

**MINUTES  
MIDWESTERN STATE UNIVERSITY  
BOARD OF REGENTS**

**Finance and Audit Committee  
November 3, 2005**

The Board of Regents, Midwestern State University, met in regular session in the Board Room, Hardin Administration Building, Wichita Falls, Texas, at 2:27 p.m., Thursday, November 3, 2005. Finance and Audit Committee members in attendance were Mr. Munir Lalani, Chairperson; Mr. John Bridgman; Mr. Don Ross Malone; and Mr. David Stephens. Other regents attending the meeting were Mr. Mac Cannedy, Jr., Ms. Pamela Gough, Mr. Stephen Gustafson; Ms. Patricia Haywood, and Mr. Ben Wible.

Administrative staff members present included Dr. Jesse W. Rogers, President; Dr. Friederike Wiedemann, Provost; Mr. Juan Sandoval, Vice President for Administration and Finance; Dr. Howard Farrell, Vice President for University Advancement and Student Affairs; Dr. Bob Clark, Associate Provost; and Mr. Keith Lamb, Associate Vice President for Student Affairs. Other university personnel attending the meeting included Ms. Gail Ferguson, Controller; Mr. David Spencer, Internal Auditor; Dr. David Tucker, Chairperson of the MSU Faculty Senate; Mr. Buck Shaw, Director of Physical Plant; Ms. Dianne Weakley, Director of Personnel; Ms. Kristal Amador, Director of the Annual Fund; Ms. Cindy Ashlock, Assistant to the President; and Ms. Debbie Barrow, Executive Assistant to the President. Mr. Will Morefield, Student Government Association President, and Mr. Jason York, Student Government Association Observer, also attended the meeting. Representing the news media were Ms. Ann Work, reporter for the Wichita Falls *Times Record News*; Mr. Charles Boardman, Campus Watch reporter; and the photographer for KFDX-TV3.

Chairperson Lalani called the meeting to order at 2:27 p.m.

Reading and Approval of Minutes

06-08. The minutes of the Finance and Audit Committee meeting August 4, 2005 were approved as presented.

General Endowment Fund Report

06-09. Mr. Lalani reported that the General Endowment Fund was originally established with proceeds from the sale of the MSU bookstore to a private entity. The report for fiscal year 2005 was shown in the agenda document and was presented as a point of information only.

Land Proceeds Fund Report

06-10. Mr. Lalani noted that the Board established a quasi-endowment fund from the proceeds of the Southwest Parkway Land sale in August 1998. The report concerning this fund for fiscal year 2005 was shown in the agenda document and was presented as a point of information only.

### Review and Acceptance of Financial Reports

06-11. Mr. Lalani noted that the administration recommended the July 2005 Financial Report for acceptance. Mr. Bridgman moved acceptance of the report as presented. Mr. Stephens seconded the motion and it was approved.

### Computer Use Fee Increase

06-12. Mr. Lalani reported that the university's Computer Use Fee is currently \$9.50 per semester credit hour. He indicated that the administration recommended that the Computer Use Fee be increased to \$12.00 per semester credit hour beginning with the spring 2006 semester. He added that it was anticipated that this increase would generate approximately \$375,000 each year. These funds are needed for upgrading and maintaining university computer labs and computer operations. Dr. Rogers commented that this proposed fee was average of the fees charged at other Texas public universities.

Dr. Rogers noted that additional funds were needed because of the loss of \$800,000 in Higher Education Assistance Funds (HEAF) during the next two years. He indicated that the Board was previously informed of the university's need to move as quickly as possible from the current mainframe computer system to a server-based system. The large bulk of these funds will go into that project. This new system will affect every area of the university from student information, billing, and accounting to human resource management. He added that the students, faculty, staff and administration would benefit from this upgrade. He added that the program of transition would take four years and cost approximately \$6 million. These funds would assist in this needed upgrade.

Mr. Malone moved approval of this recommendation as presented. Mr. Stephens seconded the motion and it was approved.

### Distance Education Course Fee Increase

06-13. Mr. Lalani commented that the cost of delivering and supporting distance education courses continues to increase. Additionally, the number of students taking distance education courses on the web or via ITV is steadily increasing. The administration recommended raising the fee for distance education courses from \$25 per semester credit hour to \$32 per semester credit hour effective with the fall 2006 semester.

Dr. Rogers commented that the utilization of distance education at MSU continues to increase. He noted that the West College of Education offers master's level programs via live instruction television. A total of 260 Internet courses are offered by MSU colleges and programs. Dr. Rogers commented that MSU is a leader in this field. He noted that the Bachelor of Science degree in Radiologic Sciences is taught solely via the Internet.

Dr. Rogers added that this is not an inexpensive way to deliver education but it is a service to those who cannot be reached otherwise. He noted that this increase would offset some of the cost of equipment and administrative services. He added that it would also allow for a slight expansion of course offerings. He commented that 65 students had to be turned away from the radiologic science program in the fall because the university did not have the equipment, support or faculty to teach the necessary Internet courses.

Dr. Wiedemann commented that the recommended fee was slightly below the average charged throughout the state. Mr. Lalani asked if this fee was in addition to tuition. Dr. Rogers responded that it was.

Ms. Gough asked Dr. Wiedemann if the 260 courses Dr. Rogers mentioned were undergraduate or graduate courses. Dr. Wiedemann responded that they were both. She added that the courses are primarily found in the professional fields. Ms. Gough asked how someone would choose distance education at MSU above other schools. Dr. Wiedemann stated that MSU has built a reputation throughout the United States in radiologic science and respiratory care. Dr. Rogers added that the Texas Higher Education Coordinating Board (THECB) deregulated the offering of Internet courses approximately 10 years ago. This makes such courses completely open and competitive through the state and the nation. He noted that MSU is building a reputation in this area.

Mr. Lalani asked how many students take courses via the Internet. Dr. Rogers responded that approximately 900 students are enrolled in Internet courses. He added that many of those are students who also take courses in the classroom. Dr. Wiedemann commented that if you look at the number of students who utilize the Internet in some way in their coursework the number is over 5,000 students.

Mr. Bridgman moved approval of this recommendation as presented. Mr. Malone seconded the motion and it was approved.

#### Tuition for Repeated Undergraduate Hours

06-14. Mr. Lalani reported that following action by the 78<sup>th</sup> Legislature, universities no longer receive formula funding for semester credit hours or contact hours attempted by a student who has enrolled in any course, other than a non-degree-credit developmental course, containing the same content for a third or more time since the fall semester 2002. THECB has determined that the following types of coursework are exempt from this provision: thesis and dissertation courses; courses that involve different or more advanced content each time they are taken, including but not limited to, individual music lessons, theater practicum, music performance, ensembles, certain physical education and kinesiology courses, and studio art; independent study courses; and special topics and seminar courses. He noted that it is estimated that Midwestern State University currently loses over \$180,000 in state funding each year and this amount will likely increase. The administration recommended that an additional tuition charge of \$100 per semester credit hour (SCH) be levied for courses students take for the third or more time effective with the summer 2006 semester.

Dr. Rogers stated that the administration recommended the \$100 per SCH amount because that amount is slightly below the lowest formula rate funded by the state. He added that this amount would recover enough funds to be of assistance to the university. He commented that this additional fee would hopefully encourage students to complete courses.

Ms. Gough asked about students dropping courses. Dr. Rogers stated that if a student registers and stays in the class long enough to be officially counted, that enrollment is counted by the state. Ms. Gough asked what happens if a student drops the course during

the time allowed to obtain a refund. Dr. Wiedemann stated that if a student drops the course and can still get a refund, the course does not count as a dropped course for this purpose. She added that if a student receives a letter grade or a W on their transcript, the course counts. Ms. Gough asked if students would understand this new charge. Dr. Clark responded that the change would be well advertised and explained to the students.

Mr. Lalani stated that he was glad the administration decided not to recommend an additional charge for students taking coursework 30-45 SCH above their degree plan. He indicated his feeling that students should be encouraged as much as possible to take classes from different disciplines and areas.

Mr. Malone moved approval of this recommendation as presented. Mr. Stephens seconded the motion and it was approved.

Salary/Title/Position Change in 2004-2005 Budget Approved per Board Authorization

06-15. A salary change approved by the President was presented for ratification as shown in the agenda document. Mr. Stephens moved acceptance of this item as presented. Mr. Bridgman seconded the motion and it was approved.

Salary/Title/Position Changes in 2005-2006 Budget Approved per Board Authorization

06-16. Salary, title, and position changes approved by the President were presented for ratification as shown in the agenda document. Mr. Malone moved approval of this item as presented. Mr. Bridgman seconded the motion and it was approved.

Adjournment

The Finance and Audit Committee discussion concluded at 3:57 p.m.

Reviewed for submission:



Munir Lalani, Chairperson  
Midwestern State University  
Board of Regents Finance & Audit Committee