

**WEST VIRGINIA UNIVERSITY**  
**BOARD OF GOVERNORS**

November 16, 2012

The one hundred fifth meeting of the West Virginia University Board of Governors was held on November 16, 2012 at the Erickson Alumni Center. Board members in attendance/participating included David Alvarez, Ellen Cappellanti, Dr. Lesley Cottrell, James W. Dailey, II, Thomas Flaherty, Dr. Robert Griffith, Diane Lewis, Raymond Lane, Dixie Martinelli, William Nutting, Andrew A. Payne, III, Zach Redding, Ed Robinson, J. Robert (J.R.) Rogers, and William Wilmoth. Board members, Dr. Tom Clark and Dr. Charles Vest, were absent and excused.

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

President, James P. Clements;  
Chief of Staff, Jay Cole;  
Provost and Vice President for Academic Affairs, Michele Wheatly;  
Vice President for Administration and Finance, Narvel Weese;  
Vice President for Legal Affairs and General Counsel & Assistant  
BOG Secretary, William H. Hutchens, III;  
Vice President for Student Affairs, Ken Gray;  
Vice President for University Relations, Chris Martin;  
Interim Vice President for Research, Fred King;  
Athletic Director, Oliver Luck;  
Vice President for Human Resources, Margaret Phillips;  
Associate Vice President, Academic Strategic Planning, Dr. Nigel Clark;  
Senior Associate Provost, Russell Dean;  
Chief Diversity Officer, David Fryson;  
Health Sciences Center Vice President for Research and Graduate Education, Dr. Glenn  
Dillon  
Director of Internal Audit, William Quigley;  
Executive Officer for Policy Development, Jennifer Fisher;  
Senior Associate Vice President for Finance, Dan Durbin;  
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;  
Assistant Vice President for Finance, Anjali Halabe;  
Associate Vice President for Facilities, Randy Hudak;  
Associate Vice President for Student Affairs, Michael Ellington;  
Interim Dean of Students and Director of Housing, G. Corey Farris;  
Director of Communications for Student Affairs and Executive Director of  
Mountaineer Parents Club, Sabrina Cave;  
Student Affairs Chief Business and Planning Officer, Les Carpenter;  
Assistant Vice President for University Communications, Becky Lofstead;  
Accreditation and Planning Officer, Academic Strategic Planning, Elizabeth  
Hamilton;  
West Virginia University Institute of Technology, Chief Executive Officer,  
Carolyn Long;

Potomac State College of West Virginia University, Divisional Campus Provost, Leonard Colelli;  
Chief Financial Officer for WVU Health Sciences, Wendy King;  
Associate Director, Organizational Advancement, WVU Extension Service, Ann Berry;  
Associate Vice President for Enrollment Management and Services, Brenda Thompson;  
Director, Benefits Administration, Toni Christian;  
WVU Faculty Senate Chair-Elect, Dr. Lisa DiBartolomeo;  
Chair, WVU Staff Council, Jo Morrow;  
WVU's ACCE representative Paul Martinelli;  
SGA Board of Governors' member, Dillon Knox;  
Special Assistant to the President, Sara Master;  
Senior Special Event Coordinator, Gretchen Hoover; and,  
Special Assistant to the Board of Governors, Valerie Lopez.

**Members of the Press were also present.**

### **CALL TO ORDER**

The meeting was called to order by Board Chairman, Andrew A. Payne, III, at 8:45 a.m.

### **BOARD ITEMS**

#### **PRESENTATION OF FY 2012 COMBINED FINANCIAL STATEMENTS**

Vice President for Administration and Finance, Narvel Weese, and Senior Associate Vice President for Finance, Dan Durbin, provided an overview of the FY 2012 Combined Financial Statements submitted for approval as part of today's meeting. Highlights included the following:

- The FY 2012 Financial Statements and Audit Report include combined activity for West Virginia University, Potomac State College of West Virginia University, West Virginia University Institute of Technology, and West Virginia University Research Corporation.
- WVU's 2011-2012 revenues exceeded \$1 billion, allowing the university to finish the fiscal year about \$2 million in the black.
- Deloitte & Touche, WVU's auditor, issued WVU an "unqualified opinion," which is the highest designation possible. The firm also found no material weaknesses or significant deficiencies in WVU internal audit controls.
- Fiscal Year 2011-2012 was an active time for WVU, because of several extraordinary events, including paying \$20 million to leave the Big East athletic conference and join the Big 12, and the university receiving a \$71 million software donation.

- WVU passed \$1 billion in revenue for the first time and had increases in many of its revenue streams, including a \$20 million increase in tuition and fees. That increase was due to strong enrollment and a competitive fee structure.
- The university also saw a \$12 million increase in auxiliary revenue, which includes room and dining services revenue and athletic ticket sales.
- While revenue increased, WVU also saw an increase in several areas of expenditures. Salaries increased about \$13 million, which was the result of a roughly 4 percent raise. The university has also filled 40 of the 100 new faculty lines pledged by President James Clements early in his tenure. Scholarship funding also increased about \$4 million.
- The university also opened roughly 630,000 square feet of new or renovated space, such as the new basketball practice facility and the renovated White Hall. It also set aside \$6 million for deferred maintenance.
- In the past year administrators identified \$12 million in revenue enhancement or cost savings measures – evidence that WVU continues to look for ways to save money and produce new revenues.
- WVU's other post-employment benefits (OPEB) liabilities continue to be a drag on the balance sheet. OPEB are health care benefits for state employees after they retire. In FY 2012 WVU accrued \$47 million in OPEB liability - bringing its total to \$161 million. There is, however, a light at the end of the OPEB tunnel as the state has taken some action so that in the next fiscal year, the liability is expected to drop to \$3 million and in 2016, the state will start paying off the liability so the \$161 million figure will start to decrease.
- WVU finished the fiscal year with a positive operating total of \$2.1 million, when all financial indicators are factored in.
- As WVU looks ahead to next year, challenges include facing enrollment that has stabilized, affording limited potential growth in that revenue stream, and growing concerns regarding funding cuts at the federal and state level.

## **UNIVERSITY COLLEGE INITIATIVE**

Associate Provost for Undergraduate Academic Affairs, Dr. Elizabeth Dooley, outlined WVU's newly proposed University College, identified as a centralized support system/program to assist students who don't have an academic major when they start college. She identified a major goal as building a campus culture that is more focused on completing degrees. This new unit will be launched in July, 2013 and is planned to create an academic home for pre-majors, general studies students and nontraditional students. Dr. Dooley reported that currently some 6,000 students are serviced by the academic advising center, which will be replaced with this

new centralized gateway. Her hope is that these students will receive structured and coordinated academic services that will empower them to succeed and help them to make the transition into a major program. Academic and career advising will remain central components of the new college, but it will also encompass Blueprint for Student Success programs (including the First Year Experience, Center for Civil Engagement, the Resident Faculty Leader program, and McNair Scholars program) as well as others that contribute to student success. Dr. Dooley will serve as dean of the new college. She concluded her presentation by stating that an integral goal of the program will be to fulfill a key goal of the University's 2020 Strategic Plan – namely engaging students in a challenging academic environment – thus raising WVU's graduation and retention rates.

## **MOUNTAINS OF EXCELLENCE**

Associate Vice President for Academic Strategic Planning, Dr. Nigel Clark, began this Board presentation by explaining that as part of the strategic planning process, the academic deans defined “Mountains of Excellence” for strategic investment in research areas where the potential for growth and substantial return on investment makes sense. He identified these initial areas as follows - achieving international leadership in radio astronomy; utilizing shale gas; promoting stewardship of water resources; improving STEM education and scientific literacy; and addressing health disparities in Appalachia – and added that they are all existing strengths here at West Virginia University. Additionally, these areas address significant challenges facing society, are interdisciplinary in nature, with great potential for teamwork across departments and colleges, and are nationally or internationally recognized.

Dr. Clark introduced Interim Vice President for Research, Dr. Fred King, who stated that the WVU Research Office plans to ensure the success of these “mountains” through support for faculty – such as shared research facilities, grant writing workshops, additional graduate students and post doctoral fellows, aligning capital campaign funds with areas of emphasis, increasing recognition of faculty work and taking advantage of technology transfer opportunities, among other actions. He added that these measures should lead to growth in the National Academies (science, engineering and medicine) and an eventual Carnegie research ranking of “very high” but assured all present that WVU's investment in these five initial “mountains,” will not occur at the expense of other research across disciplines.

## **RESEARCH TRUST FUND**

Chairman Payne announced that this standing agenda item is not applicable for today's meeting since the matching fund is currently maxed out, but noted that WVU has about \$10 million ready to match and maybe upwards of another \$10 million that might be pledged additionally if matching funds become available.

## **EXECUTIVE SESSION**

Chairman Payne 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

matters, matters involving commercial competition and the investment of public funds, an official investigation, and personnel matters. The motion was made by Ed Robinson, seconded by William Wilmoth, and passed. Following the conclusion of Executive Session, William Nutting moved that the Board reconvene into regular session. This motion was seconded by Ellen Cappellanti, and passed.

## **DISCUSSIONS EMANATING FROM EXECUTIVE SESSION**

Chairman Payne reported that nothing discussed in today's Executive Session required Board action.

## **APPROVAL OF MINUTES**

Dr. Robert Griffith moved that the minutes of the September 28, 2012 regular meeting and October 23, 2012 special meeting be approved. The motion was seconded by David Alvarez, and passed.

## **COMMITTEE REPORTS**

**Audit Committee Meeting:** James W. Dailey, II, as Chairman of the Audit Committee, reported that yesterday afternoon's meeting contained an overview by Deloitte & Touche of the FY 2012 consolidated Financial Statements that will be voted on today by the full Board. In addition, Narvel Weese, as the university's chief financial officer, provided updates on issues of interest at WVU. Also during Executive Session the committee members received a report from William Quigley, Director of Internal Audit, related to internal and external auditing activity being conducted by his department, as well as a report from William H. Hutchens, III, Vice President for Legal Affairs and General Counsel.

**Faculty Constituency Meeting:** Dr. Robert Griffith, one of the faculty representatives on the Board, thanked board members for their attendance and participation during yesterday afternoon's Faculty Constituency Report presented by himself, Michael Mays, current Faculty Senate Chair, and Dr. Lesley Cottrell, our second BOG faculty representative. This presentation outlined challenges faced by faculty at WVU and creatively tied faculty responses to national recommendations, including faculty involvement, to key elements of the WVU Strategic Plan.

## **PRESIDENT'S REPORT**

Before President Clements began his report, Chairman Payne wanted to publicly recognize the national leadership roles President Clements is taking on this year. President Clements was recently nominated and elected to serve as Secretary to the Council of Presidents for the Association of Public and Land-Grant Universities (APLU). And, a few months ago he was nominated and elected as Chair of the Commission on Leadership for the American Council on Education (ACE). Both of these positions afford him ex-officio roles with the executive boards of these two major higher education associations. In addition, he is a co-chair of the

APLU Energy Forum, and moderated an energy panel, as well as participated as a panelist in a Presidential Financial Aid, forum during the APLU national conference last week.

Chairman Payne noted that this kind of national leadership by our president helps WVU in so many ways, and he want to recognize and thank the President, on behalf of the Board of Governors, for earning the kind of respect that has led to these prestigious positions for our University.

For his report to the Board, the President commented upon the excellent presentations at the College of Human Resources and Education made during yesterday's visit by the Board. He also echoed the Board's positive comments about the Faculty presentation and strategic discussion on the previous day.

President Clements reported on the final enrollment numbers, which showed an overall increase in students. Importantly, there were increases in areas consistent with goals of the Strategic Plan, specifically minority and international student enrollment. WVU also showed gains in total graduate degree-seeking students. WVU Institute of Technology dropped in enrollment, attributed largely to the elimination of the football program. Potomac State College of WVU showed a slight overall decrease of 19 students from last year, but matriculated its largest freshman class ever.

The President also noted The State of Minds private fund-raising campaign for WVU has received \$569 million in contributions to toward the goal of \$750 million.

Dr. Clements highlighted a recent ranking for Morgantown as the ninth-best college town in America by the American Institute for Economic Research. In the 2012-2013 school year, Morgantown not only jumped nine spots to #9 in the ranking of the best college towns in the country -- we also ranked as the #10 overall college destination of all 227 MSAs assessed in the AIER College Destination Index. In total WVU ranked in the top 10 in all 12 categories of the study. He also noted a recent economic impact study of football games on the State, with a conservative model showing \$1.6 million in economic impact per game.

The President reported on numerous updates on Campus, including groundbreakings for the new College of Physical Activities and Sport Sciences and the new Student Health and Wellness Center; the launch of a search for the Dean of Libraries; a \$2.5 million federal grant from the U.S. Department of Labor to continue managing and operating the Office of Disability Employment Policy's Job Accommodation Network ("JAN").

He highlighted some achievements, including 7 Marcom Awards earned by the WVU University Relations; a Fulbright reunion in the wake of WVU's highest total of student Fulbrights in one year; the Pumpkin Drop hosted by the Statler College as one form of outreach to promote science to middle school students; and an effort by the College of Law to encourage more women to consider law school.

The President also lifted up numerous examples of individual faculty, student and staff awards and achievements, as well as significant achievements in the College of Business and Economics (CFA membership, 1 of only 20 universities in Americas Region and 1 of only 33 in

world); the Davis College, Eberly College and Extension (\$10 million US Department of Agriculture grant); the Mary Babb Randolph Cancer Center (\$2.1 million grant from the NIH to study pulmonary diseases which are precursors to lung cancer), the Research Office (award to the LIINC program from the University Economic Development Association); the PI School of Journalism (Mountaineer News Service); Athletics (83 percent Graduation Success Rate, the highest since the NCAA began tracking the data with the 1995 cohort); and the Parking Office (project with students in the School of Art and Design to design new parking permits for WVU). The President concluded his report reading a letter that highlighted the quality, dedication, and service of our staff. The letter thanked WVU's PRT staff for helping a family visiting from out of state re-connect with a special needs family member who got separated from the group. Dr. Clements also shared an example from a letter about Student Affairs employees helping a student get back to campus when he got stranded en route. He used these as examples of the kind of professionalism and compassion our staff show and, as Thanksgiving week was approaching, noted it was a great time to publicly say "thank you" to all of our staff who keep WVU running 365 days a year.

## **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 Payne called for any discussion of today's Consent Agenda items. There being none, James W. Dailey, II moved that the Board accept the Consent Agenda items as presented in today's agenda booklet. This motion was seconded by J. Robert (J.R.) Rogers, and passed.

Thereupon, the following Consent Agenda items were approved:

### **1. Receipt and Acceptance of the FY 2012 Financial Statements for West Virginia University**

Resolved: That the West Virginia University Board of Governors accepts the FY 2012 Combined Financial Statements for West Virginia University, as presented.

### **2. Classroom and Teaching Lab Renovations in the National Research Center for Coal and Energy (NRCCE) Building**

Resolved: That the West Virginia University Board of Governors approves the Renovations to the NRCCE Building with a total budget of \$3,380,000.

### **3. Evansdale Library Renovation Project**

Resolved: That the West Virginia University Board of Governors approves the Evansdale Library Renovation Project with a total budget of \$3,750,000.

### **4. West Virginia University Board of Governors Policy 29, Salary Policy**

Resolved: That the West Virginia University Board of Governors approves the amended Policy 29, Salary Policy, as presented.

**5. 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.

**6. Higher Education Policy Commission's 2007-12 Master Plan: West Virginia University Compact Update 2012**

Resolved: That the West Virginia University Board of Governors approves the report titled "West Virginia University Compact Update 2012" (as presented) that will be submitted to the West Virginia Higher Education Policy Commission once approved by the Board.

**ADJOURNMENT**

There being no further business to come before the Board, Thomas Flaherty moved to adjourn the meeting. The motion was seconded by William Wilmoth, and passed. The meeting was adjourned at 1:25 p.m.

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Thomas V. Flaherty, Secretary