

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

April 4, 2003

The seventeenth meeting of the West Virginia University Board of Governors was held on April 4, 2003, at 12:45 p.m. in the Rhododendron Room of the Mountainlair. Board members in attendance were Hank Barnette, Betty Chilton, Stan Cohen, Steve Goodwin, Chris Gregory, Terry Jones, Vaughn Kiger, Joe Lopez (by phone), Paul Martinelli, Ted Mattern, and Tom Potter. Paul Gates, Doug Leech, Parry Petropoulos, 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 Administration, Finance, and Human Resources, Scott Kelley;

Vice President for Institutional Advancement, Carolyn Curry;

Vice President for Student Affairs, Ken Gray;

General Counsel, Tom Dorer;

Executive Officer for Social Justice, Jennifer McIntosh;

Associate Provost for Academic Programs, Rosemary Haggett;

Associate Vice President for Finance, Gary Rogers;

Sr. Associate Vice President for Health Sciences, Fred Butcher;

Associate Vice President for Health Sciences, Bob Biddington;

Associate Vice President for Health Sciences – Finance, Jim Hackett;

Associate Vice President for Student Affairs and Dean of Students, Herman Moses;

Assistant Vice President for Planning, Narvel Weese;

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

Executive Assistant to the President, Sara Master;

Special Assistant to the Chief of Staff, Jennifer Fisher;

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

Director of University News Service, Becky Lofstead;

Deputy Athletic Director, Mike Parsons;

Associate Athletic Director, Russ Sharp;

Division Leader, Extension, Dennis Godfrey;

Professor and Dean of the College of Law, John Fisher;

Visiting ACE Scholar, Jacky Swansinger;

President, WVU Staff Council, Terry Nebel;

Member, WVU Staff Council, Jo Morrow;

Member, WVU Classified Staff, Kim Austin;

Member, WVU Classified Staff, Diane Lambert;

Institutional Analysis and Planning, Carol Kayla;

Institutional Analysis and Planning, Lee Ann Beaumont;

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;

Jo Harris, Provost, Community and Technical College;

Steve Goodman, Interim Executive Vice President for Academic Affairs;

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

Denise Kerby, Budget Officer;
Thad D. Epps, Chairman, WVUIT Board of Advisors
From Potomac State College of West Virginia University:
Rene Trezise, Director of Marketing and Communications
Beth Little, Director of Enrollment
Mike Monahan, Chief Financial Officer
A number of members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, Hank Barnette. He noted the absence of four members, and the reasons they were excused.

APPROVAL OF MINUTES

Mr. Jones moved that the minutes of the meeting of February 7, 2003 be approved as written. The motion was seconded and passed*.

CHAIRMAN'S COMMENTS

Mr. Barnette distributed copies of a letter he had received from Governor Wise and his response to the Governor..

PRESIDENT'S COMMENTS

President David Hardesty made a number of introductory announcements:

- Erin Master, daughter of Executive Assistant to the President Sara Master and husband David, has been selected as a member of the Order of Augusta.

Mr. Barnette moved that the Board of Governors approve a Resolution of Commendation for Ms. Master. The motion was seconded and passed.

- The President's Self Study has been produced in conjunction with his four year presidential review. He congratulated the staff on their collective achievements, set forth in the self study, and thanked them for their hard work at the University.
- The campus has been preparing for and dealing with the effects of the War in Iraq. About 100 members of the University community have been called up, and the campus has been increasing security measures, offering counseling, etc. Peaceful demonstrations both in favor of and against the war have taken place. The University has prepared well for this event and things are operating well.
- The University has reached out to rescued POW Jessica Lynch, and there has been an outpouring of support for the University's action.

President Hardesty offered the following prepared remarks as an update on the financial situation facing the West Virginia University.

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

Remarks to the WVU Board of Governors
David C. Hardesty, Jr., President
West Virginia University
April 4, 2003

On February 7th of this year, I outlined for you my assessment of the University's current financial situation and the strategies that our senior leadership team developed to address it.

To recap that statement, I suggested that the state's budget situation, brought on by ever-increasing demands for expenditures and a sluggish national economy, presented policy makers with a series of difficult choices. Included among these was the Governor's proposal to reduce appropriations to state colleges and universities by about 13%. This, combined with mandated expenditures for insurance and other costs, presented us with a combined university possible deficit of about \$28 million.

I also announced that our ideas for coping with what admittedly is a significant challenge would be to implement six relatively straightforward strategies:

1. Increase the size of our student body
2. Increase tuition
3. Ask the legislature to abate some aspects of higher education regulation (flexibility measures)
4. Merge Potomac State College with and into WVU's main campus and consolidate other units on campus
5. Seek special funding for our health sciences center in order to offset its decreasing federal and state revenues, and
6. Seek funding for several special programs, including research, and obtain funding to support our recent growth.

In the days that have passed since our last meeting, the legislative general session has ended, and our enrollment picture for next year has become clear. I can, therefore, provide you with the following update:

- (1) **Enrollment growth is likely.** On the main campus, we expect another record-breaking freshman class of around 4,200 students. We hope that the next class' credentials will be even stronger than last year's. Last year's West Virginia first time students had a high school GPA of around 3.55 and an ACT score of 23.4. The regional campuses are growing as well. Our entering class growth means that our total enrollment could climb to over 24,000 on this campus, and 32,000 including regional campuses next fall, which would again be a record. This is good financial news, and a testament to our programs, facilities, faculty, staff and administrators.
- (2) **Secondly, the Legislature authorized us to raise in-state undergraduate tuition by up to 9.5%.** Today, we will ask you to raise in-state tuition 9.5%. We will also ask for a slightly higher increase for out-of-state tuition, in order to comply with the state requirement that non-residents must pay the full cost of their instruction. I hope that you will concur. We have thought this matter through carefully and believe that we will remain a best buy in our market area and that our competitive situation will remain strong. Getting this increase for resident tuition is not a forgone conclusion. We must make our case to the Higher Education Policy Commission, demonstrating as we do our compliance with criteria for increased tuition set forth in HB2224.

- (3) **Third, the legislature passed a series of flexibility measures (in House Bill 2224).** We see cost-savings coming from passage of the total package of flexibility measures and will begin immediately looking for ways to capture them.
- (4) **Fourth, the Legislature authorized the merger of Potomac State College with the WVU main campus.** HB 2224 requires Potomac State College to merge and consolidate with WVU by July 1, 2005. While we are pleased with this provision in the code, Potomac State's line item appropriation was less than expected.
- (5) **Fifth, we received special funding for health sciences, and research.** However, in each case, the amount was far less than what is needed, but the appropriations do mitigate our original budget shortfall.
- (6) **Finally, the budget picture was clarified with passage of the budget bill.**
WVU total appropriations on all campuses have been reduced by \$22 million and we will incur increased costs (principally PEIA, BRIM and other mandated costs) of \$6 million.

In sum, we have a major budget shortfall to address. Given our enrollment assumptions, and assuming you allow the tuition and fee increases we are proposing, we will still have to find increased revenues or reduced costs totaling about \$15 million in order to balance the budgets of our organization.

We have been working for months on just how to accomplish this monumental task. I have worked closely in recent months with the Legislature, Governor and their respective staffs and I am deeply appreciative of the work of the many people on and off of our campuses who have helped to manage our issues to this point. All of us involved realize these are very complex matters and that the solutions will evolve over time. Already, we have identified some tools and initiatives to assist us in managing the budget shortfall this year.

We bring you one of those tools today, a classified staff voluntary severance plan, that requires both your approval and that of the Joint Committee on Pensions and Retirement. The plan will save us money in both the short run and the long run. We are seeking to implement this plan on all campuses.

I trust the various committee chairs and University officers will fill in any gaps in my explanation of these issues during the course of our meeting today.

The job at hand is a tough one, but no tougher than the job of boards and university personnel at other times in our history.

Two final thoughts:

First, by July 1, 2004, many of the obvious management moves to increase efficiencies on our campuses will have been implemented. The past eight years have forced us to become efficient and we have. Since 1996, due to a reduced share of appropriations and above average enrollment growth, our expenditures per full-time student have declined 16.5% while they have grown 7.4% on the other campuses around the state. This trend cannot continue if we are to keep WVU the economic engine it has proven to be for 135 years. We are long past the easy measures. Taking another \$30 million out of the budget again in FY 05 could be not only disruptive to the campuses, but also to the lives of those who work on them. We need everyone to realize the magnitude of the situation and act unselfishly and collaboratively this year. I hope that you will do what you can during the coming year to advocate the interests of higher education, and help us increase our revenues. Bring us your ideas, and proactively help WVU and its family of organizations prepare for and confront the challenges ahead. Big changes will be needed this year and next.

This brings me to the second point. At the same time that we will be dealing with reductions in appropriations and cutting costs, we will have to invest in the future. Health Sciences and the Department of Athletics will invest in new buildings in the coming years, and Student Housing may propose new housing ideas for your consideration. New programs will be launched. (Our forensic and identification sciences degrees may have 500 pre majors in the freshman class.) We must go forward and resist the temptation to turn back.

There is no way to do what we have to do by putting off what needs to be done now until the state's economic situation gets better. It may not get better from our point of view. Our auxiliaries will have to stand on their own bottoms. Our academic mission of education, service, and research will remain our priority. But we will have to look to the future and reallocate money from less effective programs to redirect to more forward-looking programs.

In short, there will be a lot of activity on our campuses in the years to come. We will be cutting costs, changing administrative structures, entering new ventures, finding new revenue streams, erecting new buildings and maintaining older ones, launching new programs, and much more.

You have directed those of us who lead the campus to take all appropriate actions to increase revenues and to decrease expenses, and you have delegated to us the duty and responsibility to manage these issues and the overall business and affairs of the University. We will keep you advised of our progress, and we will of course, bring to you those matters, if required, for board decision. I ask for your support during this critical period in the history of our institution. It is not an easy job, but I have every confidence we will do what we have to do and we will do it well.

**Chairman Barnette's Statement in response to President Hardesty's
Remarks to the WVU Board of Governors
on April 4, 2003**

As the President and Chief Executive Officer of West Virginia University, we have delegated to you and your staff the responsibility for the overall management of the business and affairs of West Virginia University.

The Board of Governors further authorizes and directs the President and his staff to take all appropriate action to increase revenue, and to decrease expenditures, to keep us apprised of the progress, to advise us of ways we can be of benefit and assistance, and if required, bring to us those matters required for Board decisions.

You and your staff have the confidence and support of the Board of Governors, as you have, and as you will continue to carry out those responsibilities.

COMMITTEE REPORTS

Executive: Hank Barnette reported that the Executive Committee received a budget and legislative update, discussed and endorsed the proposed Conflict of Interest and Code of Conduct policy, and noted the progress of the mandated four year Presidential Evaluation. Chairman Barnette invited written comments for the Presidential review and noted that the review would be concluded at the June meeting.

Academic Affairs: Tom Potter reported that the Academic Affairs committee considered: 1) the recommendations of the Program Review Committee regarding the programs reviewed in the 2002-2003 cycle, 2) the proposed revisions to the West Virginia University Institute of Technology Community and Technical College's Mission Statement, 3) revisions to the University's Phased Retirement Plan, 4) the reaffirmation of the University's Salary Policy, in the wake of HB 2224, 5) the renewal of the existing Reciprocity Agreement between WVU at Parkersburg and Washington State Community College.

Business Affairs: Vaughn Kiger reported that the Business Affairs committee received the report of the Tuition and Fee Waivers for Graduate and Professional students for Spring, 2003. He noted the consideration of 1) Tuition and Fee schedules for 2003-2004, 2) a modification of the North End Zone Stadium Suite Project by the Department of Athletics, 3) a potential lease-purchase agreement for the Madison House property on Van Voorhis road; 4) the implementation of a Severance Plan for qualified classified staff; and 5) the selection of external auditors for the coming year.

Mr. Barnette asked that any auditors selected be asked to make two reports to the Board of Governors, one on the plan of audit, and the second on the audit itself.

Student Affairs: Betty Chilton reported that the Student Affairs Committee received a report on the Greek Life at West Virginia University. She noted that 1500 students are involved in sororities and fraternities, and that 750 of the students live in fraternity and sorority houses. Included in the report were a discussion on the merits of fall recruitment, the benefits associated with greek life, and the role of alumni as mentors. The Student Affairs committee also heard about the *Governors' Summit on Alcohol* which was to be held at WVU on April 7.

Mrs. Chilton issued an invitation to attend the Festival of Ideas presentation by Anna Quinlan in Charleston on April 14th, co-sponsored by WVU and the Charleston Gazette.

University Relations: Terry Jones reported that the University Relations Committee received a report on: 1) the success of the advocacy efforts undertaken during the legislative session; 2) the Campus Preparedness efforts undertaken since 9/11, 2000. Mr. Jones moved the adoption of a Resolution commending West Virginia University for its efforts to strengthen campus preparedness and maintain a positive campus climate during the war in Iraq. (see Resolution appended at end of Minutes.) 3) Research based marketing achievements. He noted the addition of new brochures consolidating information for Disability Services and Summer School offerings, and the availability of a new self-guided tour audio cassette and map.

Mr. Jones congratulated the School of Nursing, the College of Law and the Department of Psychology for their recent high rankings in a national listing of "Best Graduate Programs." President Hardesty acknowledged the presence of Dean John Fisher from the College of Law, and Professor Cohen from the Department of Psychology.

INFORMATION ITEMS

Performance Measures, Budget Presentation and Legislative Update

In addition to President Hardesty's earlier statement, Scott Kelley, Vice President for Administration, Finance, and Human Resources, presented a notebook of information regarding the financial position of West Virginia University. He noted the smaller budget facing the University in the coming year, and outlined some of the strategies being used to address the shortfall.

Mr. Barnette asked that the University make sure it is getting the best advice possible as it searches for ways to increase revenues and decrease costs.

Dr. Kelley and Mr. Barnette expressed agreement that the indicators necessary for the Board to oversee the finances of the University are now available in the Financial Indicators being routinely prepared for the Board.

Classified Staff Representative Report

Mr. Paul Martinelli, Classified Staff Representative to the Board of Governors, presented his annual report to the Board. He noted that he has followed the Boards' advice and has visited all the regional campuses in order to more effectively represent all campuses. He demonstrated the impact of the Staff Assistance Program on the lives of classified staff members by having three staff members, Kim Austin, Diane Lambert, and Jo Morrow, tell their individual stories. He concluded his presentation with a power-point presentation on the issues classified staff identified, and the advocacy efforts undertaken during the recent legislative session.

ACTION ITEMS

Professor Stan Cohen proposed and the Board of Governors unanimously approved the following resolution.

On behalf of the WVU Community, the West Virginia University Board of Governors acknowledges the immediate and future calls to duty in the Iraqi War of men and women from our staff, student and faculty constituencies. The Board continues to express its utmost desire for their safe and speedy return back to our campus community.

Based on discussions of each item at the respective Committee meeting, and with the recommendation for approval of each committee, Mr. Jones moved approval of the following action items:

1. Approval of Program Review Decisions

Resolved: That the West Virginia University Board of Governors approve the recommendations of the Program Review Committee for 2002-2003. The motion was seconded and passed.

- 2. Approval of a Revised Mission Statement**
Resolved: The West Virginia University Board of Governors approves the revision of the Mission, Vision and Values Statements for the Community and Technical College at West Virginia University Institute of Technology. The motion was seconded and passed.
- 3. Approval of Revisions to the Phased Retirement Plan**
Resolved: The West Virginia University Board of Governors approves the proposed revision of the Phased Retirement Plan at West Virginia University. The motion was seconded and passed.
- 4. Affirmation of the Salary Policy at West Virginia University**
Resolved: The West Virginia University Board of Governors affirms the existing faculty salary policy of West Virginia University, including its provision that faculty promotion in rank be rewarded with a ten percent increase in salary. The motion was seconded and passed.
- 5. Renewal of a Reciprocity Agreement**
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.
- 6. Acceptance of the Graduate & Professional Waiver Reports**
Resolved: The West Virginia University Board of Governors enters the report of the Institutional Graduate and Professional Fee Waivers for Spring, 2003 at West Virginia University and West Virginia University Institute of Technology into its minutes, and authorizes the forwarding of the required reports to the legislative auditor. The motion was seconded and passed.
- 7. Approval of Tuition & Fees for 2003-2004**
Resolved: The West Virginia University Board of Governors approves the proposed Tuition and Fee Schedules for 2003-2004 for West Virginia University West Virginia University at Parkersburg, West Virginia University Institute of Technology, West Virginia University Institute of Technology Community and Technical College, and Potomac State College of West Virginia University. The motion was seconded and passed.
- 8. Approval of the North End Zone Stadium Suite Project**
Resolved: The West Virginia University Board of Governors approves an updated budget and scope of improvements to West Virginia University's Mountaineer Field. The motion was seconded and passed.
- 9. Approval of a Lease Purchase Agreement re: Madison House**
Resolved: The West Virginia University Board of Governors approves proceeding with a 5 year lease with purchase option of the property known as The Madison House, 445 Van Voorhis Road, Morgantown, WV, for student housing. The motion was seconded and passed.
- 10. Approval of a Classified Staff Severance Plan**
Resolved: The West Virginia University Board of Governors approves the Classified Staff Severance Plan as proposed. The motion was seconded and passed.

11. Approval of External Auditors

On behalf of the audit committee, Mr. Kiger moved that Deloitte and Touche be retained as the external auditors for West Virginia University and its regional campuses for 2003-2004. The motion was seconded and passed.

EXECUTIVE SESSION

Mr. Potter 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. Potter moved that the Board rise from executive session. The motion was seconded and passed.

FURTHER ACTION ITEMS

Based on discussions in Executive Session, one additional action items was presented:

1. Approval of Conflict of Interest and Code of Conduct Statements

Mr. Potter moved that the West Virginia University Board of Governors adopt Conflict of Interest and Code of Conduct statements, as modified. The motion was seconded and passed.

NEXT MEETING

Mr. Barnette noted the next meeting will be on June 5-6, 2003 and asked that each member make a special effort to attend.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:30 p.m.

Virginia Petersen
Assistant Secretary

A Resolution Commending West Virginia University for Its Efforts to Strengthen
Campus Preparedness and Maintain a Positive Campus
Climate During the War in Iraq

Submitted by Terry T. Jones, WVU Board of Governors
April 4, 2003

WHEREAS West Virginia University staff have taken great care to strengthen campus preparedness for emergencies and to maintain a positive campus climate during the war in Iraq; and

WHEREAS West Virginia University established a campus preparedness committee, with members including University administrators, law enforcement agents, medical personnel, and others, to update the University's emergency response and communication plans to students, parents, employees and other constituencies; and

WHEREAS University officials closely monitor the Homeland Security Advisory System and work with local emergency management personnel to respond to potential threats; and

WHEREAS President David Hardesty also established an ad hoc committee on campus climate to deal with issues arising from the war on Iraq, including policies affecting students and employees who are deployed and responses to the concerns of international students; and

WHEREAS WVU students have utilized the University's Freedom of Expression and Facilities Use Policy in order to stage respectful demonstrations related to the war in Iraq; and **WHEREAS** the University has communicated to students and staff about stress management and opportunities for counseling; and

WHEREAS the WVU President's Office for Social Justice and the Student Government Association sponsored an educational forum to help students understand the historical, political, and religious aspects of the war in Iraq;

THEREBY, LET IT BE RESOLVED THAT the West Virginia University Board of Governors acknowledges West Virginia University President David C. Hardesty, Jr., and his staff for their continuing efforts to enhance campus preparedness and the campus climate during these challenging times.

Adopted by the West Virginia University Board of Governors on April 4, 2003