

**WEST VIRGINIA UNIVERSITY**  
**BOARD OF GOVERNORS**

September 27, 2013

The one hundred twelfth meeting of the West Virginia University Board of Governors was held on September 27, 2013 at the Erickson Alumni Center. Board members in attendance/participating included James R. (Rob) Alsop, David Alvarez, Ryan Campione, James W. Dailey, II, Dr. Lisa DiBartolomeo, Thomas Flaherty, Dr. Robert Griffith, Raymond Lane, Diane Lewis, Dixie Martinelli, William Nutting, Andrew A. (Drew) Payne, III, Ed Robinson, J. Robert (J.R.) Rogers, Dr. Charles Vest and William Wilmoth. Board member, Ellen Cappellanti, was absent and excused.

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

President, James P. Clements;  
Provost and Vice President for Academic Affairs, Michele Wheatly;  
Vice President, Planning and Operations for Health Sciences, Dr. Fred Butcher;  
Vice President for Legal Affairs and General Counsel & Assistant  
BOG Secretary, William H. Hutchens, III;  
Vice President for Student Affairs, Ken Gray;  
Vice President for Human Resources, Margaret Phillips;  
Chief Diversity Officer, David Fryson;  
Senior Associate Provost, Russell Dean;  
Associate Vice President, Academic Strategic Planning, Dr. Nigel Clark;  
Director of Internal Audit, William Quigley;  
Executive Officer for Policy Development, Jennifer Fisher;  
Senior Associate Vice President for Finance, Dan Durbin;  
Associate Vice President for Enrollment Management and Services, Brenda Thompson;  
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;  
Associate Vice President for Student Affairs, Michael Ellington;  
Director of Communications for Student Affairs and Executive Director of  
Mountaineer Parents Club, Sabrina Cave;  
Student Affairs Chief Business and Planning Officer, Les Carpenter;  
Assistant Vice President for University Communications, Becky Lofstead;  
West Virginia University Institute of Technology, Chief Executive Officer,  
Carolyn Long;  
Potomac State College of West Virginia University, Divisional Campus Provost,  
Leonard Colelli;  
Potomac State College of West Virginia University, Associate Campus Provost/Dean of  
Academic Affairs, Dr. Harry Langley;  
Senior Advisor to the Provost for Divisional Campuses, Kerry Odell;  
Associate Provost for Undergraduate Academic Affairs & Dean of University College,  
Elizabeth Dooley;  
Associate Provost for Graduate Academic Affairs, Katherine Karraker;  
Assistant Professor of Higher Education, Nathan Sorber;  
Adjunct Professor of Higher Education, Ernest Goeres;

Executive Director of University Events & Liaison to the President, Robin Yorty;  
Executive Director, Compensation Administration, Sheila Seccurro;  
Director, Benefits Administration, Toni Christian;  
Special Assistant to the President, Sara Master;  
Senior Special Event Coordinator, Gretchen Hoover; and,  
Special Assistant to the Board of Governors, Valerie Lopez.

**From the WVU Foundation:**

President & CEO, R. Wayne King;  
Vice President for Investments & CIO, Rick Kraich

**Members of the Press were also present.**

**CALL TO ORDER**

The meeting was called to order by Board Chairman, James W. Dailey, II, at 8:35 a.m.

**BOARD ITEM:**

**Acknowledgement/introduction of new and reappointment Board members  
and other Administrators**

Chairman Dailey welcomed new BOG members, James R. (Rob) Alsop, Dr. Lisa DiBartolomeo, and Ryan Campione; as well as re-elected member, Dixie Martinelli, and re-appointed members, Diane Lewis and William Wilmoth.

Chairman Dailey then asked Potomac State College of West Virginia Provost, Leonard Colelli, to introduce his new Associate Campus Provost and Dean of Academic Affairs, Dr. Harry Langley.

**BOARD PRESENTATION:  
WVU's Land-Grant Mission**

Dr. Nathan Sorber, Assistant Professor of Higher Education in the WVU College of Education and Human Services, an expert on the Morrill Act of 1862 (the legislation creating land-grant colleges in the United States), and co-editor of the recently published book, *The Land-Grant Colleges and the Reshaping of American Higher Education* provided a unique perspective surrounding the history and contemporary practices of land-grant institutions. Highlights from his presentation included the following:

- The law creating land-grant universities is broad and vague, but that is its strength, and West Virginia University is a prime example of this statement as it fulfills its mission to teach, research and serve.
- The Morrill Act was both broad and paradoxical. The act offered no sample curriculum or clear mission. It suggested everything – agriculture, mechanical arts, liberal and scientific studies – even military tactics. But, this vagueness was its strength, as it could be shaped to serve different state contexts.

- WVU seeks to maintain the highest quality of academics and research, while at the same time retain a public mission by translating research into innovation and economic growth and engaging in the practical problems of the populace.
- Professor Sorber said his students often ask him why WVU refers to itself as a “land-grant, research, flagship” institution. His answer: “The modern land-grant university has to be all those things.” Even in the midst of budget cuts and recessions, WVU must strategically focus its resources toward those areas that enhance academic and scholarly excellence, while maintaining successful engagement programs that serve West Virginians and, in turn, preserve the very nature of public higher education, he added.
- WVU celebrated the 150th anniversary of the Morrill Act of 1862 all last year with a host of events, including an inaugural lecture by C. Peter Magrath, WVU’s interim president from 2008-2009, who has served several other land grant institutions as president, as well as led the Association of Public Land-Grant Universities for many years.
- Other significant events included participation in the Smithsonian Folklife Festival in Washington D.C., which highlighted WVU’s ongoing contribution to the cultural life of West Virginia, groundbreakings for new academic and research facilities, symposiums, state fair events and cooperative extension activities at Jackson’s Mill.

Board Chairman Dailey thanked Dr. Sorber for an excellent presentation, noting that it was ironic that Dr. Sorber’s presentation paralleled exactly what West Virginia University and its Board of Governors are trying to do with our 2020 Strategic Plan for the Future, that being to promote education for all.

### **BOARD PRESENTATION: WVU Foundation Update**

R. Wayne King, President and CEO of the WVU Foundation, presented his annual update during today’s meeting. Mr. King shared some highlights from Fiscal Year 2013, and spoke briefly about the outlook for Fiscal Year 2014 – as follows:

- First, Mr. King expressed his appreciation to Board members for their support of the WVU Foundation and the important work they do. He also took the opportunity to express his appreciation to President Clements and the members of his Senior Leadership Team for their support. He also thanked WVU’s Provost, Chancellor, Deans and Directors. In many cases, they, along with their Directors of Development, are the front line fund raisers and deserve a “pat on the back” for their successes.
- For the fiscal year ending June 30, the Foundation received \$99.6 million in gifts, including gifts-in-kind. This represents 35,093 gifts from 20,920 donors. One of many bright spots is this fact:
  - Fiscal Year 2012, 1,400 faculty and staff members gave \$1.5 million;

- Fiscal Year 2013, 1,600 Faculty and staff members gave \$2 million. When those closest to the organization are so supportive, it sends a very positive message to those outside the organization and encourages their support.
- The WVU Foundation's key technical partner is Blackbaud, Inc., a leading provider of software and services designed specifically for non-profit organizations. The Foundation utilizes Blackbaud's software to manage fund raising; assist with research; record the financial transactions; manage mailings and over 400,000 constituent records; communicate with alumni and friends via an integrated e-mail and online community platform; and much more. The Blackbaud system is currently used by more than 350 Foundation and University employees.
- "A State of Minds: The Campaign for West Virginia's University" was publicly launched on June 2, 2012, with a goal of \$750 million. As of this June 30th, we have recorded \$668 million or 89% of goal with 250+ volunteers engaged. Our next public report will be the third week of October.
- The Foundation manages 4,783 active funds including 1,659 scholarship funds, 2,558 endowed funds, and we have 131 endowed chairs, professorships and deanships. As of June 30, total assets under management were \$1.2 billion. For the fiscal year ended June 30, the endowment investment pool returned a positive 10.8%. Our Fiscal Year 2014 Operating Budget is \$11.5 million. Our budget was \$11.3 million last year. We have 91 full-time employees. Another 26 development staff are employed by WVU and WVU Healthcare. However, we recognize all 117 skilled and dedicated men and women as members of the Foundation Team. We employ some 40 students part-time as Mountaineer Line callers and interns.
- Last June we inducted 21 new members into the Irvin Stewart Society, a record. And the attendance at our Woodburn Circle Dinner was the largest crowd ever.
- Looking ahead in Fiscal Year 2014...If our forecast holds true, we expect to reach our \$750 million Campaign goal by June 30, 2014, with 18 months left. Meeting the goal early will provide a variety of options that can be explored at the appropriate time. It is clear that WVU will depend on our foundation to provide an ever increasing level of private support in Fiscal Year 2014 and beyond. Our fund raising activities, while donor driven, will continue to focus on campaign priorities consistent with the WVU Strategic Plan.
- Comparing July and August this year to the same two month period last year, gifts received are up \$1.4 million and we have 589 more donors than the same period last year. The Pride Travel Fund is \$15K ahead of the same time last year. A very positive year so far!

## **EXECUTIVE SESSION**

As Board members prepared to leave today's meeting to attend the presentation by Mr. John Mork (as part of the College of Business & Economics Distinguished Lecture Series) from 9:30-10:30 a.m. in the Mountainlair Ballrooms, Chairman Dailey announced that the Board would conduct its Executive Session following the lecture (with Executive Session anticipated to begin at 10:45 a.m.) and that the Board would reconvene its General Session following today's lunch break – but no earlier than 1:30 p.m.

Chairman Dailey then requested a motion that the Board go into Executive Session, under authority in West Virginia Code §§ 6-9A-4(b)(2)(A), (b)(9) and (b)(12) to discuss legal matters, matters involving the investment of public funds and commercial competition, and personnel issues. The motion was made by William Nutting, seconded by Dr. Robert Griffith, and passed. Following the conclusion of Executive Session, Dr. Charles Vest moved that the Board reconvene into regular session following today's lunch break. This motion was seconded by Dr. Lisa DiBartolomeo, and passed.

## **DISCUSSIONS EMANATING FROM EXECUTIVE SESSION**

Chairman Dailey reported that during today's Executive Session the Board discussed the Appointment to BOG Committees that appears on today's Consent Agenda. In light of said discussion, Chairman Dailey requested a motion to pull the Appointment of BOG Committees from today's Consent Agenda and move for its approval, as presented. Said motion was made by David Alvarez, seconded by Ryan Campione, and passed.

## **BOARD PRESENTATION:**

### **Update from West Virginia University Institute of Technology**

Carolyn Long, Chief Executive Officer at West Virginia University Institute of Technology, provided a quick overview of her 3R's for new faculty and staff, namely, **RECRUIT, RETAIN and REBUILD.**

#### **RECRUIT**

- Fall Enrollment: We're up 100 full-time students over last year (total enrollment is more than 1200). These students represent 28 different states and 23 different countries.
- Blue & Gold Day Open House: 40 RSVPs for this Saturday and 56 for October 26
- Residence Halls = 92% capacity this year.
- Dining Halls = Student counts are up 38% over last year.
- Official enrollment numbers won't be available until census in Mid-October.
- Forensic Investigation program was officially approved – 15 new students enrolled for this program for fall.
- New Alumni Ambassadors project is assisting with recruitment (communications plan and fairs.)

## **REBUILD**

- Construction on the outdoor basketball court has started and is scheduled for completion by the end of this semester.
- Wi-fi has been installed in all buildings on campus.
- Welcome Wall construction is scheduled to start Oct. 1.
- Installing a new dry sprinkler system in Hi-Rise to protect the building's integrity.
- Parking lots will be paved next spring.

## **RETAIN - Retention is the key to our continued growth and financial sustainability.**

- New Student Orientation/First Year Advising is being handled by the Student Success Center (SSC.) Convocation this year was a huge success with upwards of 600 people in attendance!
- The new SSC has been extremely busy already this year with more than 700 student visits since August. (New vending options and gourmet coffee available for those study sessions!)

Chief Executive Officer Long concluded today's presentation by asking that everyone present think about a few things:

- Touch Points: Each of us has an opportunity to impact our overall retention.
- We're all members of the "Graduation Team" – from admissions to faculty to dining services to those of us that operate "behind the scenes" to ensure that our students are successful.
- Consider your interactions with a student that will influence their decision to stay at Tech. These interactions are a "moment of truth" – shaping a student's overall impression of our institution. Do they feel supported? Are we helpful? Do they know we care about their success? Are we providing an exceptional educational experience?
- Many of you are aware, that as a University, we're currently working on implementing a retention plan, which will be discussed in more detail during our two-day training session on October 14-15. I encourage you to become involved. Share your ideas. We're a team...the WVU Tech graduation team. It's all of our responsibility to be sure that each and every one of our students is successful.

## **BOARD PRESENTATION:**

### **FY 2013 Quarterly Financial Report through June 30, 2013**

Senior Associate Vice President for Finance, Dan Durbin, presented today's Quarterly Financial Report for Vice President for Administration and Finance, Narvel Weese. This report is based on the 2013 draft unaudited numbers. Due to the timing of today's meeting, a quarterly financial report could not be included in the Board's read ahead materials. However, at the beginning of today's meeting Senior Associate Vice President Durbin distributed West Virginia University's Highlights of FY 2013 Financial Performance to all Board members and provided the following overview:

- FY 2013 actuals are based on DRAFT/UNAUDITED financial statements - final statements will be available at the November BOG meeting.
- FY 2013 results continue to be influenced by the amortization of last year's \$71 million software donation, GASB 45 and 2013 debt refinancing activities.
- The Balance Sheet remains stable: current ratio has improved and cash is increasing.
- Total Revenues exceeded \$1 billion for the second consecutive year and exceeded budget by 5.7% but were less than the previous year. A \$71 million gift of software in 2012 drove that decrease. All major sources of revenue exceeded the 2013 budget and most exceeded last year's results.
- Total expenditures were \$968 mill and were 5.6% over budget and \$26 mill less than the prior year. Items contributing to the decrease from the prior year include a reduction in the GASB 45 assessment and the one-time expense (in 2012) for the athletic conference exit fee. The University continues to invest in key strategic areas (employees, students and facilities.)
- In FY 2013, WVU's Total Net Assets (Position) increased by \$34.6 million (including \$38.6 mill of capital) and exceeded both the FY 2013 budget and previous year amount.
- Unadjusted operating margin was -\$4.0 mill (excluding capital revenues of \$38.6 mill) which was better than the previous year but less than budgeted.
- After excluding capital revenues and the impact of extraordinary items, WVU's adjusted operating margin was \$5.1 million positive, which was better than both budget and the previous year.

**BOARD ITEM:**

**Action on HEPC Academic Program Recommendations**

Chairman Dailey announced that this agenda item relates to three (3) West Virginia University and two (2) West Virginia University Institute of Technology programs that the West Virginia Higher Education Policy Commission (HEPC) has recommended be terminated. The programs in question are:

**West Virginia University:**

- **M.A. Liberal Studies**
- **M.S. Dental Hygiene**
- **M.S. Genetics and Developmental Biology**

**WVU Institute of Technology:**

- **B.S. Industrial Technology**
- **B.S. Mathematics**

Provost Michele Wheatly explained that documentation was obtained from both WVU and WVU Tech regarding each of the programs in question, which documentation is included with this agenda item in today's meeting materials.

Therefore, based upon said documentation, Chairman Dailey requested a motion approving the following institutional action on these programs, for submission to HEPC on behalf of the West Virginia University Board of Governors:

**RESOLVED:** That West Virginia University terminate the Master of Arts in Liberal Studies.

**RESOLVED:** That West Virginia University continue the Master of Science in Dental Hygiene Program at the WVU School of Dentistry.

**RESOLVED:** That West Virginia University continue the M.S. in Genetics and Developmental Biology.

**RESOLVED:** That West Virginia University Institute of Technology continue the Bachelor of Science in Industrial Technology.

**RESOLVED:** That West Virginia University Institute of Technology continue the B.S. Degree program in Mathematics.

There being no further discussion, J. Robert (J.R.) Rogers moved that the Board accept the above institutional recommendations, as presented, and that the Board further authorize its Chair, James W. Dailey, II, to communicate the above institutional actions to the Academic Affairs Office of the West Virginia Higher Education Policy Commission. This motion was seconded by William Wilmoth, and passed.

### **APPROVAL OF MINUTES**

Andrew A. (Drew) Payne, III moved that the minutes of the June 6, 2013 regular meeting and August 7, 2013 special meeting be approved. The motion was seconded by Diane Lewis, and passed.

### **REPORT ON CLASSIFIED STAFF CONSTITUENCY MEETING WITH THE BOARD**

Dixie Martinelli reported on yesterday's BOG constituency meeting with classified staff, during which she highlighted the important contribution staff makes throughout the University in academics, facilities, services and administration at WVU and on the regional campuses, while pointing out the challenges faced by classified staff, including a higher area cost of living than many of our peer institutions, and how the state's salary schedule has not reached the level of market wages.



Chairman Dailey thanked Ms. Martinelli and all other classified staff in attendance during yesterday's meeting, and President Clements reinforced how proud WVU is of their classified staff and stated that the University will continue to advocate on their behalf.

## **PRESIDENT'S REPORT**

The president opened his report by thanking the staff leadership for a great presentation the previous day. He then reflected on the past four years, highlighting the growth in enrollment, expansion of the Honors Program, improvement in student diversity, and records in private giving, as well as increases in the endowment and assets managed by the Foundation. Further, he highlighted records in research, as well as significant growth in the WVU health care system, including increases in patient visits. He also highlighted some significant achievements, initiatives and milestones accomplished by the entire team – including, as examples, the launch of the University College, the initiation of the Clinical Translational Sciences Center through a highly competitive NIH grant, the launch of the new School of Public Health, the appointment of a Chief Diversity Officer and creation of the new Division of Diversity, Equity, and Inclusion, the initiation of about 20 new academic programs, significant progress on student health and wellness that includes new student recreation fields, a partnership on club sport facilities, the construction of a new student health and wellness building, the completion of the Research Fund allocation, a new partnership with The Ohio State University focused on Shale Gas, the invitation to join Coursera, and the invitation to join the Big 12 conference.

He also noted of significance the positive operating margins for each year, strong audits with no management letters, and bond rating affirmations - all important indicators of our fiscal performance and management. He noted that over the past five years, \$47 million has been invested in base salary increase plans. He also provided some examples of technology investments, such as the new Degree Works system, an online supervisory training program, the move to cloud email, and creation of a parent portal for online account information. He also shared information on the capital plan being implemented, which includes transformation of the Evansdale campus and several landmark public-private partnerships. He highlighted the status of the capital campaign (which at the time of the report was 90% complete with more than two years to go).

He briefly discussed the status of the state budget cuts to higher education. The president provided some updates on campus events and changes, including a new model in risk management that is designed to save the institution more than \$600,000 per year in workers compensation insurance. He also highlighted a number of national honors received by WVU faculty, staff, and students, as well as noted that WVU was recently ranked 27<sup>th</sup> among the top universities in the nation for recruiting and graduating low-income students according to a rating published by the *Washington Monthly*.

President Clements concluded his report citing another national honor for our community in the September issue of Kiplinger, where Morgantown was rated 7<sup>th</sup> among the “10 Great Places to Live” for jobs and income growth, healthcare, cultural and outdoor activities, and proximity to major cities.

## 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 Dailey called for any discussion of today's Consent Agenda items, and whether any items – with the exception of the Appointment of BOG Committees that was approved following Executive Session - needed to be pulled for a separate discussion/vote. There being none, Ed Robinson moved that the Board accept the remaining Consent Agenda items as presented in today's agenda booklet. This motion was seconded by Dr. Robert Griffith, and passed

Thereupon, the following Consent Agenda items were approved:

### **1. Entry of Institutional Undergraduate Fee Waivers and Institutional Graduate and Professional Fee Waivers**

Resolved: That the West Virginia University Board of Governors enter the report of the Institutional Undergraduate Fee Waivers for FY 2012-2013, at West Virginia University, West Virginia University Institute of Technology, and Potomac State College of West Virginia University (attached) into its minutes; AND,

Resolved: That the West Virginia University Board of Governors enter the report of the Institutional Graduate and Professional Fee Waivers for Fall, 2012, Spring, 2013, and Summer, 2013 at West Virginia University (attached) into its minutes.

### **2. Authorize Increasing WVU's Investment Authority with the WVU Foundation, Inc.**

Resolved: That WVU is authorized to obtain approval from the Higher Education Policy Commission to increase its investment authority with the WVU Foundation, Inc. to \$70 million or 65% of unrestricted net assets, which is the full amount authorized under Senate Bill 444.

### **3. Approval of a \$6.6 million Energy Performance Contracting Phase IIIC Project.**

Resolved: That the West Virginia University Board of Governors approves a \$6.6 million Energy Performance Contracting Phase IIIC Project.

**4. Financing and Reimbursement Resolution of the West Virginia University Board of Governors for the \$6.6 million Energy Performance Contracting Phase IIIC Project.**

Resolved: That the West Virginia University Board of Governors approves the Financing and Reimbursement Resolution for the \$6.6 million Energy Performance Contracting Phase IIIC Project, as presented.

**5. New Graduate Dual Degree Program: Dual Degree program in Master of Public Health and Master of Business Administration (MPH/MBA)**

Resolved: That the West Virginia University Board of Governors approves the creation of the Dual Degree program in Master of Public Health and Master of Business Administration (MPH/MBA).

**6. 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.

**ADJOURNMENT**

There being no further business to come before the Board, David Alvarez moved to adjourn the meeting. The motion was seconded by Rob Alsop, and passed. The meeting was adjourned at 2:35 p.m.

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Ellen Cappellanti, Secretary