

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

June 3, 2011

The ninety-third meeting of the West Virginia University Board of Governors was held on June 3, 2011 at the West Virginia University Health Sciences Center Charleston Division. Board members in attendance/participating included Ellen Cappellanti, Dr. Nigel Clark, Dr. Tom Clark, James Dailey, Thomas Flaherty, Dr. Robert Griffith, Christopher Lewallen, Diane Lewis, Carolyn Long, Jo Morrow, William Nutting, Drew Payne, Ed Robinson, J.R. Rogers and William Wilmoth. Board members, Ray Lane and Dr. Charles Vest, were absent and excused.

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

President, James P. Clements;
Chief of Staff, Jay Cole;
Provost and Vice President for Academic Affairs, Michele Wheatly;
Vice President for Administration and Finance, Narvel Weese;
Vice President for Legal Affairs and General Counsel & Assistant
BOG Secretary, William H. Hutchens, III;
Athletic Director, Oliver Luck;
Vice President for Student Affairs, Ken Gray;
Vice President for Research, Curt Peterson;
Vice President for Human Resources, Margaret Phillips;
Assistant Athletic Director, Mike Parsons;
Senior Associate Provost, Russell Dean;
Vice President Planning and Operations for Health Sciences,
Dr. Fred Butcher;
Chief Financial Officer for Health Sciences, Wendy King;
Director of Internal Audit, William Quigley;
Executive Officer for Social Justice, Jennifer McIntosh;
Executive Officer for Policy Development, Jennifer Fisher;
Senior Associate Vice President for Finance, Dan Durbin;
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;
Associate Vice President for Facilities, Randy Hudak;
Interim Dean of Students and Director, Housing and University Apartments,
G. Corey Farris;
WVU's ACCE representative, Paul Martinelli;
Potomac State College of West Virginia University, Divisional Campus Provost,
Kerry Odell;
West Virginia University Institute of Technology, Divisional Campus Provost,
Scott Hurst;
Executive Director, Internal Communications, Becky Lofstead;
Director of University Relations/News, John Bolt;
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, Carolyn Long, at 8:30 a.m. A roll call was taken to determine who was in attendance and a quorum established. Chairman Long commented on the previous evening's events hosted at The Clay Center in Charleston and thanked WVU's Events staff for their exemplary efforts in coordinating a memorable evening for board members and invited guests. Chairman Long then announced that a call-in number has been activated for media and any others interested in listening to today's meeting.

Chairman Long then introduced Clark Hansbarger, MD, Dean of the WVU HSC Charleston Division, who welcomed Board members and others attending today's meeting. Dean Hansbarger provided an overview of the organizational structure, operations and services provided by this facility, which serves as the nation's oldest regional medical educational campus.

BOARD ITEMS

Research Trust Fund:

Provost Michele Wheatly reported that for today's meeting, West Virginia University has gifts received and pledges recorded, as certified by the WVU Foundation and Dr. Curt Peterson, Vice President for Research and Economic Development, as to consistency with the Research Trust Fund Strategic Plan, totaling the sum of \$2,273,005.00 that fall under the focus areas of the strategic plan that the BOG approved in June, 2008, and modified December, 2010. With the pre-requisite certifications required in this process achieved, Chairman Long recommended that the Board approve this request for match. Upon such approval, the request can be sent to the Vice Chancellor for Science and Research in Charleston.

Thereupon, Dr. Tom Clark moved that the West Virginia University Board of Governors approves today's total of \$2,273,005.00 of gifts received and pledges recorded that fall under the focus areas of the strategic plan that the BOG approved in June, 2008, and modified December, 2010, for a matching request pursuant to the provisions of said Research Trust Fund strategic plan. This motion was seconded by J. R. Rogers, and passed unanimously.

FY 2012 Budget:

Vice President for Administration and Finance, Narvel Weese, presented an overview of the FY2012 budget which includes \$938 million of expenditures, a 4 percent increase over the previous year, providing increased financial aid to students and granting pay raises. Vice President Weese commented that this budget is good news because it is a reflection of WVU's continued growth and stability. He stated that unlike many of our peers and neighbors who are facing drastic cuts and loss of funding, WVU's financial outlook is stable and it is well positioned to implement the University's 2020 Strategic Plan.

Key elements of the Fiscal Year 2012 budget include:

- A salary improvement program that provides base salary increases for employees effective September 1, 2011.
- A 4.95 percent tuition increase, among the lowest of any of WVU's peers across the country, and a smaller increase in housing and dining services. The budget also includes a 2.5 percent increase in institutional financial aid for students.
- Funding to support implementation of the University's strategic plan as well as a capital budget of \$279 million to support various facility improvement projects.

In addition to \$314.8 million from tuition and fees, revenue includes \$210 million from state appropriations and \$219.1 million, a 4.3 percent increase, from grants and gifts. The budget, which covers the main campus as well as Potomac State College of West Virginia University in Keyser and West Virginia University Institute of Technology in Montgomery, takes effect July 1.

In reference to salary increases, the budget includes \$436 million for pay, including \$15 million for raises. A temporary raise granted to University employees on January 1st will expire on June 30th and the new base pay raise will take effect September 1st. The budget fully funds the classified staff salary schedule three years ahead of a deadline mandated by the 2011 Legislature. Classified staff will receive either: 1) a salary based on the employee's placement in job title and years of service as of Oct. 1, 2010, 2) a 3.5 percent increase or 3) \$1,296, whichever is greater. This plan ensures that after September 1st classified employee's paychecks, after the base raise, are equivalent to or greater than their current paychecks. A 4 percent pool of funds will finance raises, based on merit, for faculty; faculty equivalent, academic professionals; and non-classified employees.

Following a brief discussion, Dr. Tom Clark moved that the West Virginia University Board of Governors approves the FY 2012 Budget, as presented. This motion was seconded by William Wilmoth, and passed unanimously.

President Clements further commented that the base salary improvement package for faculty and staff is essential to moving salaries in a competitive direction and maintaining a world-class university. He thanked the legislature and governor for investing in higher education, when many states are reducing education budgets, and thanked WVU's financial team for balancing WVU's many priorities.

Approval of Tuition and Fee Schedules For The Upcoming Academic Year:

Dr. Michele Wheatly, as Provost and Vice President for Academic Affairs, and also representing Dr. Christopher C. Colenda, Chancellor of the WVU Health Sciences, proposed the following fee increases **per semester** for the coming academic year:

General University and Divisional Campuses

Resident Undergraduate Increases:

WVU – 4.96% or \$134

Potomac State College – 5.96% or \$86

WVUIT – 3.49% or \$90

Non-resident Undergraduate Increases:

WVU – 4.95% or \$421

Potomac State College – 2.79% or \$122

WVUIT – 1.00% or \$66

Resident Graduate Increase:

WVU – 4.95% or \$153

Non-resident Graduate Increase:

WVU – 4.95% or \$438

Housing (double room)

WVU – 3.5% or \$75

Potomac State College – 6.03% or \$88

WVUIT – 0% or \$0

Dining (19 meal plan)

WVU – 3.5% or \$67

Potomac State College – 4.07% or \$67

WVUIT – 0% or \$0

WVU Health Sciences

Resident Undergraduate Increases:

Nursing – 11.32% or \$365

Dentistry – 11.39% or \$364

Medicine – 9.37% or \$302

Non-resident Undergraduate Increases:

Nursing – 5.10% or \$509

Dentistry – 4.93% or \$509

Medicine – 6.64% or \$679

Resident Graduate Increases range from 8.20% to 15.78% or \$301 to \$593.

Non-resident Graduate Increases range from 3.81% to 14.65% or \$558 to \$1,662.

Resident Graduate – Dental & Medical Increases range from 4.53% to 13.64% or \$494 to \$941.

Non-resident Graduate – Dental & Medical Increases range from 3.86% to 13.15% or \$918 to \$2,412.

Note: A detailed listing of all tuition charges and fees for each campus is contained within today's meeting agenda booklet. Following a brief discussion, Dr. Nigel Clark moved that the West Virginia University Board of Governors approves the Tuition and Fee Schedules For the Upcoming Academic Year, as presented. This motion was seconded by William Nutting, and passed unanimously.

EXECUTIVE SESSION

Chairman Long requested 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)(7) and (12)) to discuss legal matters. The motion was made by William Wilmoth, seconded by William Nutting, and passed. Chairman Long announced an anticipated length of approximately 1 to 1-1/2 hours for Executive Session – after which the call-in number would again be activated and the meeting continue. Following the conclusion of Executive Session, Jo Morrow moved that the Board reconvene into regular session. This motion was seconded by Thomas Flaherty, and passed.

DISCUSSIONS EMANATING FROM EXECUTIVE SESSION

Chairman Long announced that there were no discussions emanating from today's Executive Session to report upon.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS POLICY 18, ALCOHOLIC BEVERAGES ON THE CAMPUSES

The next Board item – relating to the proposed change to West Virginia University Board of Governors Policy 18 - will amend the policy to remove the prohibition on the sale of beer, wine, or other alcoholic beverages to the general public during athletic events. Additionally, Section 3.1.1 will be amended to permit the possession or sale of beer, wine or other alcoholic beverages on or in properly licensed premises. Finally, other minor changes were made to make the policy more consistent and to address ambiguity concerns.

In recommending the policy change, Director of Intercollegiate Athletics, Oliver Luck, addressed the Board and stated that it is part of an overall plan to improve game day operations and public safety, including no stadium re-entry after halftime (except for medically-related purposes) and adding designated smoking areas outside the concourse.

Mr. Luck stressed that there will be no tolerance for out-of-control fan behavior at the stadium and that staff will strictly enforce the policy of no alcohol being brought into the stadium. As the policy is implemented, Luck said there will be strict enforcement of ID checks along with a limit on purchases. No alcohol points of sale will be allowed near the student sections and there will be no beer sales in the seating areas or after the mid-point of the third quarter. He further informed the Board that the concessionaire, not the University, will hold the beer license, and all employees will be trained in responsible drinking management and intervention procedures, including implementation of a designated driver program. Athletic Director Luck affirmed his position that the changes will help keep more fans in the stands and improve the atmosphere.

WVU Police Chief Bob Roberts, along with former Morgantown Police Chief Phil Scott and current Chief Ed Preston, were present and spoke at the meeting. All agreed that stricter enforcement of the re-entry policy reduces the chance of patrons bringing alcohol into the stadium and/or returning from binge drinking. It also allows for more security elsewhere in and around the stadium. They collectively supported the controlled beer sales.

Following a question and answer exchange among all attendees, Board member J. R. Rogers made the following motion: I hereby move that the West Virginia University Board of Governors approves the amended Policy 18, regarding Alcoholic Beverages On the Campuses, with the understanding that the West Virginia University Department of Athletics will be responsible for studying and tracking the results of this change during the upcoming 2011 Fall home football season and further that the Athletic Department will come before this Board of Governors in approximately one calendar year to provide a report on the implementation of this amended Policy 18. This motion was seconded by Dr. Tom Clark – whereupon Chairman Long asked Board members for a show of hands to appropriately record the voting results. Fifteen Board members were present for today's meeting, and with the following individuals casting a negative vote on the motion being considered, namely: James Dailey, Diane Lewis, Chris Lewallen, William Wilmoth and Ed Robinson – the motion passed by a majority.

APPROVAL OF MINUTES

Ed Robinson moved that the minutes of the April 8, 2011 regular meeting be approved. The motion was seconded by James Dailey and passed.

PRESIDENT'S REPORT

President Clements thanked Nigel Clark, Chris Lewallen and Jo Morrow for their service on the Board. He welcomed Jason Bailey, Lesley Cottrell, Dixie Martinelli as new members when their terms become effective July 1.

Dr. Clements thanked the personnel of the Charleston Division of the WVU School of Medicine and thanked the various partners in the area. He specifically thanked Dr. Clark Hansbarger, the Associate Vice President for Health Sciences and Dean for the WVU School of Medicine-Charleston for hosting and acknowledged the service of Dr. Greg Rosencrance, Chairman of the Department of Internal Medicine, who represented the Charleston Division on the Strategic Planning Council at WVU.

In his comments to the Board, President Clements highlighted the recent Commencement that closed another academic year. He lifted up several student success stories among the year's 5,200 graduates.

He also recapped some of the successes during the past academic year, most of which had been shared with the Board at previous meetings. Examples include: the strategic planning process; the Engaged University classification that just 6% of institutions have earned; key

grants earned by our faculty (\$10 million NSF EPSCoR grant, a \$3.2 million NSF ADVANCE grant, an NSF PIRE grant of \$6.1 M, a \$5.5 Million Grant from NIH to develop 5 Core Research Facilities around neuroscience, and a new one recently announced for a \$4.7 million grant from the USDA as part of national work to address pediatric obesity). Other highlights of the year included: the WVU School of Medicine reaching its highest ranking ever – # 7 – for rural medicine and a place in the top 50 for primary care in the most recent U.S. News and World Report's 2012 edition of "America's Best Graduate Schools," as well as an initiative for a School of Public Health, that includes support from the Legislature this year.

President Clements reported on two major gifts since the last BOG meeting: a gift from Stu and Joyce Robbins to benefit Business & Economics and the planned School of Public Health; and a gift from the Cline Family Foundation to benefit the Health Sciences and Athletics. He also lifted up a number of great student achievements (including the #1 collegiate 4-H club at WVU) and wished Potomac State baseball luck in the Junior College World Series.

Looking ahead, Dr. Clements reported that enrollment looks strong, and in the coming year efforts will focus on the major areas of the strategic plan, preparations for launching a comprehensive fund-raising campaign, completing renovations to White Hall for our Physics Department, completion of the outdoor recreation spaces and breaking ground on a new student health center, development of a new strategic facilities plan, planning for the new School of Public Health, and continued progress in adding 100 new faculty lines.

President Clements concluded his report by expressing his personal appreciation for Carolyn Long and her three years of service as chair of the Board of Governors. He paid tribute to Chairman Long, saying she led with integrity, compassion, humility, and with a Mountaineer spirit that is second to none.

COMMITTEE REPORTS

Audit Committee: James Dailey, Chairman of the Audit Committee, reported upon action resulting from yesterday's meeting wherein he was authorized, as Chairman of the Audit Committee of the West Virginia University Board of Governors, to execute an engagement letter from Clifton Gunderson LLP, which engagement is solely to assist the West Virginia University Department of Intercollegiate Athletics in compliance with NCAA financial reporting requirements. Also during the Audit Committee's Executive Session, reports were delivered by Vice President for Administration and Finance, Narvel Weese; Vice President for Legal Affairs and General Counsel & Assistant BOG Secretary, William H. Hutchens, III; and Director of Internal Auditing, William Quigley. Mr. Quigley additionally provided highlights from his Annual Report for the Fiscal Year 2011.

Executive Committee: Carolyn Long, Chairman of the Executive Committee, reported that yesterday evening's meeting was spent primarily discussing today's agenda.

Nominating Committee: Diane Lewis, Chairman of the Nominating Committee appointed during the April, 2011 BOG meeting – which committee consisted of herself, Thomas Flaherty,

Robert Griffith, William Nutting and Ed Robinson - advised that her committee met via telephone and recommended the following slate of officers for the upcoming year: Andrew A. (Drew) Payne, III, Chair, James Dailey, Vice-Chair, and Thomas Flaherty, Secretary. Raymond Lane moved that the Board accept the slate of nominations as presented by the Nominating Committee. This motion was seconded by Chris Lewallen, and passed.

INFORMATION ITEMS

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

TRANSFORMATION OF WVU'S EVANSDALE CAMPUS

Chairman Long asked Vice President for Administration and Finance, Narvel Weese, to provide a general overview of the multi-year, capital improvement building plan that will revitalize WVU's Evansdale campus.

Vice President Weese reported that the new Evansdale campus design will provide the College of Physical Activity and Sports Sciences (currently housed in the WVU Coliseum) with its own space, as well as a new advanced engineering research building, a new Agricultural Sciences building and a new greenhouse. When coupled with a previously announced Student Wellness Center and upgraded recreation fields nearby, as well as a new art museum, the Evansdale campus will change dramatically in the next few years. The new buildings will feature state-of-the-art facilities and bigger classrooms, and enable more general education classes to be held on Evansdale, cutting down traffic to the downtown campus. An additional goal of the project is to make the Evansdale buildings and campus more aesthetically pleasing and accessible for pedestrians. Vice President Weese indicated that the goal is to finish the projects by 2014.

CONSENT AGENDA

Chairman Long called for any discussion of today's Consent Agenda items.

Ellen Cappellanti moved that **Consent Agenda Item 12(b)** *A Resolution authorizing the financing of capital improvement costs associated with the WVU Capital Plan through the issuance of Revenue Bonds in the aggregate principal amount of \$200,000,000; reimbursement of capital improvement costs incurred prior to issuance of such bonds; and authorizing the refinancing up to \$50,000,000 of the outstanding lease-purchase agreements previously entered by the West Virginia University Board of Governors* be pulled from today's Consent Agenda for a separate vote since her law firm will be involved in this matter and she wishes to recuse herself from a vote thereon. This motion was seconded by Dr. Nigel Clark and passed. Following a brief discussion, Diane Lewis moved that the West Virginia University Board of Governors approves **Consent Agenda Item 12(b) A Resolution authorizing the financing of capital improvement costs associated with the WVU Capital Plan through the issuance of Revenue Bonds in the aggregate principal amount of \$200,000,000; reimbursement of capital**

improvement costs incurred prior to issuance of such bonds; and authorizing the refinancing up to \$50,000,000 of the outstanding lease-purchase agreements previously entered by the West Virginia University Board of Governors, as presented. This motion was seconded by Thomas Flaherty, and passed with a notation that board member, Ellen Cappellanti, abstained from voting on this agenda item.

Ed Robinson moved that the Board accept the balance of the Consent Agenda items as presented in today's agenda booklet. This motion was seconded by J. R. Rogers, and passed.

Thereupon, the following Consent Agenda items were approved:

1. Multi-year Capital Budget and Approval of Selected Facility Projects

Resolved: That the West Virginia University Board of Governors accepts the Multi-year Capital Budget and approves the selected facility projects, as presented.

(Note: The Multi-year Capital Budget (as presented) was developed to support the 2020 Strategic Plan. The budget includes \$279 million for major capital projects with well-defined funding and timelines. It details the cost and timing of expenditures for each of these project as well as sources of revenue for project costs. The Multi-year Capital Budget also includes a series of projects which require additional funding from a future bond issue, fund raising, and/or commitment of funds by the state.)

2. Authorize Increasing WVU's Investment Authority With the WVU Foundation, Inc.

Resolved: That the West Virginia University Board of Governors grants approval to seek authorization from the Higher Education Policy Commission to increase WVU's investment authority with the WVU Foundation, Inc. to \$40 million or 65% of unrestricted net assets, which is the full amount authorized under Senate Bill 330.

3. Approval of Undergraduate Program Review Recommendations

Resolved: That the West Virginia University Board of Governors approves the Undergraduate Program Reviews conducted by the Undergraduate Council in this cycle, for the 2010/2011 academic year, as presented.

4. Approval Graduate Program Reviews

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

5. Planning and formation of a School of Public Health at the West Virginia University Health Sciences Center

Resolved: That the West Virginia University Board of Governors endorses the planning for a School of Public Health at West Virginia University Health Sciences Center.

6. Naming of a Student Housing Facility

Note: Chairman Long announced that a clerical error appeared within this Consent Agenda item as originally included in today's agenda booklet in that the correct name for the facility should be **Vandalia Hall** rather than **Vandalia Hall Blue and Gold**. A further note of clarification is that the complex itself is comprised of two buildings – one will be designated as the Gold building and the second unit the Blue building. It is noted that Board members were provided with a corrected copy of this Consent Agenda Item prior to today's vote thereon.

In light of the above, it is therefore Resolved: That the West Virginia University Board of Governors approves the naming of a student housing facility as Vandalia Hall.

7. Application for West Virginia Governor's Community Participation Program Funds Resolution

Resolved: That the West Virginia University Board of Governors approves the Resolution authorizing the application for West Virginia Governor's Community Participation Program Funds, as presented.

8. Appointment to County Extension Committees

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

OTHER BUSINESS AND GENERAL DISCUSSION

Chairman Carolyn Long expressed appreciation on behalf of the entire Board to outgoing members, Dr. Nigel Clark, Jo Morrow and Chris Lewallen for their dedication and service to West Virginia University. Each outgoing member received a Mountaineer statue as a tribute in acknowledgment of their time and contributions.

Chairman Long then introduced and welcomed our three incoming Board members, Lesley Cottrell, Dixie Martinelli and Jason Bailey.

Chairman Long reflected on her three years of service as Chair of the West Virginia University Board of Governors. She stated that although certain events were at times tumultuous, this group of dedicated Board members banded together to provide guidance, stability and growth for West Virginia University. She acknowledged the exemplary leadership of President James Clements as an integral component to the current success and vision of WVU and stated that she looks forward to working with President Clements and members of this Board during the balance of her term of service. During her concluding remarks she likened the University's ride to a cruise ship that now has booster rockets on it – moving at a pace no one could have imagined a few years ago

President Clements publically acknowledged the outstanding leadership Chairman Long provided the Board of Governors during a crucial period of transition at West Virginia University, in addition to mentoring new Board members and University officials, representing the Board at official functions, and fulfilling all other duties of the Chairman in a virtuous manner.

Chairman-Elect Drew Payne noted that Carolyn Long has given generously of her time, talent, and educational expertise in support of West Virginia University, has willingly responded to any request of the administration with assistance and advice, and has been a strong and articulate advocate to further the interests of West Virginia University. Accordingly, Ellen Cappellanti moved that the Board present a framed resolution to Chairman Long, articulating their collective appreciation for her service as Chairman of the WVU Board of Governors. This motion was seconded by James Dailey and passed.

ADJOURNMENT

Chair Long reminded everyone that our next regular meeting is scheduled for September 9, 2011 in Morgantown. There being no further business, Jo Morrow moved to adjourn the meeting. The motion was seconded by Dr. Tom Clark, and passed. The meeting was adjourned at 11:50 a.m.

Thomas V. Flaherty, Secretary