

West Virginia State University Board of Governors
Erickson Alumni Center, Grand Hall
January 23, 2014
Minutes

1. **Call to Order and Roll Call**

Chair Susman called the meeting of the West Virginia State University Board of Governors (BOG) to order at 12:32 p.m.

Present: Dr. Guetzloff, Mrs. Jarvis, Mr. Konstanty, Mr. Lipscomb, Mr. Rowe, Mr. Salyers, Dr. Smith, Dr. Thralls, and Mr. White. Mr. Williams participated in the meeting by conference call.

2. **Verification of Appropriate Notification of Public Meeting**

Dr. Thralls motioned to verify the appropriate notification of the meeting and Mr. White seconded the motion. The motion carried.

3. **Review and Approval of Meeting Agenda**

Mr. Lipscomb motioned for approval of the agenda as presented and Mr. Rowe seconded the motion. The motion carried.

4. **Review and Approve Minutes of November 14, 2013 Regular Meeting**

Mr. Konstanty motioned for approval of the minutes of the regular meeting held on November 14, 2013 and Dr. Thralls seconded the motion. The motion carried.

5. **Announcements from the Chair**

Chair Susman said the University learned the sad news regarding the passing of Judge and former First Lady Phyllis H. Carter. Prior to the Board meeting, he asked Dr. Smith to work with University staff to draft a resolution to present the Carter family on behalf of the Board. Chair Susman read the resolution aloud and asked that a copy be attached to the meeting minutes for the record. Dr. Smith motioned for adoption of the resolution in recognition of Judge Carter and her service to the University and the State of West Virginia. Dr. Guetzloff seconded the motion. The motion carried.

Chair Susman presented the resolution to Dr. Byers, who accepted it on behalf of the family. Dr. Byers will present the resolution to the Carters and express the Board's sincere gratitude. Mrs. Schumaker said a memorial service for Judge Carter will be held on Saturday, January 25, 2014 beginning at 1:00 p.m in the P.A. Williams Auditorium in Ferrell Hall. Visitation will begin at 12:00 p.m.

8. Item b.ii: Chair Susman said the annual Financial Statements Audit is listed later on the meeting agenda to be presented to the Board. Due to the length of the agenda and the auditor's travel schedule, he asked that Item 8.b.ii be presented at the current time. There being no objections, Chair Susman introduced Mr. Mike Hager of Hayflich and Grigoraci, who provided a presentation on the Financial Statements Audit.

Mr. Hager provided an overview of the Financial Statements and said the total assets were \$63 million on the year, compared to \$39.6 million last year. He pointed out that

the WVSU Foundation was audited by other auditors, but accounting principles require them to be included in the financial statements for the University.

Mr. Hager said the total operating revenue for this year was \$27 million compared to \$34 million last year with a significant impact on this figure due to Kanawha Valley Community and Technical College moving off-campus. The total non-operating net loss was \$2.8 million compared to \$2.3 million last year. He explained additional notes from the balance sheet and income statement.

Mr. Hager said the internal control and checks and balances system is to ensure that the University captures figures accurately. He said the audit firm did not note any significant deficiencies or material weaknesses in terms of financial reporting.

Chair Susman inquired regarding the total operating expenses on page 14 where the total operating expense of \$48 million shows a loss of \$21 and if depreciation is part of that. Mr. Hager said there is depreciation of about \$1.5 million in the total of \$48 million.

Discussion was held on Other Post-Employment Benefits (OPEB). President Hemphill asked if it is a requirement to include those in the University's books even though they are paid by the state. Mr. Hager indicated that is correct. It was noted that the Audit Committee discussed the financial statements in depth during its meeting.

Mr. Salyers motioned for the Board to accept the 2012-2013 Financial Statements Audit, and Mr. Rowe seconded the motion. The motion carried. Chair Susman thanked Mr. Hager for his presentation and expressed the Board's appreciation for the timely manner in which the audit was received this year.

6. **Reports from Board Committees**

Executive Committee:

Chair Susman chaired the Committee and presented the report.

- The Committee met the prior evening and has an action item later on the full Board agenda regarding proposed revisions to BOG Policy #36.
- A number of individuals or groups have approached the University about the ability to serve alcohol in the University Union for wedding receptions, anniversary parties, reunion dinners, etc. It is anticipated that the new Convocation Center will be rented for similar occasions and the issue will continue to arise.
- It is believed that allowing alcoholic beverages for outside groups during special events will help increase rental usage of the facilities and thus increase revenues. Guidelines will be put into place and the administration will approve each event.
- Chair Susman asked Mrs. Schumaker and members of the staff to explore the issue. It was determined that the University could not hold a liquor license since the West Virginia Alcohol Beverage Control Administration, a state entity, does not issue permits on state campuses.
- If the BOG approves the proposed policy revisions today, the policy will be distributed for a 30-day comment period. Mrs. Schumaker provided an overview

of the proposed changes to the current policy. The revised policy will include the addition of the University Union and the Convocation Center of Fleming Hall and list the minimum standards or guidelines.

- Chair Susman noted that the Erickson Alumni Center has a liquor license, but the facility is owned by the Foundation, which is a separate, private entity.
- Dr. Guetzloff said many of the Board policies do not have an adopted date, and he suggests that this item be added.
- Discussion was held on the approval process for events where alcoholic beverages will be served. Dr. Thralls asked if it would be a senior member of the administration with broad knowledge of university dynamic and policies. President Hemphill said he would appoint a vice president and plans to have two designees. Mr. Williams proposed an amendment to indicate the president or his designee(s), since the President is who the Board supervises.
- It was noted that other campuses in the state have a policy allowing alcohol upon approval.
- Mrs. Schumaker said the state agency that regulates alcohol has advised that since the University is a public institution, this is an issue that solely rests with the Board pending approval of any policy changes by the Higher Education Policy Commission. Chair Susman said Bruce Walker, the Commission's General Counsel, will be consulted.
- Dr. Thralls suggested that the Board receive a report after a certain length of time if the revised policy is implemented to evaluate how the process is working. He said he is not requesting that such reporting requirement be included in the policy.

Institutional Advancement:

Dr. Smith chaired the Committee and presented the report.

- Mrs. Schumann provided an update on where the University currently stands with giving and progress made toward the fundraising goals. The Committee is very pleased with the efforts and the growth of the Foundation with alumni and donors.
- Donors increased from 444 to 627, and the University has received \$2,311,355 to date for this year.
- The Vision 2020 goals for University Advancement include plans to enhance efforts to reach alumni and engage them as well as build partnerships.
- The Committee received a list of events planned for 2014.
- There will be a presentation on planned giving during the National Alumni Association Conference, which will be held in April.

Audit:

Mr. Salyers chaired the Committee and presented the report.

- The Committee received the 2012-2013 audit report and agreed to recommend that it be accepted by the Board.
- An update was provided on the proposed travel and inventory policies.
- The Committee received an update on the financial aid audit. There were five findings and three were business-related. All of the findings have been addressed and corrected.

Recruitment and Retention:

Mr. Lipscomb chaired the Committee and presented the report.

- Ms. McCarthy provided an enrollment update. The University received 3,209 inquiries for fall enrollment as of January 21 and of those, 3,169 are full-time; freshman applications are 1,444 compared to 1,194 last year, an increase of 21 percent. Common feeder school numbers are down due to the water crisis and the winter weather, the University is 21 percent ahead over this time last year, but two weeks ago, we were 50 percent ahead. There was an increase of 108 percent in admits for the fall semester.
- On-the-spot admit days are being scheduled at local schools and admissions staff will attend several college fairs.
- March 15 is Admitted Student Day.
- The Committee also discussed best practices in recruiting and retaining students.

Academic Policies Committee:

Dr. Thralls chaired the Committee and presented the report.

- The Committee received an update from Dr. Byers on previous program reviews. They also discussed a process for follow-up on future program reviews. Program reviews come with recommendations that range from approval to continue, follow-up reports, etc. A system will be developed to track follow-up items for the review reports.
- The Committee reviewed the Criminal Justice program, which will be recommended to continue with no conditions to the Board later in the President's Report. The program has always been strong and receives positive feedback from the law enforcement community.
- A presentation on Vision 2020 was received, which included an update by Dr. McMeans on research academic programs.

Finance:

Mr. Salyers chaired the Committee and presented the report.

- The Committee discussed the December budget reports. The University is on benchmark for revenue and expenses were well under 50 percent.
- Discussion was also held on the auxiliary accounts, including: the University Union, housing, dining, and the Bookstore. The University received \$117,000 from Kanawha Valley Community and Technical College. In terms of the new dining contract, the contracted vendor has agreed to cover 50 percent of equipment expenses.
- The Committee discussed the Athletic Complex, which will be addressed as part of the President's Report.
- A presentation was provided on Vision 2020 as it relates to financial issues and updates to the Banner system.

Dr. Guetzloff asked when the University will begin seeing revenue from the OASIS lease. Mr. Jones responded that it will be near the end of January. Discussion was held on the resolution with Kanawha Valley Community and Technical College regarding fees. President Hemphill said he discussed the matter with the new president and she indicated that she would like to resolve the issue as well. As previously reported, the

University received a payment of \$117,000. Chair Susman said a major concern with the bond is how it could affect the University if another bond is requested in the future.

7. **Possible Executive Session**

Mr. White motioned for approval to go into executive session, under the authority of West Virginia Code §6-9A-4, to discuss personnel and property issues. Dr. Guetzloff seconded the motion. The motion carried.

A motion to arise from executive session and reconvene into regular session was made by Mr. Williams and seconded by Mr. White. The motion carried.

8. **Report from the University President**

President Hemphill said he would like to begin his report by taking a moment to reflect on the last few weeks from the frigid temperatures and winter weather to the water crisis that affected hundreds of thousands of residents. He expressed appreciation to the faculty, staff, and administration who worked countless hours to address these issues and also serve the community.

The President said, this past weekend, the State family lost a valued member through the passing of former First Lady and Judge Phyllis H. Carter. President Hemphill asked the members of the Board and those in the audience to observe a moment of silence in honor of Mrs. Carter, who spent many years on the campus and gave so much to the students, faculty, staff, alumni, and others who call West Virginia State home. President Hemphill said, through hardship, the University has demonstrated strength and a true sense of family.

a. University Reports

- Item 8.a.i.: President Hemphill provided an overview of the legislative agenda as outlined on page 12 of the Board agenda. The agenda is focused on three critical areas: (1) Bucks for Brains; (2) State Funding Match of Federal Land-Grant Monies, and (3) Growth of WVSU Research Infrastructure. The President recognized Mr. Tom Bennett, who was instrumental in developing this legislative agenda and represents the University at the Capitol on a regular basis attending meetings and tracking bills. He said Mr. Bennett's service during last year's session was invaluable and positively impacted the University in numerous ways.

Dr. Thralls asked if the Higher Education Policy Commission is working on a statewide agenda to assist the institutions. The President said the institutions have come together and started speaking as one voice on common issues, even though each school still has their own separate areas of focus. Dr. Thralls asked if the University has actually lost federal funds yet because of not receiving state-matching funds at the required level. President Hemphill said this has not occurred to date; however, due to sequestration, there have been discussions among national associations and organizations on this matter.

- Item 8.a.ii.: President Hemphill thanked Vice President McCarthy and Provost Byers, who served as Co-Chairs, and the entire Vision 2020 Committee. He said

the group has worked diligently and strategically over the past year to bring this vision to life. The Board heard some of those details during today's Committee meetings and were able to review the goals and framework for the plan as provided on pages 15 to 25 of the agenda. He asked Vice President McCarthy to provide an overview of the University's new strategic plan.

She said today's presentation will provide the Board with an opportunity to have a broader understanding of the plan. She noted that there is a sense of stretch throughout the document, because the University really wants to push itself to better serve students in the future. The University is aiming to be an institution of value not only in terms of cost, but also in the quality of academics and programs it offers.

Vice President McCarthy said the group has been working for approximately 15 months and more than 40 members of the campus community serve on Committee. The group is divided into four subcommittees. She highlighted the work of the Subcommittees and their respective charges toward carrying out the missions for their respective areas, while providing a detailed overview on the scope of the plan.

Dr. Guetzloff said he does not see where the plan includes information regarding the transfer of professional students (i.e. medical, pharmacy, etc.) and how they are reflected in the submitted data. He said he would like to have language added that references this information. Chair Susman asked the Board to review the proposed plan and e-mail their comments to Mrs. Schumaker. President Hemphill said if the comments are substantial, they would need to go back to the Subcommittees for further discussion. He said changes and final edits would be made before the plan is brought back to the Board for approval.

b. University Reports Forward by Board Committees

- Item 8.b.i.: Chair Susman said, based on discussion held earlier on the proposed revisions to BOG Policy #36, he recommended that the language in Section 2.1 regarding prior written approval be changed to read, "...prior written approval of the President or his designees..." This change should be made before the proposed revised policy is distributed for comment.

Mrs. Schumaker said she consulted with Attorney Bruce Walker who indicated that he did not foresee any issues that would cause concern from the HEPC.

- Chair Susman said a special meeting will be held at the conclusion of the comment period. Dr. Guetzloff motioned for approval to distribute the proposed revision to BOG Policy #36 for a campus-wide, 30-day comment period and Mr. White seconded the motion. The motion carried.
- Item 8.b.ii.: This item was previously addressed and approved.

- Item 8.b.iii: The President said he brings before the Board's consideration a program review for Criminal Justice. This review has been endorsed by the Provost's office and presented to the Academic Policies Committee. As indicated by Dr. Thralls, the review is recommended for approval by the full Board. Dr. Guetzloff motioned for approval of the program review as recommended by the Academic Policies Committee and Mr. White seconded the motion. The motion carried.
- Item 8.b.iv.: President Hemphill said he brings before the Board's consideration an updated agreement and resolution for the Athletic Complex. Based on further feedback from the Higher Education Policy Commission, the prior agreement, as approved by the Board on September 20, 2013 and November 14, 2013, has been revised. Dr. Guetzloff motioned for approval of the agreement and resolution for the Athletic Complex and Mr. White seconded the motion. The motion carried.
- Item 8.b.v.: President Hemphill asked Vice President Jones to provide the budget report. Vice President Jones said the December budget report was not available when the Board book was assembled and, therefore, only the November report was included in the agenda packet. The handout provided today is a report on the E&G financials as of December 31, 2013 and is presented on a modified cash basis.

He said the University's total income is at 43.44% for the first half of the year. On January 1, 2014, the University received \$2.1 million from the state. He said, in terms of expenses, all of the areas are on target as follows: Academic Affairs (38.97%), Student Affairs (47.30%), President's Office (64.53%), University Relations (41.27%), Physical Facilities (51.86%), University Advancement (56.09%), and Business and Finance (52.03%). He noted that Academic Affairs is well below target, but said this is due to a salary run-off that occurs during the summer months when nine-month faculty are not paid. The President's Office is up as a result of athletic scholarships. The college-wide activities account, which includes utility bills, BRIM, and worker's compensation, is at 45.6% in expenses and with total income at 43.44%, giving the University a temporary one-day deficit of approximately half a million dollars. However, the \$2.1 million from the state was received the day after this report was generated.

Dr. Guetzloff asked about the personnel costs under the college-wide area. Mr. Jones said that area holds the workers compensation premium and it is budgeted as a personnel benefit and the bill has not been paid.

Dr. Guetzloff also inquired about the Academic Affairs budget as it relates to supplies. He said it is his understanding that many of the academic departments have exhausted most, if not all, of their funds for supplies, but it appears that Academic Affairs has a substantial amount remaining in the budget. Provost Byers said that Academic Affairs receives funding from other sources and those funds are spent before utilizing E&G funds.

Vice President Jones continued the budget report with an update on the auxiliary accounts. The Student Union Operation account is in a deficit of \$112,000 for the current year's activities. As previously mentioned, the University received \$117,000 from Kanawha Valley Community and Technical College that will be added to that account. This payment does not include the operating account.

The Housing account has a deficit of \$145,077 and continues to struggle due to high maintenance costs. He said the Dining Food Services account will have equipment expenses, but those costs will be split 50/50 between the University and Thompson Hospitality.

Athletics continues to have deficits even though the last installment of Kanawha Valley Community and Technical College's athletic fee was received.

Faculty Housing continues to have a deficit due to repairs that have to be made each time they change a facility. Mr. Jones expects to have Faculty Housing back in fully transitional mode by June and beginning to generate revenue.

Dr. Thralls asked if the University has a back-up plan with local police departments. Mr. Jones indicated that the University has agreements with surrounding cities and Kanawha County for emergencies.

Dr. Guetzloff asked if students were still residing in the dorms if they have not paid their balance. Mr. Jones said only if they have a payment plan or financial aid that is being processed.

Mr. Rowe asked if filling the new residence hall to capacity will help the Dining account and Mrs. Jones said it would. He said the commuter meal plan will also help strengthen the account. The fee for the plan will continue to increase as freshman classes come in students must pay for the meal plan each semester that they are classified as a freshman.

Dr. Guetzloff said he previously asked how many rollover dollars were in the account from where some students did not use all of the funds. Mr. Jones said finance staff would have to calculate all of the students who had a balance and they do not have this figure.

- Item 8.b.vi. President Hemphill said the University has an opportunity to purchase property immediately adjacent to the campus. Chair Susman called for a motion to approve the purchase of property immediately adjacent to the University, pending approval of federal funding. Mr. Salyers made a motion to approve the property purchase and Dr. Guetzloff seconded the motion. The motion carried.

President Hemphill said before closing his report, he would like to take a moment to showcase the great work of University Relations and Operations under the leadership of Vice President Kimberly Osborne. He said they have been developing dynamic

publications, eye-catching billboards, and now they have created a commercial that provides viewers with a sense of what it means to be a Yellow Jacket. The 30-second commercial debuted on Christmas Eve and will continue to air through March, a critical time for student recruitment. He asked the Board to turn their attention to the screen for the first showing of an extended version of the commercial.

9. **Other Matters – Report on Presidential Review**

Chair Susman said the Board has completed the presidential review and held discussions in executive session. Mr. Konstanty motioned that the Board accepts the evaluation, findings, and report of independent consultant, Dr. Constantine Curris, and directs the Chair of the Board of Governors to report to the Higher Education Policy Commission that a full, comprehensive review of President Brian O. Hemphill was conducted in November and December 2013 in accordance with the Higher Education Policy Commission legislative rule requiring a comprehensive performance evaluation at the end of contract cycle and that Dr. Curris met with administration, faculty, staff, the Board of Governors, students, and community stakeholders. Based on that report, the Board of Governors evaluation of President Hemphill was positive, noting that President Hemphill had substantially met the benchmarks established by the Board of Governors in the initial contract. Dr. Guetzloff seconded the motion. The motion carried.

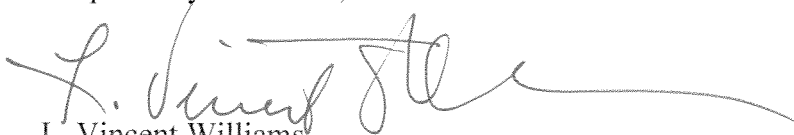
Chair Susman thanked Mr. Konstanty for his leadership in the review process and said he would appreciate him leading efforts to develop a policy for future presidential reviews.

10. **Next Meeting Date**

Chair Susman said the next regular Board meeting is scheduled for March 20, 2014. He said a special meeting will be called to consider the proposed revisions to BOG Policy #36 and the Vision 2020 Strategic Plan.

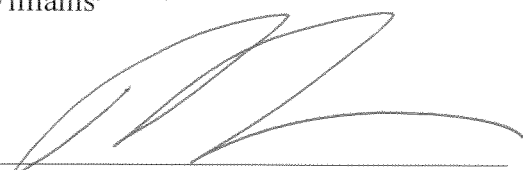
Adjournment: With there being no further business, the meeting adjourned at 3:50 p.m.

Respectfully submitted,



L. Vincent Williams
Secretary

Approved: _____
Tom Susman
Chair



West Virginia State University Board of Governors
Recognizes and Appreciates the Distinguished Life of
Former First Lady and The Honorable Phyllis H. Carter

WHEREAS, Judge Phyllis H. Carter faithfully served as the First Lady of West Virginia State University from 1987-2012; and

WHEREAS, Judge Carter passionately devoted herself to West Virginia State students of past, present, and future and continuously celebrated their achievements while steadfastly encouraging them to accomplish their dreams; and

WHEREAS, Judge Carter was an unwavering champion of the arts with a strong passion for and determined commitment to history and culture in which she continuously chaired the University's History and Culture Committee for many years; and

WHEREAS, Judge Carter was a driving force and resilient motivator in the establishment of the Booker T. Washington Institute and the creation of the West Virginia State University National Center for Human Relations; and

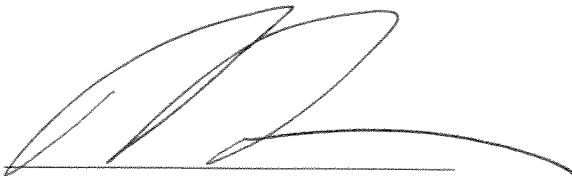
WHEREAS, Judge Carter proudly represented the University nationally by serving as the lead representative of the Council for Agriculture, Research, Extension and Teaching of the National Association of State Universities and Land-Grant Colleges, currently the Association of Public and Land-Grant Universities; and

WHEREAS, Judge Carter's tireless personal and professional endeavors on campus, in the community, and across the state and nation reflected positively on West Virginia State and have forever placed her in the history and hearts of our great institution; and

WHEREAS, Judge Carter, above all else, was a devoted wife and mother.

NOW, THEREFORE, BE IT RESOLVED that the West Virginia State University Board of Governors, meeting on this 23rd day of January, 2014, hereby commends Judge Phyllis H. Carter for her significant and lasting impact on West Virginia State University, the Kanawha Valley and the State of West Virginia; and

BE IT FURTHER RESOLVED that this commendation is archived on the pages of the minutes of this meeting and a ceremonial copy presented to President Emeritus Dr. Hazo W. Carter, Jr. and his family as a token of the Board's everlasting appreciation and sincerest gratitude.



Tom Susman, Chair
West Virginia State University
Board of Governors



Dr. Brian O. Hemphill, President
West Virginia State University