

**WEST VIRGINIA STATE UNIVERSITY
BOARD OF GOVERNOR'S
MINUTES OF THE
FINANCE COMMITTEE
JANUARY 27, 2011**

The meeting of the Finance Committee of the West Virginia State University Board of Governor's was held on January 27, 2011 in the Weisburg Lounge of the Erickson Alumni Center on the campus of West Virginia State University. The meeting was called to order at 11:05 AM by Chair, Mr. Vincent Williams. Members present were Mrs. Millie Booker and Mr. Larry Salyers. Others attending were: Dr. Joseph Badgley, Mrs. Sharon Banks, Mrs. Janis Bennett, Mr. Bryce Casto, Dr. Eric Coleman, Mrs. Brunetta Dillard, Mrs. Lori Elliott, Dr. Gregory Epps, Dr. Tom Guetzloff, Mr. Dennis Juran, Mr. Joey Oden, Mr. Robert Parker, Mrs. Carmen Parrish, Mr. William Porterfield, Dr. Ulises Toledo, Dr. John Thralls, Mrs. Kristi Williams, and Dr. Cassandra Whyte.

The meeting began with the presentation of the audit report by Mr. Dennis Juran. He mentioned that Deloitte & Touche (Deloitte) audited the Research Corporation and had no findings. They did not perform an audit on the Foundation.

Mr. Juran stated that WVSU received a clean or unqualified statement which is the highest you can receive. They did not identify any deficiencies in internal controls in financial reporting that they considered material weaknesses as the audit evolved. That is the most positive thing that they are allowed to say about internal controls. Deloitte looked at internal controls for expressing an opinion but not for the purpose of expressing an opinion on internal controls. If there had been any significant deficiencies (over \$600,000) they would have been in writing. There were no significant compliance issues that were noted.

There is \$15,000,000 in State appropriations available to WVSU for Fleming Hall renovations to be completed during academic year 2012-2013. The university is working to lower costs and has taken several initiatives to lower energy costs.

Mr. Williams stated that the University has worked to increase enrollment and retention efforts. It is very important that the agreement with Kanawha Valley Community and Technical College be completed for realization of revenue to pay for services utilized and costs incurred by the University.

Mr. Juran stated that net assets for WVSU have increased by 3.4 million dollars and that cash was up by about one million four hundred thousand, investments and capital assets up about one million six hundred thousand. The big change in liabilities was the OPEB (other post employment benefits.) OPEB is obviously a very critical piece to the long term viability of the HEPC, the Council and all the individual institutions in the State of WV. That number went up \$3.3 million. It is expected that that number will continue to increase for the next couple of years. It's not a problem that the university can solve. Eventually, all that amount will be funded. This is an issue for all the state agencies. This is a legislative problem.

Mr. Juran said that under the Unrestricted Net Assets, we show a deficit of \$264,469, once we adjust for the OPEB liability, the total unrestricted net assets are \$4,250,200. More than five years ago, it was a big concern for the system and the school, now these deficits are going to start showing up on all the schools.

Mr. Juran stated that unrestricted assets should be somewhere between five and ten percent of our operating expenses. Our operating expenses are \$54,400,000. If we are below five percent that is kind of a danger area, if we are between five and ten percent it is a cautionary area, and if we have more than ten percent, we are in pretty good shape. Some say it should be as much as one or two months of operating expenses which equates to about 8 to 16 percent. WVSU is at 7.8%. These are combined calculations of the university with the Research and Development Corporation. If you have the university alone, it is just slightly in excess of ten percent. Taking OPEB into consideration, we actually had a better year in 2010 than in 2009 although the statements do not reflect that.

Mr. Larry Salyers made a motion that the Finance Committee present the audit to the full Board with the recommendation that it be accepted. Motion was seconded by Mrs. Millie Booker. Motion passed.

Mrs. Millie Booker made a motion to accept the minutes including the addendum. Motion was seconded by Mr. Larry Salyers. Motion passed.

Mr. Williams asked if it was billing records of the Day Care Center that was destroyed. Mr. Parker answered that it was his understanding, and that there is no way to reconstruct those accounts receivable records. We have no past records of the outstanding receivables. The cashier's office is keeping the current records on the receivables that are paid by government programs but nothing on the older records. We do not have to enter into a yearly contract with the government for that payment. It is a subsidy to the parents that have a low income.

The decision on the Service Agreement with the KVCTC and the University was rendered by the two chancellors on December 23, 2010. That agreement is in force. The CTC immediately paid us one-half or the first six months of the agreement which was \$800,000. We just billed them for January and expect that payment shortly. We have also received \$243,376.93 for housing and dining from the CTC for their students who are residing in our dormitories and eating in our cafeteria. Those funds come directly to us from the CTC for the CTC students.

Additionally, there is a process set up where the KVCTC students can go to the bookstore, obtain their books and be billed electronically. That is the same way WVSU students are billed if they are on financial aid. Prior to the agreement being signed, those funds had not been transferred. They have now been transferred in the amount of \$459,272.13. The only funds that we have not received for the fall are the student activity fees and capital fees. They are part of the tuition that their students pay and KVCTC is working through a new system of Banner to determine exactly what those numbers are. We have estimated those fees to be about \$492,000. We should receive those funds very soon.

Mr. Williams asked if a process had been implemented to address the full separation of the university and the KVCTC. The separation will take place when the facilities are ready for KVCTC to move into. It will depend upon the construction and renovations when they move. Mr. Williams asked for time for this committee to make any recommendations they feel necessary before the full separation takes place.

Silling architects have been on campus meeting with various groups regarding the renovations to Fleming Hall. To date they have been paid approximately \$32,000. Dr. Whyte added that we expect to start breaking ground before the end of the year. Over the next year and a half, we

expect the building to come to fruition. Bids have not gone out as of this date. Mr. Williams asked that the time line keep being reported to the Finance Committee. Any changes in the time line should be noted.

Mr. Parker reported that we are supposed to receive another 4 million dollars in capital funds for renovations to Wallace Hall and the Davis Fine Arts buildings. These funds are from an HEPC bond issue and require a match from WVSU.

A comparison report was given by Mr. Parker which compared FY 10 and FY11 budgets and expenditures. At this time last year, we had expended approximately \$9,832,000 this year (as of December 31) we expended \$9,991,000.

From the Service Agreement last year at this time we had received \$1.4 million. Last year's agreement was 2.9 million and this year's agreement is only 1.6 million. The general revenue for FY 11 was a cut from the FY10 level. So year-to-date we have received \$1.4 million which included stimulus funds in the amount of \$1,026,811. All programs have been cut by 2 ½ percent. Mr. Williams asked for clarification of the abnormal amounts in the budget for the next meeting. Mr. Parker stated that each department needs to continue to be prudent with all expenditures but does not see a need at this point to recommend another reduction to department budgets.

The Governor's proposed budget called for a pay raise of 2% or \$500. There is \$186,000 in the Governor's request for the increase but that only accounts for general revenue employees. The university will have to supplement this with approximately \$250,000 to \$300,000 for the college operation employees.

The Governor's proposed general revenue budget was restored to the appropriation of the 2009 level, or \$10,704,000. The FY11 report shows our general revenue budget as \$9,800,000. The accounts receivable report shows year-to-date for the FY11, we had charges of \$9,432,770, we've collected \$9,056,855. So we have an accounts receivable of \$375,000 or about 4% at this point. We still have \$83,000 outstanding on room and board and the remaining balance at the bookstore is likely money due from scholarships which will be paid. Mr. Williams would like an explanation of how the refunds are handled for the bookstore for the next meeting.

In order to provide comparative information for athletics, Mr. Parker stated that the EADA website information for the schools in WV that have football was utilized as a source of information. The summarized report showed the amounts of aid, expenses, etc. for the Athletic Department. WVSU is below the total expenses in comparison to the other Division II schools in West Virginia.

We recently discovered some overpayments to AVI. We have held one meeting with AVI to discuss this problem and have another meeting scheduled for February 9, 2011 to try and resolve this situation. We are holding invoices that have discrepancies and will not pay them until this issue is resolved. Mr. Williams suggested that for the future, that the contract have a provision for the resolution of disputes, and a procedure that will deal with how to handle these issues. It appears there were unauthorized signatures on invoices. The over billing discrepancy is approximately \$162,000 for 2010. Mr. Williams suggested that it be reported to the Attorney General and let him address those issues and make recommendations to the institution on what it might want to do or not do about it. A motion was made by Mr. Salyers to report these discrepancies in billing to the Attorney General and not enter into a new contract until this matter is settled and it is presented to the full Board. Motion was seconded by Mrs. Booker. Motion passed.

There was a question about the negative \$312,000 balance in Physical Facilities account for FY10. Physical Facilities accounts incurs expenses and then the Purchasing Office transfers funds to reimburse the account after billings are received from Physical Facilities. At the end of FY10, billings were late being submitted to purchasing and carried over into the next fiscal year for a couple of months. Then when the payments are posted, the account balances out to zero. This is a clearing type account.

Dr. Epps made a presentation about the Child Development Center and its' deficit operations. He reported that the administration intends to get funding so that there will be no deficit for this fiscal year and if they cannot obtain that funding or come close to it, the Child Development Center will be closed. It is Dr. Epps recommendation that the Child Development Center be closed at the end of the semester and not re-open until all the funding sources are found.

The primary issue with the Day Care Center is on the expenditure side. Their expenditures are exceedingly high. The food (lunch) is provided by AVI because the Center does not have a license to prepare food at the Center so it must be catered which is a higher expense. Currently, there are seven full-time children and five part-time children who attend the Day Care.

The committee did not feel that it is feasible for the University to continue to operate the Center at a deficit so Mr. Salyers made a motion that this committee recommend to the full Board to close the Center in May, at the end of the current semester. This motion was seconded by Mrs. Booker. Motion passed.

Mr. Parker stated that he had a worksheet from HEPC that can be used to project revenue based tuition increases and enrollment changes. For example, increasing tuition one percent for in-state students would generate \$98,000, for out-of-state students it would generate \$40,000. If enrollment increased by one percent that would increase our revenues to \$132,000. Thus projected revenue can be calculated by either increasing enrollment or increasing tuition. Mr. Williams said that we need to do whatever it takes to balance the budget without causing a decrease in enrollment.

With there being no further business, Mr. Salyers made a motion that the meeting be adjourned. Motion was seconded by Mrs. Booker. Meeting was adjourned at 1:25 PM.

Respectfully submitted,



Mary Flores
Administrative Assistant

West Virginia State University
Board of Governors Recruitment and Retention Committee
January 27, 2010

The WVSU Board of Governor's Recruitment and Retention Committee met Thursday, January 27, 2011 at 11:00a.m., in the Grand Hall of the Erickson Alumni Center. Those persons in attendance included: Mr. Thomas Susman, Mrs. Sally Marcus-Burger, Mr. Joey Oden, Mr. Shannon Edwards, Dr. Danny Cantrell, Mrs. Kellie Toledo, Mr. Nadir Mirza, Mr. Kris Casdorff, Mr. Bob Loughry, Mr. Coston Davis, and Ms. Patricia Dickinson. Mr. Thomas Susman chaired the meeting and Mr. Joey Oden facilitated the presentations for the University staff.

Review of the Agenda:

Mr. Oden stated that Mr. Casto will not be attending the meeting this month because he is currently attending the Finance Committee meeting. He went over what will be discussed on today which will be the following topics:

- Update on Admissions and Recruiting – Mr. Shannon Edwards
- WVSU Leadership Institute Presentation – Mr. Coston Davis
- Update on Marketing Initiatives – Mr. Bob Loughry

Approval of the Minutes:

Mr. Susman asked if everyone received a copy of last month's minutes, and he is asking that they hold off on approving the minutes because he was not at the meeting last month and has not had time to go over them with Mr. Hicks. There was no objection to his request.

STANDING REPORTS:

WVSU Leadership Institute Presentation – Mr. Coston Davis

Leadership has many definitions which is difficult to define: But Mr. Davis defines it as, **“the art of accomplishing more than the science of management says is possible”**.

At the core of the leadership development process is the age old argument of whether leaders are born or made. Which is a debate people will always have but the reality is whether leaders are made or born makes no difference. The process of leadership is developmental which requires training. We can ill afford to move into the 21st century and graduate our students into a new age society without leadership skills such as being capable of giving guidance, inspiration and a new vision for a new time.

Each member will go through a level of Leadership training, with the purpose being that each individual will understand the aspects and responsibility of an effective leader.

The Leadership Institute will perform community services; conduct themselves as campus leaders and attend meetings weekly for 13 weeks.

An annual leadership banquet or luncheon will be organized by the students of the leadership program. There will be three major awards presented, the “Robert F. Kennedy Visionary Award”, the “Dr. Martin Luther King Leadership Award”, and the “Hazo W. Carter, Jr., President’s Award”, given to the graduating senior who best defines the aspects of Leadership, Mentoring and Community involvement.

Investment in leadership training in the current competitive global society can lead to several benefits, such as improved morale of employees, increased skills, quick and easy adoption of new techniques, better communication and improved output levels. Corporate companies all across the globe are struggling to improve their performances and maintain their strengths by adopting innovative methodologies and techniques. Well trained leaders are an urgent requirement to ensure the long-term success of any organization.

A leadership training program helps a person develop an understanding of how to set specific and measurable goals. Leadership training forms a key part in preparing for the corporate world and aims to bring out the leader in every person.

John Quincy Adams, the sixth President of the United States, once said, “that leadership is about inspiring others to dream more, learn more, do more, and become more”.

Student Leadership Program – Continual scheduling of interactive sessions focusing on the intellectual, moral, ethical, and social development of program participants for full empowerment of successful life skills. The Program is also a monumental and effective tool for increasing retention/completion rates of first generation and minority students.

Every semester for the past three years we have organized an event for students on campus and the surrounding community as a token of our appreciation to our students and community. Some of the events that we have organized are;

- Spring 2007 Leadership Luncheon
- Fall 2008 A Halloween Party for the Children in the Community
- Fall 2008 Clothing Closet Established for WVSU – Suits, Dresses, & Shoes
- Spring 2008 Black History Month Concert
- Spring 2008 Leadership Awards Luncheon
- Fall 2009 From Rags to Riches Fashion Show
- Fall 2009 Food Drive – Donated to Covenant House
- Fall 2009 Clothing Drive – Donated to Sojourner’s
- Fall 2009 Summit on Domestic Violence Against Women – Kevin Powell - NY Keynote Speaker
- Spring 2009 Leadership Luncheon

- Spring 2010 Black History Exhibit and Eyes on the Prize Documentary
- Spring 2010 Leadership Luncheon
- Spring 2010 Leadership Institute Campus Cookout
- Fall 2010 Hip Hop Summit
- Fall 2010 Leadership Formal Charity Ball

Mr. Davis had his Secretary, and Past President, of the Leadership Program Ms. Chenai Rusike talk about her experiences serving as a member of the Leadership Program. She found Leadership to be something of great value that brought excitement to her campus life. Leadership has become a big organization on campus. She thanked the university for all of the support they have given this organization and feels it is a worth-while organization.

Mr. Davis expressed that this organization could help the freshmen at the university, and feels that this organization should become a mandatory class that the students must take during their first year at the university to help them get on track and remain there obtaining a suitable g.p.a., and learning more about life in general.

Freshman experience is offered, and it is encouraged for students to take this class for this very reason, but for some reason once students get to the Junior and/or Senior class level they are able to change their class schedule and take classes that require pre-requisites that they have not taken, and end up failing the course thus hurting the school and/or the student.

Mr. Susman would like to continue this topic in a subcommittee meeting in February. Mr. Oden will try to set up a meeting with Mr. Casto, Mr. Davis, and Mr. Susman. They will meet on how the current drop and add process currently works and figure out what the students are doing to get the classes, and how to stop this from happening without the approval of an Advisor.

Update on Admissions and Recruiting – Shannon Edwards

Mr. Edwards, Admissions Counselor, stated that Ms. Trina Sweeney and Mr. Chris Jackson are both recruiting in Baltimore and Washington, DC this week; Brandy is in class, and Ginger, and Mandy are taking care of the phones, while Lora is taking care of the filing.

The following information includes any new events, issues, and concerns occurring within the WV State University Admissions and Recruitment Offices.

- Application Totals
 - Spring Numbers 2011
 - Processed 878 WVSU Applications
 - 367 Accepted
 - 28 Rejected
 - 483 Pending
 - 219 New and Transfer Enrollment
 - Summer Numbers 2011
 - Processed 292 WVSU Applications
 - 19 Accepted

- 3 Rejected
 - 270 Pending
- Fall Numbers 2011
 - Processed 3901 WVSU Applications
 - 1544 Accepted
 - 275 Rejected
 - 2082 Pending
- No lines in Admissions during Advising and Registration
- Haitian Students
- Training Andrea Robinson
- Working on Spring Edits
- SAT Electronic Tape loads (a Yearly problem)
- Currently recruiting in the following areas
 - Baltimore, MD
 - Washington, DC
 - Atlanta, GA

Dr. Tim Ruhnke stated that he felt that the data on applications in terms of comparison from semester to semester, year to year is important to have; given the severance of the KVCTC is nearly complete and to utilize the faculty that we have we are going to have to grow enrollment. We do need to know where we are in this process, because if we are behind, this is not a good thing.

Mr. Susman stated that in our subcommittee meeting we will need to add this to the topic of discussions.

Update on Marketing Initiatives – Mr. Bob Loughry

This report is coming from our Communications team. WVSU at this time is raising its level of distinction across all divisions, and departments. It is hard to imagine that in the 120 year history of the university, there has been no formal standard of logos, branding, messaging, etc. This is an historic moment for the University. The WVSU Brand and Graphic Identity Manual is the approved standards manual that will be applied across all departments and divisions. So that we can present a more unified voice in our recruiting and funding efforts. We lack that “Brand Identity”, which we have heard from the community. We hope that this standard is already being applied to our advertising and marketing, in addition to our marketing budget being increased for the first time. We are happy to be able to put this effort forward, and we expect to see some results as early as this summer and fall for recruitment.

Our Web-Site:

Dr. Ruhnke asked what Mr. Patrick Moore’s roll is at the University, is he part of the Communications team? When the Communications team lost their Web-Master, they had anticipated in hiring a new Web-Master and dropped the ball for some reason. Mr. Moore has taken over those responsibilities, however, but is not part of the Communications team. He is a

Web Developer/Analyst for Computer Services and just does the technical part of the University's web-site.

Our current web-site is off-brand, and has been in its current format for up to 20 years, and has just been added to. The Communications team plans to have this looked at from a functional aspect from ground up. In the mean-time with our marketing efforts being increased, we need to get this web-site on-brand as quickly as possible. Mr. Loughry has personally been developing a new data site, which is still in draft form that he presented to everyone today.

The Communications team hopes to finalize this project within the next month or so, and include an ADA site, also. They have also looked into developing a mobile web. If you type in the web address it recognizes that you are a mobile browser that directs you to a mobile site.

If anyone has questions with what they want designed on the web-site, they should get in touch with Communications.

Ms. Pat Dickinson stated that not all Department Heads and Supervisors have appointed someone within their organization to take charge of updating their web-site. Dr. Byers will be discussing this with his Academic Leaders.

Mr. Susman stated that he will get with Erick Hicks and has asked everyone to check their calendars for a meeting in the afternoon in the second or third week of February to talk about the three topics:

- Admissions
- Counseling & Advising
- Web-Site

Dr. Ruhnke asked if Admissions and Recruiting have a defined budget. Mr. Oden stated that it does not? Dr. Ruhnke thinks that the two individuals (Ms. Sweeney and Mr. Jackson) do a great job recruiting, and he does not want them going out to recruit without the proper literature.

Since our last discuss, Dr. Oden believes that Dr. Byers and Mr. Casto have spoken with our Print shop that when those calls come from the Recruiting office, the printing is done.

Pat Dickinson stated that our Print Shop is not printing the "Experience the Power of Education" Brochures, these are being printed out of Morgantown.

There was no further discussion, meeting adjourned 11:50am.

Fatiema Wilkerson
Recorder

BOARD OF GOVERNORS
PLANNING AND ADVANCEMENT COMMITTEE

January 27, 2011

I. Attendance: Chairman Coleman, Mr. Gary Swingle, Mr. Kris Casdorph - Student Representative, Tim Ruhnke - Faculty Senate Chair.

II. Welcome from Chairman Coleman

III. Legislative Action Committee Status Report

Dr. John Berry introduced Jessica Carter, grant development and writer, Jonathan Adler, AVP, and Harry Mills, Capital Campaign Consultant, and Dr. Ulises Toledo, Associate Dean, from Land Grant Extension.

The Planning and Advancement Committee was given the primary agenda for the 2011 Legislative Session. West Virginia State University ("WVSU") Day is Feb. 1, 2011 at the Capitol. Governor Tomblin will read a proclamation about WVSU. Mr. Adler hand delivered invitations to all legislators approximately 10 days ago. WVSU Day will take on the same structure as the previous year- with exhibits from all four colleges and the Foundation and the student jazz band will perform. Box lunches with legislative talking points will be delivered to all legislators, as well. Dr. McMeans and Mr. Adler have been working together to provide the legislators with all current activities and honors at the University.

Mr. Adler explained that WVSU Day at the Legislature is important to begin the dissemination of WVSU's targeted "ask" list and that other state universities have this kind of event on an annual basis, and it is important for WVSU to continue this ceremonial task for recognition.

Dr. Toledo addressed Land Grant's request for the 1:1 dollar State Match, listed on the Legislative Agenda. Land Grant has been working on this request since 2006. If the State does not match the federal dollars, it will get redistributed to other states. Thus far, WVSU has been getting waivers from the USDA for the match. Currently, the funds are matched at only 69%, and we will be asking for the additional 31 cents on the dollar, which amounts to approximately \$843,000. Federal waivers are getting increasingly difficult to obtain.

Mr. Adler explained the current status of the legislature. Local legislators have been positive, but there has not yet been contact made with the respective Finance Committees. Fleming Hall funding has been the central piece to WVSU's legislative agenda over the past few years. Now that it has been funded, there is a

concerted effort to get other pieces pushed through. Current legislative leadership is positive for WVSU. Committee liked the focused, cohesive agenda.

Dr. Berry explained that if the "ask" list had to be prioritized, the \$1.25 million baseline addition over four (4) years would take first priority, and the State land grant match would be second. The technology package is actually only a 1/3 of what is actually needed to completely upgrade (which would be 1.1 million over a period of three (3) years), hoping that a three year plan is more attractive. Committee was positive over the potential for matching funds from the State.

IV. Capital Campaign Progress Update

Dr. Berry reported that the Office was awaiting the findings of the Feasibility Study, which should be presented any day. An analysis of findings will take place. The Board of Governors will then vote on whether or not WVSU should move forward on a comprehensive campaign.

Dr. Berry reviewed the new Campaign Acknowledgement Policies for donor acknowledgement, and explained that letterhead and various marketing pieces will be created once the Board votes that a Capital Campaign will take place. The Foundation has already moved into a capital campaign accounting principles structure, to prepare for potential campaign funds.

Chairman Coleman expressed desire for update and coordination with lobbying on the federal level. Governor Swingle expressed desire to be notified when legislative events are taking place so that they can attend and target individual legislators, as well.

V. Adjournment