

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

February 7, 2003

The sixteenth meeting of the West Virginia University Board of Governors was held on February 7, 2003, at 12:50 p.m. in the Rhododendron Room of the Mountainlair. Board members in attendance were Hank Barnette, Betty Chilton, Stan Cohen, Steve Goodwin, Chris Gregory, Terry Jones, Vaughn Kiger, Joe Lopez, Paul Martinelli, Ted Mattern, Parry Petroplus and Tom Potter. Paul Gates, Doug Leech, and Rod Thorn were absent and excused.

A number of WVU officers, regional campus officers and representatives of the press were also present including:

From WVU:

President David C. Hardesty, Jr.;

Provost and Vice President for Academic Affairs and Research, Gerald Lang;

Vice President for Administration, Finance, and Human Resources, Scott Kelley;

Vice President for Institutional Advancement, Carolyn Curry

Vice President for Student Affairs, Ken Gray;

Vice President for Health Sciences, Bob D'Alessandri;

Chief of Staff, Margaret Phillips;

General Counsel, Tom Dorer;

Associate Provost for Academic Programs, Rosemary Haggett;

Associate Vice President for Finance, Gary Rogers;

Assistant Vice President for Facilities, Joe Fisher;

Sr. Associate Vice President for Health Sciences, Fred Butcher;

Associate Vice President for Health Sciences, Bob Biddington;

Director of Internal Auditing, Bill Quigley;

Special Assistant to the President, David Miller;

Special Assistant to the President/Provost, & Assistant BOG Secretary, Ginny Petersen;

Executive Assistant to the President, Sara Master;

Special Assistant to the Chief of Staff, Jennifer Fisher;

Assistant to the Vice President for Administration, Finance and Human Resources, Sherri Belmear;

Assistant to the Associate Vice President for Finance, Elizabeth Reynolds;

Special Assistant to the Vice President for Student Affairs, Mary Collins;

Director of University News Service, Becky Lofstead;

Director of Intercollegiate Athletics, Ed Pastilong;

Deputy Athletic Director, Mike Parsons;

Associate Athletic Director, Russ Sharp;

Head Coach, Women's Soccer, Nikki Izzo-Brown;

Professor and Chair of the Athletic Council, Sam Ameri;

Visiting ACE Scholar, Jacky Swansinger

From WVU at Parkersburg:

Erik Bitterbaum, Campus President and Regional Vice President, WVU

From West Virginia University Institute of Technology:

Karen LaRoe, Campus President and Regional Vice President, WVU;

Steve Goodman, Interim Executive Vice President for Academic Affairs;

From Potomac State College of West Virginia University:

Mary Rittling, Campus President and Regional Vice President, WVU.

A number of members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, Hank Barnette. He noted the absence of three members, and the reasons they were excused.

CHAIRMAN'S COMMENTS

Mr. Barnette reported that he has continued to have periodic conversations and meetings with the Governor and his Chief of Staff, that he is meeting with Alumni and Foundation leaders, and continues to meet frequently with individual University officers.

APPROVAL OF MINUTES

Mrs. Chilton moved that the minutes of the meetings of November 7, 2002 and January 27, 2003 be approved as written. The motion was seconded and passed.

PRESIDENT'S COMMENTS

President David Hardesty made a number of introductory announcements:

- A number of students and employees are being called to active duty in the military. The University is working to assist those called up, and students will receive withdrawals and refunds, etc. so as not to be penalized by the call-up.
- Vice President Ken Gray was recently the recipient of the "Strong Man & Woman Leadership Award" by the Dominion Corporation.
- Nikki Izzo-Brown, Women's Soccer Coach, is to be congratulated on her teams outstanding year.
- David Miller, Special Assistant to the President, was recently honored by his alma mater, Fairmont State, as an outstanding alum and basketball standout.

President Hardesty's prepared remarks offered an analysis of the financial situation facing the West Virginia University and other higher education institutions in West Virginia. He noted that the University is planning on a reduction in state support of approximately 13% for next year. Strategies to deal with such a revenue reduction include six actions: 1.) Keeping enrollment strong; 2.) Seeking Tuition and Fee increases; 3.) Pursuing legislation that would give the institution the flexibility needed to react to change and to achieve efficiencies; 4.) Streamlining campus processes; 5.) Seeking special funding to address the needs of the Health Sciences Center; 6.) Seeking funding to support enrollment growth, research projects, mandated changes in community colleges and other high priority projects. He noted that the goal was to continue growing through these challenging times, and to be academically stronger in the end. He commented that it will take the support of faculty, staff and students to achieve this goal. (His remarks were distributed and can be found at <http://www.nis.wvu.edu/wvu/BOGRemarks.htm>).

***Unless otherwise stated, all motions were passed unanimously.**

COMMITTEE REPORTS

Executive: Hank Barnette reported that the Executive Committee heard reports from the Executive Officer for Social Justice and the General Counsel, and discussed a proposed Code of Conduct and Conflict of Interest Policy, and the timeline for the mandated four year review of the President. He requested comments from members, and said these matters would be considered further at a future Board meeting. The committee also reviewed topics from the Retreat.

Academic Affairs: Tom Potter reported that the Academic Affairs committee had heard the report of Vice President for Health Sciences Bob D'Alessandri on the Robert C. Byrd Health Sciences Center. He noted that the HSC's complexity, its state-wide impact; its role as an economic engine; its expansion plans, its growing research program and its budget problems were the main topics of the presentation. The Committee also discussed closing two programs, changing a Mission Statement, and starting two new academic programs. The Committee also discussed items stemming from the Board Retreat, and Provost Jerry Lang described the impact the proposed budget reduction will have on faculty, staff and academic programming.

Business Affairs: Joe Lopez reported that the Business Affairs committee had received the reports of Undergraduate, Graduate and Professional Tuition Waivers, approved a laboratory upgrade, heard a report about the expansion plans of West Virginia University Hospitals, Inc.; reviewed quarterly financial indicators; learned of the successful upgrade of the Oracle Mapping project, and reviewed items from the strategic planning retreat.

Student Affairs: Betty Chilton reported that the Student Affairs Committee had received a report on the Carruth Counseling & Psychological Services Center from Director Cathy Yura. She noted the committee's interest in learning about still another way in which WVU addresses the needs of its students. The Student Affairs committee also discussed issues arising from the Board Retreat. President Hardesty distributed a copy of a Parent's Club newsletter from Virginia as an example of the growth exhibited by the Parent's Clubs.

University Relations: Terry Jones reported that the University Relations Committee had received a legislative briefing from David Miller, and discussed *Marketing for Effect* with Vice President Carolyn Curry. She displayed recent video, billboard and magazine "pieces", and noted that one of the video spots had captured first place in a national competition. A discussion of recruitment and other topics from the Board retreat followed.

INFORMATION ITEMS

Legislative Update:

Mr. Barnette noted that the President's report had served as a Legislative Update.

Athletic Department Report

Ed Pastilong, Director of Athletics, introduced three individuals: Russ Sharp, Assistant Athletic Director, who reported on the current status of the approved facilities projects under way; Nikki Izzo-Brown, Head Women's Soccer Coach, who reiterated her goal of achieving a national championship with her team; and Sam Ameri, Chairman of the Athletic Council, who noted the council's role in studying, reviewing, and making recommendations about the Department of Athletics. Mr. Pastilong commented that the Athletic Department is committed to Compliance, Academics, Performance and Support.

Faculty Representative Report

Professor Stan Cohen made a power-point and video presentation on the role of Faculty at West Virginia University. He titled his remarks "Where Greatness is Modeled." Dr. Cohen noted the limitations on the faculty representative's one year term on the Board of Governors because there is a learning curve associated with the BOG position, but remarked that the faculty are unlikely to change the procedure. He invited suggestions of how the faculty representative could be more effective.

External Auditors

Auditors from Deloitte & Touche announced that their audit of West Virginia University and the Regional Campuses had resulted in an Unqualified Opinion, that all practices had been found to be in accord with accounting standards, that they had the full cooperation of WVU officers and staff, and there were no unresolved issues to bring to the attention of the Board.

ACTION ITEMS

Based on discussions of each item at the respective Committee meeting, and with the recommendation for approval of each committee, Mrs. Chilton moved approval of the following action items:

1. Termination of the AAS degree in Environmental Technology

On behalf of the Academic Affairs Committee, that the West Virginia University Board of Governors approve the termination of the AAS in Environmental Technology at West Virginia University at Parkersburg effective June 1, 2003. The motion was seconded and passed.

2. Termination of the AS degree in Engineering

On behalf of the Academic Affairs Committee, that the West Virginia University Board of Governors approve the termination of the AS in Engineering at West Virginia University at Parkersburg effective June 1, 2003. The motion was seconded and passed.

3. Approval of a Revised Mission Statement

On behalf of the Academic Affairs Committee, that the West Virginia University Board of Governors approve the Revised Mission Statement for West Virginia University at Parkersburg. The motion was seconded and passed.

4. Approval of an AAS Degree in Forestry Technology

On behalf of the Academic Affairs Committee, that the West Virginia University Board of Governors approve the offering of the AAS degree in Forestry Technology at Potomac State College of West Virginia University. The motion was seconded and passed.

5. Approval for a Master of Science Degree in Integrated Marketing Communication

On behalf of the Academic Affairs Committee, that the West Virginia University Board of Governors approve the offering of a Master of Science Degree in Integrated Marketing Communication at West Virginia University. The motion was seconded and passed.

6. Acceptance of the Undergraduate Waiver Reports

On behalf of the Business Affairs Committee, that the West Virginia University Board of Governors enter the report of the Institutional Undergraduate Fee Waivers for Fall 2002, 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. The motion was seconded and passed.

7. Acceptance of the Graduate and Professional Waiver Reports

On behalf of the Business Affairs Committee, that the West Virginia University Board of Governors enter the report of the Institutional Graduate and Professional Fee Waivers for Fall, 2002 at West Virginia University and West Virginia University Institute of Technology into its minutes, and authorize the forwarding of the required report to the legislative auditor. The motion was seconded and passed.

8. Laboratory Upgrade Approval

On behalf of the Business Affairs Committee, that the West Virginia University Board of Governors approves the renovation of West Virginia University's Alfred F. Galli Laboratory located in the Engineering Sciences Building. The motion was seconded and passed.

9. Approval of Aesthetic Design of WVUH Parking Structure

On behalf of the Business Affairs Committee, that the West Virginia University Board of Governors approve the aesthetic design of the clinical expansion parking structure at WVUH. The motion was seconded and passed.

10. Approval of Presidential Review Timeline

On behalf of the Executive Committee, that the mandated four year review of the President be conducted according to a schedule during February – June, 2003. The motion was seconded and passed.

11. Selection of November 14, 2003 for a BOG meeting

Mrs. Chilton moved that November 14, 2003 be established as the meeting date for the November Board of Governors meeting. The motion was seconded and passed.

EXECUTIVE SESSION

Mrs. Chilton moved that the West Virginia University Board of Governors go into executive session pursuant to West Virginia Code §6-9A-4(2)(A) to discuss personnel and management issues. The motion was seconded and passed, and the Board thereupon met in executive session. Following the discussion, Mr. Potter moved that the Board rise from executive session. The motion was seconded and passed.

FURTHER ACTION ITEMS

Based on discussions in Executive Session, two additional action items were presented:

1. Honorary Degree Approvals

Based on a review of credentials, Dr. Cohen moved that the West Virginia University Board of Governors approve the nominees for Honorary Degrees as presented from West Virginia University, West Virginia University at Parkersburg, and Potomac State College of West Virginia University. The motion was seconded and passed.

2. BOA Appointment, West Virginia University at Parkersburg.

Based on a review of credentials, Dr. Cohen moved that the West Virginia University Board of Governors approve the appointment of Gregory K. Smith to the Board of Advisors of West Virginia University at Parkersburg. The motion was seconded and passed.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:00 p.m.

Virginia Petersen
Assistant Secretary

Remarks of David C. Hardesty, Jr., President, West Virginia University to Board of Governors—February 7, 2003.

Today, I want to offer analysis of our financial situation:

A sluggish national economy, decreasing state and federal reimbursements for health care, and increasing operating costs are changing campuses all across America.

The results: changes in the way we do business, higher tuition, a search for new state revenues, and increasing competition for students and funding.

West Virginia is no exception. On this campus, we expect our costs next year to exceed revenues by over 14%. Given that state funding to WVU has lagged behind all but one other State institution (Tech) over the last six years, and given the nature of what we do, this should come as no surprise.

The Governor has indicated that we will need to plan on a reduction of expenditures next year on the 4-year campuses of about 13%. The problem is not quite so severe at the community colleges, about half that number.

The increasing costs of insurance, job classification up grades, technology, operating costs, new programs, and decreasing federal and state reimbursements for the academic medicine make the problem even worse.

Our strategies are fairly straightforward.

- (1) We are attempting to keep enrollment growth strong. We are running well ahead of last year in applications and acceptances. Strong growth in the college age populations of other states is a special benefit to West Virginia University and other border colleges. But the decline in high school graduates in West Virginia is a challenge. The sluggish economy has also given a reason for many older students to pursue graduate education, resulting in increasing enrollment in our graduate programs. Enrollment next year on the main campus could grow another 500-1000 students. While growth will generate costs, we will see a net increase in revenues from growth. Regional campuses are pursuing the same strategy.
- (2) Second, we are seeking tuition and fee increases, without which I fear that both quality and access on our campuses will diminish. Maintaining quality is an absolute necessity for our students. The job market is tough; we must have excellent and distinctive programs for our students to compete. As I have said time and time again, our students need good degrees, not cheap degrees. We are hoping for a 9.5% increase on the main campus and at Tech, and about half that at the community colleges, including the community and technical college associated with Tech. Keep in mind that tuition at WVU's campuses are still a best buy, and we are talking about a dollar increase of about \$155 dollars each semester for West Virginia residents on this campuses. While the number is considerably higher for non-residents, we will remain competitive with our real competitors for those students. On our community college campuses, the increase would be much less. We think that such increases are manageable for our students, given the success of various scholarship programs in recent years and the State's heavy investment in both merit-based and need-based programs.

- (3) Third, we will pursue legislation giving us the flexibility to act quicker to meet the demands of the financial crises and achieve more flexibility in our operating procedures. The trick here will be to keep our accountability to taxpayers strong while achieving efficiencies.
- (4) We will also undertake streamlining of campus processes through consolidation, standardization, mergers and other cost saving measures. We will need to be bolder than in the past, because many obvious moves have already been made. One move we would like to make is to achieve a closer relationship with regional campuses, especially Potomac State College. This could save both campuses money and time. No one likes to change, but all of our campuses will have to. There is no option.
- (5) We are seeking special funding for our health sciences programs, which are experiencing higher budgetary demands than the rest of the campuses. We fear that failure to fund them adequately could diminish health care delivery around the state, given the way the states medical offices, hospitals and medical schools are now intertwined. We are also seeking medical malpractice reform. The problems with the system are real, and threatening WVU and other health care professionals.
- (6) Finally, if it can be done, we hope the legislature will find the money to fund our enrollment growth, continue State funded research projects started last year, and mandated changes at the community colleges, and other high priority projects around the state.

To date, we are relying on these measures and attrition to balance the budget. If we can not achieve this agenda, the problems will be more acute, especially in health science programs, but all across our campuses.

We are also relying on the expertise of our combined management team, including persons on the regional campuses and in the field, a team both experienced and highly qualified. They are coming up with ideas to save money, and for their help, I am truly grateful.

Finally, we will count on an unselfish attitude and cooperative spirit among our faculty, staff and students, without which, both the quality of our programs and the quality of our workplace will diminish.

I am optimistic that all of our campuses can do what they need to do. There are still clouds in the skies, but the sun is peaking through. WVU is growing, getting academically stronger, doing excellent research work, and contributing to the state's recovery through service and economic development.

Thank you for the role you are playing in keeping WVU strong in what are admittedly tough times. We have gotten through a lot tougher times than these—the depression, two wars, the post war period of rapid growth and other times of stress. We will get through this time, and in the process, build an even strong university to serve our state and nation.

dch