

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

November 8, 2013

The one hundred thirteenth meeting of the West Virginia University Board of Governors was held on November 8, 2013 at the Erickson Alumni Center. Board members in attendance/participating included James R. (Rob) Alsop, David Alvarez, Ryan Campione, Dr. Lisa DiBartolomeo, Ellen Cappellanti, James W. Dailey, II, Thomas Flaherty, Dr. Robert Griffith, Raymond Lane, Diane Lewis, Dixie Martinelli, William Nutting, Andrew A. Payne, III, Ed Robinson, J. Robert (J.R.) Rogers, and William Wilmoth. Board member, Dr. Charles Vest, 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;
Health Sciences Chancellor, Dr. Christopher Colenda;
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;
Vice President for University Relations, Sharon Martin;
Associate Vice President, Academic Strategic Planning, Dr. Nigel Clark;
Senior Associate Provost, Russell Dean;
Chief Diversity Officer, David Fryson;
Director of Internal Audit, William Quigley;
Executive Officer for Policy Development, Jennifer Fisher;
Associate Provost for Undergraduate Academic Affairs and Dean of University College,
Dr. Elizabeth A. Dooley,
Senior Associate Vice President for Finance, Dan Durbin;
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;
Assistant Vice President for Finance, Anjali Halabe;
Associate Vice President for Facilities, Randy Hudak;
Associate Vice President for Student Affairs, Michael Ellington;
Assistant Vice President Student Affairs Communications, Sabrina Cave;
Student Affairs Chief Business and Planning Officer, Les Carpenter;
Associate Provost for Engagement and Outreach, Gypsy Denzine;
Accreditation and Planning Officer, Academic Strategic Planning, Elizabeth
Hamilton;
West Virginia University Institute of Technology, Chief Executive Officer,
Carolyn Long;
Chief Financial Officer for WVU Health Sciences, Wendy King;
Senior Advisor to the Provost for Divisional Campuses, Kerry Odell;
Assistant Vice President for University Communications, Becky Lofstead;

Interim Dean of Students and Director of Housing, G. COREY FARRIS;
Special Assistant to the President, Sara Master;
Senior Special Event Coordinator, Gretchen Hoover; and,
Special Assistant to the Board of Governors, Valerie Lopez.

Members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, James W. Dailey, II, at 8:30 a.m. Chairman Dailey called upon Provost Michele Wheatly to introduce Gypsy Denzine, WVU's new Associate Provost for Engagement and Outreach. President Clements then introduced WVU's new Vice President of University Relations, Sharon Martin.

BOARD PRESENTATIONS

Vice President for Administration and Finance, Narvel Weese, and Senior Associate Vice President for Finance, Dan Durbin, presented an overview of the Fiscal Year 2013 Combined Financial Statements for West Virginia University. The combined financial activity is for West Virginia University, Potomac State College of West Virginia University, West Virginia University Institute of Technology and the West Virginia University Research Corporation. This year's Independent Auditors' Report resulting in the issuance of an unqualified opinion (the highest designation possible) related to these financial statements and no management letter was issued. In summary, the University remains financially stable with positive operating margins, a stable balance sheet, and sufficient current assets to satisfy current liabilities.

Vice President for Administration and Finance, Narvel Weese, and Associate Vice President for Facilities, Randy Hudak, provided a Facilities and Revitalization Update. Vice President Weese updated the Board on the multiple projects that, when completed by mid-2016, will result in a more student-centered and pedestrian-friendly Evansdale campus. The redevelopment involves construction of eight new or renovated classroom, research and campus life buildings and associated infrastructure improvements at a total estimated cost of \$258.2 million – financed predominantly through bond sales. Associate Vice President for Facilities, Randy Hudak, provided information on a key piece of the project, Evansdale Crossing, which is anticipated to be completed in January of 2015. The \$31 million building, a public-private partnership, will house additional food options, including a brand name restaurant – long requested by Evansdale students; a Barnes & Noble book store; student services offices including registrar, student accounts and financial aid; Innovation Space of the P.I. Reed School of Journalism; and four general education classrooms. The building will also be connected to the Engineering PRT Station, making it accessible to the entire campus. Several other projects reported on included: Law Center Addition/Renovation, Student Health and Wellness, College of Physical Activity and Sport Sciences, Advanced Engineering Research, New Agriculture Science and South Agriculture Science, Art Museum of West Virginia University, the Evansdale Greenhouse, and re-routing pedestrian and vehicular traffic, expanding parking and other infrastructure improvements. Associate Vice President Hudak then debuted a “flyby” video showing an artist's conception of what the reinvigorated campus will look like.

As required by WVHEPC Series 51, WVU's Textbook Affordability Committee prepares and submits an annual textbook affordability report. Senior Associate Provost, Russell Dean, reviewed the highlights of this year's report and WVU's textbook affordability policy, which outlines compliance with state and federal legislation around the selection, adoption, use and sale of textbooks and supplemental and customized course materials. Textbook options now include digital textbooks and textbook rentals, in addition to new and used textbooks. Senior Associate Provost Dean concluded that the goal is to reduce book fees for WVU students.

Associate Provost for Undergraduate Academic Affairs and Dean of University College, Dr. Elizabeth Dooley, updated the Board on the University College, a new centralized home for 5,673 undergraduate and non-traditional adult students with undeclared majors – more than 1,750 of whom are freshmen. Dr. Dooley said that through reorganization of some administrative roles and restructuring in other areas, the College now offers a new model that features full-time professional advisors and an assistant dean for advising, in place of graduate assistants. The College also has a new associate dean for academic operations, and will soon hire a director of transitional services to better assist transfer students. She reported that creating partnerships with colleges and schools to create a seamless transition of University College students to complimentary majors is also under way. Dr. Dooley concluded that cultivating a culture of care, accountability and the importance of graduating are central to the mission of WVU's University College.

Associate Provost for Undergraduate Academic Affairs and Dean of University College, Dr. Elizabeth Dooley, also provided an institutional compact update. WVU's 2013 annual compact update is the final update for the West Virginia Higher Education Policy Commission (HEPC) Master Plan-Charting the Future 2007-2012 compact cycle. For the final compact update, HEPC requested that WVU "include the institution's response to each of the areas requiring institutional attention as noted in the 2012 review team critique" and provide a summary of the institution's progress on the following five areas of focus, economic growth, access, cost and affordability, learning and accountability, and innovation. This was done and Dr. Dooley wanted to share this information with the full board.

Chancellor for Health Sciences, Dr. Christopher Colenda, discussed the impact of healthcare reform on academic medical centers. Chancellor Colenda provided information on the rollout of the health insurance changes associated with the Affordable Care Act and other national healthcare reform topics that have an impact on health in West Virginia. All of the healthcare organizations associated with WVU are developing plans to adjust to a new healthcare environment. Some of the expected impacts include a reduction in the number of uninsured patients in West Virginia; a drop in federal and state contributions to safety-net hospitals; and the shift of private and public payers away from payments to providers that reward volume of services towards payments that incentivize quality, value and patient clinical outcomes.

APPROVAL OF MINUTES

Ellen Cappellanti moved that the minutes of the September 27, 2013 regular meeting be approved. The motion was seconded by David Alvarez, and passed.

COMMITTEE REPORTS

Audit Committee Meetings: Thomas Flaherty, as Chairman of the Audit Committee, provided reports on both the September 27, 2013 Audit Committee Meeting (that was scheduled following the regular September 27th Board meeting) as well as yesterday's November 7, 2013 Audit Committee Meeting – as follows:

September 27, 2013 Audit Committee Meeting: During this meeting the Audit Committee received a report from Suttle and Stalnaker, Certified Public Accountants, related to their audits of the financial statements of the WVU Research Corporation 403(b) Defined Contribution Plan and WVU Research Corporation 403(b) Tax Deferred Annuity Plan for the years ended December 31, 2012 and 2011. There was also a report from WVU's Chief Financial Officer, Narvel Weese. The Audit Committee ratified a previously executed engagement letter with CliftonLarsonAllen LLP for the performance of agreed-upon procedures in reference to the financial statements of the WVU Department of Intercollegiate Athletics for the year ended June 30, 2013. During its Executive Session, the Committee heard from Director of Internal Auditing, Bill Quigley, and General Counsel, William H. Hutchens, III.

November 7, 2013 Audit Committee Meeting: During this meeting the Audit Committee received an overview of the Fiscal Year 2013 WVU Consolidated Financial Statements and related documents from Deloitte & Touche, which financial statements were approved by members of the Audit Committee with a recommendation that they be approved by the full Board during today's meeting. There was also a report from WVU's Chief Financial Officer, Narvel Weese. During its Executive Session, the Committee heard from Director of Internal Auditing, Bill Quigley, and General Counsel, William H. Hutchens, III.

BOARD ACTION ON Receipt and Acceptance of the FY 2013 Financial Statements and Audit Report for West Virginia University: Following the report that yesterday's Audit Committee recommended approval of the financial statements included as part of today's Consent Agenda, **Board member, David Alvarez, moved that this Consent Agenda Item be pulled and that the West Virginia University Board of Governors approves the FY 2013 Financial Statements and Audit Report for West Virginia University, as presented. This motion was seconded by J. Robert (J.R.) Rogers and passed.**

Faculty Constituency Meeting: Dr. Robert Griffith and Dr. Lisa DiBartolomeo thanked board members for their attendance and participation during yesterday afternoon's Faculty Constituency Report.

EXECUTIVE SESSION

Chairman Dailey requested a motion that the Board go into Executive Session, under authority in West Virginia Code §§ 6-9A-4(b)(9), and (b)(12) to discuss legal matters, matters

involving commercial competition and the investment of public funds, and matters not considered public records. The motion was made by David Alvarez, seconded by William Wilmoth, and passed. Following the conclusion of Executive Session, Dixie Martinelli moved that the Board reconvene into regular session. This motion was seconded by Ellen Cappellanti, and passed.

DISCUSSIONS EMANATING FROM EXECUTIVE SESSION

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

PRESIDENT'S REPORT

Dr. Clements acknowledged the great visit to the School of Dentistry on the previous day, as well as the faculty presentation. He thanked Board member Diane Lewis for a great job as keynote speaker for our Women of Color Day Lunch, which was part of the 26th annual Diversity Week programs. He also thanked Chief Diversity Officer Fryson for a strong Diversity Week, echoing the words of Dr. Fryson that our commitment to diversity and inclusion must be an every week commitment.

Dr. Clements also noted the campus was wrapping up Mountaineer Week, which is led by a team of students and staff and organized through Student Affairs. The program was just awarded a Division of Tourism Star of the Industry – specifically the Mountain State award. The Morgantown Convention and Visitors Bureau nominated Mountaineer Week. He also congratulated Ken Gray on the recent news that the National Bar Association, the oldest and largest association of African-American lawyers and judges, named a new distinguished award in General Gray's honor. Dr. Clements discussed his recent visit to the Extension annual meeting, underscoring that as we prepare to celebrate the 100th anniversary of the Smith-Lever Act how proud he is of the work our Extension faculty and staff provide around the entire state. He reminded the Board that we will highlight this work for our Board during its June, 2014 meeting that will be held at Jackson's Mill.

Dr. Clements provided updates on the Health Sciences chancellor search and reminded the Board of the HLC accreditation visit April 7-9. Provost Wheatly is leading that effort as our chief academic officer. He also recognized that the WVU women's soccer won the Big 12 regular season championship, making 4 conference titles in a row. He also asked Carolyn Long to share the news that the Tech men's soccer team won a NAIA championship.

The president also summarized parts of the State of the University address, specifically highlighting the budget priorities as they were proposed. He also gave an update on private fund-raising, noting that as of Sept. 30, 2013, \$683.4 million had been raised toward our \$750 million goal and that total assets under management increased to \$1.28 billion.

President Clements concluded his report highlighting some recent accomplishments at the University.

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, with a note for the record that the FY 2013 Financial Statements for West Virginia University were pulled from the Consent Agenda and voted on following today's Audit Committee Report. There being none, Ellen Cappellanti moved that the Board accept the remaining Consent Agenda items as presented in today's agenda booklet. This motion was seconded by Andrew A. Payne, III, and passed.

Thereupon, the following Consent Agenda items were approved:

1. West Virginia University 2013 Compact Update

Resolved: That the West Virginia University Board of Governors approves the report titled "West Virginia University 2013 Compact Update" (as presented) that will be submitted to the West Virginia Higher Education Policy Commission once approved by the Board.

2. Approve Committee Member Substitutions

Resolved: That the West Virginia University Board of Governors approves the following committee member substitutions in its committee member structure/assignments for 2013-2014: Strategic Plans and Initiatives Committee: Replace Dr. Charles Vest with Board member, Raymond J. Lane, AND Divisional Campus Committee: Replace Dr. Charles Vest with Board member, Rob Alsop.

ADJOURNMENT

There being no further business to come before the Board, Thomas Flaherty moved to adjourn the meeting. The motion was seconded by Dixie Martinelli, and passed. The meeting was adjourned at 1:28 p.m.

Ellen Cappellanti, Secretary