

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

February 10, 2017

The one hundred forty fifth meeting of the West Virginia University Board of Governors was held on February 10, 2017 in Morgantown, WV. Board members in attendance/participating by telephone included David Alvarez, Marty Becker, Thomas Flaherty, J. Thomas Jones, Thomas Heywood, Dr. Stanley Hileman, Diane Lewis, Dixie Martinelli, Julie Merow, Taunja Willis Miller, Ed Robinson, J. Robert (J.R.) Rogers, Benjamin Statler, Dr. Richard Turton, Dr. Kimberly Weaver, and William Wilmoth. Board member, Gregory Babe, was absent and excused.

WVU officers, divisional campus officers, representatives (and others) present included:

President, E. Gordon Gee;
Vice President, Legal, Government and Entrepreneurial Engagement, Rob Alsop;
Provost, Joyce McConnell;
General Counsel, Stephanie Taylor;
Vice President for Administration and Finance, Narvel Weese;
Dean of Student, Corey Farris;
Vice Provost, John Campbell;
Vice President for Research, Fred King;
Vice President for University Relations, Sharon Martin;
Executive Officer and Assistant Board Secretary, Jennifer Fisher;
President, West Virginia University Institute of Technology, Carolyn Long;
Interim President, Potomac State College of West Virginia University,
Jennifer Orlikoff;
Associate Vice President for Academic Affairs, WVU Health Sciences,
Louise Veselicky;
Vice President, Global Strategies and International Affairs, William Brustein;
Vice President for Diversity, Equity and Inclusion, David Fryson;
Chief Financial Officer for WVU Health Sciences, Paula Congelio;
Assistant Vice President for Entrepreneurship and Innovation, Mindy Walls;
Director, WVU LaunchLab, Carrie White;
Director, WVU Women's Business Center, Andrea McCardle;
Senior Associate Vice President for Administration and Finance, Dan Durbin;
Associate Provost for Undergraduate Academic Affairs, Sue Day-Perroots;
Director of News, April Kaull; 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, Thomas V. Flaherty, at 9:05 a.m. A roll call was taken to determine who was in attendance and a quorum established.

EXECUTIVE SESSION

Chairman Flaherty requested a motion that the Board go into Executive Session, under authority in West Virginia Code §§6-9A-4(b)(2)(A), (b)(9), and (b)(12) to discuss legal, personnel, and deliberative matters; matters not considered public records; matters related to construction planning, commercial competition matters, the purchase, sale or lease of property, and/or the investment of public funds. The motion was made by Ed Robinson, seconded by David Alvarez, and passed. Following the conclusion of Executive Session, Diane Lewis moved that the Board rise from Executive Session. This motion was seconded by Dr. Kimberly Weaver and passed. It is noted for the record that the board recessed at approximately 10:50 a.m. to participate in a public ceremony and reception regarding an important gift announcement for West Virginia University. The regular board meeting will resume following lunch.

SECOND CALL TO ORDER

The meeting was again called to order by Board Chairman, Thomas V. Flaherty, at 1:15 p.m. A roll call was taken to determine who was in attendance and a quorum established.

DISCUSSIONS EMANATING FROM EXECUTIVE SESSION

Chairman Flaherty stated that there were no actions emanating from today's Executive Session discussions.

BOARD PRESENTATION **Academic Affairs Updates**

Provost Joyce McConnell shared the following updates:

Campus response to White House travel ban:

WVU held an informational forum on Monday, January 30, in the Mountainlair regarding the recent travel ban. A vigil in support of our students and faculty from the targeted countries was held later that same night. Both events were extremely well-attended and received.

Since then, Dr. William Brustein and his team in the Office of Global Affairs have been taking the lead on providing both information and support to our affected campus community members. Many WVU faculty members are available to discuss issues related to the Executive Order and offer help and support to international students. They offer expertise in fields of

international law, refugee and asylum law, international strategy to higher education, immigration services, national security analyses, domestic and foreign policy, economics of terrorism and more.

General campus climate update:

Provost McConnell commented on the positive impact that the OneWVU brand (regional campuses being brought into branding) will have on our efforts to maintain unity on campus.

Provost McConnell also mentioned an e-mail sent from her office to faculty on February 9th. The theme of this email was targeting and harassment of faculty. This communication was extremely well received and there are plans to send future emails on related themes. Other themes may include the First Amendment on campus and how to have difficult conversations in the classroom.

Legislators' Forum recap:

A Legislator's Forum was held January 26th and 27th at the Waterfront Place Hotel in Morgantown. The forum addressed issues of where we are with public education in WV, how to develop the best funding models for public schools, and teacher preparation, among a large range of other topics related to education in West Virginia.

We invited the Education and Finance Committees of both Houses, plus legislative Leadership. We had 24 legislators attend, including several committee chairs. The event was very successful and a request was made to host a similar event next year.

National Jurist ranks WVU Law #2 in the country for law schools with the greatest community impact:

The National Jurist, a publication on legal education, recognized WVU's law students and faculty for serving more than 500 clients or client groups through its law clinic, as well as a host of pro bono cases and externships (40,000 hours, average of 123 hours per student.) The article also cited WVU's flood relief efforts and immigration law clinic, as well as many other WVU Law projects.

Engineering retention:

Prior to 2013, the percent of first-time full-time freshmen engineering students on probation at the end of the fall term was always around 20%. For the past four years, Robin Hensel and her team in Freshman Engineering have been aggressively working with students to reduce this number.

For Fall 2016, the number of first-time full-time freshman engineering students on probation at the end of the term is LESS THAN 100 and represents only 10% of that student population.

CIO search open:

The search for a new Chief Information Officer is now open, and the initial applicant pool revealed a lot of interest. The search committee is chaired by Maryanne Reed, dean of the Reed College of Media, and includes six other members from varying specialties across WVU. The new CIO will report directly to Vice Provost John Campbell and is expected to start in summer of 2017.

The Governor's School for Entrepreneurship:

WVU recently won a statewide bid to host the Governor's School for Entrepreneurship this year and in 2018. The residential summer program is for 60 students entering their sophomore, junior, and senior years of high school. It aims to help promising young entrepreneurs understand the commitment required to develop a start-up company and sustain it through sound business practices.

Faculty Achievements/Highlights:

- Travis Stimeling, an assistant professor of music history in the School of Music, has received a \$50,400 fellowship from the NEH to document the history of musicians and record production in Nashville from 1955 to 1973 during country music's "Nashville Sound" era. He is a scholar of commercial country and Appalachian traditional music and will be conducting musical transcription and analysis, listening to thousands of recordings to document the mechanics of how the music was made in this time period. This is our first NEH fellowship in 25 years—these are extremely selective.
- Amy Schissel, an assistant professor of painting in the School of Art and Design, has been awarded a \$25,000 grant from the Joan Mitchell Foundation's Painters and Sculptors program. Her work will address concerns in the art community about the future of the physical appreciation of the arts by hybridizing the languages of painting and digitalization. The grant will allow Professor Schissel to complete two installations in the summer of 2017.
- WVU alumna Yasmeen Juma was awarded second prize in the Graduate Student Design Category at the seventh "Yuan Ye" International Competition. Her project focused on addressing the challenges of wetlands and other natural environments in New York and on educating the community about the importance of protecting wetlands. Shan Jiang, an assistant professor of landscape architecture in the Davis College, was also recognized at the competition with the Excellence Guide Teacher Award.

- Scott Cushing, who earned his Ph.D. in Physics and Astronomy from WVU in 2015, has won the 2016 Council of Graduate Schools/ProQuest Distinguished Dissertation Award. Cushing was mentored at WVU by Nick Wu and Alan Bristow and is currently a postdoctoral fellow at the University of California, Berkeley.
- Kate Kelsey Staples, the associate chair of the Department of History, has been named the recipient of the 2016 Caperton Award for Excellence in the Teaching of Writing. The award is funded by former WV Governor Gaston Caperton and aims to increase awareness of the importance of good writing across academic disciplines. Staples teaches courses in Medieval Europe, British History, and women, gender and sexuality, among others.

WVU'S INNOVATION, DESIGN AND ENTREPRENEURSHIP (IDEA) ECOSYSTEM

Provost McConnell introduced Mindy Walls, Assistant Vice President for Entrepreneurship and Innovation, who shared exciting news that West Virginia University has a robust applied Innovation, Design and Entrepreneurship (IDEA) ecosystem that offers multiple resources to students, faculty, staff and community members aspiring to creatively think, learn and succeed.

The program's goals encompass creation of a coordinated approach (utilizing a Central Team, Deans Advisory Council, IDEA Faculty Fellows and Planning Committee) to establish and maintain an entrepreneurial mindset by exploring multiple pathways. Examples of these initiatives included:

- The WVU Women's Business Center: This new center is funded in part by a grant from the Small Business Administration. WV ranks 50th in the nation in women's workforce participation and this center will provide a wealth of untapped talent to enrich entrepreneurship and innovation. Assistant Vice President Walls introduced Andrea McCardle, the new Director of the Women's Business Center.
- WVU's LaunchLab – This unit is responsible for providing resources and networking support for students engaged in idea development. Success within this unit includes 454 clients since May, 2016; 150 attendees in two LaunchLab pitch competitions; 8 finalists in Statewide Collegiate Business Plan Competition; and 2 teams qualified for National Pitch Competitions. Assistant Vice President Walls introduced Carrie White, Director of WVU's LaunchLab.

At the conclusion of her presentation, Assistant Vice President Walls introduced two WVU students who shared inspiring testimonials related to their first hand experiences with these life changing entrepreneurial resources offered at West Virginia University.

BOARD PRESENTATION

2016 Financial Statements and Audit Report for West Virginia University

Vice President for Administration and Finance, Narvel Weese, and Senior Associate Vice President for Administration and Finance, Dan Durbin, provided the following overview related to the 2016 Financial Statements and Audit Report for West Virginia University, which documents are part of today's Consent Agenda for board approval:

- The FY 2016 Annual Financial Report includes:
 - The Auditor's Opinion (which is again this year an unqualified [clean] opinion)
 - Management's Discussion and Analysis
 - The combined financial activity for West Virginia University, Potomac State College of West Virginia University, West Virginia University Institute of Technology, West Virginia University Beckley Campus, West Virginia University Research Corporation and West Virginia University Innovation Corporation
- The actual results reported upon were influence by the following extraordinary and unique items:
 - 2020 Plan investments
 - Accounting requirements for non-cash items (GASB 45/OPEC & donated software amortization)
 - Increased operating costs
 - Tuition and enrollment pressures
 - Further reductions in state support
- Two "billion dollar" milestones were maintained in total revenues and net position (excluding GASB45/OPEB)
- Financial activity will involve continued investments in students, faculty and staff, an infrastructure
- Financial activity will involve continued growth in total revenues and net position

Conclusions, based on the Audited Financial Statements FY 2016, are that the University remains financially stable, with active investments in strategic items and active financial planning and implementation of transformational initiatives. The following additional observations were made:

- WVU is a strong, vibrant and vital part of the state of West Virginia and region. However, like many other institutions of higher education, WVU is facing an increasingly challenging operating and financial environment due to declining state support, an increasingly competitive enrollment environment, higher tuition discounting to keep tuition affordable, increasing operating costs and reductions in federal support.

- The University administration is taking active steps to meet these challenges through prudent financial planning and management practices designed to reduce costs, improve the efficiency and effectiveness of its operations and contracts, and maximize revenue opportunities.

APPROVAL OF MINUTES

David Alvarez moved that the minutes of the December 16, 2016 regular meeting, the January 18, 2017 special meeting, and the January 27, 2017 special meeting all be approved. The motion was seconded by William J. Robert (J.R) Rogers and passed.

COMMITTEE REPORTS

February 9, 2017 Audit Committee Meeting: Since Audit Committee Chair, William Wilmoth, needed to leave today's meeting following lunch, Audit Committee member, Thomas Flaherty, reported on yesterday's Audit Committee meeting during which committee members received a report from the Chief Financial Officer, retroactively approved a September 15, 2016 engagement letter from CliftonLarsonAllen and then moved to executive session – wherein they received a report from WVU's General Counsel, a report from the Director of Internal Audit, and an update related to WVU's Information Technology Services. Mr. Flaherty stated that there were no actions resulting from said Executive Session.

February 9, 2017 Joint Audit/Finance and Facilities and Revitalization Committee Meeting: Since Audit Committee Chair, William Wilmoth, needed to leave today's meeting following lunch, committee member Thomas Flaherty reported on this joint committee meeting and stated that while in Executive Session members of WVU's External Audit Firm, CliftonLarsonAllen, joined this joint committee meeting by telephone - along with the participation from other Board of Governors members (resulting in a quorum of all board members being present) – to facilitate a discussion and answer any questions posed by board members – related to the FY 2016 Financial Statements and Audit Report for West Virginia University as prepared by this firm.

Mr. Flaherty reported that the Audit Committee accepted and approved the FY 2016 Financial Statements and Audit Report for West Virginia University – and further that it was the recommendation of this joint committee that the full board accept and approve the FY 2016 Financial Statements and Audit Report for West Virginia University as part of today's Consent Agenda.

February 9, 2017 Academic Affairs and Accreditation Committee Meeting: Since this committee's chair, J. Thomas Jones, was not available to participate in this portion of today's meeting, BOG Chairman, Thomas Flaherty, reported that this committee met yesterday, during which there were Execution Session discussions, but that no board action was taken.

February 9, 2017 Joint Strategic Plans and Initiatives and Finance and Facilities and Revitalization Committee Meeting. Strategic Plans Committee Chair, Thomas Flaherty,

reported that this committee met yesterday, during which there were Execution Session discussions, but that no board action was taken.

PRESIDENT'S REPORT

President Gee's remarks touched on the following areas:

WVU's 150th Birthday Celebration: Today's meeting comes at a crucial moment for West Virginia University, as we take time to honor our past and set a course for our future. On Feb. 7, 1867, Governor Arthur I. Boreman signed the bill that created the Agriculture College of West Virginia, which became West Virginia University a year later. This week, we launched a year-long celebration of our 150 years as the state's land-grant flagship university. This anniversary is a time to reflect on our heritage, honor generations of successful graduates, and envision our next 150 years of transforming lives. Events will take place all year, including performances, symposiums, a WVU Day at the Legislature and more. As people who care about education, we should use this milestone to reassert the value of higher education in building a prosperous and healthy society and the importance of fearless inquiry and civil discussion. We must all commit to working harder than ever to empower our students and 1.8 million West Virginians. Let's make this 150th year a milestone on the way to an even more effective future.

Reynolds Gift to the College of Business and Economics: Just this morning, we announced a great example of forward-thinking ideas that build on our legacy of success. A \$10 million gift from Robert and Laura Reynolds to the College of Business and Economics will help to create a new business school complex—a collaborative community for our students and a hub of business activity. Bob Reynolds, who credits his faculty members here for nurturing his will to succeed, is president and CEO of Great-West Lifeco U.S., Great-West-Financial and Putnam Investments. Bob and Laura have long been generous donors to our University, and Bob is co-chairman of the WVU Foundation's highly successful State of Minds Campaign, which has raised more than \$1 billion. The new business school complex will rise on the waterfront, where Jerry West made basketball history in the old Mountaineer Field House. Now, as a leading sports executive and the father of a B&E alumnus, Jerry West himself is excited about this development. As Jerry said: "Building a new business school complex will help the university provide students with the academics and educational experiences they need to be the business leaders of tomorrow." I invite everyone to join me in thanking Bob and Laura Reynolds for helping us build on our past to create our future.

Housing Update: I want to update you on our housing occupancy following your decision last month to close Arnold Hall and convert the University Place south tower into a new residence hall, Seneca Hall, that has signed 282 residents out of the 450 total spaces. Also, at University Place, 467 of 472 spaces are now leased. We feel positive about the board's decision, which has given students a modern and attractive new residence hall and helped to solve occupancy challenges at University Place.

Legislative Session: The West Virginia Legislature started its 2017 session this week, and its members face difficult decisions in the months ahead. Declining coal revenues and large job losses in recent years have put our state in a tough position. In numerical terms, that means an estimated \$500 million shortfall in the state budget. From that stark beginning, the governor has proposed a balanced approach that targets wasteful spending and a cumbersome regulatory environment; generates additional revenues through a commercial activities tax, higher DMV fees and turnpike tolls and other means; investing in transportation system projects that will create jobs; and advancing industries with high growth potential, including natural gas, tourism and furniture manufacturing. I attended the governor's address, and I loved its optimism. It conveyed our need to move away from a scarcity mentality to an abundance mentality, with the belief that West Virginia's best days lie ahead. Our state has much to be proud of and much to offer the world. The governor's proposed budget includes some painful cuts, with the single largest being a \$5.9 million to our University's budget. Due to previous cuts, we are already on track to reduce spending by \$45 million, annually, by 2020. WVU has strong support from members within the current legislative community. Between now and the end of the session, lawmakers will consider many alternative plans, including proposals for much larger cuts. As they do, I hope that they remember that higher education is the best possible investment for the education, health and economic prosperity of all citizens of West Virginia.

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 Flaherty called for any discussion of today's Consent Agenda items, and asked whether any items needed to be pulled for a separate discussion/vote. President Gee advised that in reference to Consent Agenda Item 11 (c) *Appointment of BOG member to the West Virginia United Health System Board of Directors*, board member, Thomas Heywood, has accepted this appointment and will serve in said capacity. With no additional discussion, David Alvarez moved that the Board accept the Consent Agenda items as presented in today's agenda booklet, incorporating the statement above from President Gee. This motion was seconded by Marty Becker, and passed.

Thereupon, the following Consent Agenda items were approved:

1. Approval of New Degree Program: Health Informatics and Information Management

Resolved: That the West Virginia University Board of Governors approves the creation of a BS in Health Informatics and Information Management with an Undergraduate Certificate in the School of Medicine at WVU main campus.

2. Appointment of BOG member to West Virginia United Health System Board of Directors

Resolved: That the West Virginia University Board of Governors approves the appointment of board member, Thomas Heywood, as a representative serving on the West Virginia United Health System Board of Directors.

3. Receipt and Acceptance of the FY 2016 Financial Statements and Audit Report for West Virginia University

Resolved: That the West Virginia University Board of Governors approves the FY 2016 Financial Statements and Audit Report for West Virginia University, as presented.

NOTE: Item 11 (b) as listed on the Consent Agenda, namely, Organizational (Departmental) Changes at West Virginia University School of Dentistry, was incorrectly listed on the Consent Agenda when, in fact, this was an Information Only item for today's full board meeting.

OTHER BUSINESS AND ADJOURNMENT

Chairman Flaherty announced that the Board will conduct its next regular (April) meeting in Morgantown. There being no further business to come before the Board, David Alvarez moved to adjourn the meeting. The motion was seconded by Dixie Martinelli, and passed. The meeting was adjourned at 2:15 p.m.

Diane Lewis, Secretary