

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

June 6, 2013

The one hundred tenth meeting of the West Virginia University Board of Governors was held on June 6, 2013 on the campus of West Virginia University Institute of Technology, in Montgomery, West Virginia. Board members in attendance/participating included Ellen Cappellanti, Dr. Lesley Cottrell, James W. Dailey, II, Thomas Flaherty, Dr. Robert Griffith, Raymond Lane, Diane Lewis, Dixie Martinelli, Andrew A. Payne, III, Zach Redding, Ed Robinson, J. Robert (J.R.) Rogers, and William Wilmoth. Board members, David Alvarez, Dr. Tom Clark, William Nutting, and Dr. Charles Vest, were absent and excused.

WVU officers, divisional campus officers, and representatives present included:

President, James P. Clements;
Vice President for Administration and Finance, Narvel Weese;
Vice President for Legal Affairs and General Counsel & Assistant
BOG Secretary, William H. Hutchens, III;
Vice President for Student Affairs, Ken Gray;
Associate Vice President for Academic Planning, Dr. Nigel Clark;
Senior Associate Provost, Russell Dean;
Director of Internal Audit, William Quigley;
Senior Associate Vice President for Finance, Dan Durbin;
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;
Associate Vice President for Student Affairs, Michael Ellington;
Associate Vice President for Facilities, Randy Hudak;
Interim Dean of Students and Director of Housing, G. Corey Farris;
West Virginia University Institute of Technology, Chief Executive Officer,
Carolyn Long;
Chief Financial Officer for Health Sciences, Wendy King;
Assistant Vice President for University Communications, Becky Lofstead;
Director of Human Resources, LuAnn Moore;
Interim Associate Provost for Graduate Academic Affairs, Katherine Karraker;
Dean of Extended Learning, Sue Day-Perroots;
Executive Director of University Events & Liaison to the President, Robin Yorty;
Senior Advisor to the Provost for Divisional Campuses, Kerry Odell;
WVU Faculty Senate Chair-Elect, Dr. Lisa DiBartolomeo;
SGA President, Ryan Campione;
Senior Special Event Coordinator, Gretchen Hoover;
Special Assistant to the Board of Governors, Valerie Lopez; and,
Members from the administrative team, faculty and staff at WVUIT were present;

Members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, Andrew A. Payne, III, at 8:30 a.m. A roll call was taken to determine who was in attendance and a quorum was established.

BOARD ITEMS

Welcome and WVU Tech Campus Update

Carolyn Long welcomed everyone to campus for today's Board of Governors meeting. She provided the following highlights related to the WVUIT campus:

Graduation

- Tech celebrated the 114th Commencement on Saturday, May 11, 2013, honoring 171 graduates and welcoming back 11 members of the Golden Alumni Class of 1963.
- The school appreciated WVU's sending representatives to celebrate with them – it meant so much to our faculty, students and parents.

Enrollment

- New student enrollment for 2013-14 looks positive, based on key indicators such as number of admits and number of housing deposits received (230 deposits received = 50% occupancy already reserved – nearly 20% more than last year. (Overall 2012-13 enrollment was 1,107).
- We are seeing a positive return in targeted, out-of-state markets such as CA and MD.

Academics

- We continue to work towards adding more online course offerings – we're offering 24 online courses this fall (an increase of 6 over last year). Fifty of our faculty members participated in 1 of the 5 Learn 9 training sessions held in May. In addition, to date, 38 of our faculty members have completed the Quality Matters training.

Student Life

- As you can see, the new Student Success Center opened in Spring, 2013. The Center is responsible for first-year advising/registration, first-year orientation, tutoring and workshops. In addition, the Center maintained extended hours 2 weeks prior to finals for students that needed a late night study place.
- Wi-Fi expansions will include classroom buildings – this work is expected to be completed by the end of June.

Alumni Relations

- The Tech Golden Bear Alumni Association has partnered with Jarrett Construction and E.L. Robinson Engineering to create the conceptual renderings for their Welcome Wall

project. Alumni and friends can support the project by ordering a brick paver for \$100 by filling out the forms provided.

- Golden Bears in Raleigh, N.C., have started a new alumni chapter. They held their first meeting/gathering last weekend with 24 alumni and families attending.

Summer Camps

- We're staying busy this summer hosting nine different camps on campus, ranging from a swim camp to College Summit to Camp STEM.

Unit Name and Structure Change from Extended Learning to Academic Innovation

To take advantage of and recognize changes in educational technology, West Virginia University is creating a new organizational structure to champion innovation in the classroom and provide a place for faculty to experiment with emerging tools. The new division, overseen by Provost Michele Wheatly, will be named Academic Innovation and Sue Day-Perroots, currently the Dean of Extended Learning, will lead the new initiative as Associate Vice President for Academic Innovation.

Sue Day-Perroots provided the following overview of this academic evolution:

- During the early years of the entrepreneurial model, online and off-campus programming received minimal attention due to the high number of waived course registrations and small amount of revenue collateral. Extended Learning partnered with colleges to diversify programming into full fees enrollments and the revenue increased into the millions of dollars, thus a growing campus began to take notice. As new courses and programs were initiated for online delivery, enrollments escalated above the 5,000 mark with each term bringing in new revenue that was invested into innovative course design and development – online, blended and summer. Project requests by faculty also escalated for assistance for full online course design, video inserts, and enhancements for blended course support. Building on Extended Learning's engagement with quality in course design and with faculty support, entrepreneurial revenue will be reinvested into a campus-based infrastructure for the advancement and recognition of teaching and learning.
- The new organization within Academic Innovation will build upon and expand expertise and success in instructional and visual design. It will invest in faculty resources to support teaching and learning and it will foster innovation through programming and technology.
- The strategic transition will build upon Extended Learning – with the organizational structure of Academic Innovation to be comprised of the following four (4) areas:
 1. Teaching and Learning Resources (with an emphasis on iDesign and Faculty and Graduate Advancement);

2. WVU Online & Extended Campus;
 3. Special Programs – K12 Partnerships and Summer Session; and
 4. Administrative Operations.
- Sue Day-Perroots added that no new dollars will be allocated, as the entrepreneurial revenues will be reinvested to advance teaching and learning for WVU students and faculty regardless of location. All changes become effective July 1, 2013.

Tobacco Free Campus – Implementation Update

Narvel Weese, Vice President for Administration and Finance, provided the following update on the implementation of WVU's campus wide tobacco ban:

- As you know – the Board of Governors passed a tobacco policy, both for the Health Sciences and then for the main campus. That policy set implementation for July 1, 2013. General Counsel Bill Hutchens and I were designated to lead preparations for implementation.
- Just to recap the history a little - for this newest section of the policy we are about to begin implementing:

A Smoking Policy Task Force was created– chaired by CB Wilson – that consisted of three students, three faculty, and three staff;

The group held public sessions, following which the task force proposed a policy to go tobacco free on campus;

The proposal was posted for 30 days of public comment, after which it was revised and reposted for 10 days;

The Board of Governors considered and approved the policy change.

- As we approach July 1 – we recognize it will take some time for people to get used to the new policy. Many of us remember when the policy went into effect eliminating smoking in buildings – it takes some time for people to adjust. Now it is second nature.
- It is important to remember that this is a policy matter, not a police matter, which we hope to enforce as we would other policies.
- We will work over this year to see what questions come up, what guidance we need, and work with our faculty, staff and students to improve compliance.
- Starting in July, we will begin posting signs – mostly at campus entrances, parking lots and some high traffic areas around buildings. We have put notices out to campus – and will continue to do so over the coming months. Becky Lofstead and her news team are heading up communications – and that will be an ongoing effort.

- The Daily Athenaeum picked up a story on the implementation timeline – which really got the word out as well. Our Human Resources web site has lots of information on smoking cessation programs – and our WellWVU staff in Student Affairs will also be extremely helpful in getting this information out – especially for students.
- As we start implementation, we know some questions will arise – and we will adapt as a campus community, share information, and do our best to get to the point where it is simply ‘second nature’ that the campus is tobacco free, just as the buildings are. We certainly are able to learn from some of the Health Sciences experience – as they were ahead of the main campus.
- The divisional campuses have the option to implement the policy – and it’s my understanding they are in discussions on their campuses as to next steps.

Approval of Tuition and Fees for the Upcoming Academic Year

Russell Dean, Senior Associate Provost for Academic Affairs, and Wendy King, Chief Financial Officer for Health Sciences, provided an overview of the proposed tuition and fee structure, as follows:

General University and Divisional Campus Increases for 2013-14 (per semester)

Resident Undergraduate Increases:

WVU – 6.01% or \$183
 Potomac State College – 4.61% or \$91
 WVUIT – 4.50% or \$125

Non-resident Undergraduate Increases:

WVU – 4.55% or \$382
 Potomac State College – 1.71% or \$87
 WVUIT – 4.55% or \$318

Resident Graduate Increase:

WVU – 5.99% or \$204

Non-resident Graduate Increase:

WVU – 3.99% or \$389

Housing (double room)

WVU – 4.5% or \$105
 Potomac State College – 4.50% or \$73
 WVUIT – 4.5% or \$112

Dining (20 meal plan)¹

WVU – \$2,240

¹ WVU will offer a 20 meals per week plan for the upcoming academic term instead of the 19 meals per week plan offered previously. This change in the plan makes it such that an increase percentage cannot be accurately calculated.

Dining (19 meal plan)

Potomac State College – 4.5% or \$80

WVUIT – 4.5% or \$78

WVU Health Sciences - Undergraduate

Resident Undergraduate Increases:

Nursing – 6.03% or \$247

Dental Hygiene – 5.91% or \$251

Medicine – 5.73% or \$216

Non-resident Undergraduate Increases:

Nursing – -5.64% or -\$655

- reducing tuition for non-resident Nursing students is necessary to remain competitive in recruiting students from out-of-state

Dentistry – 4.14% or \$492

Medicine – 4.03% or \$464

WVU Health Sciences - Graduate

The graduate dental education costs have been allocated across three terms. Students are required to be enrolled in all three terms. The effective rate increase for these programs is 14% at both the graduate and professional levels.

Resident Graduate Increases range from 5.10% to 9.33% or \$62 to \$476 excluding the changes for Dentistry.

Non-resident Graduate Increases range from 0.14% to 6.04% or \$23 to \$819 excluding the changes for Dentistry and Nursing discussed below.

- Nursing – -6.25% or -\$729
 - reducing tuition for non-resident Nursing students is necessary to remain competitive in recruiting students from out-of-state

Resident Graduate Professional - Health Sciences Increases for the regular Fall and Spring terms range from 9.72% to 10.14% or \$1178 to \$497 excluding the changes for Dentistry.

Non-resident Graduate Professional - Health Sciences Increases for the regular Fall and Spring terms range from 1.61% to 6.63% or \$420 to \$894 excluding the changes for Dentistry.

Note: A detailed listing of all tuition charges and fees for each campus is contained within today's meeting agenda booklet. Following a brief discussion, J. Robert (J. R.) Rogers moved that the Board approve the tuition and fee schedules for the upcoming academic year, as presented. The motion was seconded by Diane Lewis and passed by a majority vote of the Board. It is noted that Board member and student representative, Zach Redding, voted against the tuition and fee schedule as proposed.

Approval of the FY2014 Budget

Vice President for Administration and Finance, Narvel Weese, presented an overview of the proposed FY2014 Budget and Five Year Financial Plan. He also provided the following narrative related to the same:

As West Virginia University enters the 2014 fiscal year, we are facing the most challenging financial environment in years, including:

- ✓ an 8.9% cut in State appropriations (\$13.3M),
- ✓ an increasingly competitive enrollment environment, and
- ✓ reductions in federal appropriations and federally funded research grants due to sequestration.

President Clements has charged members of the senior leadership team to keep moving forward as a University as we adjust our fiscal plan to reflect the loss of state appropriations and other revenues. He also stressed that we must continue to invest in the University's 2020 Strategic Plan, academic program quality, master plan projects, and other mission critical initiatives. This may require a reallocation or repositioning of resources into the University's core mission initiatives and other initiatives that contribute to the long-term quality of the institution. In addition, we must maintain positive operating margins, maintain cash reserves, and preserve the bond credit rating throughout.

Today, West Virginia University is requesting approval of its \$951 million operating budget for fiscal year 2014. Vice President Weese reported that the budget achieves the expectations set forth above. The budget is balanced and is projected to have a positive operating margin of \$4.4 million, after adjusting for the effects of GASB 45, amortization of donated software, and unrealized investment gains/loss. Net assets are also projected to increase by \$4.8 Million.

These results will not be achieved unless the University is successful in fully implementing its cash recovery and base budget retraction plan. This plan set a reduction target of \$18.4 million in FY2014. \$8.6 million of the reduction will be addressed by eliminating the \$8.6 million planned salary improvement program and identifying central cost savings of \$1.7 million, leaving \$8,175,000 that will be managed through a budget retraction plan, which will be touched upon later in this presentation.

The budget also includes tuition increases for resident and non-resident undergraduate students of approximately 6 percent and 4 percent, respectively, as well as other increases presented by Russell Dean and Wendy King. This will keep WVU among the lowest in-state tuition level for flagship universities in the country - as well as among our HEPC peers. Grant growth is estimated to decline by 1.8% and housing and dining service charges are increasing by 4.5%. The University is committed to student access, therefore the University will also increase institutional scholarships, at a minimum, at the same pace as tuition. The FY2014 budget will continue to support the expansion of research space as well as other academic and student service priorities as set forth in the FY 2012 capital plan.

Last, but not least in importance, is the ability to provide funding to support the implementation of the University's strategic plan. The original commitment of \$3.2 million to support strategic planning initiatives, including the hiring of new faculty and funding of start-up packages, remains unchanged in the FY2014 budget.

This provides an overview of the major budget assumptions for FY2014, which is consistent with the budget parameters discussed at the April Board meeting. The major budget challenges in FY2014 include managing the loss of \$13.3 million in state appropriations. Vice President Weese provided examples on the process developed within the current budget proposal to address the state appropriation cuts.

The University's financial goals set forth in the Financial Response to the Strategic Plan Goals are preserved in this budget. The goals of maintaining positive operating margins, growing cash reserves, and preserving the bond credit rating throughout the implementation of the Five-Year Financial Plan are not materially impacted by the FY2014 budget. Vice President Weese pointed out that under the Five-Year Financial Plan, the operating margins are positive over the next five years. This assumes all the financial assumptions are achieved, including the budget retraction process. Additionally, cash is projected to increase \$10.6 million over the planning period.

In closing, Vice President Weese indicated he was happy to report that the FY2014 budget is balanced, although the long-term financial outlook for the University remains challenging as we reposition resources and commitment to address the loss of state funds

Following a brief discussion, Thomas Flaherty moved that the Board approve the FY2014 Budget and Five Year Financial Plan, as presented. This motion was seconded by James W. Dailey, II and passed unanimously.

EXECUTIVE SESSION

Chairman Payne requested a motion that the Board go into Executive Session, under authority in West Virginia Code §§ 6-9A-4(b)(12) to discuss legal matters. The motion was made by Diane Lewis, seconded by Dr. Lesley Cottrell, and passed. Following the conclusion of Executive Session, Ed Robinson moved that the Board reconvene into regular session. This motion was seconded by Dixie Martinelli, and passed.

DISCUSSIONS EMANATING FROM EXECUTIVE SESSION

Chairman Payne reported that nothing discussed in today's Executive Session required Board action.

APPROVAL OF MINUTES

Ellen Cappellanti moved that the minutes of the April 12, 2013 regular meeting be approved. The motion was seconded by William Wilmoth and passed.

COMMITTEE REPORTS

Audit Committee: James W. Dailey, II, Chairman of the Audit Committee, reported that during yesterday's Audit Committee meeting, members were provided with an update from Vice President for Administration and Finance, Narvel Weese, related to the start of the FY 2013 audit process. Also during the Audit Committee's Executive Session, Director of Internal Auditing, William Quigley delivered his annual report in addition to briefing the committee on current internal and external audit activity. In addition, the committee heard from Vice President for Legal Affairs and General Counsel & Assistant BOG Secretary, William H. Hutchens, III.

Nominating Committee: Ellen Cappellanti, Chairman of the Nominating Committee appointed during the April, 2013 BOG meeting – which committee consisted of herself, Dr. Lesley Cottrell, Ed Robinson, and William Wilmoth – asked fellow committee member, William Wilmoth, to provide their committee report. Mr. Wilmoth advised that when the committee asked board member, Andrew A. (Drew) Payne, III, if he would serve another year as BOG Chairman, he declined out of deference to a long standing tradition that each board chair serve a total of two years in said capacity. Accordingly, the nominating committee met via telephone and now recommends the following slate of officers for the upcoming year: James W. Dailey, II, Chair, Thomas Flaherty, Vice-Chair, and Ellen Cappellanti, Secretary. Accordingly, William Wilmoth moved that the Board accept the slate of nominations as presented by the Nominating Committee. This motion was seconded by Ed Robinson, and passed.

PRESIDENT'S REPORT

President Clements acknowledged the excellent hospitality of WVU Tech and the leadership of Carolyn Long. He talked about the recent commencement, as well as the enrollment outlook for the coming year. He reported on the status of private fund raising year to date, as well as research year to date comparatives, which are running ahead. The President reported on the budget challenges resulting from state appropriation reductions. He also highlighted a number of recent awards and accomplishments by faculty, staff and students, including the opening of the first-of-its kind canopy tour training program. The President concluded his remarks by reading from a note sent to WVU from a resident of Oklahoma - commending the service efforts of the WVU baseball team in the wake of the tornado while they were in the area for a tournament.

INFORMATION ITEMS

There were no questions or concerns expressed by any Board members pertaining to the Information Items contained within the agenda.

CONSENT AGENDA

Chairman Payne called for any discussion of today's Consent Agenda items. There being none, Dr. Robert Griffith moved that the Board accept the Consent Agenda items as presented in today's agenda booklet. This motion was seconded by Zach Redding, and passed.

Thereupon, the following Consent Agenda items were approved:

1. Approval of Undergraduate Program Review Recommendations

Resolved: That the West Virginia University Board of Governors approves the Undergraduate Program Reviews conducted by the Undergraduate Council in this cycle, for the 2012/2013 academic year, as presented.

2. Approval of Graduate Program Reviews

Resolved: That the West Virginia University Board of Governors approves the Graduate Program Reviews conducted by the WVU Graduate Council in this cycle, as presented.

3. Approval of New Graduate Program: Master of Laws (LL.M.) in Energy Law and Sustainable Development.

Resolved: That the West Virginia University Board of Governors approves the creation of the Master of Laws (LL.M.) in Energy Law and Sustainable Development in the College of Law.

4. Change the Division of Pediatric Dentistry to the Department of Pediatric Dentistry

Resolved: That the West Virginia University Board of Governors approves the dissolution of the Division of Pediatric Dentistry to be replaced by the Department of Pediatric Dentistry.

5. Change the M.S. in Speech Pathology and Audiology to the M.S. in Speech-Language Pathology

Resolved: That the West Virginia University Board of Governors approves the change of the M.S. in Speech Pathology and Audiology to the M.S. in Speech-Language Pathology.

6. Change the Master of Professional Studies in Applied Statistics to the Master of Professional Studies in Statistical and Data Sciences

Resolved: That the West Virginia University Board of Governors approves the change of the Master of Professional Studies in Applied Statistics to the Master of Professional Studies in Statistical and Data Sciences.

7. Property Acquisition for WVU Baseball Stadium

Resolved: That the West Virginia University Board of Governors approves the acquisition of approximately seven (7) acres, in Granville, Monongalia County, West Virginia, from Mon-View, a West Virginia limited liability company.

8. Appointment to County Extension Committees

Resolved: That the West Virginia University Board of Governors approves the nominees and alternates for positions on the County Extension Service Committees in West Virginia, as presented.

OTHER BUSINESS

Outgoing Board Members

Chairman Payne expressed appreciation on behalf of the entire Board to outgoing student government representative, Zach Redding, as well as outgoing faculty representative, Dr. Lesley Cottrell, for their dedication and service to West Virginia University, and presented each with a small gift in acknowledgment of their service on this Board of Governors.

BOG Chairman, Andrew A. (Drew) Payne, III

President James Clements and Chair-Elect James W. Dailey, II, separately thanked Chairman Payne for his time and support on behalf of West Virginia University. Chair-Elect Dailey presented to Chairman Payne, on behalf of the full Board, a WVU Mountaineer statue and framed resolution expressing the Board's heartfelt thanks and appreciation for his outstanding leadership as Chairman of the WVU Board of Governors from 2011 to 2013.

Board actions in light of budget constraints

Chairman Payne announced that in light of cut-backs and budget constraints facing West Virginia University, the Board will also do its part to save budget dollars by:

- (a) Using the Jackson Kelly building yesterday, hosted by Board member, Ellen Cappellanti, to conduct our Audit Committee meeting;
- (b) Having WVUIT host today's regular Board meeting; and,
- (c) Not having a strategic planning retreat this summer.

ADJOURNMENT

There being no further business, Zach Redding moved to adjourn the meeting. The motion was seconded by Dr. Lesley Cottrell, and passed. The meeting was adjourned at 11:50 a.m.

Thomas V. Flaherty, Secretary