

August 18, 2016

Board of Governors



AGENDA

FSU BOARD OF GOVERNORS' MEETING
AUGUST 18, 2016, 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. Approval of Agenda*Action Item*
- II. APPROVAL OF MINUTES OF JUNE 23, 2016.....***Tab 1 Action Item*
- III. CHAIRMAN’S REPORT**
- IV. PRESIDENT’S REPORT**
- V. REPORTS AND PRESENTATIONS**
 - A. Foundation (RJ Gimbl)
 - B. Construction Project Updates (Tom Tucker)
- VI. CONSENT AGENDA.....***Tab 2 Action Item*
 - A. Financial Reports (Month Ending: May 31, 2016)
- VII. ACADEMIC AFFAIRS COMMITTEE (John Myers, Chair)**
- VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)**
- IX. BY-LAWS COMMITTEE (Ron Tucker, Chair)**
- X. ENROLLMENT/HOUSING-STUDENT LIFE COMMITTEE (Dixie Yann, Chair)**
- XI. FINANCE COMMITTEE (Mark Pallotta and John Schirripa, Co-Chairs)**
 - A. Approval of FY 2018 Appropriation Request.....*Tab 3 Action Item*
 - B. Approval of FY 2018 Capital Appropriation Request.....*Tab 4 Action Item*
- XII. STUDENT HOUSING COMMITTEE (Aaron Hawkins, Chair)**
- XIII. EXECUTIVE COMMITTEE (Mark Pallotta, Chair)**
- XIV. POSSIBLE EXECUTIVE SESSION - Under the Authority of West Virginia Code §6-9A-4 to Discuss Personnel and Property Issues**
- XV. ADJOURNMENT**

NEXT MEETING: OCTOBER 20, 2016, 9:00 A.M.,
LOCATION: GASTON CAPERTON CENTER,
501 WEST MAIN STREET, CLARKSBURG, WV

Tab 1



FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
MEETING MINUTES
JUNE 23, 2016
BOARD ROOM, 3RD FLOOR FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV

I. CALL TO ORDER

A. Roll Call

Chairman Mark Pallotta convened a meeting of the Fairmont State University (FSU) Board of Governors on June 23, 2016, beginning at approximately 9:00 a.m. in the Board Room, 3rd Floor Falcon Center, and 1201 Locust Avenue, Fairmont, West Virginia. The May 12, 2016, meeting was cancelled and the June 16, 2016, was rescheduled for this date of June 23, 2016, due to the lack of a budget from the State.

At the request of Chairman Pallotta, Judy Biafore conducted a roll call of the Board of Governors. Present for the meeting were board members Holly Fluharty, Kelly Humphreys, Mark Pallotta, Budd Sapp, John Schirripa, Bryan Towns Frank Washenitz, and Dixie Yann. Chris Courtney, Aaron Hawkins, John Myers, and Ron Tucker were absent.

Others present were President Rose and President's Council members Christina Lavorata, John Lympany, Ann Mazza, Tim Oxley, Kaye Widney, and Debbie Stiles. Tom Tucker, Assistant Vice President for Facilities; Stephanie Slaubaugh, Construction Manager; Tim McNeely, Athletic Director; and RJ Gimbl, President of the Fairmont State Foundation, also attended.

B. Public Comment

Frank Washenitz reported that no one had signed up for public comment.

C. Approval of Agenda

John Schirripa made a motion to approve the agenda. Bryan Towns seconded. The motion passed.

D. Approval of 2016-2017 Meeting Dates

Budd Sapp made a motion to approve the 2016-2017 Meeting Dates. Bryan Towns seconded. The motion passed.

II. APPROVAL OF MINUTES OF APRIL 14, 2016

Budd Sapp made a motion to approve the minutes of February 18, 2016, and Kelly Humphreys seconded. The motion passed.

III. CHAIRMAN'S REPORT

- A. Chairman Pallotta commented that we finally had direction from the State on our budget and that the University can now move forward.
- B. Chairman Pallotta presented Kelly Humphreys, Student Representative for the Board of Governors, with a plaque and thanked her for her hard work on the Board and wished her much success for her future.
- C. The Chairman stated that there will be another walk through of the new residence hall and hoped those who did not attend the last time will have a chance to see how nice it is going to be for students to live, learn, and socialize there. He said the University should be proud to have the facility as part of the campus community.
- D. He also reminded everyone of the BOG Summit that will be held by the HEPC August 12th and 13th. He stated that it is a great way to accomplish training hours that are required of all BOG members.

IV. PRESIDENT'S REPORT

- A. President Rose thanked those who sent her best wishes as she recovers from a fall and hip replacement surgery.
- B. She also commented on the Budget recently passed by the State, the new Oasis System for payroll and benefits processing that is successfully in place, the end of the first summer school term, enrollment for the fall and the various yearly summer activities that are taking place.

V. REPORTS AND PRESENTATIONS

- A. Foundation (RJ Gimbl)

RJ Gimbl, President and CEO, of the Fairmont State Foundation, reported that were "just shy" of 2.5 million dollars in gifts and pledges this fiscal year.

He said that they are in the process of revitalizing the Annual Fund and they have recently put 27,000 mailings out to alumni and hope to get a total of 29,000 out. The result of that mailing so far has brought in \$10,000.

Mr. Gimbl stated that on the major gifts side they have received two \$25,000 gifts and have applied for \$25,000 for the Title III Grant, and students raised \$9,000 for the class gift campaign.

He also said that the Legislature passed the NIP (Neighborhood Investment Program) for the next five years. The FS Foundation has participated in that program for the past eleven years.

B. Construction Project Updates (Tom Tucker and Stephanie Slaubaugh)

Stephanie Slaubaugh, Construction Manager, and Tom Tucker, Assistant Vice President for Facilities, gave an update on the various projects that are currently underway on campus. Weekly updates are available online at: <http://www.fairmontstate.edu/adminfiscalaffairs/physical-plant/construction>.

VI. CONSENT AGENDA

Dixie Yann moved to accept the following Consent Agenda:

A. Financial Reports for Periods ending March 31, 2016, and April 30, 2016.

Budd Sapp seconded. The motion passed.

VII. ACADEMIC AFFAIRS COMMITTEE (John Myers, Chair)

Mr. John Myers, Chair of the Academic Affairs Committee was absent. Dr. Christina, Provost and Vice President for Academic Affairs, gave a brief update of summer activities including the recent approval by the West Virginia Board of Nursing for FSU to have a weekend program for students seeking an Associate of Science Degree in Nursing.

VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)

Frank Washenitz, Chair of the Athletic Affairs Committee, asked that Tim McNeely, Athletic Director, give an update for the Athletic Affairs Committee.

Mr. McNeely said the wine tasting and fund raising event last week at the Carriage House was successful.

He also said that the final \$30,000 payment for the Duvall-Rosier scoreboard had been made and that the year two payment for the Feaster Center renovations had been made in the amount of \$110,000.

Mr. McNeely reported that they recently transferred \$125,000 into the Operating Reserves Account which totals about \$400,000 right now and that \$25,000 was

transferred into the Special Equity Reserves, and there is about \$500,000 total in that account now.

He also said that in 2 1/2 years they have raised \$365,000 for the \$1,000 Club. He thanked Chad Fowler for his efforts in this initiative.

Mr. McNeely also stated that 51 student athletes achieved Mountain East Conference Academic Honors. He said there were also Academic All Americans on the men's and women's swim teams, baseball team, softball team, and men's basketball team.

Mr. McNeely said that WV Radio Corporation will cover FSU football games this fall and basketball games after that. They will be carried on Magic 106.5. He also said that football ticket packages will be available in two weeks.

IX. ENROLLMENT/HOUSING-STUDENT LIFE COMMITTEE (Dixie Yann, Chair)

Dixie Yann, Chair of the Enrollment/Housing-Student Life Committee, asked Vice President of Student Services, Kaye Widney, for a summary of the following written report that was provided to the Board.

**FSU BOARD OF GOVERNORS
ENROLLMENT/HOUSING/STUDENT LIFE COMMITTEE SUMMARY REPORT
June 23, 2016**

- *Admissions/Recruitment Activities:*
 - Scholarship presentations were made in 39 high schools; 483 certificates were presented
 - Admissions Office staff are holding Orientation events held throughout the summer. To date, there have been 12 sessions; 10 remain before the start of fall term
 - Recruitment and Alumni receptions will be held during fall semester this coming year rather than in the spring with intent of having more impact on decision to attend
 - Communication pieces are being reviewed/revise to reflect updates to campus information in preparation for the 2017-18 recruiting cycle

- *Enrollment/Retention Activity:*
 - To date, 634 entering freshmen have registered for fall (11% increase over same time last year)
 - 2408 Returning students have registered for fall 2016 (6.4% increase over same time last year)
 - 869 undergraduate and graduate students are registered in summer school

- *Financial Aid/Scholarship Activity:*
 - Planning meetings are taking place with other offices regarding the changes in the federal application process for 2017-18-this involves "prior prior year" income reporting
 - 2854 students (both entering and returning) have received notification about eligibility for financial aid in 2016-17
 - PROMISE numbers are not yet final for entering students; state budget issues caused delays in notifications

- *Residence Life Update:*
 - Fall 2016 Occupancy rate is currently 89%; 1062 students have been assigned
 - Increase of 81 students compared to same time last year
 - Carpet has been replaced in Pence Hall and other residential buildings are being refreshed/cleaned for fall move-in

- *Other Student Services related activities:*
 - All Student Service units completed Council for the Advancement of Standards in Higher Education (CAS) self-assessments with final reports submitted in April; the findings have been used to help set goals for 2016-17 academic year
 - Counseling Center is offering "College Transition" group sessions for students in foster care
 - 362 students participated in spring commencement; 598 actually applied for graduation

Ms. Yann thanked Enrollment/Housing-Student Life Committee members Kelly Humphreys and Budd Sapp for their hard work on the Committee. She also thanked the staff in the Student Services' area for their hard work which resulted in positive results for this past year.

X. FINANCE COMMITTEE (Mark Pallotta and John Schirripa, Co-Chairs)

Mark Pallotta, Co-Chair of the Finance Committee, summarized the following items presented by the Finance Committee.

John Schirripa made a motion to approve the following:

- A. Approval of Board of Governors' Policy #16 Tuition and Fee Policy (30-Day Comment Period Over)

Frank Washenitz seconded. The motion passed.

Bryan Towns made a motion to approve the following:

- B. Approval of Capital Projects FY 2017

Budd Sapp seconded. The motion passed.

Dixie Yann made a motion to approve the following:

- C. Approval of Chargeback Agreement FY 2017

Bryan Towns seconded. The motion passed.

Frank Washenitz made a motion to approve the following:

- D. Approval of Athletic Department FY 2017 Budget and the 20-year Athletic Master Plan Update

John Schirripa seconded. The motion passed.

- E. EADA Reporting and Supplemental Data (Information Only)

Clark Riley, Assistant Athletic Director, gave a brief overview of the report.

Budd Sapp made a motion to approve the following:

- F. Approval of Facilities FY 2017 Budget Plan

Dixie Yann seconded. The motion passed.

Bryan Towns made a motion to approve the following:

G. Approval of Falcon Center FY 2017 Budget Plan

John Schirripa seconded. The motion passed.

Dixie Yann made a motion to approve the following:

H. Approval of Housing FY 2017 Budget Plan

Budd Sapp seconded. The motion passed.

Holly Fluharty made a motion to approve the following:

I. Approval of 2017 Education and General (E&G) Budget

Bryan Towns seconded. The motion passed.

XI. STUDENT HOUSING COMMITTEE (Aaron Hawkins, Chair)

Aaron Hawkins, Chair of the Student Housing Committee, was absent, and there were no items brought forth by that Committee.

XII. EXECUTIVE COMMITTEE (Mark Pallotta, Chair)

Chairman Pallotta stated the Executive Committee had not met. He said that he had spoken to Mr. Tucker (Chair of the By-Laws Committee) about the bylaws (or BOG Operating Procedures) and he said a draft of proposed changes would be emailed to them soon.

XIII. NOMINATING COMMITTEE (John Myers, Chair)

A. Election of FSU Board of Governors' Officers
(Effective July 1, 2016, through June 30, 2017)

On behalf of the Nominating Committee, Holly Fluharty presented the slate of officers for 2016-17 as follows: Dixie Yann, Chair; John Schirripa, Vice-Chair; and Aaron Hawkins, Secretary.

Budd Sapp made a motion to accept the slate of officers for 2016-2017. Bryan Towns seconded. The motion passed.

XIV. POSSIBLE EXECUTIVE SESSION

Dixie Yann made a motion to go into Executive Session “Under the Authority of West Virginia Code §6-9A-4 to discuss property issues”.

Budd Sapp seconded. The motion passed.

John Schirripa made a motion to rise from Executive Session. Budd Sapp seconded. The motion passed.

After reconvening from Executive Session, Budd Sapp made a motion to approve the Finance Committee Item for a University Terrace Sewer Project Change Order.

John Schirripa seconded. The motion passed.

XIV. ADJOURNMENT

Bryan Towns made a motion to adjourn the meeting. Dixie Yann seconded. The motion passed.

FSU Board of Governors’ Chair

Mark Pallotta

Date

Absent

FSU Board of Governors’ Secretary

Ron Tucker

Date

Tab 2

Fairmont State University
Board of Governors
Financial Report
For the period ending May 31, 2016

Unrestricted Central:

At the end of May, the Unrestricted Central Fund budget condition weakened by \$28,530 over that reported at the end of April. Benefits expense increased by \$22,730 as a result of adjustments due to vacancies, new hires, coverage changes, and transfers between labor and operating accounts. Supplies expense increased by \$5,800 due to a correcting entry for an error in transfers between unit codes completed in April.

Tuition and fee revenue is 101.22% of the budget estimate for the current year. Student Activity Support Revenue is at 97.76% of the fiscal projection. Total Operating Revenue calculates to 94.67% of that anticipated for the current year. Non-Operating Revenue is 99.61% of the total annual anticipated. At the end of May, Operating Expenses are at 89.86% of the budget estimate for the current year. The YTD Actual condition at the end of May is \$1,565,438.

Unrestricted Fund Manager:

During the month of May, the planned budget deficit condition for FY 2016 remains at (\$416,949). The revenue and expense budget updates occurring during the month resulted in a net change of zero to the statement.

At the end of the period, the total revenue is 100.25% of that anticipated for the fiscal year. Operating expenses are 64.08% of that planned for the fiscal year. The YTD Actual condition reflects a surplus of revenue over expenses of \$472,457

Auxiliary:

The correction of budget transfers between positions for a security guard position and PEIA adjustments resulted in an increase to the anticipated transfer to reserve of \$10,815 under the Facilities budget. The anticipated transfer to reserve for the Housing fund decreased by \$9,750 due to a PEIA cost adjustment and transfers of budget between labor and operating accounts. An increase in the PEIA cost estimate for the Athletic fund resulted in a decrease of \$1,001 in the anticipated transfer to the reserve for that fund. The estimate of transfer to reserve for the Special Equity fund was reduced by \$38,000 in support of an increase to the Scholarship Expense budget.

The Operating Revenue is 96.44% of that estimated for FY 2016. Operating Expenses are 140.15% of that budget estimated for the year. This appearance of an over budget state results from the posting of contractual expense to the operating accounts rather than to a balance sheet account. We are well aware of this posting issue and will have correcting entries in place by year end. The YTD Actual condition represented by the report at the end of May is (\$2,397,740).

Restricted:

No new grant activity was reported for May 2016.

Existing Grant Budgets:

\$30,000.00 Albert Yanni Award Governor's Honor Academy
\$10,000.00 Department of Ed & Arts Governor's Honor Supplement
\$11,728.00 WVINBRE FRDA2 Task B
\$20,000.00 Robotics Alliance Support Donations
\$ 1,500.00 Faculty Development Awards
\$ 160.00 Science and Tech Awards Deposit
\$ 921.50 First Lego League Deposit
\$ 1,000.00 Kestrel Foundation
\$ 75,309.50

Restricted revenues have reached 83.25% of the total projected for the fiscal year. Non-Operating Revenue (Pell Grant) is at 71.17% of the budget for FY 2016. Operating Expenses are 79.98% of the annual budget projection. The YTD Actual at the end of May is \$173,776.

Following are the financial reports for the month of May 2016.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - Central E&G

As of May 31, 2016

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	23,116,461	22,848,903	23,127,363	101.22
	Student Activity Support Revenue	471,765	471,765	461,206	97.76
	Faculty Services Revenue	1,272,439	1,272,439	236,638	18.60
	Operating Costs Revenue	1,597,901	1,588,209	1,405,319	88.48
	Support Services Revenue	2,035,390	1,945,454	1,503,254	77.27
	Other Operating Revenues	225,293	321,851	197,401	61.33
	Total:	28,719,248	28,448,620	26,931,181	94.67
OPERATING EXPENSE					
	Salaries	24,572,578	23,887,078	20,883,048	87.42
	Benefits	5,923,148	5,864,069	5,087,028	86.75
	Student financial aid-scholarships	2,613,428	2,613,428	2,971,963	113.72
	Utilities	1,451,176	1,451,176	1,404,488	96.78
	Supplies and Other Services	6,029,871	6,139,833	6,339,844	103.26
	Equipment Expense	837,331	697,698	475,333	68.13
	Fees retained by the Commission	185,560	185,560	171,873	92.62
	Assessment for Faculty Services	987,218	987,218	282,118	28.58
	Assessment for Support Services	256,737	258,343	172,667	66.84
	Assessment for Student Activity Costs	349,764	349,764	355,125	101.53
	Assessment for Operating Costs	100,134	100,134	77,779	77.68
	Total:	43,306,945	42,534,300	38,221,266	89.86
OPERATING INCOME / (LOSS)		(14,587,698)	(14,085,680)	(11,290,085)	80.15
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	15,668,202	15,041,474	15,041,474	100.00
	Gifts	0	34,770	15,981	45.96
	Investment Income	25,245	25,245	26,525	105.07
	Assessment for E&G Capital & Debt Service Costs	(2,143,380)	(2,143,380)	(2,176,067)	101.53
	Total:	13,550,067	12,958,109	12,907,913	99.61
TRANSFERS & OTHER					
	Capital Expenditures	(84,438)	(90,384)	(42,785)	47.34
	Transfers for Debt Service	(64,986)	(64,775)	(64,734)	99.94
	Transfers for Financial Aid Match	(81,239)	(81,239)	(29,890)	36.79
	Indirect Cost Recoveries	1,740	4,207	2,076	49.34
	Transfers - Other	(37,150)	(12,150)	82,943	(682.65)
	Total:	(266,073)	(244,342)	(52,390)	21.44
BUDGET BALANCE		(1,303,703)	(1,371,912)	1,565,438	
Add: Estimated Unfilled Position Savings:		1,000,000	1,126,130		
ADJUSTED BUDGET BALANCE		(303,703)	(245,782)		
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		10,199,025	9,462,879		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>9,895,322</u>	<u>9,217,097</u>		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2015 in the amount of \$8,389,298

Unrestricted Net Asset Balance is 22.25% of the current budget total operating expense.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - Fund Manager

As of May 31, 2016

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	1,839,169	1,928,658	1,998,607	103.63
	Other Operating Revenues	143,252	217,614	153,110	70.36
	Total:	1,982,421	2,146,272	2,151,717	100.25
OPERATING EXPENSE	Salaries	617,482	909,260	641,108	70.51
	Benefits	63,007	116,988	92,508	79.07
	Student financial aid-scholarships	16,436	32,110	23,986	74.70
	Utilities	4,500	4,500	3,021	67.12
	Supplies and Other Services	1,497,332	1,378,075	739,477	53.66
	Equipment Expense	223,834	212,096	199,893	94.25
	Total:	2,422,590	2,653,028	1,699,992	64.08
OPERATING INCOME / (LOSS)		(440,169)	(506,756)	451,725	(89.14)
NONOPERATING REVENUE (EXPENSE)	Gifts	1,000	1,750	1,369	78.23
	Total:	1,000	1,750	1,369	78.23
TRANSFERS & OTHER	Capital Expenditures	0	(15,000)	(42,754)	285.03
	Indirect Cost Recoveries	28,000	65,907	32,517	49.34
	Transfers - Other	37,150	37,150	29,600	79.68
	Total:	65,150	88,057	19,363	21.99
BUDGET BALANCE		(374,019)	(416,949)	472,457	
Add: Estimated Unfilled Position Savings:		0	36,169		
ADJUSTED BUDGET BALANCE		(374,019)	(380,780)		
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		721,145	1,359,754		
Less: USE OF RESERVE		0	0		
** Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>347,126</u>	<u>978,974</u>		

** Unrestricted Net Asset Balance is 51.25% of the current budget total operating expense.

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of May 31, 2016

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	7,666,155	7,674,959	7,116,266	92.72
	Auxiliary Fees & Debt Service Support Revenue	5,057,393	4,986,158	5,091,668	102.12
	Other Operating Revenues	235,339	243,666	237,202	97.35
	Total:	12,958,887	12,904,783	12,445,137	96.44
OPERATING EXPENSE	Salaries	2,622,579	2,690,729	2,348,223	87.27
	Benefits	584,389	622,217	456,913	73.43
	Student financial aid-scholarships	675,802	713,802	559,111	78.33
	Utilities	883,268	885,868	774,074	87.38
	Supplies and Other Services	3,258,715	3,240,339	7,345,826	226.70
	Equipment Expense	76,945	116,548	105,700	90.69
	Total:	8,101,698	8,269,503	11,589,846	140.15
OPERATING INCOME / (LOSS)		4,857,189	4,635,280	855,290	18.45
NONOPERATING REVENUE (EXPENSE)	Gifts	0	8,773	8,773	100.00
	Interest on capital asset related debt	(91,042)	(91,042)	(40,806)	44.82
	Total:	(91,042)	(82,269)	(32,033)	38.94
TRANSFERS & OTHER	Capital Expenditures	(132,300)	(19,483)	(64,145)	329.24
	Transfers for Debt Service	(3,160,221)	(3,158,922)	(3,156,852)	99.93
	Transfers for Financial Aid Match	(3,425)	(3,425)	0	0.00
	Transfers - Other	(22,963)	(25,000)	0	0.00
	Total:	(3,318,909)	(3,206,830)	(3,220,997)	100.44
BUDGET BALANCE - Projected Transfer to Reserves		1,447,239	1,346,181	(2,397,740)	
* Add: PROJECTED NET ASSETS - Beginning of Year		<u>11,256,910</u>	<u>8,327,688</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>12,704,149</u>	<u>9,673,869</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2015 in the amount of \$995,589

* 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.

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of May 31, 2016

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Federal Grants and Contracts	22,865,521	23,602,783	19,344,284	81.96
	State/Local Grants and Contracts	6,922,054	7,727,720	6,607,688	85.51
	Private Grants and Contracts	1,850,217	2,057,089	1,843,404	89.61
	Other Operating Revenue	27	3,429	3,597	104.92
	Total:	31,637,820	33,391,020	27,798,974	83.25
OPERATING EXPENSE					
	Salaries	597,822	1,112,256	664,297	59.73
	Benefits	53,382	145,180	82,454	56.79
	Student financial aid - scholarships	40,220,000	40,253,255	33,234,507	82.56
	Utilities	0	0	0	0.00
	Supplies and Other Services	774,799	1,711,435	581,710	33.99
	Equipment Expense	41,969	91,068	81,051	89.00
	Total:	41,687,972	43,313,194	34,644,019	79.98
OPERATING INCOME / (LOSS)		(10,050,152)	(9,922,174)	(6,845,045)	68.99
NONOPERATING REVENUE (EXPENSE)					
	Federal Pell Grant Revenues	10,000,000	10,000,000	7,117,104	71.17
	Gifts	0	0	0	0.00
	Investment Income	0	0	0	
	Total:	10,000,000	10,000,000	7,117,104	71.17
TRANSFERS & OTHER					
	Capital Expenditures	(2,950)	(80,926)	(93,536)	115.58
	Transfers for Fin Aid Match	84,664	90,911	29,847	32.83
	Indirect Cost Recoveries	(13,743)	(69,992)	(34,592)	49.42
	Transfers - Other		0	0	0.00
	Total:	67,971	(60,007)	(98,282)	163.79
BUDGET BALANCE		17,819	17,819	173,776	
Add: RESTRICTED NET ASSETS - Beginning of Year		584,982	584,982		
Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>602,801</u>	<u>602,801</u>		
Approved Budget adjusted for FWS Student Labor/Benefits					

Tab 3

**Fairmont State University
Board of Governors
August 18, 2016**

Item: FY 2018 Appropriation Request Submission

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Board of Governors recognize and approve Fairmont State's submission requested by HEPC staff to provide the FY 2018 Appropriation Request and any future financial issues. Also be it resolved that the Board of Governor's recognize that the Department of Revenue of the State of West Virginia is asking us to prepare for no increase to our state appropriation for FY 2018.

Staff Member: Debbie Stiles

Background: Annually, prior to September 1, we are required to submit a state appropriation request through the Higher Education Policy Commission to the State Budget Office and the Department of Revenue.

We received instruction for the staff at HEPC on August 5, 2016 for information to be entered into Oasis by August 24, 2016. This request is attached.

On August 4, 2016, we received instruction from the Department of Revenue – State Budget Office which instructs us to submit our state appropriation for FY 2018 for not more than the FY 2017 base budget.

This request and our submission of the 2018 Appropriation Request as instructed by the State, begins our FY 2018 budget planning process.

Also attached is a memorandum from President Rose to Chancellor Hill responding to this request to share any future financial issues that may become challenges for Fairmont State University. If this agenda item is approved, this memorandum will be forwarded to the Higher Education Policy Commission.



West Virginia Higher Education Policy Commission
West Virginia Community and Technical College System



Bruce L. Berry, M.D.
Chair

Paul L. Hill, Ph.D.
Chancellor

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Clarence "Butch" Pennington
Chair

Sarah Armstrong Tucker
Interim Chancellor

MEMORANDUM

TO: Chief Financial Officers
FROM: Ed Magee
DATE: August 5, 2016
RE: FY 2018 Appropriation Request

The FY 2018 appropriation request instructions and forms are now posted on the West Virginia Budget Office's website:

<http://www.budget.wv.gov/stateagencyforms/AR/Pages/default.aspx>

The FY 2018 budget appropriation request for all funds in Budget Development must be submitted in the wvOASIS system for no more than the FY 2017 base budget (less any onetime appropriations).

For FY 2018 some forms were rolled over in the system from the FY 2017 submission. The following list provides the status of each form used during the Appropriation Request process. If a form type was rolled over, search for an existing form to edit before adding a new form. If a form was rolled over and is no longer needed in FY 2018, you must delete the entire form.

- AR1 – Form was rolled over and all information retained. Must update the fields and text boxes as necessary
- AR2 – Form was deleted and will be created New.
- AR3 – Form was zeroed out. Budget lines and description boxes were retained and only require updating. Must provide prior year actuals, current year budgeted, and estimated receipts on the Budget Lines tab.
- AR4 – No institution should submit an AR4. Any improvement request must be submitted by the West Virginia Higher Education Policy Commission or the West Virginia Council for Community and Technical Colleges.
- AR5 – Same rule applies to the AR5 that applies to AR4. No institution should submit an AR5.
- AR8 – Form was zeroed out. Budget Lines and description boxes were retained and only require updating. Must provide estimated project cost for FY 2017-FY 2022.
- AR12 – Form was zeroed out. Budget lines were retained and require updating.

Form AR1 – Division Account Summary - The AR1 budget form describes each department in terms of its major purpose, major objectives, long-range goals, the population served, the major services it provides, and any other pertinent information. Only one AR1 should be submitted for your entire department. Only modification of the existing form is required. See page 4 of the instructions. The AR1 has tabs for a Current Level Impact Statement, Future Financial Issues, and Document Attachments. The AR1 was rolled over and all information retained, but please update the fields and text boxes as necessary.

Current Level Impact Statement - For the Current-Level Impact Statement please explain fully what impact the 100% current level funding will have on your institution in FY 2018.

Future Financial Issues - If applicable to your institution, please describe briefly in a couple of sentences one or two major issues (\$1 million minimum) that should be considered and reviewed for financial impacts for FY 2019 - FY 2022. This information is not being collected for budget improvement requests, but for a better understanding of the major issues that may negatively impact your institution. Include any financial issues (positive or negative), legislation or legal issues that need to be brought to the table for discussion and possible inclusion in the Governor’s “Six Year Financial Plan.”

Document Attachments – Please provide a list of appropriations currently budgeted by your department and a brief description (2–3 sentences) of the purpose of the appropriation. This is for specific programs/projects and not for purely administrative functions. Please see page 5.

Form AR2 – Division Account Summary - This form is a summary of each FY 2018 institution including all funds used by the institution. Please refer to page 5 of the appropriation request instructions for information on how to complete Form AR2. The AR2 is completed at the detailed chart of accounts level, including sub fund and sub object. If an institution chooses not to budget at the detailed chart of accounts level, a default value of “0” may be used. Last year’s form was deleted and this form must be created new. Please refer to page 3 for the employee benefits guideline.

Form AR3 – Schedule of Federal Funds for Each Grant - The Budget Office has requested that each institution complete these forms for all federal funds that have been or are expected to be received. Only one (1) form is required for each program, even if the program provides funds for more than one unit. If using acronyms in your submission, please define them on the List of Acronyms tab. Please refer to page 7 of the appropriation request instructions for information on how to complete Form AR3. Last year’s form was zeroed out. Budget lines and description boxes were retained and only require updating.

Form AR8 – Capital Expenditure Projects - For FY 2018, the OASIS system will again be used to enter requests for capital projects. Please refer to page 10 of the appropriation request instructions for information on how to complete Form AR8. Last year’s form was zeroed out. The budget lines and description boxes were retained and only require updating. The estimated project cost must be provided for FY 2017 - FY 2022. A separate form must be completed for

each project with a total cost of \$100,000 or more. In addition, a separate form must be submitted for each major equipment project of \$50,000 or more that is not included in any other project. A major equipment project is the purchase of a single item (e.g., a bulldozer) or like items (e.g., fleet of vehicles, computer equipment). Forms from FY 2017 were rolled over in the system. Review and update as required.

The AR8 will be used to prioritize institutional capital requests. The Project Classes have been changed for FY 2018 to align with the System Facilities Plan approved by the Policy Commission. In the priority field, please use the following coding format to provide additional capital project information:

Institutional Priority

Numeric whole number beginning with 001

Category

- A: Instructional Space
- B: Library, computer, communications and other academic infrastructure
- C: Research Facilities and Equipment
- D: Physical education and ancillary service facilities
- E: Administrative support services and physical plant improvements
- F: Campus utility and major infrastructure
- G: Auxiliary, parking, athletic and recreation facilities

Project Class

- 1: Structural Demolition
- 2: Reliability
- 3: Safety/Code
- 4: Asset Preservation
- 5: Program Improvement
- 6: Economic Operations
- 7: New Construction

Funding Status

- 1: new request
- 2: supplemental funding request
- 3: funded and underway

Project Status

- 1: preliminary planning stage
- 2: project under design by Architect/Engineer
- 3: out to bid or under construction

Master Plan

- Y: Yes
- N: No

OASIS Priority examples:

Priority Category Project Class Funding Status Project Status Master Plan 001A212Y (priority 1, instructional space, deferred maintenance, new request, project under design by Architect/engineer, included in master plan) 002C111Y (priority 2, research facilities and equipment, life safety and ADA, new request, preliminary planning stage, included in master plan).

Project Class Definitions

Demolition: Demolition of structures that have limited or no strategic value.

Reliability: Issues of imminent failure or compromise to the system that may result in interruption to program or use of space.

Asset Preservation: Projects that preserve or enhance the integrity of building systems or building structure, or campus infrastructure.

Safety/Code: Code Compliance issues and institutional safety priorities or items that are not in conformance with current codes, even though the system is “grandfathered” and exempt from current code.

Program Improvement: Projects that improve the functionality of space, primarily driven by academic, student life, and athletic programs or departments. These projects are also issues of campus image and impact.

Economic Operations: Projects that result in a reduction of annual operating costs or capital savings.

New Construction: Construction new facilities or additions to facilities.

Form AR12 – Revenue Funds Estimate - This form is a summary of the anticipated quarterly revenue by revenue source for each fund that collects revenue. Please refer to page 14 of the appropriation request instructions for information on how to complete Form AR12.

Conclusion

The submission deadline to the Budget Office for the consolidated appropriation request is September 1, 2016. No submission extensions will be granted. Your forms need to be entered into OASIS by Wednesday, August 24th. Please contact John Signore at 304-558-0281 John.Signore@wvhepc.edu for questions or problems with the AR2, AR3, and AR12 forms. Please contact Rich Donovan at 304-558-0281 Rich.Donovan@wvhepc.edu for questions or problems with the Community and Technical College AR8 forms. Four year institutions should contact Jim King at 304-558-0281 Jim.King@wvhepc.edu for questions or problems with the AR8 forms.



Office of the President
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Maria.Rose@fairmontstate.edu

TO: Dr. Paul Hill
Chancellor of the West Virginia Higher Education Policy Commission

FROM: Dr. Maria Rose
President of Fairmont State University

SUBJECT: Future Financial Issue(s)

DATE: August 18, 2016

As requested in the memorandum from Ed Magee to the Chief Financial Officers dated August 5, 2016 please find below our future financial issues that may impact Fairmont State University negatively.

- The Overtime Ruling from the Department of Labor states that the salary threshold for most white collar workers will increase from \$23,660 to \$47,476 effective December 2, 2016. Fairmont State University has a number of employees in this category and could have a financial impact of over \$600,000 to the institution. Fairmont State is working on how to handle this new ruling; however, all cases cannot be addressed alike and the actual impact has not yet been determined.
- Fairmont State University and Pierpont Community & Technical College continue to separate services while still remaining on the co-located campus. Duplicating services has a cost associated with it and continues to impact Fairmont State University's budget. Specifically, Pierpont is planning to establish a separate student database. Even though Fairmont State University recognizes the need for the initiative, it may have significant costs in systems duplications, staff duplications, and operating budget duplications. The database split is just one additional cost that might be incurred by Fairmont State University as additional separation occurs; it is uncertain what additional separation initiatives might be implemented in the future, so the cost is unknown.
- Senate Bill 439 implementation requires creation of a new classified staff pay scale that could result in a costly unfunded mandate. Fairmont State University has worked hard to be in compliance with the current Mercer Scale, but we have concerns that we will be able to fund a new classified pay scale within the confines of our current budget. Fairmont State University asks that the state consider the financial impact of this potentially unfunded mandate.

- Fairmont State University has a number of aging buildings as was pointed out in the Sightlines study conducted by HEPC. The Sightlines study indicated that Fairmont State would need an annual investment target of 5.4 million dollars in order to maintain buildings on the Fairmont State campus. The maintenance of these buildings is very critical; however, funding these maintenance issues is quite a challenge. Each year that the buildings age creates the possibility of additional maintenance costs. Without funding support from the legislature, it will be impossible for Fairmont State to perform all the maintenance required for these aging buildings.

CC: Fairmont State University Board of Governors

Tab 4

**Fairmont State University
Board of Governors
August 18, 2016**

Item: FY 2018 Capital Appropriation Request

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Board of Governors approve the attached updated E&G Capital Appropriation Request for Fairmont State University.

Staff Member: Debbie Stiles

Background: Annually, prior to September 1, we are required to submit our capital project priorities that have a relation to the campus master plan and for which we request funding, we plan to fund, and/or the projects have been funded and are in progress.

This prioritized list is evaluated by HEPC (CTCC) staff and is awarded a state wide HEPC (CTCC) prioritized projects list for funding based on the following categories:

- Code compliance projects receive the highest priority.
- Re-roofing and building envelope projects are the second highest priority.
- HVAC and energy and utility improvements are the third highest priority
- Building and campus renewal (renovation) projects
- New buildings

There is no guarantee that the list being submitted will receive funding.

Please note, the University and Community and Technical College are required to submit separate and unduplicated projects to the HEPC (CTCC) staff, however, our Separation of Assets Agreement requires us to be jointly responsible for all co-owned Education and General buildings. Therefore, the submissions of behalf of each institution are being reviewed by the governing boards of both institutions.

Please find attached the recommended prioritized list for both institutions.

Fairmont State University
Capital Project Appropriation Request
FY 2018

<i>Priority</i>	<i>Project</i>	<i>Project Cost</i>	<i>Category</i>
1	Turley Center Roof Renewal	\$ 400,000	Deferred maintenance
2	Wallman Hall Roof Renewal	\$ 300,000	Deferred maintenance
3	Colebank Hall Elevator Upgrades	\$ 125,000	Life safety and ADA
4	Education Building Elevator Upgrades	\$ 135,000	Life safety and ADA
5	Jaynes Hall - Elevator Upgrade	\$ 150,000	Life safety and ADA
6	Infrastructure Parking Lot Paving (Spread over 5 Years)	\$ 1,000,000	Deferred maintenance
7	Colebank Hall - Ceiling Acoustic Panels	\$ 150,000	Deferred maintenance
8	Campus Wide - Camera Security System	\$ 450,000	Life safety and ADA
9	Merchant Street - Infrastructure - Sidewalk Repairs	\$ 150,000	Life safety and ADA
10	Hardway Hall Roof Renewal & Waterproofing	\$ 640,000	Deferred maintenance
11	Facilities - Campus Security/Parking Office Expansion	\$ 160,000	Building & Campus Renewal/ Renovation
12	Musick Library Multi-Media Seating Renovations (Seating Replacement)	\$ 200,000	Life safety and ADA
13	Musick Library HVAC AHU #1 Replacement	\$ 200,000	Deferred maintenance
14	Musick Library Roof Renewal	\$ 450,000	Deferred maintenance
15	Infrastructure - Education Building South West Corner - Replace & Repair Surrounding Area	\$ 150,000	Life safety and ADA
16	Education Building - Fire Suppression Upgrade	\$ 490,000	Life safety and ADA
17	Falcon Center Elevator Addition	\$ 180,000	Life safety and ADA
18	Kiln Building Replacement	\$ 250,000	Building & Campus Renewal/ Renovation
19	Merchant Street Sprinkler System	\$ 200,000	Life safety and ADA
20	Parking Garage Elevator Addition	\$ 300,000	Life safety and ADA
21	Hunt Haught Hall - HVAC AHU #1 & Chiller Replacement	\$ 400,000	Deferred maintenance
22	Merchant Street - Elevator Upgrade	\$ 150,000	Life safety and ADA
23	Merchant Street Fire Alarm Upgrade	\$ 100,000	Life safety and ADA
24	Musick Library Elevator Upgrades	\$ 150,000	Life safety and ADA
25	Physical Plant - Replace Windows	\$ 100,000	Deferred maintenance
26	Colebank Hall Exterior Cleaning & Waterproofing	\$ 300,000	Deferred maintenance
27	Feaster Center HVAC Upgrades (Lobby)	\$ 250,000	Deferred maintenance
28	Feaster Center Windows & Doors	\$ 200,000	Deferred maintenance

Fairmont State University
Capital Project Appropriation Request
FY 2018

<i>Priority</i>	<i>Project</i>	<i>Project Cost</i>	<i>Category</i>
29	Colebank Hall - Replace Membrane Roof	\$ 150,000	Deferred maintenance
30	Hardway Hall Elevator Upgrade	\$ 100,000	Life safety and ADA
31	Jaynes Hall Windows	\$ 610,000	Deferred maintenance
32	Merchant Street Roof Renewal	\$ 300,000	Deferred maintenance
33	Engineering Technology Building - Replace 1st & 2nd Floor Windows	\$ 10,000	Deferred maintenance
34	Physical Plant Annex - Roof Renewal	\$ 100,000	Deferred maintenance
35	Hunt Haught Hall Roof Renewal	\$ 500,000	Deferred maintenance
36	Colebank Hall - Boiler	\$ 150,000	Deferred maintenance
37	Jaynes Hall Exterior Cleaning & Waterproofing	\$ 370,000	Deferred maintenance
38	Merchant Street Air Handler & Controls	\$ 700,000	Deferred maintenance
39	Musick Library - Chiller Replacement - North Elevation	\$ 300,000	Deferred maintenance
40	Infrastructure Development South of Locust Avenue (Drainage)	\$ 1,000,000	Building & Campus Renewal/ Renovation
41	Musick Library Exterior Cleaning & Waterproofing	\$ 300,000	Deferred maintenance
42	Morrow Hall Renovations	\$ 10,375,859	Building & Campus Renewal/ Renovation
43	Morrow Hall Roof Renewal	\$ 450,000	Deferred maintenance
44	Pence Hall Renovations	\$ 7,272,292	Building & Campus Renewal/ Renovation
45	Pence Hall Roof Renewal	\$ 250,000	Deferred maintenance
46	Prichard Hall Renovations	\$ 8,864,022	Building & Campus Renewal/ Renovation
47	Prichard Hall Roof Renewal	\$ 250,000	Deferred maintenance