

**WEST LIBERTY UNIVERSITY
BOARD OF GOVERNORS**

**August 14, 2013
5:00 p.m.
Shaw Hall Board Room**

AGENDA

1. Call to Order
2. Chairperson Comments
3. Swearing in of New Board Members
4. Consent Agenda*..... 10 Min
 a. Minutes of the Full Board 06/15/13
5. Informational Items:..... 25 Min
 a. President's Report.....
6. Adjournment

*Action Items

**West Liberty University
Board of Governors**

Minutes

June 5, 2013

Attendance:

Beverly Burke, Richard Carter, George Couch, Brian Joseph, Ann Thomas, Carrie White,
LeeAnne Yeater

Unable to Attend:

Patrick Kelly

Administration/Faculty/Staff:

Robin Capehart, Brian Crawford, John Davis, Mary Ann Edwards, John McCullough, Jim Stultz,
Jack Wright

1. Call to Order:

Chair Carter called the meeting to order at 5:13 p.m.

2. Chairperson Comments:

Chair Carter mentioned that since the last Board meeting in April we have concluded the 2013 school year and according to everyone we concluded successfully. Commencement was held May 11, 2013 and it went well and everybody graduating was happy. Some graduates didn't receive a signed document and were surprised and weren't happy about this, but will have their diplomas this summer.

We have had two special Board meetings since the last regular meeting; they are identified in the packet of materials sent out. The first special meeting was for the approval of a new undergraduate degree program, the Bachelor of Arts in Community Education. This special Board meeting was held in order for that Program to get down to the Higher Education Policy Commission in plenty of time to be approved. A second special Board meeting was held on the 29th of May and at that meeting we concluded the President's evaluation. The evaluation was approved as a Board and is being sent down to the HEPC. We also had a motion to rehire the President and there is a Contract Committee that will be negotiating a contract with the President; we are ready to move forward in all regards.

3. Consent Agenda*:

Chair Carter stated there is a consent agenda that shouldn't take very long. The consent agenda contains full Board minutes of April 17, May 22, and May 29, 2013; Executive Committee minutes of May 22, 2013, and the Tentative Schedule of Meetings July 2013-June 2014. Chair Carter asked if there were any additions or corrections to any of the minutes.

Mrs. Thomas stated that the April 17th minutes say something about training at the June Board meeting. There was no response to a request for a representative from HEPC to attend the June 5th Board meeting for training. Chair Carter asked for a motion to accept the consent agenda.

A motion that the West Liberty University Board of Governors approve the Consent Agenda items was then made by Beverly Burke and seconded by LeeAnne Yeater; motion passed unanimously.

4. Informational Items:

a. Annual Graduate Degree Report

Dr. Crawford stated that the Annual Graduate Degree report is required to be sent to the HEPC by early July and is only required for those institutions who have recently added masters programs. Essentially it is an update of the report for the last two years and shows the two masters programs now in place. The report is self-explanatory, listing times, locations offered, numbers of students enrolled, etc. The Master of Arts in Education has 70 students with three accepted so far for August 2013; there may be more students between now and August. The M.S. in Physician Assistant Studies had 17 in the first class with 19 to begin in July. The number

of students who have obtained their Masters in each program is 64 in the M.A.Ed. and the first class for the PA Program is still in process. We anticipate those first graduates for be completed in July of 2014 and walk through commencement in May of next year.

b. Annual Report on WLU Research Corporation

President Capehart began with giving an overview of the Research Corporation before giving the financial report. The Board should consider moving the Annual Report on the Research Corporation to the August meeting next year. This will allow them to get a year-end report instead of the status as of May 31.

Most recognize the value of a research corporation as an important part of the University's mission, assisting faculty with scholarly activities and supplementing the salaries of aggressive faculty members. There is also the residual value; material and equipment involved which becomes a part of the University. Great Universities have a research component. External funding can be used for either basic or applied research, or for program support/funding for operations. Program support goes directly into the school to support University programs. A couple programs have gone through the Research Corporation and for the most part is money for either basic or applied research.

The background for the creation of the Research Corporation and statutory finding for it is in WV Code 18B-12. A research corporation can serve as a fiscal agent for sponsored projects and grants accepted on behalf of the institution and assigned to the institution. Most grants go directly to the research corporation. The Board of Governors may provide and transfer funding, both real and personal, to the research corporation.

Chair Carter asked if the amount of the grant dictates how much of an administrative expense will be attached. President Capehart stated that some grants allow you to take monies out for facilities and administrative needs. As an example, the EMBL grant did not have built in F&A so it had to be taken out. This money is distributed for personnel, equipment, etc. There are also important compliance reports connected to grant money. WLU had previously received grant money from the Benedum Foundation but couldn't get other grants because we had a report that was two years outstanding; the compliance report had not been filed. The Research Corporation is responsible for making sure these reports are turned in.

A research corporation flowchart was shown demonstrating the traditional way research grants are processed. The Research Corporation at WVU gives \$40 to \$50 million back to the University over and above what they need to operate the corporation. The majority of money that relates to some of WLU's grants have been matching. These have a little different scenario and are based upon a reimbursement system. The University provides a line of credit to the Research Corporation and the Corporation then has to give money for personnel and equipment to the primary investigator. Once the money is spent, the Research Corporation sends a statement to the external funding source and they reimburse the Corporation and the Research Corporation gives it back to the University.

Mr. Joseph stated that you typically see 10% up front; in his business they ask 50%. For instance, if Wheeling Nisshin wants to invent new steel they give half up front. Many major universities have huge money in grants and pay out much of it; the problem is sometimes the universities have to make a decision if it's worth the cost amount. The Research Corporation spent money, but didn't get as much back as spent; that's the decision to be made when you get into grants. Dollar-wise the majority of grant money in the U.S. is more in the 40% to 50% range. Equipment and materials would go back to the University, which Jack would track.

Chair Carter stated he wants to discuss this issue and is not opposed to the Research Corporation; he's not fighting the concept. Before the Research Corporation we wrote for grants. President Capehart stated we did, but not very many. Chair Carter asked if the Research Corporation is writing grants now, to which President Capehart stated, "Yes." Chair Carter questioned that the Research Corporation has one employee and he writes all the grants. President Capehart stated that they have the knowledge to write and submit grants. The Research Corporation collaborates with the professor to help write a grant for a particular area when the writer needs substantive help. Chair Carter asked if there have been more grants written than we did in the past. President Capehart stated that there is \$2.4 Million in grants in the pipeline out there now with a possible \$3.6 Million by December 31st. Chair Carter asked if

that \$5 Million in grants would have been written without having a Research Corporation. President Capehart stated that he couldn't really say, but when he came to WLU we had one grant that was outstanding and we took the money and forgot about doing the paperwork that needs to be done. Carrie White stated she had five years of the \$500,000 EMBL grant and it was very difficult to find a way to get it through the University and distribute. The concept of the Research Corporation is good, but she didn't have a lot of contact with them.

Chair Carter stated with regard to facilities and administrative, a principle investigator is going to do research and grant writing as part of the administrative cost. President Capehart stated that is a facilities and administration cost. Chair Carter stated that it is not an administrative cost on the person doing the research, although he did not want to get hung up on schematics; there is a wage earned by the person doing the research. How does the Research Corporation sort these things out? Mr. Joseph stated that eventually the government will come in and do an audit, look at the costs, and tell you what your facilities and administrative costs are for the University and apply it against every dollar of money spent on labor. All of the F&A is by the hour. In manufacturing, cost is per unit sold. The University is by hours and virtually every university comes in at 41% to 46%. A discussion followed on breakdowns and percentages.

Advantages to having a research corporation are that they are timely and efficient with regard to compliance issues attached to grants. Statute on research corporations was originally passed in order to focus on timely compliance on available funding resources. Keely Camden has a wonderful relationship with the Benedum Foundation. Research corporations are more attractive to high-quality researchers and like to work with qualified research corporations. They are also attractive to private funding sources.

President Capehart distributed the profit and loss statement and balance sheet for the West Liberty Research Corporation for July 2012 through May 2013 and stated he would do his best to answer any questions. The profit and loss statement for this year through the end of May has a total income of \$320,000. This is basically divided in two ways; program expenses and putting money back into what the grant was for, which was the bulk of the money. Management overhead of the Research Corporation was about \$74,000 and the statement gives the total expenses and net ordinary income for the year. The Communications Advisor was handled through the BB&T grant to promote some of their programs.

Mr. Couch asked about the status of the two advances shown on the balance sheet. President Capehart stated that current assets are approximately \$61,000 in Huntington Bank, \$2,000 in BB&T for \$64,000 in checking and savings. Listed below this are the current assets and statements outstanding to be reimbursed with money that has been awarded and spent. \$63,000 in statements are to come back through those grant programs. Under liabilities and equities there is a \$120,000 advance from the University to the Research Corporation. Mr. Couch asked if the \$135,000 and \$120,000 are still outstanding. President Capehart stated it is not and those are from a year ago. Mr. Couch asked if the balance has decreased, to which President Capehart stated they had due to a substantial grant last year.

Chair Carter asked how much was originally kicked in for the Research Corporation, to which President Capehart stated that the total was \$300,000. Mr. Wright stated that \$50,000 was originally transferred with \$15,000 paid back last year. The line of credit was extended to \$120,000 total. President Capehart stated that the total bottom line is \$300,000. Chair Joseph asked for clarification on matching money and if it's correct that if it's matched it will not go back in the Foundation, which is correct. \$85,000 has been brought in this year to generate close to \$320,000. A discussion followed on grants and the Research Corporation.

Chair Carter stated these things sound good but is wrestling with the fact of the bang for the buck. From a cost standpoint, most of it is probably administrative, but we have generated some grants that we heretofore may not have had. WLU loaned the Research Corporation and they owe us \$120,000 for that two year period that they're showing a net income of about \$76,000, up from \$44,000. If you look at the assets, after explaining the loan, at the end of the day with all of the program support that's taken place, we actually did some considerable things over the last few years. There has been some value built up to researchers and equipment and this money needs to get back to the University.

Chair Carter stated we need to get to the point where we are making money through the Research Corporation. Right now it doesn't look too bad at close to break-even and gaining value this year with \$320,000 WLU otherwise would not have. Mr. Joseph stated that all of the top line benefits WLU in some way but it's hard to explain without knowing what's in each contract. Mr. Couch stated that funds generated aren't always going to show up on these statements. President Capehart gave the example of Zach Loughman and how much it has advanced his status in his field. Carrie White noted that with the Entrepreneurship Program through EMBL and bringing them to campus, you can look at the value added because of the experience with the EMBL Program. Mr. Couch noted that he normally deals with corporations that generate patents and trademarks, which WLU can get eventually. Mrs. Burke asked if it is a function of the Research Corporation to talk to faculty and deans about what they do if they're supposed to be finding grants for folks. Should they be conversing with the campus, meeting with deans, chairs, and faculty? President Capehart stated that three years ago the first thing the Research Corporation did was put a grant handbook together and met with these groups. With 46 new faculty members in the last three years this may need to be done again.

President Capehart stated with regard to the Institute for Energy and Commerce, in February he was at the Capitol on business and talked with Chris Hamilton. They discussed an idea for a possible Institute for Energy and Commerce, with the ability to talk with various energy providers, and thought it was a good idea. A meeting was held a few weeks later about the Institute being on West Liberty's campus with two foci; one is a professional development/program development based on products of various industries where training was needed in certain areas with certain degrees. That was one part; the other was this is an opportunity to bring in energy officers to see what we need. We would most likely need certificate programs that need quick training or types of programs that easily fit into our leaderships BAS or BLA programs.

As an example, this would be done in a similar manner to the Health Services Advisory Committee formed to work through what types of programs WLU needs to provide support for the medical needs of the community. This Committee resulted in the PA Program. If we put together an industry group, this group can tell WLU what they need and we can provide the education. Putting a group together is the focus right now; it's an opportunity to get leaders in the energy industry from a lot of different areas on campus and build relationships with them. One of the people mentioned was Dr. Mike Hicks, a researcher formerly at Marshall University. Mike has done a lot of work for and is well respected in the natural gas, coal industry, and would be a visiting Fellow to help get the research started. There would also be two or three faculty members on campus to help in the research area.

Chair Carter stated that this announcement was an absolute surprise to the Board. You don't have to tell the Board everything and it's understood there is a lot to do on a daily basis. The Board shouldn't get surprised about a new program by hearing it in the newspaper, on television, or bump into people and they heard about the program and we haven't. Nobody knew a thing about this and surprises like this aren't good. Chair Carter is in favor of the program and thinks it's a good program, but should not have been surprised. The issue is this Board should receive the courtesy of an invitation to a major announcement so they can support the program. At some point in time there might be a transfer of funds for the program and you want to have this Board strongly behind the effort and we deserve the right to be advised and involved in advance.

A meeting will be held on June 19th with CONSOL, Alliance, and Chesapeake. This meeting will be an informational meeting dealing with brainstorming to find out what they want, need, etc., and how WLU can help to support those needs. The Provost should be in this meeting, along with representatives from disciplines most likely involved. Others may be pulled in later, but it's important to have discussions with these groups and get others to buy in later. If we want to gain traction and be well accepted, we need to be driven by lots of people and get people involved who are ultimately teaching and developing programs. Mrs. Thomas asked, with regard to the gas and oil industry, is there something in this programming where if kids are going to the community college and want to come to WLU, is there a bridge to be met to get the degree, etc.? President Capehart stated that we won't know until the programs have been developed.

Ours is a four-year program where the community college is a two-year certificate. Mr. Couch stated his wife asked him if he was excited about the big announcement at WLU today. He knew some other things had gone on at Jesuit that same day, but was totally embarrassed because he had no idea about WLU's announcement. President Capehart apologized for the oversight. He

was given a timeline, set-up the date for the announcement the second week in May and quite frankly forgot about it with all of the things happening at the end of the semester. Chair Carter stated that this is a big deal and the Board should know these things so they can get behind and support the program. We cannot allow that kind of activity to happen. Mrs. Burke asked if we still have the CONSOL property. President Capehart stated that the Foundation owns the property and is currently leasing it to Chesapeake for approximately \$7,000.

c. President's Report

President Capehart stated that compared to this time last year, applications are up 6.4% as of June 1, 2013, students accepted are up 9.6%, and housing applications are up 2.6%. Chair Carter asked Mr. Wright if those numbers make him comfortable. Mr. Wright stated we're hoping to get the percentage we normally get, approximately another 60 students. Out-of-state numbers took a hit last year but are up substantially this year. We would like to turn those accepted into students at the same rate we normally would, that being 38%. Of all the figures, we are positive you are not going to register for a room if you don't have some plans of coming to WLU. Room reservations are up 30 students over last year.

Last year greater efficiencies were discussed and some of the things, based on these discussions, were three different areas that had come forth, noting recent information from the HEPC and Marshall University's issues with Dr. Kopp. A taskforce was formed to look at efficiencies and things to do to make the colleges and universities more efficient as a system. Most institutions have some inefficiency. WLU's Focus 2020, with Dr. McCullough leading the SmartCampus Project, focused on efficiency with 23 focus group meetings and receiving approximately 1,000 comments. He and Ron Witt tracked the comments made and produced a considerable amount of some pretty raw data, a copy of which is available in Dr. McCullough's office, the Provost office, and President Capehart's office.

Dr. McCullough stated that the Board's Executive Committee did not want to put the document on line with the content being raw data. The next step is to glean out the aspects and recommendations which dealt specifically with efficiencies. The information has been categorized by Communications, Facilities, Resources & Technology, Policy, and Workplace Environment. You can look at the list and see where changes need to be made and whether it's procedure on a policy or statute needing to be changed.

An example of inefficiencies was given by Mr. Stultz, VP of Human Resources with regard to the WV11 form submitted by WLU for all employees when there is any type of change in their status. These forms are a five-part form completed by hand. WVU and Marshall are permitted to submit these forms on line, but all other institutions have not been given permission. There are several different forms manually prepared for the State. WLU was required to move to the Banner system and still can't use an automated system for submissions. If forms are not hand written and signed in blue ink they will be rejected.

President Capehart stated that the enhanced data will be posted to the institutional dashboard. On the Focus 2020 site, under Reports & Data, some of the pieces of data have been pulled together and posted. The Mission Review Committee is working on 60 some categories with more information ready to post or already posted. This information can be used across campus and is available for the public to see. Chair Carter asked who will keep this information up-to-date. President Capehart stated that is the next step and we will be starting conversations for updating the information. Chair Carter stated he hoped this information wouldn't be put up on the dashboard and let sit without updating.

The marketing impact is not in the budget until next year. Coach Watson and Craig Crow have written papers and done research on intercollegiate athletics impact at WLU, which should be out by August.

Mr. Stultz's office conducted a survey of the student population with five questions and a response rate of approximately 23%, which is a little over 500 students. Students were asked how they perceive services on campus and their functions. A more definitive report will be completed but we were pleased at the results of the survey for the Business Office, Campus Police, and Enrollment Services. Incentives were offered to participate in the survey with drawings for gas cards, an iPad, and some other prizes. The student piece is complete and the employee piece will be done soon. The student raw data needs to be compiled in a way to

display. President Capehart stated that some of the data we are trying to create is to help make more informed decisions.

Having been appointed by the State level leadership in August last year as Chair of the Council of Presidents, the Council has done a pretty good job focusing on issues in Higher Education. Since WVU and Marshall can do things we can't, this year we formed the West Virginia Association of Regional Colleges and Universities. This will give the seven other colleges and universities in West Virginia who are regulated by the State an opportunity to focus on issues that pertain to them. WVU and Marshall no longer have to go to the HEPC for approval of projects up to \$30 million, where other colleges and universities still need approval for everything over \$1 million. WVU and Marshall are in great positions to lobby and do these things; we need to get the concerns of the other institutions out there.

A year ago on June 16th nine schools met to up the level of the athletic conference and that is coming to pass. President Capehart had the opportunity to serve as Interim Chair of the Mountain East Conference. When officers are elected for the new conference he will be a member, but not the Chair.

President Capehart discussed increased fundraising in the last few years, although Chair Carter stated he did not have the same numbers. President Capehart has set a goal of \$2 million in fundraising dollars for his office as part of a requirement under his contract. A discussion followed with Chair Carter on how President Capehart's fundraising and that of the Development office differ. Mrs. Burke stated her understanding of President Capehart's fundraising goal, which is for the University, to which he stated, was correct. President Capehart sat down with the Development office in June to put numbers together for their goal. He set his goal at \$2 million and Development set their own internal goal to exceed \$4 million.

President Capehart stated that Dr. Koyzis presented a competency-based three-year degree program overview to him, which he is prepared to go over with him and turn it over to the academic side to look at the program. Through the Executive Fellowship Program, Professor Tammy McClain developed a proposal of her own with a three-year degree in Psychology. Chair Carter asked if the program would run twelve months out of the year. President Capehart stated that it would not and that the program would be integrated. He hadn't read Dr. Koyzis' entire report yet. Dr. McClain's report is aligned so that, instead of taking English and Psychology, in English you're writing a paper on "what I did on my summer vacation," the paper would deal with the substantive part of Psychology. There would be collaboration between English and Psychology to get credit. Chair Carter stated that this is a good concept and can see the collaboration of the different departments, but wondered at some point in time how you would charge the hours. Mrs. Burke asked with regard to students taking more than 12 hours; was there an increase in tuition for those students taking more than 15/18 hours and do we need approval? President Capehart stated that there had been a pilot bill to let institutions charge for this but the bill died.

5. Action Items*:

a. Election of Officers

Chair Carter stated that the election of officers is no easy thing when three people on the Board are in constituent groups and one is an ex-officer; there are precious few members. The slate of officers is Chair Carter, Vice Chair Couch, and Secretary Ann Thomas. Chair Carter asked for a motion on the election of officers.

A motion that the West Liberty University Board of Governors approve the slate of officers, those being Chair Richard Carter, Vice Chair George Couch, and Secretary Ann Thomas was then made by Beverly Burke and seconded by Carrie White; motion passed unanimously.

b. Capital Improvements

Mr. Wright stated that a year ago a clerical error gave \$247,000 of our money back to the State of West Virginia. In order to get the State of West Virginia to give the money back to the University we had to petition the Legislature. We did not put the \$247,000 into the budget this year, not knowing what the Governor would do with the petition. We were fortunate to get this money back the last day of the legislature. Unfortunately, at the same time, we had an inspection of the College Union roof, which we have had on a list three or four years ago to fix. This is one of the

last shingle roofs on campus that we keep patching. After the most recent patching we were told the roof had suffered more shingle damage, the chimney had been hit by lightning, which is the original chimney and also needs work. The project was discussed by the Executive Committee and is estimated at \$200,000. The University would like to install a new roof on the College Union this summer.

A motion that the West Liberty University Board of Governors approve the capital improvement project of installing a new roof on the College Union was then made by George Couch and seconded by LeeAnne Yeater; motion passed unanimously.

6. Adjournment:

Chair Carter asked if any further business was required. There being none the meeting adjourned at 6:45 p.m.

Richard Carter

Chair

Secretary