

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

June 5, 2014

The one hundred twenty-third meeting of the West Virginia University Board of Governors was held on June 5, 2014 at WVU Jackson's Mill. Board members in attendance/participating by telephone included James R. (Rob) Alsop, David Alvarez, Dr. Lisa DiBartolomeo, Ryan Campione, Ellen Cappellanti, James W. Dailey, II, Thomas Flaherty, Dr. Robert Griffith, J. Thomas Jones; Raymond Lane, Diane Lewis, Dixie Martinelli, William Nutting, Andrew A. Payne, III, Ed Robinson, J. Robert (J.R.) Rogers, and William Wilmoth.

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

President, E. Gordon Gee;
Former WVU Presidents, Dr. Gene Budig and Dr. Peter Magrath;
Vice President for Legal Affairs and General Counsel & Assistant
BOG Secretary, William H. Hutchens, III;
Chief of Staff, Jay Cole;
Vice President for University Relations, Sharon Martin;
Vice President for Student Affairs, Ken Gray;
Vice President for Research, Fred King;
Vice President for Health Sciences Research & Graduate Education, Dr. Glenn Dillon;
Vice President, Planning and Operations for Health Sciences, Dr. Fred Butcher;
Chief Financial Officer for WVU Health Sciences, Wendy King;
Senior Director of Accounting and Reporting for WVU Health Sciences, Paula Congelio;
Senior Associate Provost, Russell Dean;
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 and Services, Randy Hudak;
West Virginia University Institute of Technology President, Carolyn Long;
Potomac State College of West Virginia University President, Leonard Colelli;
Student Affairs Chief Business and Planning Officer, Les Carpenter;
Associate Provost for Engagement and Outreach, Gypsy Denzine;
Associate Provost for Graduate Academic Affairs, Katherine Karraker;
Attendees from WVU Extension Service included:

- Steve Bonanno, Interim Director
- Cindy Fitch, Program Unit Director, Families and Health
- Mark Fullen, Interim Program Unit Director, Community, Economic and Workforce Development
- Jessie Momen, Director, Office of Finance and Business
- Kim Suder, Director, Extension Human Resources
- Brent Clark, Director, Development
- Jennifer Ours Williams, Program Unit Director, Ag and Natural Resources

- Debbie McDonald, Program Unit Director, 4-H Youth Development
- Ann Bailey Berry, Associate Director, Organizational Advancement
- Cassie Waugh, Communications Specialist
- Ron Davis, Assistant Director, Technology
- Brian Gallaher, Writer/Editor
- Robin Rupenthal, Sr Administrative Assistant, Director's office
- Chad Proudfoot, 4-H Program Coordinator for Cultural Resources
- Adam Stiles, Computer and Network Support
- Mark Whitt, Agent, Mingo County
- Jen Robertson-Honecker, Specialist, STEM
- Truman Wolfe, Interim Assistant Director, Jackson's Mill Operations

Director of University Relations/News, John Bolt;
 Classified Staff President, Lisa Martin;
 WVU's ACCE representative Paul Martinelli;
 SGA President, Chris Nyden;
 Special Events Assistant, Camille Sennett; and,
 Special Assistant to the Board of Governors, Valerie Lopez.

Members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, James W. Dailey, II, at 10:00 a.m. Chairman Dailey thanked everyone involved from WVU Extension Service for hosting today's meeting at Jackson's Mill, after which Chairman Dailey made the following statement to set the tone for the day: "We are honored to have with us today three gentlemen who combined represent more than 75 years of successful and inspiring university executive leadership. Together, they have provided more than three-quarters of a century of leadership and vision to advance the ideals of access, excellence, and opportunity that are the pillars of American higher education. As we gather in this special place to celebrate the centennial of the Smith-Lever Act and 100 years of the Cooperative Extension Service, the defining characteristic of land-grant universities and their mission of service to the people, I think it is especially appropriate to recognize the historic contributions of Gene Budig, Gordon Gee, and Peter Magrath not only to WVU and West Virginia, but also to the development of an American higher education system that is the envy of the world."

WELCOME AND WVU EXTENSION HIGHLIGHTS

Steve Bonanno, Interim Director, and Ann Bailey Berry, Associate Director of WVU Extension Service, welcomed everyone to Jackson's Mill and shared the following items under the heading "I didn't know WVU Extension Service did that."

Did you know that WVU Extension Service:

- Was started by an Act of Congress – taking the people's university to the people – and celebrates its 100th anniversary in 2014.

- Is the third largest academic unit at WVU – with 475 employees, 190 faculty agents and subject-matter specialists – and participates in the promotion and tenure system.
- Has offices in all 55 counties in West Virginia – which locations serve as the front door to WVU and are the first connection many students have to college. In fact, these communities are our classrooms.
- Is part of a national network within land-grant colleges and universities throughout the United States – there are 74 land grant universities and colleges; 51 Cooperative Extension Systems within the U.S. and DC; and approximately 2,900 total Extension Service offices across the country.
- Is complex and cooperative – with a \$42 million budget – funding sources include federal, state, county, grants and foundation – and our Extension Service is part of the West Virginia State Code.
- Does research – with several agencies/departments/foundations under the following areas: 4-H Youth Development, Agriculture and Natural Resources, Community, Economic, and Workforce Development, and Families and Health – with \$8.1 M Total Sponsored Activity in FY 2013-2014.
- We're cows and plows ... and more – doing expanded work in the areas of diabetes education, worker safety, energy express, community leadership and healthy lifestyles.
- We are youth development experts – 1 in 4 WV youth participate in a 4-H program (80,000+) – we have research-based educational programs for youth – we receive national and international recognition for camping efforts – all of which provide opportunities for recruitment and research. WVU Jackson's Mill – became a state facility in 1921 – is comprised of 525 acres – includes the State Fire Training Academy - was the first state 4-H camp in the nation – and is used by outside organizations for events like Boys State and band camps.
- Is traditional and progressive – WVU Extension Garden Service Calendar reaches 90,000+ homes – Ask the Expert brings new audiences to WVU Extension and leads to a marked increase in followers.
- Extension agents are WVU faculty and ARE THE FACE OF WVU IN EVERY COUNTY.

EXECUTIVE SESSION

Chairman Dailey requested a motion that the Board go into Executive Session, under authority in West Virginia Code § 6-9A-4(b)(2)(A), (9), (12) to discuss legal and deliberative matters; personnel matters; and/or matters related to commercial competition. The motion was made by Dixie Martinelli, seconded by Ryan Campione, and passed. Following the conclusion of Executive Session, Thomas Flaherty moved that the Board reconvene into regular session. This motion was seconded by R. Robert (J.R.) Rogers, and passed.

PRESENTATION AND APPROVAL OF TUITION AND FEES FOR THE UPCOMING ACADEMIC YEAR

Russell Dean, Senior Associate Provost for Academic Affairs, and Christopher C. Colenda, Chancellor for WVU Health Sciences, provided an overview of the proposed tuition and fee structure, as follows:

General University and Divisional Campus Increases for 2013-14 (per semester)

Resident Undergraduate Increases:

WVU – 7.81% or \$252

Potomac State College (bachelor's) – 4.65% or \$96

WVUIT – 4.13% or \$120

Non-resident Undergraduate Increases:

WVU – 4.03% or \$396

Potomac State College (bachelor's) – 1.86% or \$96

WVUIT – 3.94% or \$288

Resident Graduate Increase:

WVU – 7.98% or \$288

Non-resident Graduate Increase:

WVU – 3.99% or \$405

Housing (double room)

WVU – 2.0% or \$49

Potomac State College – 4.50% or \$76

WVUIT – 0% or \$0

Dining (20 meal plan)

WVU – 3.24% or \$71

Dining (19 meal plan)

Potomac State College – 4.5% or \$93

WVUIT – 3.0% or \$54

WVU Health Sciences

All Health Sciences charges have been re-cast for consistency with the General University charges for University Tuition. The changes which had no impact to the total amount charged to students are displayed in the columns titled "Standardizing University Tuition". All increase calculations are based on these revised charges in order to show the actual increases and decreases that students will realize for the upcoming academic year.

Resident Undergraduate Increases:

Nursing – 7.18% or \$312

Dental Hygiene – 3.2% or \$144

Medicine – 5.42% or \$216

Resident Undergraduate Decreases:

Medical Laboratory Science¹ – -1.20% or -\$48

MDS Human Performance¹ – -4.82% or -\$192

Non-resident Undergraduate Increases:

Nursing –1.53% or \$169

Dental Hygiene – 3.78% or \$468

Medicine – 3.91% or \$468

Resident Undergraduate Decreases:

Medical Laboratory Science¹ – -3.41% or -\$408

MDS Human Performance¹ – -7.01% or -\$840

Resident Graduate Changes range from a -14.43% to 9.83% or -\$774 to \$531.

- Occupational Therapy has a decrease of 14.43% or \$774.¹
The actual annual cost will be \$12,240 which is a 5.70% increase compared to last year.
- Public Health Masters and Doctorate have the highest increase of 9.83% or \$531.

Non-resident Graduate Changes range from a -19.09% to 7.45% or -\$2,727 to \$1,071.

- Occupational Therapy has a decrease of 19.09% or \$2,727.¹
The actual annual cost will be \$30,816 which is a 2.07% increase compared to last year.

¹ The semester rate was adjusted to account for elimination of the summer rate previously used. The same rate will now be used for full-time students in each of the three terms in the academic year. These programs require part-time enrollment in at least one summer term.

- Public Health Masters and Doctorate has the highest increase of 7.45% or \$1,071.

Resident Graduate Professional Changes range from a decrease of 29.50% to an increase of 7.95% or -\$3,924 to \$675.

- Beginning in FY15 Medical Professional students will be enrolled full time for three semesters each year for their first three years. To accommodate this change the per semester rate for years one through three was decreased 29.50% or \$3,924. The actual annual cost will be \$28,134 which is a 5.75% increase compared to last year.
- Physical Therapy has a decrease of 18.14% or -1,107². The actual annual cost will range between \$13,875 and \$14,985 depending on the amount of summer enrollment required that are changes ranging from 5.13% to 11.15% compared to last year.
- Pharm D. – years 1 and 2 have the highest per semester increase of 7.95% or \$675.

Non-resident Graduate Professional Changes range from a decrease of 30.72% to an increase of 4.16% or -\$8,145 to \$756.

- Beginning in FY15 Medical Professional students will be enrolled full time for three semesters each year for their first three years. To accommodate this change the per semester rate for years one through three was decreased 30.72% or \$8,145. The actual annual cost will be \$55,107 which is a 3.94% increase compared to last year.
- Physical Therapy has a decrease of 25.72% or -\$4,113.² The actual annual cost will range between \$33,000 and \$35,640 depending on the amount of summer enrollment required that are changes ranging from -2.61% to 3.53% compared to last year.
- Pharm D. – years 1 and 2 have the highest per semester increase of 4.16% or \$756.

NOTE: A detailed listing of all tuition charges and fees for each campus is contained within today's meeting agenda booklet (in addition to supplemental meeting materials prepared/distributed related to tuition charges and fees.)

BOARD ACTION: Following a brief discussion, Thomas Flaherty moved that the Board approve the Tuition and Fees for the Upcoming Academic Year, as presented. The motion was

² The semester rate was adjusted to account for elimination of the summer rate previously used. The same rate will now be used for full-time students in each of the three terms in the academic year. This program requires varying levels of summer part-time enrollment between each semester.

seconded by James R. (Rob) Alsop and passed by a majority vote of the Board. It is noted that Board member and student representative, Ryan Campione, voted against the tuition and fee schedule, as presented, and asked to make the following statement on the record: “This is an issue that has kept me up the last several nights. I sympathize with the situation WVU is currently in, while trying to maintain a quality education. I would really like to encourage the State of West Virginia to come together as a whole and invest in higher education.”

PRESENTATION AND APPROVAL OF FY 2015 BUDGET AND FIVE YEAR FINANCIAL PLAN

Elizabeth Reynolds, Associate Vice President for Planning and Treasury Operations, presented an overview of the proposed FY 2015 Budget and Five Year Financial Plan, as follows:

The FY2015 Budget and Five Year Financial Plan have positive margin in all years after adjustments for the effect of GASB 45, the amortization of the large software gift that was recorded in a previous year and unrealized gains from investments.

FY 2015 Budget Overview

The FY2015 Budget includes operating and non-operating expenditures of \$981 million and \$979 million of revenues. The budget anticipates an increase in net assets of approximately \$13 million adjusted for GASB 45, amortization of donated software, and unrealized investment gains/(losses). Net Position is planned to increase by \$624,000.

Operating Revenues of \$723.2 million are projected and reflect the following major planning assumptions:

- Average tuition and fee increases of approximately 8.0% for resident students and 4.0% for non-resident students
 - o Institutionally funded student financial aid will be increased by an equivalent percentage
- No growth in grants and contracts revenues compared to FY2014
- Housing and Dining increases of 2% and 3.5% respectively.
- Increased Athletics conference revenues

Operating Expenses of \$946.6 million are planned and reflect the following major planning assumptions:

- \$507 salary increase program
- Budget reductions to address the reduction in state appropriations
- Supplies and Other Services expense increase of approximately 2.25%

- \$20 million in depreciation and amortization due primarily to amortization of a software donation
- Additional debt to support the PRT Modernization – Phase II, Athletics Master Plan, and HSC Infrastructure Master Plan

Non-Operating Revenues/(Expenses) of \$220.8 million are budgeted and reflect the following major planning assumption:

- State appropriations at the level approved for FY 2015 during the last legislative session, reflecting a 3.75% reduction from the FY2014 appropriation, funding for a portion of the pay raise and a reduction in Pop Tax revenues
- Additional debt to support the PRT Modernization – Phase II, Athletics Master Plan, and HSC Infrastructure Master Plan

Addressing the State Budget Cut

The FY2015 Budget incorporates the changes necessary to address the state budget reduction as well as other budgetary issues.

Specifics about the actions taken in regard to the budget reduction can be found in the “FY2014 Budget Reduction Plan” appearing in today’s meeting agenda booklet as Item 10(a) under Information Items.

Financial Planning Parameters

WVU remains committed to ensuring the financial strength of the University. WVU will:

- Maintain positive operating margin adjusted for GASB 45, donated software amortization, externally funded capital projects and unrealized investment gains/(losses)
- Maintain cash reserves
- Preserve its current bond rating
- Continue investments in core mission and the long-term quality of the institution

NOTE: A detailed summary related to the Approval of the FY 2015 Budget and Five Year Financial Plan is contained within today’s meeting agenda booklet (in addition to supplemental meeting materials prepared/distributed related to the FY 2015 Budget and Five Year Financial Plan.)

BOARD ACTION: Following a brief discussion, David Alvarez moved that the Board approve the FY 2015 Budget and Five Year Financial Plan, as presented. The motion was seconded by Andrew A. Payne, III, and passed by a majority vote of the Board.

DISCUSSIONS EMANATING FROM EXECUTIVE SESSION

Chairman Dailey reported that during today's Executive Session Board members had an enlightening visit with Drs. Budig and Magrath to discuss the future of West Virginia University. In addition, they received a report from President Gee related to WVU and the state. Finally, legal overviews were provided by General Counsel & Assistant BOG Secretary, William H. Hutchens, III. Chairman Dailey announced that nothing discussed in today's Executive Session required Board action.

APPROVAL OF MINUTES

James R. (Rob) Alsop moved that the minutes of the April 4, 2014 meeting be approved. The motion was seconded by William Wilmoth, and passed.

COMMITTEE REPORTS

Finance Committee Meeting: William Nutting, Chairman of the Finance Committee, was not available to present the committee reports from the May 23, 2014 and May 30, 2014 meetings. However, committee member, Andrew A. Payne, III, reported that this committee received comprehensive reports related to budget plans, state appropriations, tuition revenue models, and expense contingency plans. Chairman James W. Dailey, II, also reported (as an ex-officio member of this committee) as to how robust and engaged this committee has been.

Facilities and Revitalization Committee Meeting: Committee Chairman, Diane Lewis, reported that this committee met yesterday in Stewart Hall, and that during this committee meeting members were briefed on the following items that are included as agenda items for today's regular Board meeting, namely:

- Major Capital Projects Update; and,
- The Blanchette Rockefeller Neurosciences Institute (BRNI) Shell Space Fit-Out to House the Clinical Trials Research Unit. (Chairman Lewis added that this committee recommended approval of this agenda item during today's regular Board meeting.)

Audit Committee Meeting: Committee Chairman, Thomas Flaherty, reported that this committee met yesterday in Stewart Hall, which meeting was also attended by other members of the board. The committee first received a report from Senior Associate Vice President for Finance, Dan Durbin, on behalf of Vice President for Administration and Finance, Narvel Weese (WVU's Chief Financial Officer.) Mr. Durbin's report provided an update on the status of the Internal Auditor Search, and a request for approval of Dixon Hughes Goodman to conduct the annual audit of the WVU Research Corporation's 403b Defined Contribution Plan and 403b Tax Deferred Annuity Plan. Chairman Flaherty reported that the Audit Committee approved the May 5, 2014 engagement letter from Dixon Hughes Goodman and authorized him to execute the same on behalf of the WVU Board of Governors Audit Committee. Mr. Durbin then introduced four members from WVU's new external auditing team, CliftonLarsonAllen, who provided an overview of the firm's background and methods involved in conducting their audit of financial statements. During Executive Session, the Audit Committee received reports from the Interim

Director of Internal Auditing, Doug Maatman, along with members of his staff, covering (a) internal and external auditing activity and (b) the Internal Audit Office Annual Report for FY 2013-2014, in addition to a brief report from Vice President for Legal Affairs and General Counsel, & Assistant BOG Secretary, William H. Hutchens, III. Chairman Flaherty also announced that the Audit Committee decided to move forward with a Self Assessment Survey, in accordance with best practices and our Audit Committee charter.

Nominating Committee: Nominating Committee Chairman, Andrew A. Payne, III, thanked the other members of this committee, namely, Rob Alsop, David Alvarez and Diane Lewis, and stated that the committee met via telephone and now recommends the following slate of officers for the upcoming year: James W. Dailey, II, Chair, Thomas Flaherty, Vice-Chair, and Ellen Cappellanti, Secretary. Committee Chairman Payne therefore moved that the Board accept the slate of nominations as presented by this committee. This motion was seconded by James R. (Rob) Alsop, and passed.

PRESIDENT'S REPORT

President Gee provided a general update about the progress on his commitment to visit all 55 counties by the end of summer. He also underscored the importance of Extension serving in each of the 55 counties, acknowledging the 100th anniversary of the Smith-Lever Act and the great treasure we have in Jackson's Mill. He also provided personnel updates including new hires as well as recognizing several retirements.

INFORMATION ITEMS

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

CONSENT AGENDA

Chairman Dailey called for any discussion of today's Consent Agenda items, and asked whether any items needed to be pulled for a separate discussion/vote. There being none, Andrew A. Payne, III moved that the Board accept the Consent Agenda items as presented in today's agenda booklet. This motion was seconded by Dixie Martinelli, and passed

Thereupon, the following Consent Agenda items were approved:

1. 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 2013-2014 academic year, as presented.

2. Approval of 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.

3. Approval of West Virginia University Board of Governors Amended Policy 44, Policy Regarding Sexual Misconduct (title to be changed to Policy Regarding Discrimination, Harassment, Sexual & Domestic Misconduct, Stalking, and Retaliation)

Resolved: That the West Virginia University Board of Governors approves the amended Policy 44, Policy Regarding Sexual Misconduct (title to be changed to Policy Regarding Discrimination, Harassment, Sexual & Domestic Misconduct, Stalking, and Retaliation), as presented.

4. The Blanchette Rockefeller Neurosciences Institute (BRNI) Shell Space Fit-Out to House the Clinical Trials Research Unit

Resolved: That the West Virginia University Board of Governors approves the BRNI Shell Space Fit-Out for the Clinical Trials Research Unit project with a total cost of \$3.5 million, as presented.

5. Approval of New Major: Technical Studies: General, PSC within the Technical Studies Degree Program

Resolved: That the West Virginia University Board of Governors approves the creation of a second major under Technical Studies, Technical Studies: General, Potomac State College, as presented.

6. 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

Chairman Dailey recognized Wendy King, Chief Financial Officer for WVU Health Sciences, for her service to the university as she prepares to move out of state. Paul Congelio, who will be replacing Ms. King as chief financial officer, was introduced.

Chairman Dailey expressed appreciation of behalf of the entire Board to outgoing student government representative, Ryan Campione, stating that Ryan served as an outstanding member of the Board of Governors, that he was a tremendous leader for his constituency, and that we look forward to his continued service as he accepts a position at West Virginia University. Chairman Dailey presented Ryan with a small gift (an engraved clock) in acknowledgement of his service on this Board. Ryan thanked all members of the Board for an amazing learning opportunity. Ryan also introduced Chris Nyden, the next student representative to serve on the Board of Governors.

Chairman Dailey announced that Dr. Robert Griffith was re-elected as one of our Faculty Representatives to serve for another two year term.

Faculty Representative, Dr. Lisa DiBartolomeo, briefed the board on new General Education requirements, as follows: The new General Education requirements reduce the overall number of required hours, thereby facilitating graduation completion and easing transfer from

other institutions. Dr. Nigel Clark and Dr. Lisa Di Bartolomeo worked to revise the existing curriculum in conjunction with the AAUP LEAP outcomes (http://www.aacu.org/leap/documents/EssentialOutcomes_Chart.pdf), as well as to maintain the current breadth of liberal-arts education, while capitalizing on the diverse course offerings currently in the General Education Curriculum. Faculty, students, and advising staff will find the new system simpler for advising, while the current courses on offer will continue, causing little to no disruption between the old system and the new one.

ADJOURNMENT

There being no further business to come before the Board, Diane Lewis moved to adjourn the meeting. The motion was seconded by William Wilmoth, and passed. The meeting was adjourned at 4:00 p.m.

Ellen Cappellanti, Secretary