

Minutes
West Virginia State University Board of Governors Meeting
January 27, 2011

Call to Order. The annual meeting of the West Virginia State University (WVSU) Board of Governors (BOG) was called to order at 1:33 PM by Chairman Coleman. Other members present were: Mrs. Millie Booker; Mr. Kris Casdorph; Dr. Tom Guetzloff; Mr. Larry L. Rowe; Mr. Larry Salyers; Mr. Tom Susman; Mr. Gary L. Swingle; Dr. John Thralls; and Mr. L. Vincent Williams. Dr. Thomas Boston and Mr. Eric Hicks were absent. Dr. Hazo W. Carter, Jr., President of West Virginia State University, was also present along with members of the administration, faculty, and staff.

Approval of Agenda. Mr. Coleman asked if there were any changes to the agenda. There being none, Mr. Salyers moved that the agenda be approved as written and Mr. Williams seconded the motion. The motion carried.

Approval of Minutes. There was one change to the November 11, 2010 minutes. On page 5 of 6 the word "boom" should have read "boon." There being no other changes, the Chair asked for approval of the minutes with the one correction. Mr. Casdorph moved that the minutes be approved with the one correction and Mr. Williams seconded the motion. The motion carried. Mr. Coleman asked for approval of the minutes of the Special Meeting on December 9, 2010. On a motion duly made and seconded the motion carried.

Chairman's Report. The Chair formally welcomed the new Board members, Mr. Gary Swingle and Mr. Larry Rowe. Mr. Swingle replaced Dr. Rowley and Mr. Rowe replaced Mrs. McClure. Mr. Swingle and Mr. Rowe were given packets containing the bylaws as well as some additional information regarding the committees. Subscriptions to the *American Association of Governing Boards* magazine will be sent to all Board members. Mr. Coleman said he found this magazine to be very insightful.

Chairman Coleman recognized the Dow Chemical Company Foundation's contribution to the K-12 Media Center of the Future. He reminded the Board that Dow has a history of financially supporting WVSU. Dow supported an endowed professor in the Chemistry Department to the tune of \$250,000 several years ago and continued its monetary support when that position expired. Mr. Coleman introduced Mr. Jim Guidarini who is Vice President of Dow and the WV Operations Site Leader. Mr. Guidarini gave WVSU a contribution of \$50,000 to the K-12 Media Center of the Future. The Vice President of Dow said Dow was looking forward to working with WVSU on this project. Mr. Coleman said Dow wanted to give a gift that would perpetuate Dow's presence and support of the project for the present and the future. The Chair said \$40,000 would be used to support the program right now and the remaining \$10,000 would be used to establish an endowment so there will be a continuous return on the investment.

Chairman Coleman recognized Dr. James Rowley with a plaque for his years of outstanding service on the Board. Mr. Coleman commented on the genuine love Dr. Rowley has for West Virginia State University. Dr. Rowley thanked the Chair and the

Board for his recognition. He said that friendships and serving students has been a blessing.

Mr. Coleman requested that the full BOG minutes and the committee minutes be emailed to the Board members ten calendar days after the Board meeting. He said the minutes do not have to be final, but in good draft form. He also reviewed the process for submitting items to be on the agenda. The items requests should be submitted to the President's Office via Crystal or Terri. The Chairs from the committees submit items they want on the agenda to Mr. Coleman. The items should be submitted to the President's office two weeks before the next Board meeting. Mr. Coleman will review the requested agenda items and decide which items are to be placed on the agenda.

Chairman Coleman said that he and Dr. Carter will be working over the next month to put together an agenda and find a facilitator to have a retreat and strategic planning session. This event will be for a full day and members of the Board, the President's Cabinet, the Deans for the Colleges, people from the community, representatives from the Faculty Senate, and other constituent groups will be in attendance to share their thoughts. Mr. Coleman said now that the Kanawha Valley Community and Technical College (KVCTC) is about to be gone, there will be new opportunities abounding. He said we need to take a step back and look at what our vision is and make sure the things we are doing align with our comprehensive vision that will move WVSU forward. The Chair said he and Dr. Carter will look at a couple of dates, but it will likely be in March.

President's Report. Dr. Carter reported on the meetings he had participated in since the last Board meeting on November 11, 2010. He also spoke about activities and upcoming events involving WVSU.

Dr. Carter informed the Board that we had been notified by the Governor's Office of Economic Opportunity that WVSU has been awarded funds from the State Fiscal Stabilization Fund and the Grant Award notice indicates federal stimulus funds will be provided for the 2011 Fiscal Year in the amount of \$1,026,811.00 and we have received all of these funds. Also, Acting Governor Earl Ray Tomblin submitted his budget proposal to the legislature for this Fiscal Year 2012. The budget proposal restores the general revenue budget level of \$10,749,172. The Governor's FY 2012 budget also included \$186,978.00 for a one time salary enhancement of 2% or a minimum of \$500 for all employees. Dr. Carter said he recommends that next year's budget include salary improvements.

The President said that on December 23, 2010, Chancellors Brian Noland and James Skidmore issued their ruling regarding the dispute between Kanawha Valley Community and Technical College (KVCTC) and West Virginia State University (WVSU) over the service agreement. The ruling was that the service agreement would be set at \$1,600,000 and at the same level of services provided during the Fall of 2010. Their ruling also stated that negotiations for the FY 2012 begin.

President Carter said for calendar year 2010, 33 active grants and contracts totaling \$3.64 million were received by WVSU and the Douglass Institute for research, extension, business development and outreach activities. Dr. Carter also said the initial contract was received for the follow-up EPSCoR funding, a five-year, \$2.44 million partnership between WVSU, the WV HEPC and the National Science Foundation. First year funding of \$500,000 started in September 2010. In FY 2010, WVSU through the Gus R. Douglass Institute, leveraged approximately \$4 in non-state funding for every \$1 received by the State. In fact, out of the \$12.3 million in revenues received by the entire WVSU Research and Development Corporation, 80% derived from non-state sources; which is also congruent with the aforementioned leveraging ratio.

Dr. Carter informed the Board that Tuesday, February 1, 2011 is West Virginia State University Day at the Legislature. The day has been set aside at the Capitol to showcase the University's programs and projects. The hours are from 9 AM to 2 PM. At 10 AM Acting Governor Earl Ray Tomblin will make an official proclamation for the Day in his reception area. Also, he announced that Higher Education Day at the Legislature will be Thursday, February 17. WVSU will join other public and private institutions with displays in the upper level of the capitol building to showcase higher education in West Virginia.

Mr. Coleman thanked Dr. Carter and reiterated that we should be working together through the budget regarding salary enhancements and that he is looking forward to the budget coming forward and back to the full Board to approve the budget for 2011-2012.

Dr. Guetzloff asked about the Rehabilitation Center and Dr. Carter responded saying he would receive that information during the Executive Session. He also asked about a command center on the University campus. Dr. Berry said there is a knowledge wall in East Hall. He said he asked Chief Saunders to take a look at it as a redundant command center if the designee command center regarding a crisis on campus has been compromised. He could use this facility to check with homeland security and interact with the state troopers. It is a redundant system, not a primary crisis command center. Funding for the state of the art equipment was Title III dollars allocated to Planning and Advancement.

Executive Session. Dr. Thralls, in accordance with West Virginia Code §6-9A-4, moved that the Board go into executive session to discuss a potential real estate purchase, real estate transfer, and legal matter. Mrs. Booker seconded the motion and the motion carried.

Arising out of discussion during the executive session, and in accordance with West Virginia Code §6-9A-4, Dr. Thralls moved that the Board of Governors proceed with its regular meeting and Mr. Susman seconded. The motion carried.

Mr. Coleman asked for a motion to approve the purchase of residential property at 4011 Fairlawn Avenue through the use of 1890 Facilities Program funds. Mr. Williams moved that the negotiations to acquire the property go forward and we enter into contract. Dr.

Guetzloff seconded the motion. There was a question regarding clarification of purchase. The word "purchase" was added to the motion. Mr. Rowe asked if the Board needs to authorize the executive committee to negotiate the transfer or do they have the power to do that as is. Mr. Coleman said that Land-Grant has the power to do that. The motion carried.

Mr. Swingle moved that the BOG accept the offer of the gift of the Rehabilitation Center and property while assigning the responsibility to the executive committee to negotiate the terms of the property transfer so that it does not become a financial burden to the institution. Mrs. Booker seconded the motion. Mr. Coleman asked if there were any points of clarification. Mr. Rowe said he feels there's a sense on the Board that there are several things that would be involved in this transaction that the executive committee would finalize. He said one, is that there is primary concern that there not be a burden of unreasonable debt imposed by this transfer of gift on the University. Second, that the Board would like to seek to continue the tenancy of the Rehabilitation Center agency on the site and to secure a commitment from that agency in some form to continue their lease hold for at least a five-year period that would then allow the University to have funds to make needed repairs to the buildings that the University and the Rehabilitation Center would agree for them to use during that lease hold period. Also, the Board wants funds to be secured for the demolition of unneeded buildings and also for site restoration after the demolition of various buildings at different times would be completed. Dr. Thralls asked that these points of clarification be included in the minutes to accompany the motion and Mr. Coleman said they would be included. The motion carried unanimously.

Auditor's Report. Mr. Juran gave an audit summary overview that said the independent auditor's report was an "unqualified clean opinion" which is the highest form of opinion that can be received. He said that the auditors "did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses." He said that is the most positive thing they are allowed to say under material weaknesses. Mr. Juran said that "the results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards." This, too, is the highest form of assurance under compliance that can be offered. He also said that under unrestricted net assets, there is a deficit of \$264,000. He noted that benefits liability increased from \$1,200,000 to \$4,500,000. Mr. Coleman asked what the basis was for such a large increase in one year's time and Mr. Juran said the increase will continue over the next couple of years and this is a major issue of concern with not only higher education institutions but also the K-12 school systems and all the State agencies. He said this is really a Legislative initiative that needs to be undertaken. Mr. Juran explained all of the findings to the Board but said the University should not be overly concerned about the deficit and to know that OPEB (other post employment benefits) is a major issue. He reiterated that the OPEB issue is something we should talk to our Legislature about; it is not an issue for the University. Dr. Guetzloff asked about the \$168,000 program expenses and Mr. Juran said that it is for the Foundation and the Foundation was not audited. Mr. Swingle explained that as funds come out of the temporarily restricted column, restrictions are lifted and the funds are actually expended through the unrestricted amounts of money

and that is why these things are equal. Mr. Swingle moved that the auditor's report and financial statement be accepted as submitted. Mr. Salyers seconded and the motion carried.

Recruitment and Retention. All Board members were given a copy of the WVSU Brand and Graphic Identity Manual which was put together by the Communications Team. Mr. Susman said he would like for all departments of the University to use the manual and follow the guidelines. Because of the uniformity, it gives the University a very professional look. Mr. Williams said that the manual may become a Board policy and that perhaps it could be placed on the web site for access. Mr. Coleman suggested that this be put on the agenda for the next Board meeting as an action item. Dr. Epps said the committee is in the process of creating how the manual will be presented to the University. The Committee will discuss the entire process of branding for the University. Mr. Rowe asked if someone saw a need to go outside of this, would there be a formal procedure for someone to seek permission to have something different. Mr. Susman said at the next Committee meeting the policies will be discussed. The Office of Admissions and Recruitment has distributed 15,000 hand-outs for recruiting purposes. Mr. Susman said Mr. Coston Davis, advisor of the WVSU Leadership Institute, gave a presentation at their meeting. The Leadership Institute is a 13-week program that works with students in various capacities. Mr. Davis suggested that this be something all freshmen should be involved in. Mr. Susman said there needs to be a closer look at the advisors' role in course selections for freshmen and sophomores. He also said that in between Board meetings, the committee will meet to discuss the marketing schedule and budget for fall 2011 enrollment. The Committee will be able to inform the Board how they are going to position the University. Mr. Susman said the Marketing Committee is making great progress. Dr. Guetzloff said he could talk with Mr. Susman later about the advising of students. He said there is already a procedure in place with Banner. Mr. Susman said he would invite Dr. Guetzloff to a Committee meeting to discuss this.

Academic Policies. Dr. Thralls said the Committee dealt with two items. One was program reviews and cost considerations. He said staff has developed some indicators that we will be able to use. There will be some program reviews at the next Board meeting and the cost indicators will be used as a trial run to see how it helps the Committee to make recommendations. The second item is the Compact Report. Dr. Thralls provided a brief background on the Compact and why we have them and the reason for the reports. He said it allows the Higher Education Policy Commission (HEPC) and institutions to see how we are meeting many of the goals of the Master Plan. Dr. Thralls explained that the second year report was due October 1, 2010 and was submitted on that date. After review, the HEPC requested additional information and set a January 15, 2011 resubmission date. Institutional compacts must be approved by the respective governing board as well as by the HEPC. Dr. Thralls said Dr. Guetzloff may elect to abstain from this action vote because he did not receive the packet. Dr. Thralls moved for approval of the second year report of the WVSU Institutional Compact. Mrs. Booker seconded. Dr. Guetzloff abstained. The motion carried. Mr. Coleman said there will be a master calendar of actions that need to be taken into consideration by the Board.

Finance Committee. Mr. Williams said the Committee discussed the Budget Date provided by the administration. The Service Agreement has been resolved and the first payment has already been paid. The KVCTC is due to pay \$400,000 but are in negotiations for other fees to be paid. This issue should be resolved in the next few weeks. Mr. Parker explained these are fees embedded in the Community College's tuition. They are fees for the Student Union, Athletics, and the Health Center. He said as soon as the Banner system is implemented the money will come on a routine basis. Housing, dining, and the Bookstore have met their obligations. The Committee asked for a time line regarding Fleming Hall at the next Board meeting. Mr. Parker also reported that the HEPC has some bonds available that the University is expected to receive in the amount of \$4 million for the renovation of Wallace Hall and the Davis Fine Arts Building. Mr. Williams said there was quite a bit of discussion about what an audit does and does not do. One thing it does not do is deal with the institution's financial control of how cash is handled. The Committee recommended that there be some examination of areas that handle cash regarding financial control. The University does not have its own internal auditor. There were some overpayments to the food service (AVI) for approximately \$80,000. It was recommended that the contract have some kind of procedure for resolution for the overpayments. The Committee also recommended that there be no sign off on a contract until there is resolution of this issue.

Mr. Parker gave the Committee some background information about the data that will be used to calculate what the budget should look like next year. Mr. Williams said there will probably be a tuition increase and maybe fee increases just to keep up and deal with the current expenses. The question was raised about the restoration of the budget back to '09 status and if that is where the budgeting process is starting. Mr. Parker said yes and that the budget issue about the restoration will be resolved sometime during the Legislative session. Dr. Thralls said we have heard reports on Recruitment and Retention and are aware of the separation of the KVCTC and there are some real issues related to tuition elasticity. He said we should proceed very carefully and look very critically at the extent to which we can meet our institutional needs through tuition and fees. Mr. Coleman said we should have a preliminary budget in April.

The current proposal for the Child Development Center (CDC) was to go forward and have the CDC operating until the end of the school year if funding was found. The Finance Committee voted to terminate the CDC at the end of May in its entirety. Mr. Coleman said this could be an action item for the next Board meeting. Dr. Guetzloff said regarding the CDC, we only look at the State side of revenue in and revenue out. He asked if it were possible for us to get all of the revenues. He also asked about federal funding like Title III monies. Mr. Williams said he didn't know of any federal dollars used for CDC other than through the subsidies of low income students at the CDC. Mr. Parker said all the revenues are linked to the report that was presented. He said there could be expenditures somewhere else that actually are incurred at the CDC. For example, there could be a part-time employee paid out of Title III but that would not be reflected as an expenditure in the day care report. Mr. Coleman asked when we offered day care services, was there a strategic intent tied to the services like recruiting, or nontraditional students. Mr. Williams

said it was to be an incentive to encourage students to enroll at WVSU to further their education. The utilization of the Center has declined where it is no longer advantageous to the University.

Planning and Advancement. Mr. Swingle said the Committee discussed WVSU Day at the Legislature and the Legislative Affairs briefing. He said we are striving for an additional \$3 million this year. We are asking for \$5 million with 1/5 of that per year over the next five years to help compensate the University for the loss of the KVCTC which is the number one priority. The number two priority is the WVSU 100% state match for federal money and we are asking for an additional \$843,000 for that purpose. The third initiative is the WVSU Campus-Wide Technology Platform which we are requesting a three-year commitment with \$1.1 million per year to help with the upgrades and enhancements of the outdated systems at the University. The Capital Campaign was also discussed and the necessity for the communication, coordination and cooperation amongst the Board of Governors, the administration and faculty, the Planning and Advancement Office and also the WVSU Foundation. He said the Campaign will take a lot of effort from everyone to make it successful. Mr. Coleman said that there will be a presentation at the next Board meeting by Mr. David Sayre, Chairman of the WVSU Foundation Board. Mr. Sayre will share with the Board of Governors their strategy for moving forward with the Campaign.

Faculty Senate Presentation. Dr. Ruhnke gave a presentation from the Faculty Senate. He expressed concern about the Leadership Institute. He said that one of the things that bothers faculty is that there seems to be a perennial issue with publication of the University catalog. He commented that the Style Manual is a very attractive document but the 2010-2011 catalog is still being printed and that is a problem. Dr. Teeuswissen said the format has been changed and there are now bulletins for each of the Colleges. He said it took some time to change that point of direction but that the catalogs will be moving at the right pace.

Dr. Ruhnke said faculty are also concerned that there have been no salary increases for several years; health care expenses have increased; and the slow moving severance of the KVCTC and the financial confusion that has resulted is an issue. Dr. Ruhnke said they are very concerned about the fiscal health of the institution and that faculty can handle bad news or at least honest news. He said the faculty is concerned about the tuition and fee increases. In terms of recruiting students, he said that we do not have the staff to recruit the caliber of students we desire. He also said the Admissions and Recruitment Office is understaffed and cannot manage a staff and recruit outside of the office also. He said Mr. Jackson has begun to solicit faculty to be involved in recruiting activities. In terms of retention of students, Dr. Ruhnke said many of our students are not ready to engage in university-level work and it will be difficult to retain them. With regard to institutional fund raising, WVSU's endowment today is smaller than the endowments of Concord, Fairmont, and Shepherd when he checked the numbers about eight years ago. He confirmed this with Dr. Rowley. Dr. Ruhnke said we cannot offer the kind of financial inducements to students that our competitors can offer. He said institutional fund raising and the recruitment of students are linked.

Dr. Ruhnke gave a list of Faculty Senate highlights from their meetings that included a vote to establish an honors program and discussions on an early retirement program. He said that the faculty also have concerns about the fee for a second parking pass. Some faculty feel that when you purchase a parking pass, you are basically renting space so they do not understand why an employee who has two cars and may need to drive one or the other due to family or other obligations should have to pay additional fees instead of swapping one pass. Dr. Ruhnke said that the faculty would like the Board to change that policy. Mr. Coleman said that the Board needs to revisit the policy and that they also need to see how many people are actually affected. Dr. Epps said the request to amend the policy needs to be submitted to the Board. Mr. Williams commented that the Finance Committee did not consider the employees and students who bring cars on campus as leasing land so the two parking passes for the a two car employee concept is one that can be reviewed. He said the Board wants the faculty to be happy. Mr. Williams said the Board has good faith that the KVCTC will proceed and be honest regarding the Service Agreement. He also said that WVSU needs to make adjustments to graduate our students and we are moving in the right direction for future growth. Dr. Guetzloff mentioned the KVCTC Service Agreements were renegotiated and when it was in reserves. Mr. Parker said we subsidized the KVCTC. Dr. Guetzloff said Dr. Ruhnke was talking about millions. Dr. Ruhnke said he felt the way this was set up by policy from the Legislature, WVSU was obliged to physically carry the KVCTC and that gave them leverage. Mr. Coleman said Dr. Ruhnke will be invited to the Board's strategic planning retreat. He also said that there will be a serious effort to look at salary increases. Dr. Guetzloff said faculty and staff only had three pay raises in eight years. Dr. Thralls said he appreciated the informative presentation and he would like to have future dialog with the faculty.

Other. Mr. Rowe asked if we have calculated the cost of the severance of the KVCTC. Mr. Coleman said that we have. Mr. Rowe then asked if the two institutions are actually separated and Mr. Coleman explained that they were separated by legislation and the University leases space to the KVCTC and provides certain services through the Service Agreement.

Mr. Coleman said that a request was made that the minutes be archived on line after they are approved.

Adjournment. There being no further business, Dr. Guetzloff moved that the meeting be adjourned and Dr. Thralls seconded the motion. The motion carried. The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Larry Salyers
Secretary