

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

September 12, 2008

The sixty-seventh meeting of the West Virginia University Board of Governors was held on September 12, 2008 at Erickson Alumni Center in Morgantown, WV. Board members in attendance were Ellen Cappellanti, Dr. Tom Clark, James Dailey (by telephone), Steve Goodwin, Jason Parsons, Dr. Steve Kite (by telephone), Ray Lane (by telephone), Carolyn Long, Oliver Luck, Paul Martinelli, Ted Mattern, Bill Nutting, Drew Payne, Parry Petroplus, Ed Robinson, and Dr. Charles Vest (by telephone). Note: BOG Chairman Emeritus, Curtis H. "Hank" Barnette also participated by telephone.

WVU officers, regional campus officers and representatives present were:

Interim President C. Peter Magrath;
Interim Chief of Staff, Jay Cole;
Interim Provost and Vice President for Academic Affairs and Research, E. Jane Martin;
Interim Vice President for Health Sciences, Fred Butcher;
Vice President for Administration, Finance & Human Resources, Narvel Weese;
Vice President for Student Affairs, Ken Gray;
Vice President for Advancement & Marketing, Chris Martin;
Vice President for Legal Affairs & General Counsel, & Assistant BOG Secretary, Bobbie Brandt;
Vice President for Research, Curt Peterson;
Vice President for Human Resources, Margaret Phillips;
Executive Officer for Policy Development, Jennifer Fisher;
Associate Director, Office for Social Justice, Charles Morris;
Associate Vice President for Finance, Dan Durbin;
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;
Associate Vice President for Facilities, Joe Fisher;
Associate Provost for Information Technology, Sid Morrison;
Associate Director-Organizational Advancement, WVU Extension Service, Ann Berry;
Dean of Students, David Stewart;
Staff Council Chair, Terry Nebel;
Faculty Senate Chair, Virginia Kleist;
Faculty Senate Chair-Elect, Nigel Clark;
Dean, Extended Learning Office, Susan Day-Perroots;
Director of Internal Audit, William Quigley;
Executive Director of Accounting, Reporting & Analysis, Anjali Halabe
Senior Associate Provost, Russell K. Dean;
Senior Advisor to the Provost, Nancy Lohmann;
Associate Provost for Academic Programs, Cheryl Torsney;
Assistant Vice President for Graduate Education, Jonathan Cumming;
Executive Director of Student Affairs Business Operations, Les Carpenter;
Director of Treasury Operations, David Kosslow;
President and CEO, Erickson Alumni Center, Stephen L. Douglas;
Executive Director, Internal Communications, Becky Lofstead;

Associate General Counsel, Shea R. Browning;
Associate General Counsel, Gary G. Furbee, II;
Executive Assistant to the President, Sara Master; and,
Special Assistant to the President, Valerie Lopez.

From WVU Foundation:

R. Wayne King, President and CEO;
Dorothy Dotson, Vice President - Investments & CIO; and,
Dale Hunt, Associate Vice President, - Investments.

From West Virginia University Institute of Technology:

Scott Hurst, Interim Campus Provost.

From Potomac State College of West Virginia University:

Kerry Odell, Campus Provost; and,
Deborah Cruse, Representative-Advisory Council of
Classified Employees.

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.

APPROVAL OF MINUTES

Ms. Cappellanti moved that the minutes of the meetings of May 30, 2008, June 6, 2008, July 8, 2008, and July 9, 2008 be approved. The motion was seconded by Mr. Martinelli and passed.

INTERIM PRESIDENT'S REPORT

Interim President, C. Peter Magrath, advised that his time thus far on the campus of West Virginia University has been invigorating. His range of remarks encompassed the following topics:

WVU Presidential Search: Interim President Magrath briefly addressed the presidential search process currently being formulated. He is confident that the outcome will be the creation of a first class search process to find superb and credible candidates for consideration as West Virginia University's next president.

Health Sciences: Interim President Magrath advised that a process was ongoing to assess/identify changes being recommended to increase the efficiency and effectiveness of the different groups working together within the departments comprising health sciences at West Virginia University. Dr. Magrath noted that the Interim Vice President for Health Sciences, Dr.

Fred Butcher, has put together an effective team to ascertain how all units/departments can work together more effectively in a changing health system environment. Dr. Magrath will monitor the situation and offer any assistance necessary to accomplish this review and resulting recommendations. Dr. Magrath, as Chair of the West Virginia University Health System, and Mr. J. Thomas Jones, its President and CEO, will be dealing with compensation issues of faculty at the Board of Directors meeting scheduled for next week.

Research: Interim President Magrath strongly believes that what we do in research is valuable – it is essential that research operations are geared to challenging entrepreneurship aggressiveness. This is one of the ways that this great university serves the state of West Virginia and the nation – in making sure we are geared up effectively to attract top-notch researchers. Dr. Magrath will be working with Vice President for Research, Curt Peterson, to move West Virginia University’s total research enterprise forward. Another important element within the research venue is the recently created Research Trust Fund (*Bucks for Brains*) which remains a high priority for this university by uniting public and private funds to make West Virginia’s economy more prosperous for future generations.

Unit Renamed: Dr. Magrath announced that the university’s public relations department, previously known as University Advancement and Marketing, has been renamed. This unit, under the direction of Vice President Christine Martin, will now be called “University Relations.”

BOARD ITEMS

FY 2008 Quarterly Financial Report, Key Monthly Indicators, and Major Capital Projects Status Report through June 30, 2008

Narvel Weese, Vice President for Administration and Finance, provided the Committee with a brief summary related to the FY 2008 Quarterly Financial Report, Key Monthly Indicators, and Major Capital Projects Status Report through June 30, 2008. Vice President Weese stated that overall, the university concluded its fiscal year with a positive operating margin, and that this was a very good year from a financial perspective.

Vice President Weese advised that the University’s independent auditors, Deloitte & Touche, are nearing the end of their annual audit, which should be completed in early October, 2008. It is anticipated that the university will receive an unqualified opinion, and a full report related to the audit findings will be presented to the Board at its November meeting.

Investment Report on WVU investments managed by the WVU Foundation

Vice President Weese introduced Dorothy Dotson, Vice President of Investments and Chief Investment Officer at the WVU Foundation – who distributed to Board members a comprehensive Investment Report , as of June 30, 2008, covering the three investment portfolios (each with an average balance of 53 million dollars) as managed by the WVU Foundation. Ms. Dotson then provided a brief overview of this report, which included a Market Recap, Endowment Summary, Non-Endowed Summary, WVU Unrestricted Investment Funds

Summary, WVU Research Corp. Investment Funds Summary, and Robert C. Byrd HSC (BRIM) Funds Summary.

Vice President Weese further indicated that WVU has a fourth investment portfolio – which is its largest (averaging 120 million dollars) – as managed by the Bureau of Treasury Investments (through the State Treasurer’s Office), and that an investment report covering this portfolio was being prepared for presentation to the Board at the November meeting.

Annual Report of Faculty Representative

Due to the illness of Board member/faculty representative, Dr. Steve Kite, the Annual Report of the Faculty Representative was moved for presentation at our November 7, 2008 regular meeting.

Annual Report of Faculty Representative

Mr. Paul Martinelli, Board member/classified staff representative, presented his final annual report to the Board, since he will be relinquishing his position on June 30, 2009, concluding eight years of service on the West Virginia University Board of Governors. Mr. Martinelli provided an overview of the Board membership and higher education governance during his tenure, as well as the current composition of full and part-time classified staff at WVU’s main and regional campuses. Mr. Martinelli also addressed issues related to the pending Salary Increases, effective October 1, 2008.

Chairman Long acknowledged Mr. Martinelli’s impressive service and contributions as a member of the West Virginia University Board of Governors and stated that she looked forward to working with him during the balance of his term.

Report – Impact of GASB Statement No. 45

Narvel Weese, Vice President for Administration and Finance, introduced Anjali Halabe, Executive Director of Institutional Accounting, Reporting & Analysis, who presented a report on the Impact of GASB Statement No. 45. Highlights from her presentation included the following: In 2004, the Governmental Accounting Standards Board (GASB) released statement 45 concerning Other Post Employment Benefits (OPEB) for retired public employees. OPEB’s include health care and other non-pension benefits after retirement such as medical, Rx, dental, vision, hearing, long-term disability, and life insurance. The intent of GASB 45 is to bring governmental accounting standards more in line with private company standards; quantify the value of OPEB promises governments have made to their employees; recognize the cost of benefits in periods when the related services are received by the employer; and, provide information about the extent of funding for promised benefits associated with past services and about potential demands on employer’s future cash flows. GASB 45 is effective from fiscal year 2008 (beginning July 1, 2007) for West Virginia Higher Education institutions. Employers must now recognize the OPEB costs when employees render their services and earn such benefits. GASB 45 is an accounting standard, not a law. It does not mandate the funding of OPEB benefits. It only requires the reporting of OPEB expense and liability.

EXECUTIVE SESSION

Mr. Martinelli moved that the West Virginia University Board of Governors go into executive session, pursuant to West Virginia Code §6-9A-4(b)(2)(A), for the purpose of discussing personnel issues, legal matters, a naming opportunity related to the new Erickson Alumni Center facility, and the appointment of Health Sciences representatives from Board of Governors members. The motion was seconded by Mr. Payne and passed, and the Board thereupon met in executive session. Following the discussion, Mr. Nutting moved that the Board rise from executive session. The motion was seconded by Mr. Payne and passed.

ACTIONS EMANATING FROM EXECUTIVE SESSION

Mr. Mattern moved that the current street surrounding the new Erickson Alumni Center facility be renamed and henceforth designated as One Alumni Drive. The motion was seconded by Mr. Petroplus and passed.

Mr. Martinelli moved that a nominating committee be formed (consisting of Ted Mattern, as Chair, along with Ed Robinson, Steve Goodwin, and Bill Nutting) to consider and submit to the Board recommendations for the appointment of BOG Members to the West Virginia University Hospitals Board of Directors, the West Virginia United Health System Board of Directors, and the West Virginia University Health Sciences Center National Advisory Council. This motion was seconded by Dr. Kite and passed.

CONSENT AGENDA

Chairman Long called for discussion of the Consent Agenda items. Dr. Clark moved that Item J of the Consent Agenda, identified as “School of Pharmacy Class Expansion Into the WVU HSC – Eastern Division” be voted on separately from the remaining Consent Agenda items. The motion was seconded by Mr. Martinelli and passed. Dr. Clark then moved for approval of the remaining Consent Agenda items, as presented. This motion was seconded by Mr. Martinelli, and the following items were approved.

1. Institutional Undergraduate Fee Waivers and Institutional Graduate and Professional Fee Waivers

Resolved: That the West Virginia University Board of Governors enter the report of the Institutional Undergraduate Fee Waivers for FY 2007-2008, at West Virginia University, West Virginia University at Parkersburg, West Virginia University Institute of Technology, and Potomac State College of West Virginia University into its minutes, and authorize the forwarding of the required report to the legislative auditor; and,

Resolved: That the West Virginia University Board of Governors enter the report of the Institutional Graduate and Professional Fee Waivers for Fall, 2007, Spring, 2008, and Summer, 2008 at West Virginia University into its minutes, and authorize the forwarding of the required report to the legislative auditor.

2. Revised FY 2009 Plan

Resolved: That the West Virginia University Board of Governors approves the modified FY 2009 Budget as presented.

3. Parking Lot Construction to Support the New Erickson Alumni Center

Resolved: That the West Virginia University Board of Governors approves the Faculty Apartment Demolition and Parking project with a budget of \$1,400,000.

4. Intermodal Transportation Facility and Parking Garage

Resolved: That the West Virginia University Board of Governors approves the Intermodal Transportation Facility and Parking Garage project with a budget of \$16,100,000.

5. Research Park Building Site Development Project for the Department of Energy (DOE)

Resolved: That the West Virginia University Board of Governors approves the building site project to be completed for the Department of Energy E-1 site in the Research Park.

It should be noted that Chairman Long received a letter from Board member, Parry Petroplus, requesting that, due to a miscommunication, his vote on this Consent Agenda item be changed to an abstention.

6. Financing and Reimbursement Resolution for Dadisman Hall Renovations

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

7. Financing and Reimbursement Resolution for the WVU Early Childhood Center

Resolved: That the West Virginia University Board of Governors approves the Financing and Reimbursement Resolution for the WVU Early Childhood Center as presented.

8. Financing and Reimbursement Resolution for an Intermodal Transportation Facility and Parking Garage

Resolved: That the West Virginia University Board of Governors approves the Financing and Reimbursement Resolution for an Intermodal Transportation Facility and Parking Garage as presented.

9. Appointment of BOG Committees

Resolved: That the West Virginia University Board of Governors approves the proposed BOG Committee structure for 2008-2009 as presented.

10. Approval of Extension of the Tenure Clock Policy

Resolved: That the West Virginia University Board of Governors approves the Extension of the Tenure Clock policy as presented.

11. Approval of Debt Policy

Resolved: That the West Virginia University Board of Governors approves the Debt policy as presented.

12. County Extension Committee Appointments

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

In reference to Item J, which was removed from the Consent Agenda to be voted on separately, Dr. Clark moved that the West Virginia University Board of Governors approves the **School of Pharmacy Class Expansion Into the WVU HSC – Eastern Division**. This motion was seconded by Mr. Petroplus and passed. It should be noted that Board member, James Dailey, abstained from the vote on this agenda item.

OTHER BUSINESS AND GENERAL DISCUSSION

Presidential Search Process

Since the West Virginia Higher Education Policy Commission approved an emergency rule related to Series 5 – Guidelines for Governing Boards in Employing and Evaluating Presidents – which provides, among other things, that the search procedure adopted by any governing board must be approved by the West Virginia Higher Education Policy Commission prior to being implemented, Chairman Long presented an overview of the draft presidential search process presented for approval by the West Virginia University Board of Governors. This overview included the search chronology, confidentiality oath, statement of desired presidential characteristics, issuing an RFP for a search firm/consultant, and the proposed search committee membership, as follows:

- 1 chair selected by the Board of Governors
- 3 faculty selected by the Faculty Senate Executive Committee
- 2 members of the Board of Governors (one shall be the current BOG Chair, who shall serve as the Vice Chair of the Search Committee)
- 2 classified staff selected by Staff Council
- 2 students selected by the Student Government Association (one shall be a graduate or professional student from Health Sciences)
- 2 administrators selected by the President
- 1 representative selected by the WVU Foundation
- 1 representative selected by the WVU Alumni Association
- 1 representative selected by the WVU Parents Club

15 official, voting members

Note: The WVU President shall serve as an advisor to the Board of Governors and the presidential search committee. Per the HEPC presidential search rule, the Chancellor of Higher Education shall serve the search committee in an ex officio, non-voting capacity.

Following a brief discussion, Ms. Cappellanti moved that the proposed search process, as presented, be approved by the Board, subject to approval by the West Virginia Higher Education Policy Commission. This motion was seconded by Mr. Martinelli and passed.

Mr. Nutting moved that former WVU President, Dr. Gene Budig, be selected as Chair of the WVU Presidential Search Committee. This motion was seconded by Mr. Petroplus and passed.

Ms. Cappellanti moved that Carolyn Long be selected as Vice Chair and Dr. Charles Vest be selected as the other BOG member to serve on the WVU Presidential Search Committee. This motion was seconded by Mr. Parsons and passed.

Dr. Vest commented that he was honored to be selected to participate in this process, and looks forward to working with all members of the search committee. Chairman Long advised that she will send letters to the remaining constituency groups, asking them to select their designated number of representatives by October 1st. Chairman Long will then schedule another Board meeting in early October, 2008 for submission/approval of the constituency representatives designated to serve on the WVU Presidential Search Committee.

Interim President Magrath commended the Board on its selection of Dr. Budig as Chair, stating that Dr. Budig is a true friend of West Virginia University and will devote the time and effort necessary to ensure a balanced, comprehensive, and credible search process.

Statement of Desired Presidential Characteristics

Since the West Virginia Higher Education Policy Commission approved an Emergency Rule related to Series 5--Guidelines for Governing Boards in Employing and Evaluating Presidents--which provides, among other things, that the search procedure adopted by any governing board shall contain a statement of desired characteristics for a new president, encompassing a list of elements including required and preferred qualifications and credentials, leadership experience, familiarity with public, land-grant, research universities, and commitment to the university's mission and fundamental principles – Chairman Long solicited public comments identifying attributes/characteristics for consideration in the search for the next President of West Virginia University. Below is a summary of these public comments:

- Someone with adequate experience in academic affairs
- Important that new president continues close working relationship with classified staff
- Someone with demonstrated leadership ability
- Someone with experience in managing complex organizations
- Someone with a balance of experience inside and outside West Virginia – has both state and national experience
- Someone who is appreciative of West Virginia's cultural values and interest in higher education
- Someone with demonstrated fund raising abilities
- Someone with an integral understanding of the function of a land grant university
- Someone who will maintain our focus as a student-centered university
- Someone with a clear understanding of and focus on diversity

Chairman Long welcomes additional submissions of desired attributes/characteristics - which will be incorporated into a draft statement of Presidential Attributes for Board approval and submission to the Presidential Search Committee.

Presentation to former Chair

Chairman Long presented Steve Goodwin with an engraved gavel in recognition of his tenure as previous BOG Chair and thanked him for his esteemed leadership and service in this capacity. Mr. Goodwin stated that he looks forward to continued participation as a member of this Board of Governors.

Other Business

Interim President Magrath suggested, for future Board meetings, that we allow up to thirty minutes for a presentation/discussion of issues important to higher education – which would have an impact on West Virginia University. Dr. Magrath will work with the Board chair in coordinating topics to be covered. After a brief discussion, it was the consensus of all members that this would be an interesting and beneficial addition to our agenda, which will be incorporated into our November meeting schedule.

NEXT MEETING

Chairman Long announced that the next meeting will be held on November 6-7, 2008.

ADJOURNMENT

There being no further business, Mr. Nutting moved to adjourn the meeting. The motion was seconded by Mr. Parsons and passed. The meeting was adjourned at 11:55 a.m.

John T. Mattern, Secretary