

MARSHALL UNIVERSITY
BOARD OF GOVERNORS

December 9, 2010
Memorial Student Center
Huntington, WV

Members present, in person: John G. Hess, Letitia Neese Chafin, Michael G. Sellards, Michael Farrell, Ed Howard, Dale Lowther, Brent Marsteller, Joe McDonie, Larry Stickler, Joe Touma Mike Dunn, Edward Pride IV

Members Present, by phone: Verna Gibson, Gary Adkins, General Mooney

Members Absent: A. Michael Perry (Emeritus member);

I. Call to Order

Upon determining that a quorum was present, John G. Hess, Vice Chairman called the meeting to order as Mrs. Gibson was attending by phone.

II. Minutes Approval

The minutes of the October 21, 2010 meeting will be approved at the next meeting.

III. President's Report

Dr. Kopp gave an update regarding recruitment and numbers on enrollment. He discussed the Green White days on campus noting their success. Winter Commencement was on December 5, 2010, and he publicly thanked Tish Chafin for her participation giving greetings from the Board of Governors. Tish commented briefly noting that it was a very enjoyable day. Dr. Kopp discussed Homecoming weekend. The MU Foundation met November 11-13, 2010. Dr. Kopp and Matt Turner attended the investiture for Earl Ray Tomblin. We received a visit from the federal Economic Development Authority regarding funding opportunities.

The HEPC is meeting in Wheeling, WV in December. Dr. Kopp noted that he has chaired an "Efficiencies Task Force" and a final report will be distributed in the next 30-45 days. A brief report about the upcoming legislative session was given by Dr. Kopp. Legislative goals will be discussed with the local delegation at an upcoming meeting before the session begins.

Dr. Kopp briefly touched on an item that will be discussed in greater detail during the report of the Finance Committee. He wished each member a happy holiday and a wonderful new year.

IV. Cyber-infrastructure Presentation – Dr. Jan Fox

Dr. Jan Fox gave a presentation on Cyber-infrastructure. The link to the presentation is:

<http://www.marshall.edu/it/cyber.ppsx>

V. Presentation by Classified Staff Council – Nina Barrett

Layton Cottrill cited the State Code and explained that Classified Staff Council reports to this board annually. She represents 638 staff on the main campus and South Charleston. A link to the presentation is as follows:

<http://www.marshall.edu/it/BOG%20Presentation%20December%202010.pdf>

VI. Provost Report

A brief report was given by Dr. Ormiston concerning development in Academic Affairs. He particularly noted that the University was commended by the HEPC regarding our Campus Compact.

VII. Reports

Finance, Audit and Facilities Planning Committee, John G. Hess, Chair

Updates were given to the Committee from Finance, Athletics, Internal Audit and the Medical School.

The following Action Items for the Board to approve, are:

1. Update on the Series 2010 Bonds that refunded the University Facilities Revenue Bonds, Series 2001A

BACKGROUND:

At the August 26, 2010 Board of Governors meeting, the Board approved the adoption of a resolution authorizing the refunding of all or a portion of the \$40,690,000 outstanding principal amount of the Higher Education Interim Governing Board University Facilities Revenue Bonds, Series 2001A (Marshall University Projects). On November 17th, the Advanced Refunding of the bonds was completed. The details of the transaction are summarized as follows:

The Issuer is the Board of Governors of Marshall University (the Issuer).

The aggregate principal amount of the Series 2010 Bonds (Bonds) is \$37,140,000. The Series 2010 Bonds are dated November 17, 2010 and consist of \$21,665,000 Serial Bonds with interest rates from 2.0% to 5.0% which mature serially from May 1, 2012 through May 1, 2024 and \$6,075,000 and \$9,400,000 of Term Bonds, bearing interest at 5.0% and 4.5% respectively which both mature on May 1, 2030. The Term Bonds are subject to mandatory redemption prior to maturity. The redemption price on the Term Bonds is equal to 100% of the principal amount, plus accrued interest to the date fixed for redemption beginning on May 1, 2020 through May 1, 2030.

The Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended and other provisions of law. The Bonds are secured pursuant to the Trust Indenture dated November 1, 2010, by and between the Board of Governors of Marshall University and the Trustee.

The Bonds are secured by and payable from the revenues related to the facilities; all dormitories, student housing, food service, and motor vehicle parking facilities now or hereafter situate on the Huntington West Virginia campus of Marshall University and owned by the Issuer.

The Bonds are special obligations of the Issuer and are not general obligations or debts of The State of West Virginia (State). Neither the credit nor the taxing power of the State is pledged for the payment of the Bonds.

Bond Par Amount \$37,140,000
 True Interest Cost 4.162325%
 Net PV Savings \$1,741,260.53 (Savings will be via a reduction of debt service payment)
 Interest payable Semi-annually starting May 1, 2011
 Principal payment Annually; starting May 1, 2012 through May 1, 2030
 Ratings Moody's: A1 Fitch: A+
 Debt Service Reserve Fund N/A

Mr. Farrell noted that since no cash was transacted, there is no need to inform or vote on how the money was to be spent as discussed in the previous meeting.

Brent Marsteller motioned and Dr. Joseph Touma seconded that the update be accepted by the Board. It was unanimously approved.

2) Approval of Architect/Engineer Selections for East Bond Projects

In July, 2010 Marshall University received the certified project list for the EAST bond projects. Marshall University received \$17,600,000 for the following projects:

Smith Hall	\$ 4,600,000
Academic Building Renovation/Repair	\$13,000,000

The University's Purchasing Department began the process of soliciting Expressions of Interest from Architect/Engineer firms for design of the projects. The projects were grouped in five (5) design categories (see attachment). A university committee consisting of Facilities Planning and Management, Physical Plant and Administration reviewed submissions for design of the group projects.

The following firms were selected by the committee for design of each project:

	<u>Total submissions</u>	<u>Architect Selected</u>
Design Group 1	12	Edward Tucker Architects, Inc
Design Group 2	17	Bastian & Harris
Design Group 3	12	Silling & Associates
Design Group 4	10	Bastian & Harris
Design Group 5	14	Kreps & Zachwieja

Resolved, that the Marshall University Board of Governors approve the selections of Architects/Engineers for the EAST Bond Projects.

Upon a motion by Dale Lowther, seconded by Edward Pride IV, the resolution was unanimously approved.

3) Final Approval for MUBOG FA-8, Investment Policy

Policies approved on an emergency basis are approved when circumstances such as time limitations imposed by external authorities prevent the appropriate notification of constituencies and the policy meets certain criteria listed in HEPC Series 4, Rules, Guidelines and Other Policy Statement by Governing Boards. The emergency policy is only in effect for 90 days and must be approved in final form once appropriate procedural requirements have been met. At the October 8 meeting of the Board, this policy was presented as an emergency based on "substantial harm to the public interest". Following the normal requirements for passage of a policy would delay approval by about two months and a loss in interest income.

After going through the formal notification process, this policy is now presented to the Board for final approval. Policy FA-8 is to assist the Board of Governors in effectively supervising and monitoring the investment policy, implementation and management of the Investment Pool. The previous investment policy, approved September 2005, is being revised to take into account the time limitation accorded from Senate Bill No. 2003(SB). SB 2003 was passed on July 21, 2010 to extend the authority of a governing board to invest moneys with its foundation from July 1, 2010 to July 1, 2011.

No comments were received as part of the Notice of Proposed Rulemaking, and the policy is the same as it was when approved in October.

Upon a motion by Dr. Joseph Touma, seconded by Brent Marsteller, the Board Resolved that the Marshall University Board of Governors approves Policy FA-8, Investment Policy. The Policy was unanimously passed.

4) Financial/Budget Report for three months ending September 30, 2010

Upon a motion by Brent Marsteller, seconded by Joe McDonie, the board unanimously approved the following resolution:

Resolved, that the Board of Governors receives the Financial/Budget Report for the three months ending September 30, 2010.

5) Investment Earnings Update

Upon a motion by Dr. Joseph Touma, seconded by Joe McDonie, the board unanimously approved the following resolution:

Resolved, that the Marshall University Board of Governors receives the Investment Earnings Report for the four months ending October 31, 2010.

The §12-1-12b Pilot Program for investments by Marshall University and West Virginia University expired on July 1, 2010. All funds invested on behalf of Marshall University by Commonfund were fully redeemed and returned to the State of West Virginia for investing purposes in June 2010. Subsequently, legislation was passed in July to allow funds to be invested until July 1, 2011. On October 8th, Marshall invested \$18.0 million in Commonfund; \$13 million for Marshall and \$5.0 million for the School of Medicine (SOM). Information was given to the Board regarding funds invested for 2011 fiscal year for both the CommonFund and monies on deposit with the State.

Academic & Student Affairs Committee, Letitia Neese Chafin, Chair

Updates were given to the Committee from Academic Affairs, Athletics, Student Affairs and the Medical School. Dr. Gayle Ormiston gave a brief report from the Provost noting:

The University was commended by HEPC for the Compact Update. In January 2011, there will

be an update to the report. Included in the report is the use of technology, Information Technology, career and placement services, enrollment increases, STEM Program. He discussed briefly the Policy AA39, Selection and Evaluation of Faculty Deans. The Dean search and realignment of the College of Education and Human Services has begun. We will probably bring in candidates in February 2011. The Deans Dinner Theatre was on December 3, 2010 and was enjoyed by all in attendance.

Letitia Neese Chafin informed the board that a discussion at the committee meeting concerning a Concussion Administrative Policy/Procedure is in place. The “procedure” does not require board approval, however, it is important that the Board knows it exists. Other items of interest that Ms. Chafin discussed during her report were that the Black Coaches Association awarded MU an “A” and the Big Green is 3000 members strong now. Student Affairs is working with the ROTC in “Toys for Tots.” The Memorial Service for the plane crash was well attended on November 14, 2010. Dean McKown reported that the Health Care Facility in Chapmanville is a great presence in southern West Virginia.

The Action items from the Committee were discussed with the Board.

Action Items:

1) Final approval for MUBOG AA-17 Textbook Policy

Upon a resolution by Brent Marsteller, seconded by Dr. Joseph Touma, and unanimously approved, the Board approved the following:

Resolved, that the Marshall University Board of Governors approves Policy AA-17, Textbook Policy.

Policies approved on an emergency basis are approved when circumstances such as time limitations imposed by external authorities prevent the appropriate notification of constituencies and the policy meets certain criteria listed in HEPC Series 4, Rules, Guidelines and Other Policy Statements by Governing Boards. The emergency policy is only in effect for 90 days and must be approved in final form once appropriate procedural requirements have been met. At the October 21, meeting of the Board, this policy was presented as an emergency in order “to comply with a time limitation established by state or federal law or regulations...” Specifically, Higher Education Policy Commission Series 51 requires that each WV institution of higher education has a policy in place by November 27. Series 51 mandates certain aspects of the policy that the existing AA-17 did not cover. After going through the formal notification process, this policy is now presented to the Board for final approval. Policy AA-17 establishes certain goals, practices, and procedures relating to the selection and sale of textbooks with an overall goal of reducing textbook costs to students. While an initial set of goals, practices, and procedures is described in AA-17, Series 51 also requires the creation of a “textbook affordability committee” which will report to the Board on an annual basis. This textbook affordability committee will develop additional strategies to reduce textbook costs to students. No comments were received as part of the Notice of Proposed Rulemaking, and the policy is the same as it was when approved in October. Fiscal Note: There is no anticipated cost to the institution for implementing this policy.

2) Marshall University Research Trust Fund Addendum

Marshall University Research Trust Fund Plan Addendum – which allows Marshall University to broaden the scope of its approved plan for research domains that would be eligible for private gift support and dollar-for-dollar match through the West Virginia Research Trust Fund.

On April 3, 2008, West Virginia Governor Joe Manchin, signed into law legislation (passed as Senate Bill 287, “WV Bucks for Jobs” legislation) creating the **West Virginia Research Trust Fund**. The trust fund sets aside a minimum of \$15 million for Marshall University to match private endowment gifts supporting research. Private gifts will be matched by the Trust Fund monies on a dollar-for-dollar basis over the ensuing five years. According to the legislation, only interest proceeds earned on the combined trust fund and private gift endowments may be pent on an annual basis. Governor Manchin personally supported this strategic investment after reviewing the success of a similar program in the neighboring state of Kentucky.

The MUBOG-approved Marshall University Research Endowment Plan features five strategic goals:

Plan Goal 1: Increase the number of full-time, grant funded researchers at Marshall University by a minimum of nine scientists within the next five years;

Plan Goal 2: Develop interdisciplinary research clusters and focus endowment investments in research areas that:

- Build on existing institutional strengths and add to the critical mass of researchers;
- Involve multiple grant funding agencies/sources with reasonable probability for the awarding of funding on an ongoing, competitive basis;
- Offer the potential for breakthrough, patentable discoveries that will enhance research-based economic development.

Plan Goal 3: Increase the overall non-base budget for research and the number of non-base funded positions within Marshall University’s research enterprise, while increasing the retention and employment of college graduates.

Plan Goal 4: Increase the number of Ph.D. programs at Marshall University by at least one program.

Plan Goal 5: Improve technological digital reference support for internationally competitive research programs.

Plan Goal 6: Expand the physical infrastructure available to support research in these and related fields. The University’s directed research endowment plan has concentrated initially in one-to-two domains of interdisciplinary research, which are strengths at Marshall: research clusters in biomedical/biotechnology/bionanotechnology and transportation technology/logistics). Increased product development in one or more of the following areas was targeted: bio-manufacturing and niche areas of applied biomolecular research and bionanotechnology, which include the development of nanostructured, nanocrystalline and advanced electronic materials (DNA and RNA), nanostructured materials for cellular energy capture and delivery, bioenergy processes that yield alternative fuels/energy production, functionalized nanostructured materials for chemical-biosensor applications, nanomaterials in environmental pollution detection, monitoring and remediation, and functionalized nanostructures for targeted therapeutic agent delivery in medicine. A letter dated September 24, 2008 from then MUBOG Chairman Bob Shell was sent to HEPC affirming the MUBOG’s endorsement of the Plan.

According to the enacted legislation only those scientific disciplines or combinations of interdisciplinary research activities in the list below are eligible for trust fund matches

- ✓ Energy and environmental sciences
- ✓ Nanotechnology and materials sciences
- ✓ Biological, biotechnical and biomedical sciences
- ✓ Transportation technology and logistics
- ✓ Biometrics, security, sensing, and related identification technologies; and
- ✓ Gerontology

Qualified Private Donation or Qualified Donation. Any private donation, gift, or external bequest provided to a directed research endowment on or after March 8, 2008. A Qualified Private Donation Pledge or Qualified Pledge is any pledge, commitment, or other agreement to give a private donation to a directed research endowment that is made pursuant to a written agreement between the donor and the appropriate institution or its affiliated research

corporation or foundation approved by the University president on or after March 8, 2008.

Upon a motion by Dr. Joseph Touma, seconded by Ed Howard, the board unanimously approved the following resolution:

Resolved, that the Marshall University Board of Governors approves the "Marshall University Research Trust Fund Plan Addendum" as submitted above.

IX. Executive Session

There was no Executive Session.

X. Adjournment

The date of the next meeting is February 17, 2011. As there were no other matters to bring before the Board, upon a motion by John G. Hess, seconded by Michael J. Farrell, and unanimously approved, the meeting was adjourned.

Michael G. Sellards, Secretary