

BOARD
OF
GOVERNORS





AGENDA

FSU BOARD OF GOVERNORS' MEETING
DECEMBER 13, 2012, 9:00 A.M.
LOCATION: BOARD ROOM, FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV

- I. CALL TO ORDER**
 - A. Roll Call
 - B. Public Comment
 - C. Approve Agenda *Action Item*

- II. APPROVAL OF MINUTES OF OCTOBER 18, 2012***Tab 1 Action Item*

- III. CHAIRMAN'S REPORT**
- IV. PRESIDENT'S REPORT**
- V. REPORTS AND PRESENTATIONS**
 - A. Foundation (Gary Bennett)
 - B. Construction Project Updates (Tom Tucker)

- VI. CONSENT AGENDA**.....*Tab 2 Action Item*
 - A. Financial Reports (Ending 9/30/12 and 10/31/12)

- VII. ACADEMIC AFFAIRS/ADMISSIONS COMMITTEE (John Myers, Chair)**
 - A. Intent to Repeal Fairmont State University Board of Governors Policy # 52 Degree Definitions (30 Day Public Comment Period Over).....*Tab 3 Action Item*

- VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)**
- IX. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)**
- X. ENROLLMENT COMMITTEE (Bob White, Chair)**

- XI. FINANCE COMMITTEE (Mark Pallotta, Chair)**
 - A. Approval of Updated Education & General (E & G) Capital Project List for FY 2013.....*Tab 4 Action Item*
 - B. Approval of Updated Auxiliary Capital Projects List.....*Tab 5 Action Item*
 - C. Approval for 30 Day Public Comment for Revision of Policy #12 Phased Retirement.....*Tab 6 Action Item*
 - D. Approval for 30 Day Public Comment for Revision of Policy #38 Faculty Sick Leave.....*Tab 7 Action Item*
 - E. Approval of Independent Auditor's Report.....*Tab 8 Action Item*

- XII. EXECUTIVE COMMITTEE (Ron Tucker, Chair)**

- XIII. POSSIBLE EXECUTIVE SESSION**
 - A. Under the Authority of West Virginia Code §6-9A-4 to discuss the purchase, sale or lease of property, advance construction planning, the investment of public funds, or other matters involving commercial competition.

- XIV. ADJOURNMENT**

NEXT MEETING: FEBRUARY 21, 2013, 9:00 A.M.
LOCATION: BOARD ROOM, FALCON CENTER, 1201 LOCUST AVENUE, FAIRMONT, WV

Tab 1



FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
MEETING MINUTES
OCTOBER 18, 2012, 9:00 A.M.
GASTON CAPERTON CENTER
501 WEST MAIN STREET, CLARKSBURG, WV

I. CALL TO ORDER

A. Roll Call

Chairman Ron Tucker convened a meeting of the Fairmont State University (FSU) Board of Governors on October 18, 2012, beginning at approximately 9:00 a.m. at the Gaston Caperton Center, 501 West Main Street, Clarksburg, West Virginia.

At the request of Chairman Tucker, Judy Biafore conducted a roll call of the Board of Governors. Present for the meeting were board members Robert Mild, Matt Jacques, Mark Pallotta, Chris Courtney, Bryan Towns, Ron Tucker, Bob White, Bryan Foley, and Dixie Yann. John Myers was present after the roll call and board members Shirley Stanton and Frank Washenitz were absent. Also in attendance were President Rose and President's Council members Ann Booth, Fred Fidura, Bill Finley, Christina Lavorata, Rick Porto, and David Tamm. FSU Classified Staff Council Chair, Chris Daniels, and Advisory Council of Classified Employees Representative, Sherry Mitchell, also attended.

B. Public Comment

Chris Courtney reported that no one signed up for public comment.

C. Approval of Agenda

Matt Jacques made a motion to approve the agenda. Bob White seconded. The motion passed.

II. APPROVAL OF MINUTES OF AUGUST 16, 2012

Bob White moved to approve the minutes of the meeting held on August 16, 2012. Matt Jacques seconded. The motion passed.

III. CHAIRMAN'S REPORT

- A. Chairman Ron Tucker introduced Dr. Nancy McClure, Director of the Caperton Center and also thanked her and her staff for accommodating the Board of Governors.

- B. He also reminded everyone of the BOG retreat scheduled for October 26 and 27, that this is Homecoming Week, and if anyone would like to ride in the parade to please go to the Alumni Center at 5:00 p.m. He also reported that the Emeritus luncheon is Friday at 11:00 a.m., the Hall of Fame banquet is Friday at 5:30 p.m., the Alumni Brunch is at 10:30 a.m., and the game is at 2:00 p.m.
- C. Chairman Tucker stated that there was a Council of Board Chairs conference call a few days ago. The Council of Board Chairs was established by Chairman Hendrickson of the Higher Education Policy Commission (HEPC) in order to increase collaboration and communication among the state's four-year public colleges and universities.

He stated that Chairman Hendrickson reconvened this group with the October 2012 conference call. Items of discussion included budget reductions, health care insurance, Workers Compensation Insurance, and the 2013 Legislative Agenda.

IV. PRESIDENT'S REPORT

- A. President Rose reported that the National Council for Accreditation of Teacher Education (NCATE) visit went well and commended Dean Van Dempsey for the successful visit.
- B. She reminded those in attendance that the Higher Learning Commission (HLC) visit will occur on October 29 – 31. Provost Lavorata has been making presentations and informing all groups on campus of the pending visit and accreditation process.
- C. President Rose informed the group that Fairmont State University's Commencement speaker for Winter 2012 would be Higher Education Policy Commission Chairman David Hendrickson.
- D. She reported that she participated in HEPC's Council of President's Conference Call yesterday concerning the proposed 7.5% Budget cut, Outcomes Based Funding Formula, and 2013 Legislative Priorities,
- E. President Rose reported Cost Saving Measures FSU has been implemented include six unfilled faculty positions resulting in a \$300,000 savings, FSU Board of Governors will be using I Pads which will save about \$600 per meeting, E&G Capital Projects will be moved to East Bond Projects, and the Title III Grant for \$2 million over next five years will also free up money and/or savings in other areas.

V. REPORTS AND PRESENTATIONS

- A. **FOUNDATION (GARY BENNETT)**
Mr. Gary Bennett introduced Will Armistead as the new Executive Director of the Fairmont State/Pierpont Foundation and then provided the following financial summary as a handout.

FAIRMONT STATE-PIERPONT FOUNDATION
FINANCIAL SUMMARY
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
TOTAL ASSETS	16,897,103	17,239,005
TOTAL SUPPORT & REVENUES	1,500,817	4,395,766
EXPENSES:		
PROGRAM SERVICES	1,499,160	1,717,245
SCHOLARSHIPS	992,171	995,400
SUPPORTING SERVICES	376,710	243,458
TOTAL EXPENSES	1,875,870	1,960,703
CHANGE IN NET ASSETS	(375,033)	2,435,063

VI. CONSENT AGENDA

Mark Pallotta moved to accept the following Consent Agenda as presented.

- A. Financial Reports (ending 7/31/12 and 8/31/12)
- B. Capital Projects FY 2013

Matt Jacques seconded. The motion passed.

VII. ACADEMIC AFFAIRS/ADMISSIONS

- A. Intent to Repeal Fairmont State University Board of Governors' Policy #52 Degree Definitions

John Myers moved to accept the Intent to Repeal Policy #52 proposal and to post for the 30-day public comment period. Bob White seconded. The motion passed.

- B. Approve Program Closures in the School of Education

John Myers moved to approve the program closures in the School of Education, Health and Human Performance that have low and declining enrollments. Programs to be closed are Business Education (certification), computer Science (certification), Family and consumer Science (certification and non-certification) and School Library Media (certification and minor).

Bob White seconded the motion to approve the above program closures. The motion passed.

- C. West Virginia Higher Education Policy Commission (HEPC) Institutional Compact 2011-2012 Update

President Maria Rose gave an update of the Institutional Compact that will be submitted to the HEPC.

VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)

There were no items to bring forth by the Athletic Affairs Committee.

IX. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)

There were no items to bring forth by the BOG Operating Procedures Committee.

X. ENROLLMENT COMMITTEE (Bob White, Chair)

- A. Mr. White reported that this semester there was not much change in enrollment. Enrollment for full-time equivalent, graduate students, first-time freshmen, and transfer students are steady compared to last year and that international student numbers are up 25%.
- B. He also announced the appointment of Kaye Widney, Vice President of Student Services, effective October 29, 2012.

XI. FINANCE COMMITTEE (Mark Pallotta, Chair)

- A. Approve Fairmont State University and Pierpont Community and Technical College Agreement for One-Time Use of E&G Capital Funding

Mark Pallotta made a motion to accept the agreement for One-Time Use of E&G Capital Funding. Dixie Yann seconded. The motion passed.

XII. EXECUTIVE COMMITTEE (Ron, Tucker, Chair)

There were no items to bring forth by the Executive Committee.

XIII. POSSIBLE EXECUTIVE SESSION

Pursuant to §6-9A-4-2b of the West Virginia Code, Bob Mild moved to go into Executive Session to discuss personnel matters which if discussed in public might adversely affect the reputation of any person.

Mark Pallotta seconded. The motion passed.

Bob Mild made a motion to reconvene in open session. Mark Pallotta seconded. The motion passed.

XIV. ADJOURNMENT

Mark Pallotta made a motion to adjourn the meeting. Bryan Foley seconded. The motion passed.

Ron Tucker

FSU Board of Governors' Chairman

Robert Mild

FSU Board of Governors' Secretary

Tab 2

**Fairmont State University
Board of Governors
Financial Report
for the period ending September 30, 2012**

Unrestricted Fund:

The budget deficit planned for 2013 at the end of September decreased from \$-827,455 to \$-807,343 primarily due to a benefit updates to PEIA.

Tuition and Fee revenue through the end of September is at 46.88% and we received 35.54% of budgeted revenue through the end of September. Non-operating revenue is at 16.30% of budget. Operating expenses through September is at 18.85% of budget. The actual surplus condition as of the end of September is \$3,604,130.

Auxiliary Fund:

The Auxiliary Budget Planned Transfer to Reserve increased by \$37 to \$1,253,654. Net transfers of budget between operating and labor budget lines created this minor increase.

Auxiliary Enterprise revenue achieved 42.07% of budget and we received 41.95% of the overall operating revenue plan. Operating expenses through the end of September is at 23.08% of budget. The actual surplus condition through the end of September is \$3,435,713.

Restricted Fund:

The Restricted Fund received no new grants or changes to grant budget in September. Restricted Fund Revenue achieved 43.19% of budget and operating expense achieved 41.39% of budget. The actual surplus at the end of September is at \$997,751.

Please find the attached financial reports for the period ending September 30, 2012.

Fairmont State University
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of September 30, 2012

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	22,934,490	22,934,490	10,750,702	46.88
	Student Activity Support Revenue	580,820	580,820	246,238	42.39
	Faculty Services Revenue	1,272,439	1,272,439	19,413	1.53
	Operating Costs Revenue	2,319,839	2,221,298	0	0.00
	Support Services Revenue	3,502,054	3,514,050	0	0.00
	Other Operating Revenue	374,947	399,947	(26,896)	(6.72)
	Total:	30,984,588	30,923,044	10,989,457	35.54
OPERATING EXPENSE					
	Salaries	24,764,324	24,681,438	4,158,464	16.85
	Benefits	6,397,961	6,380,566	1,048,739	16.44
	Student financial aid-scholarships	1,894,339	1,905,339	850,829	44.65
	Utilities	1,749,920	1,747,120	194,893	11.16
	Supplies and Other Services	7,840,268	7,630,362	1,662,175	21.78
	Equipment Expense	1,029,576	1,023,424	485,860	47.47
	Fees retained by the Commission	185,560	185,560	47,482	25.59
	Assessment for Faculty Services	1,302,589	1,302,589	0	0.00
	Assessment for Support Services	290,965	288,513	0	0.00
	Assessment for Student Activity Costs	401,409	401,409	162,416	40.46
	Assessment for Operating Costs	124,691	127,284	0	0.00
	Total:	45,981,602	45,673,605	8,610,857	18.85
OPERATING INCOME / (LOSS)		(14,997,013)	(14,750,560)	2,378,600	(16.13)
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	17,880,671	17,880,671	3,576,134	20.00
	Gifts	12,500	12,700	0	0.00
	Investment Income	266,166	266,166	4,736	1.78
	Assessment for E&G Capital & Debt Service Costs	(2,545,328)	(2,558,111)	(1,037,894)	40.57
	Total:	15,614,009	15,601,426	2,542,976	16.30
TRANSFERS & OTHER					
	Capital Expenditures	(298,301)	(299,700)	0	0.00
	Construction Expenditures	(1,047,000)	(41,808)	(69,000)	165.04
	Transfers for Debt Service	(77,585)	(64,802)	0	0.00
	Transfers for Fin Aid Match	(84,926)	(84,926)	(40,751)	47.98
	Indirect Cost Recoveries	36,500	18,132	15,857	87.46
	Transfers for Capital Projects	0	(1,072,000)	(1,072,000)	100.00
	Transfers for Scholarships	0	(113,104)	(56,552)	50.00
	Transfers - Other	0	0	(95,000)	
	Total:	(1,471,312)	(1,658,209)	(1,317,445)	79.45
BUDGET BALANCE		(854,316)	(807,343)	3,604,130	
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		13,980,018	13,980,018		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>13,125,702</u>	<u>13,172,675</u>		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2012 in the amount of \$7,643,321

Unrestricted Net Asset Balance is 30.61% of the current budget total operating expense.

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of September 30, 2012

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	6,356,953	6,476,463	2,724,421	42.07
	Auxiliary Fees & Debt Service Support Revenue	4,869,880	4,869,880	2,100,565	43.13
	Other Operating Revenue	312,438	312,438	66,012	21.13
	Total:	11,539,271	11,658,781	4,890,998	41.95
OPERATING EXPENSE	Salaries	2,424,398	2,372,384	558,218	23.53
	Benefits	590,920	610,161	114,299	18.73
	Student financial aid-scholarships	549,780	545,530	186,387	34.17
	Utilities	855,914	841,341	101,392	12.05
	Supplies and Other Services	2,308,971	2,518,742	646,446	25.67
	Equipment Expense	67,506	65,806	(1,617)	(2.46)
	Loan cancellations and write-offs	1,131	1,131	0	0.00
	Total:	6,798,620	6,955,095	1,605,125	23.08
OPERATING INCOME / (LOSS)		4,740,652	4,703,687	3,285,874	69.86
NONOPERATING REVENUE (EXPENSE)	Gifts	0	165,000	0	0.00
	Interest on capital asset related debt	(100,473)	(100,473)	0	0.00
	Total:	(100,473)	64,527	0	0.00
TRANSFERS & OTHER	Capital Expenditures	(212,712)	(463,376)	0	0.00
	Transfers for Debt Service	(3,160,827)	(3,160,827)	0	0.00
	Transfers for Fin Aid Match	(3,425)	(3,425)	(1,713)	50.00
	Transfers for Scholarships	0	113,104	56,552	50.00
	Transfers - Other	0	0	95,000	
	Total:	(3,376,963)	(3,514,523)	149,840	(4.26)
** BUDGET BALANCE - Projected Transfer to Reserves		1,263,216	1,253,691	3,435,713	
* Add: PROJECTED NET ASSETS - Beginning of Year		<u>7,873,002</u>	<u>7,873,002</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>9,136,218</u>	<u>9,126,693</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2012 in the amount of \$904,619

* Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

** Athletics will be using reserves from their Foundation Scholarship Fund, E&G Scholarship Fund, and Athletic Operating Fund for 2013 to cover the negative budget balance. This is planned for a one time condition until the Athletic Master Plan is complete.

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of September, 2012

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	24,619,917	24,619,917	10,661,685	43.31
	State/Local Grants and Contracts	6,026,584	6,196,563	2,700,661	43.58
	Private Grants and Contracts	1,990,683	2,001,903	810,374	40.48
	Other Operating Revenue	0	0	2,063	
	Total:	32,637,183	32,818,383	14,174,784	43.19
OPERATING EXPENSE	Salaries	410,402	429,102	80,606	18.78
	Benefits	74,177	76,754	14,710	19.17
	Student financial aid - scholarships	40,674,450	40,690,450	17,343,774	42.62
	Utilities	3,257	3,257	3,166	97.20
	Supplies and Other Services	878,084	1,020,425	107,870	10.57
	Equipment Expense	220,271	221,853	18,490	8.33
	Total:	42,260,641	42,441,841	17,568,616	41.39
OPERATING INCOME / (LOSS)		(9,623,458)	(9,623,458)	(3,393,832)	35.27
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	9,500,000	9,500,000	4,362,667	45.92
	Gifts	0	0	2,307	
	Total:	9,500,000	9,500,000	4,364,974	45.95
TRANSFERS & OTHER	Capital Expenditures	(10,662)	(10,662)	0	0.00
	Transfers for Fin Aid Match	84,926	84,926	42,465	50.00
	Indirect Cost Recoveries	(18,132)	(18,132)	(15,857)	87.46
	Transfers - Other	0	0	0	0.00
	Total:	56,132	56,132	26,608	47.40
BUDGET BALANCE		(67,326)	(67,326)	997,751	
* Add: RESTRICTED NET ASSETS - Beginning of Year		90,583	90,583		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>23,257</u>	<u>23,257</u>		

**Fairmont State University
Board of Governors
Financial Report
for the period ending October 31, 2012**

Unrestricted Fund:

The budget deficit planned for 2013 at the end of October decreased from \$-807,343 to \$-47,319 primarily due to a reduction of capital project funding from E&G Operating of \$767,762. The agreement approved in the October meeting allowed for the use of E&G capital funds for the Feaster Center Pool Renovation Project.

Tuition and Fee revenue through the end of October is at 46.64% and we received 40.94% of budgeted revenue through the end of October. Non-operating revenue is at 40.39% of budget. Operating expenses through October is at 28.10% of budget. The actual surplus condition at the end of October is \$5,569,498.

Auxiliary Fund:

The Auxiliary Budget Planned Transfer to Reserve decreased by \$18,745 to \$1,225,092. Benefit changes impacted both the Falcon Center and Athletic budgets. The Housing fund was impacted by an increase in supplies expense for a roof-top unit (heat pump).

Auxiliary Enterprise revenue achieved 42.54% of budget and we received 44.56% of the overall operating revenue plan. Operating expenses through the end of October is at 33.36% of budget. The actual surplus condition through the end of October is \$1,221,169.

Note: The adjusted projected deficit condition for athletic for the 2013 FY is now a negative \$-121,752. This is compared to a planned deficit of a negative \$113,000 approved in June by the Board of Governors.

Restricted Fund:

New grants were awarded to the University as follows:

- First year of Title III – Strengthening Institutions Grant - \$399,340
- A five year grant from the Department of Justice – a domestic violence grant - \$499,968
- NASA Education Resource Center year 5 award - \$253,149

Existing Grants:

The Gear-up Grant was closed out - \$735,055

The Restricted Fund revenue achieved 45.02% of budget and the operating expense achieved 44.42% of budget. The actual surplus at the end of October is at \$338,484.

Please find the attached financial reports for the period ending October 31, 2012.

Fairmont State University
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of October 31, 2012

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	22,934,490	22,934,490	10,696,739	46.64
	Student Activity Support Revenue	580,820	580,820	278,499	47.95
	Faculty Services Revenue	1,272,439	1,272,439	683,279	53.70
	Operating Costs Revenue	2,319,839	2,221,535	464,690	20.92
	Support Services Revenue	3,502,054	3,515,879	524,661	14.92
	Other Operating Revenue	374,947	411,353	17,744	4.31
	Total:	30,984,588	30,936,516	12,665,612	40.94
OPERATING EXPENSE	Salaries	24,764,324	24,710,454	6,168,260	24.96
	Benefits	6,397,961	6,376,934	1,553,758	24.37
	Student financial aid-scholarships	1,894,339	1,908,341	852,398	44.67
	Utilities	1,749,920	1,747,120	292,029	16.71
	Supplies and Other Services	7,840,268	7,663,886	2,373,889	30.98
	Equipment Expense	1,029,576	1,023,424	624,612	61.03
	Fees retained by the Commission	185,560	185,560	94,963	51.18
	Assessment for Faculty Services	1,302,589	1,302,589	670,172	51.45
	Assessment for Support Services	290,965	280,508	29,538	10.53
	Assessment for Student Activity Costs	401,409	401,409	191,319	47.66
	Assessment for Operating Costs	124,691	135,289	2,356	1.74
	Total:	45,981,602	45,735,515	12,853,293	28.10
OPERATING INCOME / (LOSS)		(14,997,013)	(14,798,999)	(187,681)	1.27
NONOPERATING REVENUE (EXPENSE)	State Appropriations	17,880,671	17,880,671	7,509,882	42.00
	Gifts	12,500	19,700	332	1.69
	Investment Income	266,166	266,166	7,637	2.87
	Assessment for E&G Capital & Debt Service Costs	(2,545,328)	(2,558,111)	(1,214,302)	47.47
	Total:	15,614,009	15,608,426	6,303,549	40.39
TRANSFERS & OTHER	Capital Expenditures	(298,301)	(299,700)	0	0.00
	Construction Expenditures	(1,047,000)	(41,808)	(69,000)	165.04
	Transfers for Debt Service	(77,585)	(64,802)	0	0.00
	Transfers for Fin Aid Match	(84,926)	(88,162)	(40,751)	46.22
	Indirect Cost Recoveries	36,500	55,069	19,171	34.81
	Transfers for Capital Projects	0	(304,239)	(304,239)	100.00
	Transfers for Scholarships	0	(113,104)	(56,552)	50.00
	Transfers - Other	0	0	(95,000)	
	Total:	(1,471,312)	(856,746)	(546,370)	63.77
BUDGET BALANCE		(854,316)	(47,319)	5,569,498	
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		13,980,018	13,980,018		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		13,125,702	13,932,699		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2012 in the amount of \$7,643,321

Unrestricted Net Asset Balance is 30.57% of the current budget total operating expense.

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of October 31, 2012

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	6,356,953	6,476,463	2,755,285	42.54
	Auxiliary Fees & Debt Service Support Revenue	4,869,880	4,869,880	2,337,254	47.99
	Other Operating Revenue	312,438	312,438	102,280	32.74
	Total:	11,539,271	11,658,781	5,194,819	44.56
OPERATING EXPENSE	Salaries	2,424,398	2,375,190	764,750	32.20
	Benefits	590,920	625,093	150,809	24.13
	Student financial aid-scholarships	549,780	545,530	187,778	34.42
	Utilities	855,914	841,341	181,517	21.57
	Supplies and Other Services	2,308,971	2,529,603	961,393	38.01
	Equipment Expense	67,506	65,806	83,484	126.86
	Loan cancellations and write-offs	1,131	1,131	0	0.00
	Total:	6,798,620	6,983,694	2,329,731	33.36
OPERATING INCOME / (LOSS)		4,740,652	4,675,088	2,865,088	61.28
NONOPERATING REVENUE (EXPENSE)	Gifts	0	165,000	0	0.00
	Interest on capital asset related debt	(100,473)	(100,473)	(3,401)	3.38
	Total:	(100,473)	64,527	(3,401)	(5.27)
TRANSFERS & OTHER	Capital Expenditures	(212,712)	(463,376)	(259,432)	55.99
	Transfers for Debt Service	(3,160,827)	(3,160,827)	(1,530,926)	48.43
	Transfers for Fin Aid Match	(3,425)	(3,425)	(1,713)	50.00
	Transfers for Scholarships	0	113,104	56,552	50.00
	Transfers - Other	0	0	95,000	
	Total:	(3,376,963)	(3,514,523)	(1,640,519)	46.68
** BUDGET BALANCE - Projected Transfer to Reserves		1,263,216	1,225,092	1,221,169	
* Add: PROJECTED NET ASSETS - Beginning of Year		<u>7,873,002</u>	<u>7,873,002</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>9,136,218</u>	<u>9,098,094</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2012 in the amount of \$904,619

* Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

** Athletics will be using reserves from their Foundation Scholarship Fund, E&G Scholarship Fund, and Athletic Operating Fund for 2013 to cover the negative budget balance. This is planned for a one time condition until the Athletic Master Plan is complete.

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of October, 2012

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	24,619,917	25,047,026	10,818,424	43.19
	State/Local Grants and Contracts	6,026,584	6,196,563	3,226,255	52.07
	Private Grants and Contracts	1,990,683	2,001,903	919,588	45.94
	Other Operating Revenue	0	0	2,063	
	Total:	32,637,183	33,245,492	14,966,331	45.02
OPERATING EXPENSE	Salaries	410,402	675,257	116,871	17.31
	Benefits	74,177	101,275	19,330	19.09
	Student financial aid - scholarships	40,674,450	40,703,394	18,671,042	45.87
	Utilities	3,257	3,166	3,166	100.00
	Supplies and Other Services	878,084	1,322,313	193,732	14.65
	Equipment Expense	220,271	29,845	21,172	70.94
	Total:	42,260,641	42,835,249	19,025,313	44.42
OPERATING INCOME / (LOSS)		(9,623,458)	(9,589,757)	(4,058,982)	42.33
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	9,500,000	9,500,000	4,371,861	46.02
	Gifts	0	0	2,307	
	Total:	9,500,000	9,500,000	4,374,168	46.04
TRANSFERS & OTHER	Capital Expenditures	(10,662)	(10,662)	0	0.00
	Transfers for Fin Aid Match	84,926	88,162	42,469	48.17
	Indirect Cost Recoveries	(18,132)	(55,069)	(19,171)	34.81
	Transfers - Other	0	0	0	0.00
	Total:	56,132	22,431	23,298	103.86
BUDGET BALANCE		(67,326)	(67,326)	338,484	
* Add: RESTRICTED NET ASSETS - Beginning of Year		90,583	90,583		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>23,257</u>	<u>23,257</u>		

Tab 3

**Fairmont State University
Board of Governors
October 18, 2012**

- Item:** Intent to Repeal Fairmont State University Board of Governors' Policy # 52 Degree Definitions
- Committee:** Academic Affairs/Admissions
- Action:** Be it resolved that the Board of Governors approve the Intent to Repeal Fairmont State University Board of Governors' Policy # 52 Degree Definitions
- Staff Member:** President Maria Rose
- Background:** The President, after review and on behalf of Faculty Senate, is recommending the repeal of Fairmont State University Board of Governors' Policy # 52 Degree Definitions (attached). This policy defines the degrees awarded and the required number of hours for each.
- This request is being made to concur with the West Virginia Higher Education Title 133 Procedural Rule, (specifically §133-11-6.2.e.1, pg. 6 relating to Degree Definitions which is attached.) The entire rule may be found online at: https://www.wvhepc.org/resources/Series_11_62411.pdf.
- It is anticipated that in the very near future faculty will have another proposal for full board approval to replace Policy #52.

Fairmont State University Board of Governors
POLICY # 52

Effective Date: September 27, 2006

TITLE: Degree Definitions

SECTION 1: General

1.1 Scope This policy defines the degrees awarded by Fairmont State University and is intended to be used in design of all degrees programs at the University

SECTION 2: Definitions

- 2.1 Associate's Degree: A program of study equivalent to two years of full-time study consisting of major and liberal studies (general education) components.
- 2.2 Bachelor's Degree: A program of study equivalent to 4 years of full-time study consisting of a major, liberal studies (general education) courses and elective components.
- 2.3 Master's Degree: A program of study equivalent to 1 to 2 years of study. A master's degree generally follows completion of a bachelor's degree but in certain circumstances advanced baccalaureate students may be dual enrolled in a master's program. A master's degree cannot be attained before completion of a bachelor's degree.
- 2.4 Major: A specialized program of study that prepares a student for entry level into a profession (e.g. teaching, engineering, business, performance in the arts), graduate school, professional school or entry level employment in a field requiring general qualifications. For the purpose of this rule, courses that are required in the major and that also satisfy liberal studies requirements may be counted formally as part of liberal studies, rather than as part of the major requirement. A major shall consist of between 32 and 65 credit hours. A major may include a required minor, but the total credit hours for the major, including the minor, may not exceed 65.
- 2.5 Minor: A specialized program of study used to complement a major by providing a secondary area of expertise. A minor shall consist of between 18 and 24 credit hours.
- 2.6 Liberal Studies (General Education): The Fairmont State University Board of Governors endorses the North Central Association Higher Learning Commission's Statement on General Education (February 21, 2003) which states in part, "Understanding and appreciating diverse cultures, mastering multiple modes of inquiry, effectively analyzing and communicating information, and recognizing the

importance of creativity and values to the human spirit not only allow people to live richer lives but also are a foundation for most careers and for the informed exercise of local, national, and international citizenship.” Liberal studies courses shall consist of between 32 and 42 credit hours for a bachelor’s degree and between 16 and 21 credits for an associate’s degree.

- 2.7 Free Electives: Courses chosen by a student to broaden their areas of study in a self directed manner. Free Electives may not be specified by the program or institutional faculty. Baccalaureate students must be given a minimum of 21 hours of free elective credit as part of their program of study.

SECTION 3: Board Policy:

- 3.1 Requirements for master’s degrees offered by Fairmont State University are limited to a maximum of 36 semester hours of credit. Exceptions to this policy must be recommended by the program and approved by the Board of Governors. Exceptions will be limited in number and approved only on the basis of the criteria listed in Section 4 below.
- 3.2 Requirements for bachelor’s degrees offered by Fairmont State University are limited to a maximum of 128 semester hours of credit. The degree program of study shall include major, liberal studies (general education) and elective components. Exceptions to this policy must be recommended by the provost and approved by the Board of Governors. Exceptions will be approved only on the basis of the criteria listed below.
- 3.3 Requirements for associate’s degrees offered by Fairmont State University are limited to a maximum of 72 semester hours of credit and must meet requirements outlined in WVCCTC Series 7. The degree program of study shall include major and liberal studies (general education) components. Exceptions to this policy must be recommended by the Provost or C&TC President, as appropriate and approved by the Board of Governors. Exceptions will be approved only on the basis of the criteria listed in Section 4 below.

SECTION 4: Procedure

- 4.1 Programs seeking exceptions to any of the maximum credit hour limits must submit formal requests to the Board of Governors for approval. The rationale for the exception must document the existence of one or more of the criteria in paragraph 4.2 below.
- 4.2 Criteria
 - 4.2.1. Accreditation standards of the appropriate specialized accrediting agency mandate more credit hours than allowed in section 3.
 - 4.2.2. Licensing standards of the profession involved require more credit hours than allowed in section 3.

4.2.3. Employment and initial success in the profession require more credit hours than allowed in section 3.

4.3 The burden of proof will be on the program requesting exceptions to document that any or all of the above conditions are present with regard to their particular situation.

SECTION 5: Implementation

5.1 The lesser of two or 50% of existing programs in each School or College will be in compliance with this policy by Fall 2007. All other existing programs must conform to the policy by Fall 2008. New programs must conform at the time of approval.

133CSR11

program identification as provided in the Classification of Instructional Programs (CIP) developed and published by the U.S. Department of Education Center for Education Statistics.

6.2.c. Program Features: Summarize the important features of the program and include a full catalog description. This section should contain:

6.2.c.1. Admissions and Performance Standards: Describe admissions and performance standards and their relationship to the program objective.

6.2.c.2. Program Requirements: Describe course requirements (indicating new courses with asterisks), majors and specializations, credit-hour requirements, research-tool requirements, examination procedures and requirements for a research paper, thesis, or dissertation. Also include field work or similar requirements and any other information that helps to describe the program of study.

6.2.d. Program Outcomes: Indicate the expected results of the program and, if this is a proposal for an expanded or modified program, specify how the proposed change may achieve results different from those produced by the current program.

6.2.e. Program Content. The proposed educational programs shall be compatible with the institutional mission. The relationship shall be described in documents provided to the Commission.

6.2.e.1. The content and length of the proposed academic program shall follow practices common to institutions of higher education. The commonly accepted program length is: 60 semester credits for associate's degrees, 120 semester credits for bachelor's degrees, 30 semester credits beyond the bachelor's degree for master's degrees, 30 semester credits beyond the master's degree for doctorates.

6.2.e.2. All proposed undergraduate degree programs shall include a coherent general education component that is consistent with the institution's mission and appropriate to its educational programs. The undergraduate general education component shall be documented.

6.2.e.3. The minimum requirement for general education for all

Tab 4

**Fairmont State University
Board of Governors
December 13, 2012**

ITEM: Update of E&G Capital Projects due to use of East Bond Funding replacing already previously approved projects supported by E&G Capital Funds. Also new funding provided to Fairmont State University from the HEPC Bond Refunding.

COMMITTEE: Finance Committee

RECOMMENDED RESOLUTION: Resolved that the Fairmont State University Board of Governors approves the attached updated Education & General (E&G) Capital Project list for FY 2013.

STAFF MEMBER: Rick Porto

BACKGROUND: The recently approved action to use East Bond Funding to pay for Turley Center furniture, fixtures, and equipment of \$1,000,000, Wallman Hall Elevator Replacement of \$100,000, and Wallman Hall Foundation Waterproofing of \$124,500, requires an update to the prior approved capital project list (see attached – highlighted in green).

Additional funding of \$175,000 toward the Jaynes Hall Roof Replacement project was recently provided by the Higher Education Policy Commission (HEPC) to Fairmont State University as a result of HEPC Bond Refunding. This additional funding required an institutional match, but this additional HEPC funding frees up E&G Capital Funds allowing adjustments to other projects that need additional funding. These projects are highlighted in orange on the attached list and are explained below:

Since the E&G Capital Budget approval in June:

- The Education building temperature controls required replacement at a cost of \$40,000.
- Musick Library work of \$51,500 originally thought to be allowable to be funded with East Bonds was not allowed after review of these expenses by HEPC staff.
- Musick Library HVAC replacement costs were under-budgeted and needs an additional \$53,500 added to this project.
- School house Museum repair costs were under-budgeted and needs an additional \$30,000 added to this project.

CAPITAL PROJECTS

FY 2013

E&G Capital Funding Only				
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Academic Fund	\$ 100,000.00	\$ 6,218.12	\$ 93,781.88	To be spent on programmatic changes approved by the academic deans
Aerospace Center - HVAC Units (FY12)	\$ 148,833.48	\$ 136,245.00	\$ 12,588.48	Completed June 30, 2012
Aerospace Center - Floor Replacement	\$ 38,000.00	\$ 34,940.75	\$ 3,059.25	Completed August 2012
Aerospace Center - HVAC Upgrades (FY 13)	\$ 60,000.00	\$ -	\$ 60,000.00	
Campus - ADA Restrooms	\$ 50,000.00	\$ -	\$ 50,000.00	
Caperton Center - Roof Renewal	\$ 400,000.00	\$ -	\$ 400,000.00	Preparing Expression of Interest to hire an A&E; combining project with Jaynes Hall Roof Renewal
Education Bldg - Temperature Controls	\$ 40,000.00	\$ 39,229.00	\$ 771.00	Funding Note: Funding available due to HEPC Bond Refunding award to Jaynes Hall Completed October 2012
Hunt Haught Hall - Window Replacement (FY12)	\$ 120,000.00	\$ 25,000.00	\$ 95,000.00	A&E is preparing specification for windows in Hunt Haught Hall
Hunt Haught Hall - Elevator Upgrades	\$ 100,000.00	\$ -	\$ 100,000.00	Working with Elevator Maintenance Vendor on project needs
Information Technology -AC Unit	\$ 80,000.00	\$ -	\$ 80,000.00	Tower Engineering is reviewing and updating specifications to bid the equipment and install of new AC Unit.
Musick Library Work	\$ 51,500.00	\$ 51,500.00	\$ -	Funding Note: Funding available due to HEPC Bond Refunding award to Jaynes Hall; Concrete Canopy Roofing: \$34,000; HVAC: \$14,557; Plaster Repair: \$2553 Work was completed as part of Veritas' contract for the Elevator
Musick Library - HVAC	\$ 293,500.00	\$ -	\$ 293,500.00	Funding Note: Added \$53,500 funding available due to HEPC Bond Refunding award to Jaynes Hall
School House Museum Repairs	\$ 70,000.00	\$ -	\$ 70,000.00	Funding Note: Added \$30,000 funding available due to HEPC Bond Refunding award to Jaynes Hall

E&G Capital Funding & Operating				
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Hunt Haught Hall - Green House \$39,650.00 - Operating \$110,000 - E&G Capital Funding	\$ 149,650.00	\$ -	\$ 149,650.00	A&E - final stage of completing project manual and drawings.

CAPITAL PROJECTS

FY 2013

E&G Capital Funding & Operating		FSU & PCTC Agreement		
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Feaster Center - Natatorium Upgrades	\$ 740,000.00	\$ -	\$ 740,000.00	Preparing Expression of Interest to hire A&E for Feaster Center projects
Feaster Center - HVAC Upgrade Pool Area \$279,238.50 - Operating \$27,761.50 - E&G Capital Funding (FSU & PCTC Agreement)	\$ 307,000.00	\$ -	\$ 307,000.00	Preparing Expression of Interest to hire A&E for Feaster Center projects
Pierpont Center @ MTEC \$43,261.50 - Operating \$456,738.50 - E&G Capital Funding (FSU & PCTC Agreement)	\$ 500,000.00	\$ 450,000.00	\$ 50,000.00	Contract with Monongalia County Board of Education for construction of shared facility. Site work complete. Contractor scheduled to build the structure in early November.

E&G & Infrastructure Capital Funding				
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Physical Plant Small Projects	\$ 175,000.00	\$ 52,057.79	\$ 122,942.21	Numerous purchases for small projects throughout the campuses.
Physical Plant Small Projects (Infrastructure)	\$ 22,000.00	\$ -	\$ 22,000.00	

Infrastructure Funding				
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Infrastructure - Merchant Wall (FY11)	\$ 350,000.00	\$ 7,015.50	\$ 342,984.50	
Infrastructure - Parking Lot #15 Paving (FY12)	\$ 158,560.00	\$ 131,688.00	\$ 26,872.00	Completed July 2012
Infrastructure - Sealing Parking Lots (FY12)	\$ 25,000.00	\$ 23,846.00	\$ 1,154.00	Completed June 2012
Infrastructure - Aerospace Parking Lot Paving (FY12)	\$ 80,000.00	\$ 79,567.50	\$ 432.50	Completed July 2012
Infrastructure - Access Road (FY12)	\$ 170,000.00	\$ 140,104.00	\$ 29,896.00	Completed July 2012
Infrastructure - Campus Lighting Upgrades	\$ 210,000.00	\$ -	\$ 210,000.00	Finalizing Plan for updating and adding fixtures around campus.
Infrastructure - Paving Projects	\$ 349,488.00	\$ -	\$ 349,488.00	Vendor is resubmitting some paperwork that was not completed on approved forms.
Infrastructure - Painting & Striping	\$ 25,000.00	\$ 23,625.00	\$ 1,375.00	Completed August 2012
Locust Avenue	\$ 40,000.00	\$ -	\$ 40,000.00	
Landscaping	\$ 100,000.00	\$ 17,646.11	\$ 82,353.89	Numerous purchases throughout the year for landscaping needs on all campus sites.

CAPITAL PROJECTS

FY 2013

East Bonds				
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Hardway Hall Renovations	\$ 5,088,961.56	\$ 4,598,748.12	\$ 490,213.44	Revising pipe layout with Structural & Mechanical engineer due to inadequate load bearing capabilities; Cost modifications due to unforeseen circumstances found in existing building. Working on updating phasing schedule.
Musick Library Elevator	\$ 990,850.98	\$ 990,850.98	\$ -	Completed October 2012
Turley Center FF&E	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	Working with representative from state contract; working with IT needs
Turley Center Renovations	\$ 6,182,167.95	\$ 6,174,167.95	\$ 8,000.00	Met with City of Fairmont on new meter and service; Continuing work on ductwork & piping. Plan to install chiller in December.
Wallman Hall Renovations	\$ 4,838,019.51	\$ 4,375,651.65	\$ 462,367.86	Replaced gas line to building; AHU #2 & DOAS #1 & #4 have been replaced and are operational. Graphics area is complete and have moved back into area.
Wallman Hall Foundation Waterproofing	\$ 124,500.00	\$ -	\$ 124,500.00	Included as part of contract with Renovations.
Wallman Hall Elevator Replacement	\$ 100,000.00	\$ -	\$ 100,000.00	Working with elevator maintenance vendor on project needs

HEPC Bond Refunding & E&G Capital Funding				
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Jaynes Hall - Roof Renewal (FY12)	\$ 350,000.00	\$ -	\$ 350,000.00	Funding Note: 50/50 Split between funds

Tab 5

**Fairmont State University
Board of Governors
December 13, 2012**

ITEM: Update of the Auxiliary Capital Projects due to addition of Men's and Women's Basketball Locker Room projects and a request to use Falcon Center reserves to fund renovations to Starbuck's located in the Musick Library

RESOLUTION: The Board of Governors approves the attached updated E&G Capital Projects List

COMMITTEE: Committee of the Whole

STAFF MEMBER: Rick Porto

BACKGROUND: Capital Project work that was partially funded from donations secured by the men's basketball coach and partially supported by E&G operating funds required administration to move this project forward and is complete. This project was not on the project list when approved in June.

The plan to fund the Men's Locker Room project by \$125,000 was followed with a plan to fund the Women's Locker Room by the same value. This project has been designed with bid specifications by Omni Associates. The funding plan is going to be a mix of donor and E&G Operating Funds.

Due to increased sales and the ability to grow more sales, the current Starbuck's requires renovation to meet customer demands. We would like to begin renovations of this area after May graduation in the 2013 fiscal year and have this renovation completed before fall classes begin. This project will be funded by Falcon Center reserves of \$130,000 and donor funds of \$20,000 for a total of \$150,000.

The Starbuck's grand opening should complement the grand opening of the Turley Center and service the increased employees and student population served in the Turley Student Success Center (see attached documentation defining this project).

AUXILIARY CAPITAL PROJECTS

FY 2013

Athletic Projects

<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Athletics - Football Locker Room	\$ 50,000.00	\$ 26,027.68	\$ 23,972.32	Funding Note: \$25,000 Athletic Capital Reserve; \$25,000 Donor Funding Completed October 2012
Athletics - Football Scoreboard Replacement	\$ 260,000.00	\$ 259,432.19	\$ 567.81	Funding Note: \$95,000 E&G Operating; \$165,000 Donor Funding Completed October 2012
Feaster Center - Men's Basketball Locker Room	\$ 125,000.00	\$ 122,342.93	\$ 2,657.07	Funding Note: \$112,500 Athletics (Donor); \$12,500 E&G Operating Contractor should complete project within a couple of weeks
Feaster Center - Women's Basketball Locker Room	\$ 125,000.00		\$ 125,000.00	Funding Note: Mix of E&G and Operating Funds A&E is working on design and specifications.

Falcon Center Projects

<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Colebank Hall - Painting & Signage	\$ 40,000.00	\$ 38,739.50	\$ 1,260.50	Completed August 2012
Falcon Center Fabric Duct Replacement (FY12)	\$ 90,176.50	\$ -	\$ 90,176.50	Reviewing specifications to prepare request for bids.
Falcon Center Fitness Equipment	\$ 47,426.30	\$ 23,261.00	\$ 24,165.30	Fitness Equipment Orders from Gym Source & All Ways Fitness Equipment
Falcon Center - Miscellaneous Projects	\$ 45,551.38	\$ 31,428.09	\$ 14,123.29	Tables & Racks Completed; ID Card Purchases Completed; Washer & Dryer Received.
Falcon Center - Security Cameras	\$ 51,500.00	\$ -	\$ 51,500.00	Jack Clayton & Dave Tamm are researching this project for entire campus including the Falcon Center.
Starbucks Renovations	\$ 150,000.00	\$ -	\$ 150,000.00	Funding Note: \$130,000 Falcon Ctr; \$20,000 Aladdin

Facility Projects

<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Parking Garage - Maintenance Caulking/Painting (FY12)	\$ 100,000.00	\$ 99,945.00	\$ 55.00	Maintenance & Caulking of Top Level of Parking Garage Completed; Vendor is working on solution for the slick seams on the top level of garage.
Parking Garage - Maintenance / Caulking Lower Level (FY13)	\$ 50,000.00	\$ -	\$ 50,000.00	

AUXILIARY CAPITAL PROJECTS

FY 2013

Residence Halls Projects

<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Morrow Hall Pump Replacement	\$ 10,000.00	\$ -	\$ 10,000.00	
Pence Hall - Boiler Replacement	\$ 20,000.00	\$ 12,202.00	\$ 7,798.00	Completed August 2012
Residence Halls - Back Flow Preventers	\$ 20,000.00	\$ -	\$ 20,000.00	

Fairmont State University

Starbucks Project – May 2013

John Kellar

District Manager

Aladdin Food Management Services, LLC

Sales:

1. Substantial existing growth = 145% increase (2.45 times the 2009 sales volume on average).
2. Potential sales volume opportunity for an additional 60% increase in revenue.
 - a. Central location – target commuter students.
 - b. Central location – target administration and staff (Turley renovation).
 - c. Expanded menu offerings – to include soup, sandwiches, and daily specials.
 - d. More product on hand and displayed for sale.
3. Viable, desirable product name – market tested.

Profitability

1. Currently achieving 14.5% client return (profit) on \$170,000 sales or \$24,650 annually.
2. Applied to conservative projected sales of \$270,000 would yield \$39,150 return to client.

Capacity

1. Existing facility is limiting sales growth and supplying this venue has become costly
 - a. Four to six shipments of product manually transferred from the Falcon Center daily.
 - b. No space to hold additional product to be displayed or sold.
 - c. Existing space insufficient for more than three employees to maneuver.

FSU Campus Image

1. Visual effect on visitors, touring students and parents. Presentation of a “real” Starbucks in appearance – professional / first class image.
2. Expanded hours in the summer to enhance the number of encounter opportunities.

Approval - support

1. President Rose, VP Rick Porto, VP David Tamm, Librarian Thelma Hutchins (venue is located in the Musick Library building).

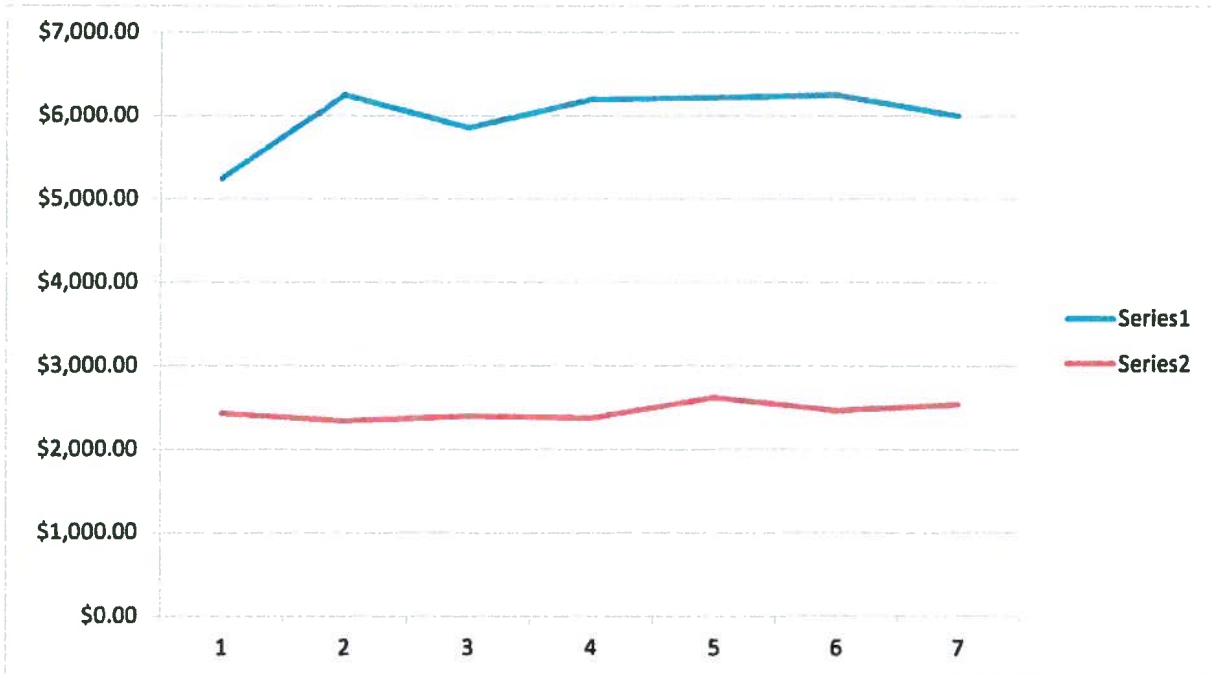
Renovation Plan

1. Construction documents prepared based on layout drawings provided.
2. Bid process initiated
3. Construction to start May 13, 2013 and conclude by June 30, 2012.

**Fairmont State University
Starbucks - Sales Volume Analysis
10-29-12**

			2012	2009
10/18/12	\$2,776.26	\$2,469.00	\$5,245.26	\$2,433.00
10/11/12	\$3,215.56	\$3,035.40	\$6,250.96	\$2,340.00
10/04/12	\$2,955.32	\$2,899.71	\$5,855.03	\$2,398.00
09/27/12	\$3,176.44	\$3,018.00	\$6,194.44	\$2,371.00
09/20/12	\$3,206.33	\$3,010.44	\$6,216.77	\$2,621.00
09/13/12	\$3,270.32	\$2,978.10	\$6,248.42	\$2,465.00
09/06/12	\$2,817.78	\$3,180.06	\$5,997.84	\$2,537.00

		\$42,008.72	\$17,165.00
		7	7
2012 Fall	Average per week	\$6,001.25	\$2,452.14



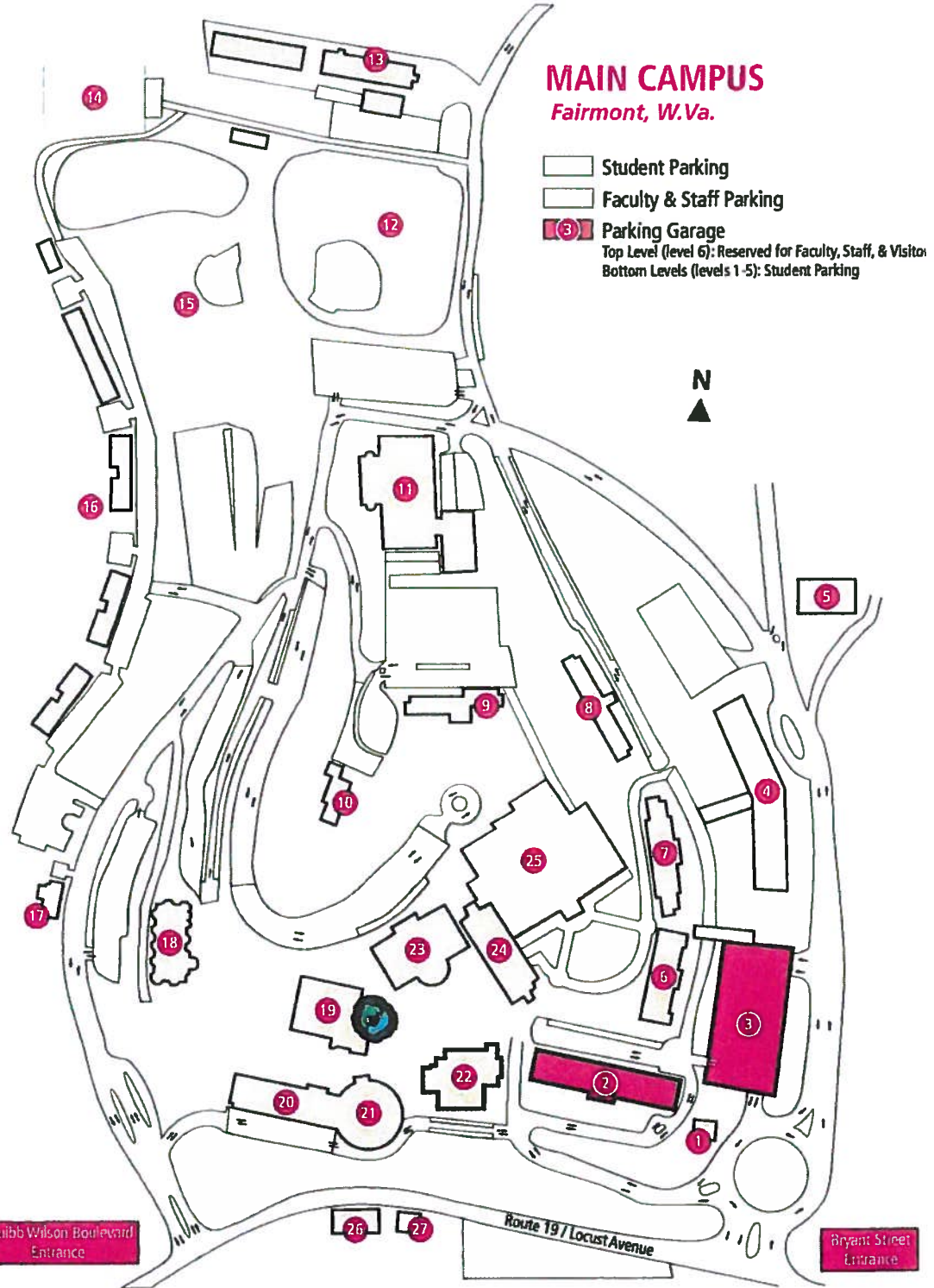
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STATE UNIVERSITY

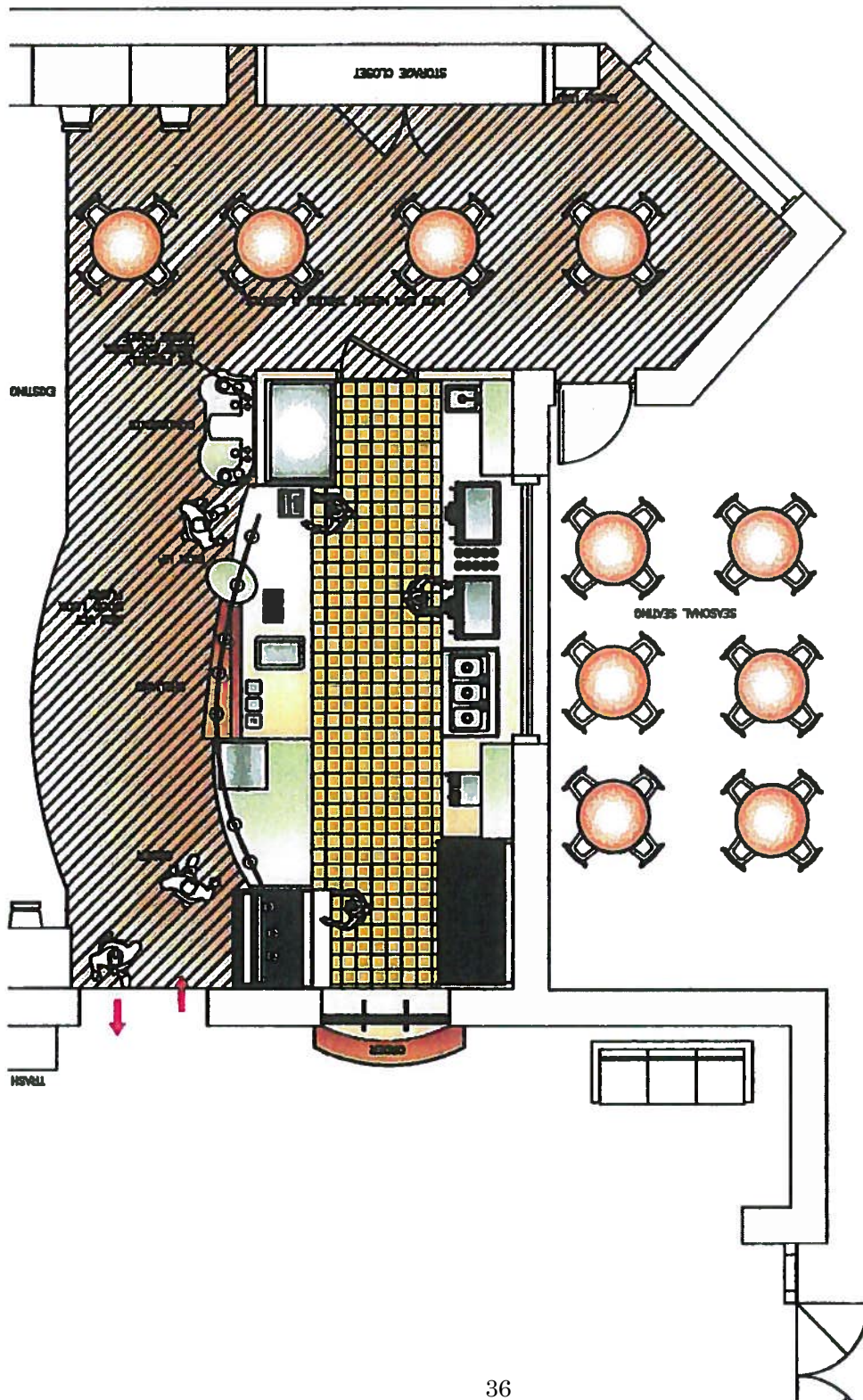
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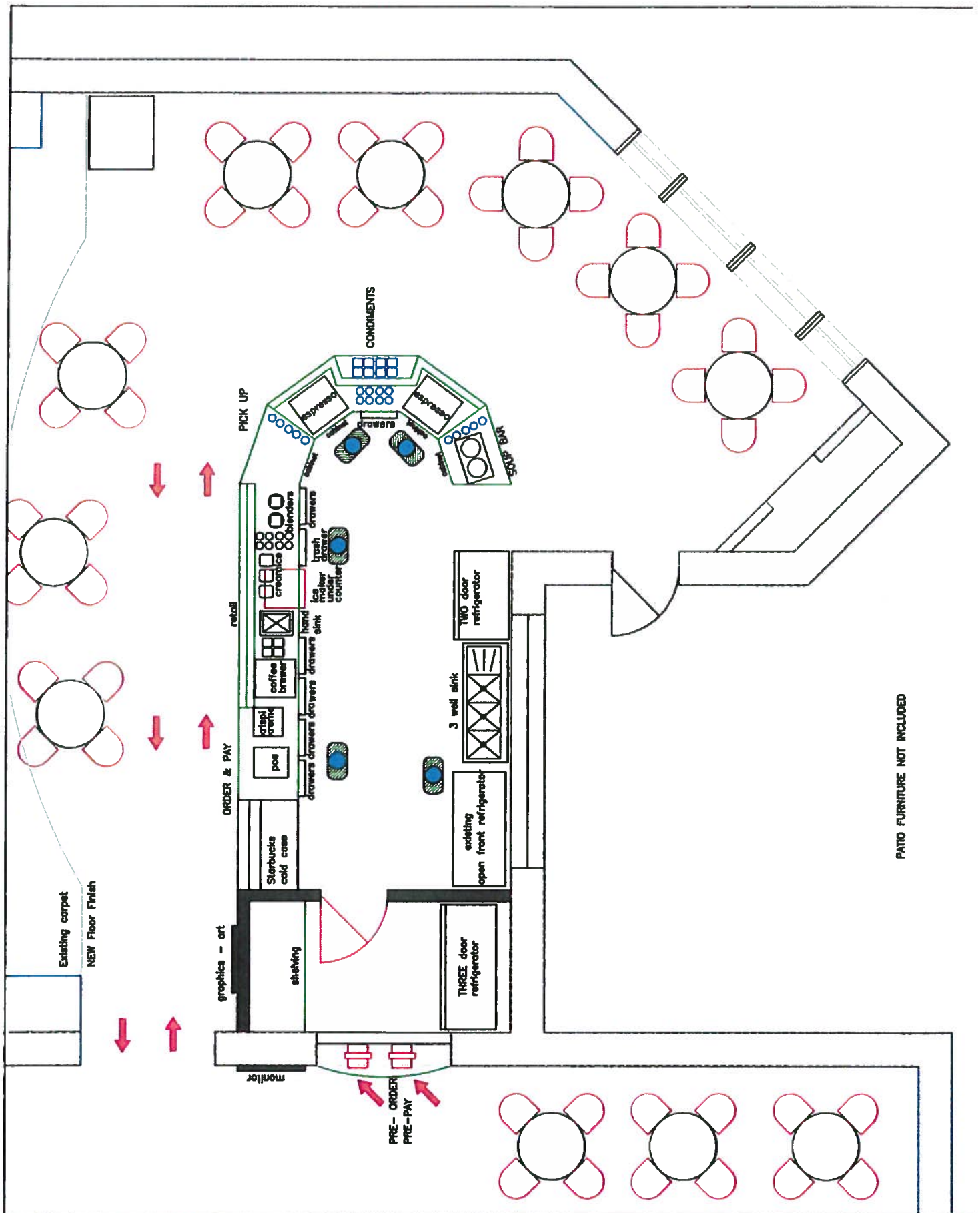
COMMUNITY & TECHNICAL COLLEGE

- 1 One Room Schoolhouse Museum
- 2 Hardway Hall (Administration Building)
- 3 Parking Garage
- 4 Bryant Place
- 5 Newman Center
- 6 Jaynes Hall
- 7 Morrow Hall
- 8 Prichard Hall
- 9 Pence Hall
- 10 Shaw House
- 11 Feaster Center
- 12 Duvall-Rosier Field
- 13 Physical Plant Building
- 14 Tennis Courts
- 15 Practice Field
- 16 College Park Apartments
- 17 Frank & Jane Gabor West Virginia Folklife Center
- 18 Hunt Haught Hall
- 19 Ruth Ann Musick Library
- 20 Engineering Technology Building
- 21 Wallman Hall
- 22 Turley Center
- 23 Education Building
- 24 Colebank Hall
- 25 Falcon Center
- 26 Erickson Alumni Center
- 27 Wesley Foundation



PARKING MAP





Tab 6

**Fairmont State University
Board of Governors
October 18, 2012**

ITEM: Revision to Policy No. 12, Phased Retirement

COMMITTEE: Committee of the Whole

INFORMATION ONLY:

STAFF MEMBER: Cindy Curry

BACKGROUND: The employee Phased Retirement policy was implemented on July 1, 2002, and revised June 18, 2009.

Since the last revision there has been a need for clarifications to some items, which are now addressed here.

In addition, given current institutional finances and the need to remain good and effective stewards of our resources, we find that the policy as formerly shaped implies an employee right rather than the privilege it was intended to be. It is not feasible to approve all phased retirement requests, given funding limitations and the need to fill the vacated position on a fulltime basis. Thus the policy as revised speaks to approval as being a privilege and not a right and addresses more clearly that it is the President's or designee's role to determine if sufficient funds and replacement staffing are available for future requests; AND if the requesting employee has the skill sets and competencies that warrant maintenance on the phased retirement plan.

A further change limits each individual phased retirement plan approval to one (1) year, renewable upon the President's approval. The eligible maximum remains three (3) years.

Lastly, a section of the revision notes that the new provisions are retroactive for all current phased retirees.

Fairmont State University Board of Governors
POLICY NO. 12

PHASED RETIREMENT

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SECTION 1. GENERAL

Effective Date: July 1, 2002; revised June 18, 2009; revised December, 2012, to be effective January 1, 2013

A Phased Retirement Plan (PRP) shall be available for eligible retiring full-time regular employees.

Purpose: To ensure the continuity of crucial programs and services by retaining the unique skill sets and competencies of identified employees.

The Phased Retirement Plan shall include all of the following elements:

1) ~~1)~~ Beginning effective in the ~~contract fiscal year immediately~~ year immediately following an employee's 55th birthday, and providing the employee has five (5) years of full time service or the equivalent, an employee considering retirement may request a contract with Fairmont State University to enter its PRP upon retirement. The request must first be made to the Human Resources Office, which will forward the request to the President or his/her designee for approval. A PRP contract is granted for only one year at a time, renewable for two (2) additional years at the President's discretion. An individual may request a PRP contract for up to three years. At the end of the designated and/or approved period of phased retirement employment, the employee will have no vested employment rights with the University.

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2) An employee approved for Phased Retirement will continue to occupy his/her current position and do the work as assigned at the time of his/her retirement, on a 1/3-effort basis. The employee and his/her supervisor will create a new job description for the 1/3 effort position.

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3) To enter the PRP, a faculty member must notify in writing his or her/his/her Dean and then secure the written agreement of the Provost. A non-classified and/or classified employees must notify in writing and secure the written approval of the his/her Immediate supervisor and the respective President's Cabinet Member, and the Human Resources Office. All requests are to be forwarded to HR, which will take them to the President for approval. All requests require approval of the President. Generally, notice must be given at least six (6) months in advance of the proposed effective date. Employees may begin the PRP on July 1 or January 1 of the appropriate fiscal year.

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4) An employee, having signed a PRP request, may not revoke the request. A resignation letter with appropriate information and dates must be attached to the PRP request when it is forwarded to HR.

5) An individual who is in the PRP may, without penalty and at any time, opt to terminate his or her employment with the University as a phased retirement employee. If this option is taken, at the termination of employment in the PRP the individual will have no vested employment rights with the University at the termination of employment in the PRP. An employee terminating his/her PRP may not request and will not be approved to re-enter the phased retirement program.

6) Approval for a PRP is not automatic and not a right but a privilege. The President and HR will review requests to determine budgetary feasibility as well as the skills/competencies of requesting employees and the need to fill on a fulltime basis the position the employee is vacating.

7) The President or designee may revoke an individual's PRP at any time, for budgetary, employee productivity or other reasons, with a 30-day notice to the employee. This provision is retroactive to all current phased retirement arrangements.

84) The University will continue to provide an individual on phased retirement with all rights and privileges, which that are normally extended to faculty, or staff who hold full-time status, except for benefits coverage. No employer-paid benefits, other than Social Security and Worker's Compensation, will be provided under the PRP. Base Salary during the period of participation in the PRP shall be reduced to 33%, as of the effective date of the PRP contract. The employee's subsequent pay increases during the remainder of participation in the PRP will be exactly 33% of the average pay increases provided to faculty and non-classified employees in each contract year. The classified employee's subsequent pay increases during the remainder of participation in the PRP will be exactly 33% of the raise the employee would have been paid according to the Mercer Classification and funding made available for progress toward the Mercer scale. Phased retirees, as a condition of their being approved by the institution for phased retirement, agree not to seek unemployment compensation upon the termination of their PRP contracts. All phased retirees are hourly employees and must maintain and submit timesheets for their work.

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59) A faculty member who opts for and is approved for entry into the PRP, after notifying his/her Dean, and receiving the approval of the Provost, may either (a) teach 1/3 time in the fall semester and 1/3 time in the spring semester of a given academic year, or (b) teach 2/3 time in either the fall semester or the spring semester of a given academic year; provided that if an individual chooses to teach 2/3 time in the spring given semester, all pay will be received during the spring semester that semester and will not be spread.

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610) It is the responsibility of the individual who enters the Phased Retirement Plan to contact the Benefits Office of HR, the appropriate retirement company and other agencies to assure that health and life insurance and retirement benefit options are properly maintained.

11) Depending upon the employee's retirement plan, a PRP may not be permissible. It is the responsibility of the requesting employee to contact the Benefits Office of HR and his/her appropriate retirement provider to determine if s/he may have a PRP contract.

12) Re-employment as an adjunct instructor or 1039 employee with the University at the termination of the PRP may be possible, the phased retiree must consult with HR to determine eligibility, feasibility and approval before entering into any adjunct contracts or other University employment.

Interpretation: Interpretation and application of the language and statements within this policy are the responsibility of the Human Resources Officer or designee, in consultation with the President.

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**Fairmont State University
Board of Governors
October 18, 2012**

ITEM: Revision to Policy No. 38, Faculty Sick Leave

COMMITTEE: Committee of the Whole

INFORMATION ONLY:

STAFF MEMBER: Cindy Curry

BACKGROUND: The Faculty Sick Leave policy was implemented on November 10, 2005. Interpretation of the policy and its application to our internal institutional faculty leave situations as well as several changes in the federal Family Medical Leave Act (FMLA) since that time necessitate changes to our policy so that our policy and practices will be in compliance with federal employment law.

Fairmont State University Board of Governors
POLICY NO. 38

TITLE: FACULTY SICK LEAVE

EFFECTIVE DATE: November 10, 2005; revised January , 2013, and effective upon passage.

The purpose of this policy is to clarify faculty rights and responsibilities when a faculty member cannot meet with classes or carry out other official/assigned duties because of personal illness or injury or the illness or injury of a qualifying family member; to clarify the duties of Deans or their designees in such cases; and to provide guidelines for requesting short-term disability leave. Since faculty members on a contract of less than twelve ~~months~~ months do not earn or accrue sick or annual leave (per HEPC Series 38 ~~and WVCGTC 435-38~~), this policy addresses leave and time off payroll procedures for ~~occasions less-~~ than-twelve-month faculty when personal illness or injury occurs.

This policy is not intended to address all issues surrounding the request for unpaid medical, ~~or~~ Family Medical Leave Act (FMLA) or WV Parental Act leave, and is ~~in no~~ not way intended to limit or prohibit faculty members from requesting and taking such leave. The Human Resources Office administers the FMLA and all other leave plans and processes. Please note that the leave provisions outlined in this policy will run concurrently with FMLA and other leaves, as applicable and as appropriate.

The Human Resources Office is responsible for the interpretation, application and administration of this policy.

State law (§12-3-13) prohibits the payment of wages when work is not performed. This policy is intended to provide a procedure and plan that protects the faculty member and the institution in cases in which faculty members are unable to work due to personal illness or injury.

The Fairmont State University Board of Governors strongly encourages all benefits-eligible faculty members to enroll in a short-term disability plan and directs the administration to make such a plan available. Faculty on a less-than-twelve-month contract who do not enroll in the short-term disability plan are not eligible for any other provisions from the institution to maintain their pay or salary and may be without compensation if they are removed from payroll.

GENERAL PROVISIONS

Each faculty member is employed to carry out duties which include but are not limited to meeting with each assigned class during its scheduled time frame and performing other related faculty responsibilities.

A faculty member who must miss scheduled work time (class, office, committee, or other) because of personal illness or injury is required to notify his or her ~~immediate supervisor immediately~~. The faculty member and his/her supervisor should notify the Benefits Office in Human Resources immediately if it appears or there is reason to believe the faculty member may miss more than six (6) days of work. This is to ensure that both the employee and the institution have invoked FMLA rights and responsibilities.

In addition, any faculty member who has surgery of any kind that results in even a partial-day absence must provide a release to work slip from his/her medical provider to the HR Benefits Office before s/he may be allowed to work.

When a faculty member has been absent for six (6) work days or more, s/he is not permitted to return to work until s/he has ensured that his/her health care professional has provided the Human Resources Office with a "Return to Work Authorization/Medical Release" form and the HR Office has confirmed receipt and addressed any work restrictions noted therein. (A "health care professional" is defined as a person, other than the employee or member of his/her family who (a) is licensed to practice medicine under the laws of the state in which he or she practices; or (b) is legally qualified as a medical practitioner and required to be recognized by the insurance laws of the state in which he or she practices.)

A work day is defined as a day on which the faculty member would regularly be scheduled to meet with a class, hold office hours, or perform other duties such as advising or committee work.

In no case may a faculty member "subcontract" or agree to pay a colleague or other person directly for teaching his/her classes or performing other assigned work. Coverage and substitutes are arranged by the Dean/Designee, and appropriate compensation is paid through the State payroll system only.

~~A "health care professional" is defined as a person, other than the employee or a member of his or her family who (a) is licensed to practice medicine under the laws of the state in which he or she practices; or (b) is legally qualified as a medical practitioner and required to be recognized by the insurance laws of the state in which he or she practices.~~

DEAN/DESIGNEE RESPONSIBILITIES

In the event of the faculty member's absence, it ~~becomes~~ is the responsibility of the Dean (or his or her designee such as department chair or program coordinator) to ensure that:

1. Another member of the faculty/staff ~~will meet~~s with the classes affected, or
2. He/she ~~will meet~~meets with the classes, ~~when a faculty/staff member is unavailable,~~ or
3. ~~Notify the~~The students ~~are notified~~ in advance if it becomes necessary to cancel classes ~~and the absent faculty member is unable to contact the students.~~
- 3-4. ~~The faculty member has provided appropriate provisions via the approved online platform (i.e., BlackBoard) to accommodate any missed in-class work/activities.~~

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In addition, the Dean will develop and maintain a record-keeping system for documenting notification of faculty absences due to illness or injury and ~~notifying will~~ notify Human Resources when a faculty member has been absent ~~six five (65)~~ six (6) or more ~~consecutive~~ work days due to personal illness or injury. ~~Documentation shall include~~The Dean or Designee will ensure that the faculty employee has provided verification of HR's receipt of a "Return to Work Authorization/Medical Release" form when absence exceeds six (6) work days and will ensure that the faculty member does not work until HR has received, reviewed and permitted the return to work.

FACULTY RESPONSIBILITIES

Faculty members have the following responsibilities:

1. A faculty member who must miss scheduled work time (class, office, committee, or other) because of personal illness or injury is required to notify his or her immediate supervisor.
 1. ~~2.~~ If physically able, notify the students in advance if it becomes necessary to cancel classes.
 2. ~~3.~~ If physically able, offer assistance or suggestions to the Dean or his or her designeeDesignee in arranging for another faculty or staff member to meet with affected classes.
 5. Before returning to work after a period of absence of six (6) or more consecutive work days, the faculty member must ensure that a "Return to Work Authorization/Medical Release" form from the treating health care professional is provided to the HR Benefits Office. The faculty member is not to return to work until HR has received this form and informed both the faculty member and his/her Dean/Designee that the return to work is accepted. HR will also notify the Dean/Designee of any medical restrictions on the faculty member's return.
- 3-6. ~~Faculty members are strongly encouraged to enroll in short-term disability coverage and are advised that compensation is not guaranteed to those faculty members who do not carry short-term disability coverage.~~
4. Faculty members must notify the Benefits Office of Human Resources and request a claim form to file for disability income benefits (short-term disability

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benefits) currently available through the Benefits Office. STD benefits start on the 8th consecutive day of illness/injury and provide 60% nontaxable benefit up to 26 weeks of disability if proper documentation is provided by the health care professional. become effective on the eighth day and provide a percentage of salary for up to six months. For purposes of the disability coverage, the eight day period begins with documentation from the treating health care professional.
~~5. Before returning to work after a period of absence of six (6) or more work days, the faculty member must obtain a "Return to Work Authorization/Medical Release" form from the treating health care professional.~~

Faculty members whose illness or injury prevents them from carrying out their assigned duties for fourteen (14) consecutive calendar days will be placed on unpaid medical leave until able to return to work. No work from home or part-time work arrangements are permitted during this time. The administration will work with those faculty members enrolled in short-term disability to initiate the receipt of disability benefits as defined by the plan.

During any medically authorized absence of six (6) consecutive work days or more, the affected faculty member is to be fully released from duty and is not to provide services of any kind to the University. Unless and until the Human Resources Benefits Office has obtained an authorized release from the faculty employee's physician or other health care professional, the faculty member may NOT work or enter into any "part-time" or "work from home" arrangement with his/her Dean/Designee or on his/her own initiative. Only the University Provost may approve part-time or work from home arrangements, and these must be requested by the faculty member, detailed in writing with a set beginning and ending date, and have the Dean's/Designee's written approval.

The medical provider's release must include the following: 1) summary of the individual's medical condition; 2) diagnosis; 3) prognosis; 4) functional limitations, including duration and treatment plan. Based upon the medical assessment, HR Benefits will determine the employability and/or accommodations necessary for the employee's return to work.

Failure of a faculty member and/or his/her Dean/Designee to abide by the provisions of this policy may be cause for disciplinary action of the parties involved.

While this policy addresses the procedures for short-term illness and injury leave and encourages faculty members to enroll in a short-term disability plan, the Board also encourages all faculty members to enroll in some form of long-term disability coverage.

~~In order to provide a transition period, this policy will not apply to any faculty member who has enrolled in short-term disability but is denied benefits based on a pre-existing condition between November 1, 2005 and October 31, 2006.~~

Interpretation: Interpretation and application of the language and statements within this policy are the responsibility of the Human Resources Officer or designee, in consultation with the President.

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**Fairmont State University
Board of Governors
December 13, 2012**

Item: Independent Auditor's Report by Deloitte & Touche LLP of the Fairmont State University Financial Statements as of and for the year ended June 30, 2012.

Committee: Committee of the Whole

Action: Be it resolved that the Board of Governors accepts the Independent Auditor's Report.

Staff Member: Rick Porto

Background: On November 29, 2012, Dennis Juran of Deloitte & Touche LLP presented the audit report of the University prepared financial statements to the Finance, Facilities, and Audit Committee.

The report indicated that statements prepared by staff presented fairly, in all material respects, the financial position of Fairmont State University. Fairmont State was provided an unqualified opinion.

The report to the Committee reviewed:

- The Management Discussion and Analysis, the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA), and the Statement of Cash Flows, and the footnotes. All of these items were prepared by staff.
- The financial condition of the University reflects a 3.8:1 ratio of Current Assets to Current Liabilities. This is very good.
- Current Unrestricted Fund Cash and Cash Equivalents increased by \$2,377,430 to \$17,042,844 which included the cash balance remaining in the Strategic Plan Awards for Fiscal Years 2012 & 2011 of \$494,694. This is very good.
- Auxiliary cash reserve balances increased by \$1,133,097 to \$7,195,775. These funds are available for future auxiliary capital projects or one-time operation costs.
- OPEB liability increased by \$2,552,471 or 43% to \$8,547,940 at June 30, 2012. The cumulative OPEB liability for the Current Unrestricted and Auxiliary Funds at June 30, 2012 were \$7,643,321 and \$904,619, respectively.

- Net Assets increased by \$3,828,971 with all funds combined. The chart below shows all net asset changes:

	<u>FY 2012</u>	<u>FY 2011</u>	<u>Increase/(Decrease)</u>
Invested in capital assets - net of related debt	\$ 49,105,975	\$ 44,776,593	\$ 4,329,382
Restricted for expendable:			
Loans	356,985	389,872	(32,887)
Scholarships	20,246	234,696	(214,450)
Capital projects	3,802,416	3,326,034	476,382
Debt service	24,612	2,128,056	(2,103,444)
Total restricted	4,204,259	6,078,658	(1,874,399)
Unrestricted:			
Designated for auxiliaries	6,985,782	6,081,944	903,838
Designated for fund managers	690,319	432,186	258,133
Undesignated	5,618,593	5,406,576	212,017
Total Unrestricted	13,294,694	11,920,706	1,373,988
Total net assets	\$ 66,604,928	\$ 62,775,957	\$ 3,828,971

- The Current Unrestricted Fund Net Assets of \$13,952,233 (before OPEB liability) were nearly 31% of operating expenses for fiscal year 2013. Again, this is very good.
- The 2012 Audit Report continues to include details of the Separation of Assets and Liabilities Agreement between Fairmont State University and Pierpont Community and Technical College sharing with interested bond holders of both institutions commitment toward bond debt, operating budgets of the bond related auxiliaries, and repair and renovation of all Shared Education and General Facilities.

Note: Since the completion of the Audit we have sent to Moody's their requested information and the Financial Audits for both the University and Pierpont, along with a consolidated report of both institutions Statement of Net Assets and Statement of Changes in Revenue and Expense. This data will be reviewed by Moody's and a report will be issued on the rating status of our bonds.