

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

September 11, 2009

The seventy-eighth meeting of the West Virginia University Board of Governors was held on September 11, 2009 at the Erickson Alumni Center. Board members in attendance were Ellen Cappellanti, Dr. Nigel Clark, Dr. Tom Clark, James Dailey, Dr. Robert Griffith, Raymond Lane, Diane Lewis, Carolyn Long, Oliver Luck, Ted Mattern, Jo Morrow, Bill Nutting, Drew Payne, Ed Robinson, Dr. Charles Vest, and Jason Zuccari. Board member, Steve Goodwin, was absent and excused.

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

President, James P. Clements;
Interim Chief of Staff, Jay Cole;
Interim Provost and Vice President for Academic Affairs and Research, E. Jane Martin;
Chief Financial Officer for Health Sciences, Wendy King;
Vice President for Administration and Finance, Narvel Weese;
Vice President for Student Affairs, Ken Gray;
Vice President for University Relations, Chris Martin;
Vice President for Legal Affairs & General Counsel, & Assistant BOG Secretary,
Mary Roberta Brandt;
Deputy General Counsel, Beverly D. Kerr;
Vice President for Research and Economic Development, Curt Peterson;
Vice President for Human Resources, Margaret Phillips;
West Virginia University Institute of Technology, Divisional Campus Provost,
Scott Hurst;
Potomac State College of West Virginia University, Divisional Campus Provost,
Kerry Odell;
Athletic Director, Ed Pastilong;
Executive Officer for Social Justice, Jennifer McIntosh;
Associate Vice President for Finance, Dan Durbin;
Executive Officer for Policy Development, Jennifer Fisher;
Senior Associate Provost, Russell K. Dean;
Associate Provost, Office of Graduate Education, Jonathan Cumming;
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;
Associate Vice President for Facilities, Joe Fisher;
Associate Provost for Extension & Public Service, Dave Miller;
Associate Director-Organizational Advancement, WVU Extension Service, Ann Berry;
Director of Internal Audit, William Quigley;
Executive Director of Student Affairs Business Operations, Les Carpenter;
Associate General Counsel, Shea R. Browning;
Associate General Counsel, Gary G. Furbee, II;
Executive Director, Internal Communications, Becky Lofstead;
Special Assistant to the President, Sara Master; and,
Special Assistant to the Board of Governors, Valerie Lopez.

From the WVU Foundation:

President and CEO, Wayne King; and,
Vice President, Investments & Chief
Investment Officer, Dale Hunt.

Members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, Carolyn Long, at 8:30 a.m. A roll call was taken to determine who was in attendance and a quorum established. Chairman Long asked for a collective moment of silence in recognition of today marking the 8th anniversary of the September 11th terrorist attacks on the World Trade Center in New York City and the Pentagon in Washington.

SWEARING IN OF MEMBERS

Vice President for Legal Affairs & General Counsel, & Assistant BOG Secretary, Mary Roberta Brandt, administered a collective oath of office to the three re-appointed BOG members, namely, Dr. Tom Clark, Diane Lewis, and Ted Mattern, in addition to the four new BOG members, namely, Dr. Nigel Clark, Dr. Robert Griffith, Jo Morrow, and Jason Zuccari (each of whom were previously sworn in on July 2, 2009, to authorize their participation in any Board related matters.) Chairman Long expressed her gratitude to each of these individuals for their time and service on behalf of West Virginia University.

BOARD ITEMS

Annual Report of the Faculty Representatives:

Dr. Robert K. Griffith and Dr. Nigel N. Clark, Faculty Representatives on the Board of Governors, presented an annual report - which highlighted the following areas:

- Dr. Griffith opened with a discussion related to faculty compensation, which still falls below the national average. Dr. Griffith provided data to illustrate that WVU faculty have not kept pace with enrollment increases, and discussed the current WVU Faculty-Student ratio, in comparison with other public institutions in adjacent states, concluding that WVU's existing 23/1 ratio (which was the highest of the universities listed) is important because it is reflective of the faculty workload and impacts research endeavors.
- Dr. Clark presented data related to WVU's research and development expenditures, relative to adjacent state public universities. He additionally spotlighted the exceptional accomplishments of the following members of the WVU faculty: Dr. Kenneth Showalter, C. Eugene Bennett Chair of Chemistry, Dr. Robert Blobaum, Eberly Professor of History, Dr. Kasi Jackson, Ph.D. in Biology and Assistant Professor of Women's Studies, and Drs. Maura McLaughlin and Duncan Lorimer, Assistant Professors in Physics. Dr. Clark

went on to discuss the composition of faculty at West Virginia University, important elements affiliated with tenure acquisition, and concluded his overview with a recitation of current demands on faculty

Report from the WVU Foundation:

R. Wayne King, President & CEO of the West Virginia University Foundation, provided data from an August, 2009 *WVU Foundation Fact Sheet*, highlights from which included the following:

- Gifts: For the fiscal year ending June 30, 2009, the Foundation received \$58.5 million in gifts, including gifts in-kind.
- Funds: As of June 30, 2009, the Foundation had 4,130 active funds, including: 1,411 scholarship funds (both endowed and non-endowed), with a notation that some funds provide multiple scholarships, 2,230 endowed funds, and 114 chairs, professorships and deanships.
- Stewardship: The WVU Foundation administers and invests the funds resulting from gifts and donations under policies that ensure it operates in a cost-conscious environment conducive to carrying out its mission. The endowed funds are invested with an emphasis on long-term growth. For the twelve-month period ending June 30, 2009, the endowed investment pool returned negative 29.1%. Endowed investment assets declined approximately \$100 million, with almost the entire loss being unrealized. The pool is invested in 89 funds and managed by 35 well respect asset managers. Mr. King noted that university foundations nationwide have been affected by the volatility of the stock market in the past year.
- Employees: Mr. King discussed issues related to salary and morale among the WVU Foundation employees.
- Technology: Mr. King discussed the relationship between the WVU Foundation and its key technical partner, Blackbaud, Inc., a leading provider of software and services designed specifically for non-profit organizations.
- Independence: Mr. King provided examples which illustrated the important advantages to the University and to donors of having the existence of the Foundation as an independent organization.
- Board of Directors: The Foundation is governed by a 29-member Board of Directors, elected by the members. All serve without compensation.

Mr. King advised the Board that a new Foundation website has been launched and discussed the June, 2010 comprehensive campaign now being formulated. He additionally stated that the Foundation has engaged an independent firm to evaluate its fundraising programs and assess its revenues for a major capital campaign, to accomplish the mission of moving ahead with purpose and with vision.

In conclusion, Mr. King thanked both President Clements and Board Chairman Long for their strong and productive partnerships in propelling WVU to greater levels of achievement and performance in the future

Adoption of Amendments to the West Virginia University Board of Governors' Operating Procedures:

Vice President for Legal Affairs & General Counsel, & Assistant BOG Secretary, Mary Roberta Brandt, explained the rationale behind the proposed amendments (contained within today's meeting agenda booklet) citing that the current Operating Procedures of the WVU Board of Governors do not reflect the most recent statutory changes pertaining to new training and development requirements and to those lay persons who are not eligible for appointment to membership. Chairman Long asked if any Board members had questions for Vice President Brandt related to any of the proposed amendments, and there being none, Ellen Cappellanti moved that the Board adopt the amendments to the West Virginia University Board of Governors' Operating Procedures, as presented. The motion was seconded by Diane Lewis, and passed.

SCHEDULE FOR THE BALANCE OF THIS MORNING'S MEETING

Chairman Long announced that the Committees will meet next, followed by the Board's Executive Session, concluding at 11:45 a.m. for the Board's group photo, after which we will break for lunch and reconvene the meeting at 1:15 p.m. Therefore, Chairman Long requested, in advance, a motion that the Board go into Executive Session - under authority in West Virginia Code §6-9A-4(b)(2)(A) and §6-9A-4(b)(10) and (12) to discuss personnel issues and legal matters. The motion was made by Dr. Tom Clark, seconded by Ellen Cappellanti, and passed.

ACTIONS EMANATING FROM EXECUTIVE SESSION

Chairman Long announced that there were no actions emanating from today's Executive Session.

APPROVAL OF MINUTES

Drew Payne moved that the minutes of the June 5, 2009 meeting be approved. The motion was seconded by Ed Robinson, and passed.

PRESIDENT'S REPORT

President James P. Clements was excited to present his first President's Report. The following encapsulates a summary of his remarks:

President Clements began by exhibiting today's issue of *The Daily Athenaeum* – with the front page story caption “*Morgantown named 19th-best college town.*” He explained that he wanted to focus on the following six topics during his presentation:

- **Building the Team**

- (a) Chancellor for Health Sciences: WVU has selected Dr. Chris Colenda, currently Dean of Medicine and Vice President for Clinical Affairs at Texas A&M to fill this position. The feedback on this decision (campus wide) has been outstanding. President Clements introduced Dr. Colenda, who offered his sincere thanks to the members of the Search Committee and to President Clements for the confidence placed in him, and indicated that he is looking forward to putting his background to work for this University and this academic Health Sciences enterprise in solving the health care needs of our citizens through public service, professional and interdisciplinary education, research and high quality patient-centered care.
- (b) Provost Search: The search committee started with more than 80 applicants, nominations and inquiries and has worked through a series of steps to narrow down the field. Three exceptional finalists were brought to campus and President Clements anticipates announcing a selection early next week.
- (c) General Counsel/Vice President for Legal Affairs: WVU is conducting a national search and thus far 55 applications have been received. The screening committee will narrow this field to approximately 10 for further review, and anticipates bringing several candidates to campus for interviews in the near future.
- (d) CIO: This is a hire by the Provost's Office, though critical to the entire University. Although 2 candidates were recently brought to campus, it has been decided that the new provost (when named) should first meet with the prospective finalist and then our Interim Provost, E. Jane Martin, will wrap up the process.
- (e) Registrar: Steve Robinson, who has 2 degrees from WVU and his doctorate from Alabama, assumed this position on June 30, 2009. President Clements noted the receipt of very positive feedback on Steve's work to implement new systems here at West Virginia University.
- (f) Associate Provost for International Programs: Michael Lastinger, a foreign languages professor at WVU since 1989, was named to the position. He has been serving as the interim director of International Programs since last September. President Clements noted that international opportunities are critical to where we are heading as an institution and Dr. Lastinger is a key member of the team going forward.

- **Enrollment**

Official census numbers are not done until later in the fall so the following numbers, although preliminary at this time, encompass an approximate total of 31,450 in student enrollment.

- (a) Enrollment in Morgantown - 28,600 students. Early indications are a 0.5% growth in overall enrollment with a 5% increase in graduate enrollment (+270) and a 14% increase in off-campus and on-line enrollment.
- (b) Potomac State: - 1,750 students
- (c) WVU Tech - 1,100 students

- **Facilities**

- (a) Honors Hall, home to the Honors College, has officially opened. There will be approximately 350 students living in this 91,600 square foot, \$21 million dollar building.
- (b) White Hall renovations, which is our highest academic priority, consists of a \$30 million dollar project that will provide much needed space for our Physics Department.
- (c) WVU's biomedical research building is an 114,000 gross square foot facility in which the top 2 floors will house labs, specialized equipment, and faculty spaces, and the bottom 2 floors were shelled out in the construction. As part of today's Board agenda, we are bringing forward a project for the first floor for Research on Neurodegenerative Diseases, which will constitute another very important component being added for our overall health care mission.
- (d) B-R-N-I (Blanchette Rockefeller Neurosciences Institute) is another crucial element in our health care system, and as part of today's Board agenda, we propose moving forward with the fit-out projects in part of the building (approximately 10,000 square feet) in lab areas to provide support for research.
- (e) WVU's basketball practice facility has already received approval from the Board of Governors, pending the green light from the Vice President for Administration and Finance, and as part of today's Board agenda, we are taking the next steps for setting up the financing once enough private support is raised.
- (f) Oglebay Hall has garnered a noteworthy milestone, which was recently announced. This facility, originally constructed in 1917, has become West Virginia University's first building to obtain Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Council.

- **Transition and 2020 Vision**

- (a) President Clements has experienced a very smooth transition (with the support of his friend and mentor, Dr. C. Peter Magrath) and the two of them are actually considering collaboration on a paper detailing the same.

- (b) President Clements briefly identified all of the constituency groups, organizations, and individuals he has met with and listened to during his time at West Virginia University. He also recounted many of the events he participated in, as well as trips taken during the past several months as he strives to become acquainted with the myriad of individuals affiliated with and so supportive of this great university.
- (c) President Clements explained that he has approached the transition on the premise that this is our university, and has sought advice from the individuals referenced above on the topic of “what do you want it to be?” Throughout this process common themes have emerged regarding the following areas: increased levels of research, student retention, graduation rates and success, diversity, multiculturalism and globalization, and finally engagement within the state and our national visibility. Dr. Clements acknowledged key drivers essential to our ability to pursue big goals, and these include faculty and staff retention (salary and benefits), resources in general, our technology and administrative systems, and our ability to be more agile and entrepreneurial as we move forward.
- (d) To facilitate input from faculty, staff, students, alumni, donors, friends, opinion leaders and other state residents for formulating a new WVU vision for 2020 and beyond, President Clements announced that he will be launching a more formal electronic feedback tool next week, to gather information quickly and efficiently in preparation for the 2020 strategic planning process. President Clements concluded that with the leadership team currently being built, WVU will set its 2020 vision with input garnered from collaboration among these dynamic and forward thinking individuals.

- **Some Highlights and Accomplishments**

Astounded at the achievements every week occurring around West Virginia University, President Clements offered a sampling, since the Board last met two months ago, of specific student achievements, faculty awards, new research awards, and two new research projects.

- **Looking ahead/Planning**

- (a) WVU is taking the budget outlook very seriously, already receiving word from the State levels of government to brace for constraints.
- (b) It is crucial that WVU continue its dedicated work on developing resources. Currently WVU’s Research Trust Fund has translated into more than \$6 million dollars in investments during its first year. In fact, this afternoon WVU will announce a new \$1 million dollar gift. We have accelerated our efforts to obtain AARA funds, federal grants and state support. Additionally, WVU is looking at support structures for research grant development.

- (c) The H1N1 virus is being taken very seriously at WVU. President Clements provided an overview of the preparations currently in place to address issues related thereto.

COMMITTEE REPORTS

Audit Committee: James Dailey, Chair of the Audit Committee, reported that the committee met yesterday afternoon at 3:00 p.m., at which meeting two new Audit Committee members joined us, namely, Diane Lewis and Ed Robinson. Also attending the meeting were Board members, Carolyn Long, Ted Mattern, Dr. Nigel Clark, and Dr. Robert Griffith

Also present during the Audit Committee meeting were Dennis Juran and Megan Masztak, representatives from Deloitte & Touche, the independent auditor, to report that their firm was on campus to begin the FY09 audit, after which they distributed and discussed a brief Audit Status Update. Chair Dailey noted that Tech and the CTC's will have separate audits done.

While in session the committee received a report from Vice President for Administration & Finance, Narvel Weese, relating to the hourly payroll system, status of the FY09 audit, ARRA/Federal Stimulus Funds Compliance, ONR Equipment Audit Result, and our Fraud Risk Assessment Process.

While in Executive Session, the committee received reports from Vice President for Legal Affairs & General Counsel, & Assistant BOG Secretary, Mary Roberta Brandt, as well as Director of Internal Audit, William Quigley.

Chair Dailey advised that Audit Committee members reviewed an agreed-upon procedures engagement letter from Clifton Gunderson, LLP, related to the financial statements of the WVU Department of Intercollegiate Athletics for the year ended June 20, 2009. Inasmuch as this engagement fulfills an NCAA mandate, and there being no objection from any committee members, Chair Dailey executed the same as Chairman of the Audit Committee for the WVU Board of Governors.

Executive Committee: Carolyn Long, Chair of the Executive Committee, reported that the committee met yesterday evening, during which it discussed many of the items that will be covered in today's President's Report (such as enrollment, etc.), and exchanged ideas on the role of the Board of Governors in assisting and supporting Dr. Clements' administration.

Finance Committee: Ted Mattern, Chair of the Finance Committee, reported that Vice President for Administration and Finance, Narvel Weese, and Associate Vice President for Facilities and Services, Joe Fisher, presented to the committee the 4th quarter financials and Major Capital Projects Status Report. In addition, these gentlemen presented a status report on the FY09 Financial Statements Audit, currently in progress, which will be updated during our November meeting.

Chair Mattern reported that VP Weese and AVP Fisher provided an update of the Facilities Master Plan (detailing the status of many projects, including Mountaineer Station, Summit Hall

Honors Hall, Child Learning Center & Nursery School, and the Biomedical Sciences Research Laboratory Facility, to name a few). They also provided the committee with a status report related to WVU's Transportation and Parking Plan.

Chair Mattern reported that the committee reviewed, discussed, and recommended for approval as part of today's Consent Agenda, the following items: White Hall Renovation, BRNI Shell Space Lab and Office Fit-Out, the Neurodegenerative Diseases and Multiple Sclerosis Research Center Fit Out Project, the Capital Projects Financing Transactions, as well as the Financing and Reimbursement Resolutions for White Hall and the Basketball Practice Facility.

Strategic Plans, Initiatives and Accreditations Committee: Drew Payne, Chair of the Strategic Plans, Initiatives and Accreditations Committee, reported that Dr. Curt Peterson, Vice President for Research and Economic Development and President of the WVU Research Corporation, appeared before the committee to answer any questions related to his Annual Report contained within today's agenda booklet.

Chair Payne also advised that the committee reviewed, discussed, and recommended for approval as part of today's Consent Agenda, the following items: Institutional Undergraduate Fee Waivers and Institutional Graduate and Professional Fee Waivers, Change in the Name of the Davis College of Agriculture, Forestry and Consumer Sciences to the Davis College of Agriculture, Natural Resources and Design, Approval of New Graduate Certificate Program: Online Graduate Certificate in Digital Marketing Communication (DMC), Approval of New Degree Program: Master of Landscape Architecture (MLA), Approval of New Degree Program: Master of Sciences (M.S.) in the Biomedical Sciences, and Appointment to County Extension Committees.

Chair Payne reported on the Research Trust Fund, listed initially as an Information Item on our current agenda. Mr. Payne advised that we have a total of \$1,149,672.00 of gifts in hand that fall under the focus areas of the strategic plan that the BOG approved in June, 2008. Mr. Payne announced that during the committee meeting, a motion was made and duly passed to move this Research Trust Fund agenda item to the Consent Agenda for approval. With the pre-requisite certifications required in this process achieved, Mr. Payne, as Chair of the Strategic Plans, Initiatives, and Accreditations Committee, recommended that the Board approve this request for match on its Consent Agenda. Upon such approval, the request can be sent to the Vice Chancellor for Science and Research in Charleston.

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 Long called for any discussion of the Consent Agenda items. There being none, Ellen Cappellanti moved that the Board accept the Consent Agenda items as presented in today's agenda booklet. This motion was seconded by Ted Mattern, and passed.

Thereupon, the following Consent Agenda items were approved:

1. Institutional Undergraduate Fee Waivers

Resolved: That the West Virginia University Board of Governors enter the report of the Institutional Undergraduate Fee Waivers for FY 2008-2009, at West Virginia University, West Virginia University Institute of Technology, and Potomac State College of West Virginia University, as attached, into its minutes.

2. Institutional Graduate and Professional Fee Waivers

Resolved: That the West Virginia University Board of Governors enter the report of the Institutional Graduate and Professional Fee Waivers for Fall, 2008, Spring, 2009, and Summer, 2009 at West Virginia University, as attached, into its minutes.

3. Change in the Name of the Davis College of Agriculture, Forestry and Consumer Sciences to the Davis College of Agriculture, Natural Resources and Design

Resolved: That the West Virginia University Board of Governors approves a name change from the Davis College of Agriculture, Forestry and Consumer Sciences to the Davis College of Agriculture, Natural Resources and Design

4. Approval of New Graduate Certificate Program: Online Graduate Certificate in Digital Marketing Communications (DMC)

Resolved: That the West Virginia University Board of Governors approves the creation of the Online Graduate Certificate in Digital Marketing Communications (DMC)

5. Approval of New Degree Program: Master of Landscape Architecture (MLA)

Resolved: That the West Virginia University Board of Governors approves the creation of the Master of Landscape Architecture.

6. Approval of New Degree Program: Master of Science (M.S.) in the Biomedical Sciences

Resolved: That the West Virginia University Board of Governors approves the creation of the Master of Science in the Biomedical Sciences.

7. White Hall Renovation

Resolved: That the West Virginia University Board of Governors approves the renovation of White Hall for use by the Physics Department within the Eberly College of Arts & Sciences, with a budget of \$30,300,000.

8. Financing and Reimbursement Resolution for White Hall Renovations

Resolved: That the West Virginia University Board of Governors approves the Financing and Reimbursement Resolution for White Hall Renovations, as presented.

9. Financing and Reimbursement Resolution for the Basketball Practice Facility

Resolved: That the West Virginia University Board of Governors approves the Financing and Reimbursement Resolution for the Basketball Practice Facility, as presented.

10. BRNI Shell Space Lab and Office Fit-Out

Resolved: That the West Virginia University Board of Governors Approves the BRNI Shell Space Fit-Out Project with a Budget of \$4,750,000.

11. Neurodegenerative Diseases and Multiple Sclerosis Research Center Fit Out Project

Resolved: That the West Virginia University Board of Governors Approves the Neurodegenerative Diseases and Multiple Sclerosis Research Center Fit Out Project with a budget of \$7,400,000.

12. Capital Projects Financing Transactions

Resolved: That the West Virginia University Board of Governors approves Lease Purchase Financing to Reimburse Itself for Capital Projects Expenditures Made for the Intermodal Transportation Facility and Parking Garage, the WVU Early Childhood Center, and the Engineering Sciences Building.

13. County Extension Committee Appointments

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.

14. Research Trust Fund

Resolved: That the West Virginia University Board of Governors approves the total of \$1,149,672.00 of gifts that fall under the focus areas of the strategic plan that the BOG approved in June, 2008, for a matching request pursuant to the provisions of said Research Trust Fund strategic plan.

15. Authorization to Hire General Counsel and Vice President for Legal Affairs

Resolved: That the West Virginia University Board of Governors authorizes the future hiring of a General Counsel and Vice President for Legal Affairs (which is not a new position) by President, James P. Clements.

NEXT MEETING

Chairman Long announced that the next meeting is scheduled for November 6, 2009, in Morgantown.

ADJOURNMENT

There being no further business, Drew Payne moved to adjourn the meeting. The motion was seconded by Ed Robinson, and passed. The meeting was adjourned at 1:40 p.m.

John T. Mattern, Secretary