg, Potomac State College of West Virginia University, and West Virginia University Institute of Technology to affiliate with the Higher Learning Commission for purposes of accreditation. The motion was seconded and passed.
- 9. Approval of the Deloitte & Touche Audit Plan**
Resolved: The West Virginia University Board of Governors approves the audit plan presented by Deloitte and Touche for West Virginia University, West Virginia University at Parkersburg, Potomac State College of West Virginia University, and West Virginia University Institute of Technology. The motion was seconded and passed.
- 10. Approval of a Revised Tuition and Fee Schedule for West Virginia University Institute of Technology**
Resolved: The West Virginia University Board of Governors approves the revised tuition and fee schedule for resident students at West Virginia University Institute of Technology. The motion was seconded and passed.

11. Modification of BOG Policy 4: Travel

Resolved: The West Virginia University Board of Governors approves the updated BOG Travel Policy, which removes reimbursement of meals for one day travel. The motion was seconded and passed.

12. Leases for Additional Student Housing

Resolved: The West Virginia University Board of Governors approves a three year lease of 252 beds at Sterling University Ridge Apartments for student housing. The motion was seconded and passed.

Resolved: The West Virginia University Board of Governors approves a three year lease of 563 beds at Summit Suites for student housing. The motion was seconded and passed.

Resolved: The West Virginia University Board of Governors approves a three year lease of 314 beds at Pierpont Apartments for student housing. The motion was seconded and passed.

13. Construction of a Building for the Eastern Panhandle Clinical Campus

Resolved: The West Virginia University Board of Governors approves the construction of a new 33,000 sq. ft., 2 story building for the Eastern Panhandle Clinical Campus of the Robert C. Byrd Health Sciences Center. The motion was seconded and passed.

14. Purchase of Two Properties, #20 and #36 Campus Drive

Resolved: The West Virginia University Board of Governors approves the purchase of two properties, #20 and #36 Campus Drive, Sunnyside Area, Morgantown, WV for \$730,000 for campus expansion. The motion was seconded and passed.

15. Renovations to the Coliseum at West Virginia University

Resolved: The West Virginia University Board of Governors grants permission for the West Virginia University Department of Intercollegiate Athletics to undertake renovations to the Coliseum at West Virginia University. These renovations are contingent upon the availability of funding from private fund raising, club ticket sales and the sale of bonds. The motion was seconded and passed.

16. Improvements to the Soccer Facilities at West Virginia University

Resolved: The West Virginia University Board of Governors grants permission for the West Virginia University Department of Intercollegiate Athletics to undertake renovations to the Soccer Facilities at West Virginia University. These renovations are contingent upon the availability of funding from private fund raising, club ticket sales and the sale of bonds. The motion was seconded and passed.

17. Resolution Related to Issuance of Tax-Exempt Revenue Bonds

Resolved: The West Virginia University Board of Governors approves a Resolution (see Attachment 1) stating the reasonable expectation of the West Virginia University Board of Governors to reimburse itself for capital expenditures in connection with the upgrade, renovation and equipping of certain Department of Intercollegiate Athletics facilities made prior to the issuance of tax exempt revenue bonds. The motion was seconded and passed.

OTHER BUSINESS

Mr. Barnette commended President Hardesty for the fine job he has done dealing with the Big East Conference crisis.

He congratulated Mr. Perry Petroplus for being named the West Virginia Small Businessman of the Year, and noted the national significance of this honor.

Mr. Barnette presented Certificates of Thanks to outgoing board members Chris Gregory and Stan Cohen, and thanked them for their contributions to the Board of Governors.

EXECUTIVE SESSION

Mr. Lopez moved that the West Virginia University Board of Governors go into executive session pursuant to West Virginia Code §6-9A-4(2)(A) to discuss personnel and management issues. The motion was seconded and passed, and the Board thereupon met in executive session. Following the discussion, Mr. Lopez moved that the Board rise from executive session. The motion was seconded and passed.

FURTHER ACTION ITEMS

Based on discussions in Executive Session, Mr. Leech moved approval of the following action items:

1. Appointment of a Member to a Board of Advisors

Resolved: That the West Virginia University Board of Governors appoints Mr. William Niday to the Board of Advisors at West Virginia University at Parkersburg. The motion was seconded and passed.

2. County Extension Service Committee Appointments

Resolved: That the West Virginia University Board of Governors approve as presented the nominees and alternates for positions on the County Extension Service Committees in West Virginia. The motion was seconded and passed.

3. Presidential Evaluation

Resolved: That the West Virginia University Board of Governors approves the report of the Presidential Review Committee for President Hardesty's four year review. The motion was seconded and passed. The report is attached and made a part of the minutes. (See Attachment 2).

NEXT MEETING

Mr. Barnette noted the next meeting will be on September 4 - 5, 2003 and asked that each member make a special effort to attend.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:44 p.m.

Virginia Petersen
Assistant Secretary

Attachment 1

RESOLUTION STATING THE REASONABLE EXPECTATION OF THE WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES IN CONNECTION WITH THE UPGRADE, RENOVATION AND EQUIPPING OF CERTAIN DEPARTMENT OF INTERCOLLEGIATE ATHLETICS FACILITIES MADE PRIOR TO THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS

WHEREAS, Treasury Regulations § 1.150-2 (the “Reimbursement Regulations”), issued pursuant to § 150 of the Internal Revenue Code of 1986, as amended, (the “Code”) prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of “bonds” under § 150 of the Code (“Bonds”) used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Bonds may be deemed “spent” for purposes of §§ 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that a borrower make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Bonds intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that the Allocation (as hereinafter defined) of the proceeds of such Bonds to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date of the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, but in no event may any such Allocation be made later than three years after such Capital Expenditure was paid; and

WHEREAS, West Virginia University Board of Governors on behalf of West Virginia University (the “University”), as a borrower under the Reimbursement Regulations, wishes to ensure compliance with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved as follows by the West Virginia University Board of Governors of the University as follows:

SECTION 1. Definitions. The following definitions apply to the terms used herein:

“*Allocation*” means written evidence that proceeds of Bonds issued subsequent to the payment of a Capital Expenditure are to effect the reimbursement of the University for such payments.

“*Capital Expenditures*” means any expense for an item that is properly chargeable to a capital account or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

“*Declaration of Official Intent*” means a written declaration that the University intends to fund a Capital Expenditure with an issue or issues of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue or issues under the Reimbursement Regulations.

“*Reimbursement*” means the restoration to the University of money temporarily advanced from other funds of the University to pay for Capital Expenditures before the issuance of Bonds intended to fund such Capital Expenditures. “To reimburse” means to make such a restoration.

“*Reimbursement Bonds*” means Bonds that are issued to reimburse the University for Capital Expenditures previously paid by or for the University.

“*Reimbursement Regulations*” means Treasury Regulations § 1.150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Bonds when allocated or applied to a reimbursement will be treated as “spent” for purposes of §§ 103 and 141 to 150 of the Code.

SECTION 2. Declaration of Official Intent.

- (a) The University declares that it reasonably expects that the Capital Expenditures described in Section (b), which will be paid prior to the issuance of any Bonds intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Bonds, representing borrowings by the University in the maximum principal amount for such reimbursements, funding of a debt service reserve and payment of costs of issuance of approximately \$ 30,000,000:
- (b) the Projects for which Capital Expenditures are expected to be made and reimbursed, and the maximum principal amount of Bonds to be issued to the following projects:
- Puskar HVAC, Lobby, Roof & Other Public
Areas Upgrade,
Soccer Stadium Construction,
Coliseum Locker Room & Roof Upgrade,
Coliseum Club Seating Construction,
Stadium Suites & Club Seating Construction,
Stadium Scoreboard & Sound System Replacement,
Other projects included in the WVU
Department of Athletics Facilities Master Plan:
Amount of Bonds To Be Issued \$30,000,000; and
- (c) this resolution is a Declaration of Official Intent.

SECTION 3. Reasonable Expectations. The University does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the University or any other entity affiliated with the University with respect to the Capital Expenditures described in 2(b).

SECTION 4. Effective Date. This Resolution takes effect upon its adoption.

Adopted this 6th day of June, 2003.

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

BY _____
Its CHAIRMAN

Attachment 2

June 6, 2003

Mr. Thomas Jones, Chairman
West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard, East
Suite 700
Charleston, West Virginia 25301

Dear Mr. Jones:

This letter and the accompanying Exhibits constitute the West Virginia University Board of Governors Presidential Review Report of President David C. Hardesty, Jr. As required under West Virginia law, the Board has conducted this Review in the eighth year of the President's service. This represents the second review of President Hardesty. His first review occurred in 1999, the fourth year of his tenure.

The Executive Committee of the Board constituted the Review Committee. The manner in which we conducted the Review is outlined in this letter and its Exhibits, which are as follows:

Exhibit 1:	Evaluation Review Criteria
Exhibit 2:	Review Committee Members Board of Governors Members
Exhibit 3:	Review Committee Schedule
Exhibit 4:	Campus Interview Schedule
Exhibit 5:	Contacts by Review Committee
Exhibit 6:	Letters Received by Review Committee
Exhibit 7:	Executive Summary by President Hardesty (from his required Statement of Self-Evaluation)

We have participated in these kinds of executive reviews in both higher education and the private sector and are confident that the process we followed was comprehensive and in accordance with legal, Policy Commission, and our own Board requirements. The Review Committee is satisfied with the level of detail we were given and believe that we provided for an open dialogue with the constituents associated with a University the size and complexity of WVU.

The Committee affirms that WVU has made substantial progress on implementing its statewide Compact as set forth by the Legislature. WVU was the only institution in the State to receive an "excellent" rating for its recent proposal to increase tuition. This was the highest ranking possible and was based on the Higher Education Policy Commission's assessment that WVU is successfully meeting the goals of its Compact.

The Evaluation Criteria are in Exhibit 1 and include: (1) requirements of West Virginia Code §18B-1B-6c, (2) Higher Education Policy Commission Series 5, "Guidelines for Governing Boards in Employing and Evaluating Presidents and Other Administrative Heads of Institution," (3) the Goals and Objectives

established for President Hardesty by the Board of Governors, and (4) the requirements established in the President's Contract.

The principal finding of this Review is that President Hardesty has achieved and exceeded all requirements of the Evaluation Criteria. He has, along with his Staff, led WVU in an outstanding manner and has been supported throughout by the exemplary service to West Virginia University and the leadership of his wife, Susan Hardesty.

The University community, its constituents, government officials, and the media evaluate the President of West Virginia University informally every day. By virtue of its fiduciary responsibilities, the Board of Governors, which includes faculty, staff, and student representatives, receives formal reports and updates on key indicators of WVU's performance on a regular basis. But there are other, more formal evaluation processes that are utilized to assess the President's performance. The Board of Governors annually evaluates him in connection with his yearly goals, which are established by the President and approved by the Board. He is also evaluated during the periodic compensation reviews conducted by the Board. And, finally, West Virginia law requires that every four years this more formal and comprehensive appraisal of the President's performance. Together, these various evaluations result in a multidimensional and ongoing review of our President.

In connection with this Review, the Review Committee collected information, held meetings and interviews with key constituent groups, and invited written comments. As required, the President submitted a self-evaluation of his own performance and that of his senior leadership team (Exhibit 7). It highlighted substantial accomplishments in enrollment, academics, research, private giving, health care, capital improvements, service, and financial management and accountability.

The President has recognized and brought to our attention issues that challenged his leadership skills during the past several years, and we have raised similar issues and recommendations with him. We see this openness as a sign of strength. In each case, he responded positively, and this type of leadership will be of great importance as he and the University navigate their way through the future challenges and opportunities.

We believe that West Virginia University is led by one of the most outstanding leaders in higher education today. Our assessment finds that President Hardesty is an honest, competent, seasoned and visionary executive who has assembled and effectively leads a strong and cohesive team of higher educational professionals. His spouse Susan, who ably assists him, is an innovator and substantial leader in her own right. The two of them have led what amounts to a campus cultural change in terms of student life and quality of the student experience, greatly enhancing the national reputation of WVU as an academic institution and a safe and caring environment for responsible young adults.

The Review Committee has determined that the special talents David Hardesty brings to his presidency include: an absolute loyalty to the institution, a strong work ethic, business and legal acumen, an understanding of West Virginia and its higher education system deeply rooted in experience, excellent communication skills, a reputation for honesty and fair dealing, a respect for the Governing Board and its governance culture, strong values, a national presence in higher education leadership, and an ability to attract private resources to the institution.

Tremendous national respect was evident through letters we received during the Review process (Exhibit 6). The President of the National Association of State Universities and Land-Grant Colleges, Peter Magrath, summarized it best when he wrote, "David Hardesty has made WVU, literally, a model engaged university, while continuing to provide leadership that pays close attention to the needs and aspirations of students who, of course, are the primary obligation of universities....In one sentence let me put it this way: David Hardesty is an outstanding President for West Virginia University and sets the standard for all of our nation's land-grant universities."

We note substantial accomplishments during the President's tenure, a time which has been marked by challenges that have included a sluggish national economy, increasing competition, increased government regulation, reduced state support to higher education, heightened national security concerns, and expanded missions for universities. We also note that during his years as President, he has given full credit to those who work at the University, constantly acknowledging on many occasions the contributions of the faculty, staff, students, alumni, and colleagues. His respect and caring attitude toward the student body are widely recognized and admired.

The President has been asked in the years to come to focus on a number of issues, which will be expressed in his annual goals and objectives in the coming years. In this regard our decision to extend the President's contract last year was most timely and appropriate. We are pleased with and publicly commend the leadership of David C. Hardesty, Jr., and his wife, Susan, and thank them both for their service to WVU.

We wish to personally thank all who actively participated in the Review process. Their candid comments and suggestions are appreciated and will assist us in continuing to enhance the reputation and effectiveness of this great University.

We are available to discuss our Presidential Review with you and the members of the Policy Commission at your convenience.

Presidential Review Committee,

Curtis H. Barnette
Thomas E. Potter
Admiral T. Joseph Lopez
Vaughn L. Kiger
Paul E. Gates
Douglas J. Leech
Elizabeth E. Chilton
Terry T. Jones

By _____
Curtis H. Barnette
Chairman