

MARSHALL UNIVERSITY
BOARD OF GOVERNORS
February 23, 2012
Memorial Student Center
Huntington, WV

Members present, in person: Verna Gibson, Chair; John G. Hess, Vice Chair; Phyllis Arnold; Letitia Neese Chafin; Oshel Craigo; Michael J. Farrell; David Haden; Ed Howard; Dale Lowther; Joe McDonie; Wyatt Scaggs; Michael G. Sellards; Joseph Touma; Mike Dunn; Marty Amerikaner; Raymond Harrell Jr.

I. Call to Order

The meeting was called to order at 11:17 a.m. by Chairman Gibson.

II. Minutes

Upon a motion by Joseph Touma, seconded by Letitia Chafin, the minutes for October 18, 2011 and December 13, 2011 were unanimously approved.

III. Jefferies Group Presentation and Authorization

Chairman Gibson requested that we move to this item on the agenda. She turned the floor over to the Chairman of the Finance, Audit and Facilities Planning Committee, John Hess. Mr. Hess introduced Whit Yates, Managing Director and Jack Carvalho, Managing Director from Jefferies & Company, Inc. of Atlanta, Ga. Mr. Hess explained that on February 2, 2012, the MU Foundation, Inc. added the Atlanta office of Jefferies & Company, Inc. as an investment manager that the MU Board of Governors may use for investment of its funds as allowed under West Virginia Code §12-1-12d. This action was to be able to recommend diversification of MU's investment portfolio by investing a portion of funds authorized for investment to become more actively managed. The Executive Committee has also met with them previously. Currently, we invest with CommonFund and the Executive Committee would like to recommend this group to take the investing of \$5 million with a strategic plan in mind. There were some comments about other investment groups being able to present to the Board or Executive Committee. Mrs. Gibson was fine with looking at other potential investors; however, authority for approval of additional financial/investment managers rests with the MU Foundation. Several questions by Board Members were made to Whit Yates, which he answered. Other discussion ensued and Members would like to be kept apprised going forward. Mr. Hess directed the members to recommend \$5 million to invest with Jefferies & Company, Inc., allowing a portion of the portfolio to be more actively managed. Upon a motion by Dale C. Lowther, seconded by Oshel Craigo, the Board approved the following resolution, however, with nays from Michael J. Farrell, and Joseph McDonie:

Resolved, that the Marshall University Board of Governors authorizes the administration to invest funds with Jefferies & Company, Inc.

IV. President's Report

Dr. Kopp noted that everyone should have received an autobiography authored by Art Weisberg. He said it was written very well and is only part of the story. He is looking forward to the sequel.

Dr. Kopp discussed a visit from the two secretariats from LCME on January 19 and 20. It was a very beneficial and instructive visit. An action plan is being completed and is due to be submitted to LCME on or before April 15, 2012.

Dr. Kopp gave a recruitment/admissions update noting that currently we are up nearly 500 freshman applications over last year. It is still too early to predict fall freshman enrollment. Currently through mid-February, we total FTE Undergraduate and Graduate FTE Enrollments have declined slightly over last year; however, total revenue collections have increased.

Dr. Kopp discussed Facility Planning. The parking facility is under construction and substantial completion is expected by mid- August. The A&E design work for Biotech Incubator/Applied Engineering Complex is in progressing on-schedule. The Memorial Field House closing event was well-received by the community and the design work has commenced for the new Soccer Stadium.

There is a "Fresh Eyes" report in the board package that was done by Capstone Management. This report includes a 5-year retrospective view of the University's residence hall, residence life and dining programs. Various convincing recommendations are presented in the report, which are now under review. Included among these recommendations is the determination that Resident Hall Directors should be professionals, and not graduate students; a recommendation that Resident Advisor staffing should be greater for predominantly freshman halls and less for upper classman halls/floors program.

Dr. Kopp discussed the University's annual Deferred Maintenance and Capital Improvement Report. The University has made considerable progress in addressing the deferred maintenance of existing facilities. This challenge is ongoing and will require continued vigilance. The inclusion of a line item in the annual budget with help continue the momentum that has been achieved toward reducing this long-term liability.

Briefly, Dr. Kopp gave an overview of the legislative session and the bills that we are watching. He briefly mentioned several bills, bringing attention to SB469, the OPEB Bill. This bill is of strategic importance to the financials of the University and has great meaning to MU. This bill was sent to the Governor on February 14, 2012. The other bill that is being watched closely is regarding personnel deadlines of 330. It is HB 4078, which was amended by House to change classified salary schedule cutoff date; amended by Senate to grant WVNET institutional data access. At the end of the regular session the legislature will consider the Budget bill. The

expectation is that level of our annual state appropriation will remain essentially at the level of the current fiscal year. MU is requesting additional funds to address accreditation issues in the School of Medicine.

Recently, several program accreditation site visits either have concluded or are pending this year. The College of Business had their specialized accrediting entity, the AACSB and they were re-accredited; the Social Work accreditation visit is next week; NCATE is visiting the College of Education in the fall; Pharmacy and Physical Therapy accreditation review is ongoing.

The School of Pharmacy has had a lot of interest among students.

The Department of Physical Therapy will be housed in the Education Building at St. Mary's. Currently, the renovation of the required space is ongoing. Dr. Penny Kroll and her staff are doing an outstanding job.

The School of Medicine Dean Search has gone well. Interviews were held off-site initially and the final four candidates were brought to campus. The on campus/community interviews included meetings with the CEO's of the three hospitals, Mr. Brent Marsteller, Mr. Michael G. Sellards, and Mr. Ed Seiler. The candidate pool was quite impressive. We are planning to have the person named soon and on board by July 1, 2012. Dr. Kopp recognized Beth Hammers and her role in this process, and also told the board that Jim Schneider was planning to retire and Beth was promoted.

The Open Pathways initiative with our regional accrediting agency, the Higher Learning Commission of the North Central Association of schools and Colleges (HLC) continues with a workshop in Chicago at the end of March.

A non-binding Memorandum of Understanding with our INTO partnership has been successfully negotiated. We will move to finalize a formal Letter of Agreement in consultation with the MUBOG most likely in conjunction with the Board's June meeting.

Private fundraising for the planned capital projects is progressing.

Dr. Kopp asked Dr. Nerhood to update the Board of Governors regarding the School of Medicine. He announced that Jim Schneider, the fiber of the Medical School for 20+ years, is retiring. As Dr. Kopp announced earlier, Beth has been promoted from Executive Director of UP&S to Chief Administrative Officer.

Dr. Kopp asked if there were any questions and as there were none, John Hess continued with the Finance, Audit and Facilities Planning Committee report.

V. Committee Reports

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

In the Committee meeting, informational updates were given regarding Deferred Maintenance, the “Fresh Eyes” report, Joan C. Edwards School of Medicine Dean’s Search report and updates for the Schools of Pharmacy and Physical Therapy.

In addition to the action item voted on earlier, the Committee considered six more action items:

The first is a Revision to Investment Portfolio Strategy. With the Jefferies & Company, Inc. agenda item approval, the Investment Portfolio Strategy is revised and updated. Basically, the revisions are: updates to correct language to indicate there is more than one manager; remove specific investment vehicle recommendations from the strategy as separate attachments for each investment manager listing their initial investment recommendations; and increasing the Target Asset Allocation and Ranges for the Long Term Investment Pool. Upon a motion by Joseph McDonie, seconded by Phyllis Arnold, and unanimously approved, the following resolution was approved:

Resolved, that the Marshall University Board of Governors accepts the proposed revision to the Investment Portfolio Strategy.

The Investment Earnings Update was given; highlighting that Marshall University had the authority to invest up to \$30 million. Approval to increase the University’s investment authority to this amount was given by both MUBOG and the Higher Education Policy Commission. In December 2011, an additional \$7 million was invested with CommonFund. The report given reflected the monies on deposit with the State and CommonFund. Upon a motion by Joseph McDonie, seconded by Joseph Touma, the following resolution was unanimously approved:

Resolved, that the Marshall University Board of Governors receives the Investment Earnings Report for the seven months ending January 31, 2012.

SB 603 requires the administration to provide financial statements certified by the CFO of the Institution. The next item is to approve the Financial/Budget report for six months ending December 31, 2011. Upon a motion by Joseph McDonie, seconded by Ed Howard, the Board unanimously approved the following resolution:

Resolved, that the Board of Governors receives the Financial/Budget Report for the six months ending December 31, 2011.

The next item is a proposal for additional fees for Fiscal Year 2011-2012. These fees pertain to the School of Pharmacy and the Department of Physical Therapy. They are as follows:

School of Pharmacy is proposing a \$100 application fee and a non-refundable fee of \$500.00 for enrollment fee deposit that will be applied to the student's tuition.

The Department of Physical Therapy is proposing a non-refundable enrollment fee in the amount of \$300.00 that will be applied to the student's tuition.

Both the School of Pharmacy and the Department of Physical Therapy will have students cover the cost of their required background checks and their insurance.

After a brief discussion, and a confirmation that these fees are normal and customary for these programs, upon a motion by Dave Haden, seconded by Wyatt Scaggs, the following resolution was unanimously approved:

Resolved, that the Marshall University Board of Governors accepts the proposed additional fees for the Fiscal Year 2011-2012 Fee Schedule for the School of Pharmacy and the Department of Physical Therapy.

The next item is for approval of Architect/Engineer Selection. In November 2011, Marshall University closed on the 2011 Bond Issue. The Fine Arts Incubator/Visual Arts Center is one of the projects in the bond issue. A selection process was done and Edward Tucker Architects, Inc. was chosen. Upon a motion by Michael J. Farrell, seconded by Michael G. Sellards, the following resolution was unanimously approved:

Resolved, that the Marshall University Board of Governors approve the selection of the Architect/Engineer Firm for the planning and design of the Fine Arts Incubator/Visual Arts Center.

The last item from the Committee is with INTO University Partnerships Limited. A non-binding Memorandum of Agreement was signed with INTO University Partnerships Limited to set out the principal terms for this project and the timeline for implementation of the program. Upon the final review and negotiations of the terms and timeline within the Memorandum of Agreement, the University is requesting authorization to proceed with a definitive letter of agreement. Upon a motion by Joseph Touma, seconded by Joseph McDonie, the following resolution was unanimously approved:

Resolved, that the Marshall University Board of Governors authorize the University to proceed with a letter of agreement with INTO University Partnerships Limited.

Academic & Student Affairs Committee, Michael G. Sellards, Chair

Mr. Sellards discussed the items that were given in the Committee meeting. Some highlights were: Conference USA discussions, enrollment report by Michael McGuffey, the “Report Card” by Dr. Gayle Ormiston. The Digital Forensic Science Major was discussed during Committee by Dr. Chuck Somerville. A consultant from Purdue will be here to help to develop the full major and the Intent to Plan. This is for the Information Technology and Digital Forensics area of emphasis in Forensics Science. There will probably be a “Special Board Meeting” called after Faculty Senate approves this in a month or so. This program will be housed in the College of Science and Prichard Hall until the Biotech Incubator/Applied Engineering Building is constructed.

The “action item” on the agenda is an information item regarding Textbook Cost Savings and does not require Board approval.

Dr. Gayle Ormiston, Provost, gave an update report. He discussed the Textbook Costs Savings in detail noting that students saved \$1.5 million. Academic Affairs is working with faculty to get textbooks decisions made in a timely fashion and formats. He also discussed some happenings on campus. Dean Chong Kim is retiring July 1, 2012. Associate Provost Frances Hensley is also retiring on July 1, 2012. Some heartfelt comments were made regarding Frances and how much she has helped him while he has been here. Searches are ongoing for both positions.

As Dr. Kopp discussed, the HLC (Open Pathways Project) process is ongoing. The former accreditation process has been eliminated and the Pathways Quality Initiative Process replaced it. Dr. Ormiston showed and discussed the process we are implementing through a website. The web address is: <http://www.marshall.edu/wpmu/hlcopenpathways/>

Discussion regarding syllabi ensued. Dr. Ormiston would like to have adopted a “master syllabus” framework for all approved courses. Several Board members agreed and applauded this effort. With no other questions for Dr. Ormiston, Dr. Amerikaner reminded the Board of the March 28th Program Reviews, noting they would have their packet of information soon.

At this time, the Board went into Executive Session under the authority of WV Code §6-9A-4.

VI. Executive Session under the authority of WV Code §6-9A-4

After a period of time, upon a motion by Joseph McDonie, seconded by Michael J. Farrell, the Board reconvened in open session. The following resolution was unanimously adopted:

Resolved, that the Marshall University Board of Governors has determined that it is in Marshall University’s best interest for it to become a party to a new collegiate athletic association and that the President or his designee is authorized and directed to take such action necessary to effectuate that goal including the execution of any and all necessary documents.

VII. Announcements and Adjournment

The next Board Meeting is April 17, 2012, unless we have to call a special board meeting.

As there were no other matters to bring before the Board, upon a motion by Joseph McDonie, seconded by Phyllis Arnold, and unanimously approved, the meeting was adjourned.

Joseph Touma, Secretary