

**WEST VIRGINIA STATE UNIVERSITY
FINANCE COMMITTEE
OF THE
BOARD OF GOVERNORS
TELECONFERENCE
APRIL 8, 2011**

A teleconference of the WVSU Board of Governors Finance Committee was held on April 8, 2011 in Room 113 of Ferrell Hall on the campus of West Virginia State University. Members participating via telephone were: Mrs. Millie Booker, Mr. Larry Salyers and Chair Vincent Williams. Mr. Tom Susman also participated by teleconference. Those present were: Mr. John Adler, Mr. David Clendining, Mrs. Lori Elliott, Dr. Gregory Epps, Dr. Tom Gutzeloff, Mr. Robert Parker, Mrs. Carmen Parrish, Mr. Larry Rowe, Mrs. Patricia Shafer, Mr. Lawrence Smith, and Dr. Cassandra Whyte.

Chair, Vincent Williams called the meeting to order at 1:00 PM by stating that the purpose of this teleconference was to discuss tuition and fees as well as salary increases for 2011-2012 and make a recommendation to the full Board of Governors for their approval.

A motion was made by Mr. Larry Salyers and seconded by Mrs. Millie Booker to accept the agenda as stated. Motion carried.

Mr. Parker gave highlights of a letter from Chancellor Noland in which he stated that institutions should address tuition and fees to align with prices with internal strategic and state goals regarding affordability, quality of instruction, retention and financial strength. Currently, the tuition limits are 9.5% for in-state students with no ceiling for out-of-state students. If the tuition does not increase above five percent, approval by HEPC is not required. We must submit our tentative increases to HEPC by April 15th and then forward the final rates after the WVSU Board approves them on April 28th.

Dr. Noland also stated that institutions need to find institutional resources to provide funding for two percent salary increases for employees who are not paid from state appropriated accounts.

After various percentage increase scenarios were discussed, Mrs. Booker informed the group that classified staff (after 10 years) still is not fully funded according to the 2001 Salary Schedule. Although they are to receive a two percent increase, (with a minimum of \$504 and maximum of \$1200 as outlined by the legislature), she requested that consideration be given by the BOG to give a three percent increase for classified staff. She made a motion to that effect which was seconded by Mr. Williams. Motion carried.

A motion was then made by Mr. Larry Salyers to recommend to the Board that they approve a two percent increase for non-classified staff and faculty. Motion was seconded by Mrs. Millie Booker. Motion carried.

As a point of information, Dr. Gutzeloff interjected that his feelings were that if the faculty did not receive merit increases according to the merit pay plan, that grievances would be filed. Mr. Larry Rowe added that if that is the case and there is the possibility of grievances, that counsel should be made aware of that fact.

Adopting the proposed fee schedule was discussed and a motion was made by Mr. Larry Salyers that the schedule with changes discussed should be adopted and a recommendation be made to the BOG for that. Motion was seconded by Mrs. Booker. Motion carried.

Mr. Parker stated that the administration was proposing a five percent increase proposed for the room rates and an eight percent increase for the meal plans. This is an effort to generate sufficient funds to get these accounts to a break-even point. The housing and dining accounts have been running in a deficit for the past year or so. In addition to an increase, management will be looking at cost savings and ways to reduce costs. There has been improvements to the housing which is partially responsible for that deficit as well as decreased occupancy. The dining account has had increases in the rates charged by AVI. We resolved the billing errors with the dining account. The deficit showing in the housing account is an accumulated deficit. The deficit in the dining account began approximately a year and a half ago. Mr. Rowe asked for a report showing the number of out-of-state students giving the amount that they pay for tuition, housing and food. Mr. Parker will give this report at the next meeting. Mr. Larry Salyers made a motion that this schedule be adopted and recommended to the full board. Motion was seconded by Mrs. Millie Booker. Motion carried.

Various questions were asked and answered pertaining to rental units consisting of faculty housing and the apartments in Prillerman Hall. It would take an eight percent increase this year and also an increase next year to get this account into a break-even situation. It was noted that the rent included the water and sewage charges but the occupants were responsible for gas and electric bills. Mr. Larry Rowe stated that according to the going rate, the rent for these units was quite low.

A motion was made by Mr. Larry Salyers to increase the rent on the apartments in Prillerman Hall by five percent with the faculty housing units being increased by ten percent. Mrs. Booker seconded the motion to recommend this increase to the Board of Governors for their approval. Motion carried. The increased revenue from the houses must be used for the maintenance of the houses. The motion included moving the cost of the security from this account to the operations account to allow for funding for upkeep.

The next item was special fees and charges. The administration is proposing no increase in either application fees, course fees, diploma fees, or transcript fees only adjustments to the parking fees.

There was much discussion regarding the parking fees for students on our campus. These funds are used for Public Safety. It is being suggested that the security employee charges be moved from the parking account to the operations account over the next two years. Currently, the fees charged are paid by students, faculty and staff who drive to campus, causing the burden of all charges for security to be placed only on those who park vehicles on campus. Currently, there is no safety

fee that all students pay. By making this adjustment, all students would pay the same amount for security. There was discussion and a suggestion that the parking fees for students be reduced this year but stay the same for faculty and staff. By making this change, the parking fee could be used exclusively for maintaining the current parking areas and perhaps purchasing additional property for parking. The fees for KVCTC students would remain the same since we do not receive any tuition based support from them. However, after discussion, the motion was made by Mr. Larry Salyers to reduce parking fees for students as recommended only, with the motion being seconded by Mr. Williams. Motion carried.

The fee for parking currently being charged to faculty and staff should be reduced according to the proposed budget. After discussion, Mr. Williams made a motion to recommend, provisionally, that there be no reduction to this item but with the stipulation that it be revisited at the Board meeting on April 28th. The motion was seconded by Mrs. Millie Booker. Motion carried.

The next item up for discussion was the charge for returned checks. It was decided that our fee should be increased from \$25.00 to \$35.00 to keep in line with the charge of other businesses and institutions. Mr. Williams made a motion to ask the BOG to increase the returned check fee to \$35.00. The motion was seconded by Mrs. Millie Booker. Motion carried.

Mr. Williams brought up the subject of the costs associated with thesis binding. He felt that the current charge of \$120.00 was too low and made a motion to increase this amount by \$10.00. The motion was seconded by Mr. Larry Salyers. The Board of Governors will be asked for approval to increase the thesis binding charge by \$10.00. Motion carried.

Mr. Rowe suggested that we begin to charge an application fee since we have approximately only 50% of the people that apply actually becoming students. However, the same amount of time and effort must be expended to process all applications. This should be used as a recruiting tool. The application fee could be waived for the students if they attend WVSU. He recommended charging at least \$15 to \$25 or \$30 with the provision that the fee be refunded if they come to our school. This refund could be in the form of coupons that would be handed out by the recruiters while visiting the schools. Mr. Williams thanked him for raising that topic. Mr. Parker was asked to do a study on the amount charged by all the other schools in the State and report back to this committee since we want our fee to be slightly less than others. This information will be ready prior to the next Board meeting.

Mr. Parker asked Mr. Williams to make a resolution to raise the individual student activity fees that have employee salaries paid from them by 3% to cover the staff employee raises. Currently, students pay activity fees for the band, Yellow Jacket, campus radio, cultural activities, medical fees, student recreation, student government, technology and student union fees. These fees accounts have classified staff paid from them. Since there has been a proposal to increase salaries by 3%, we need these fee accounts increased to cover those salary raises. Mr. Williams submitted a proposal that Mr. Parker prepare a schedule of what those fee increases would be and present them to the committee prior to the next meeting.

Mr. Williams stated we must reduce costs and increase revenue. We must do this by following the strategic plan which calls for enrollment to increase. Mr. Rowe added that all departments should be directed toward recruitment. He feels that we must have a 'rainy day fund'. This can be accomplished by dedicating a percentage of the revenue for that purpose.

Mr. Parker informed the committee that we have a capital account set aside to cover repairs, roofs, etc.

Mr. Williams requested from Mr. Parker information pertaining to what other universities were doing with respect to tuition.

Mr. Parker reported that there are ten, four-year public colleges and universities in West Virginia. WVU has the highest tuition and Bluefield State is the lowest. WVSU is the second lowest at \$4,664. Our proposal is to raise tuition for 2011-2012 this year by 8%. That would increase tuition at West Virginia State University by \$373.00, making the total tuition for in-state students \$5,037 annually. Out-of-state tuition would also increase by 8%.

WVSU has not had a tuition increase since 2009. Our percentage increase request is similar to the amount that was calculated by the HEPC to be needed for 2012 to stay even. A 1% increase in enrollment would generate approximately the same amount of money as a 1% increase in tuition. With an eight percent increase with no increase in enrollment, we would generate approximately \$1,062,000. Our general revenue funding has been restored to the 2009 level

It must be kept in mind that in 2012-2013 WVSU will no longer receive any funds from KVCTC; therefore, part of this tuition increase must be put in a reserve fund for the funds lost.

After much discussion, Mr. Larry Salyers made a motion that a recommendation should be made to the full Board to increase tuition as outlined with the understanding that it will be subject to change at the April 28th meeting. Motion was seconded by Mrs. Booker.

Mr. Parker informed the group that yesterday Shepherd University's Board approved a six percent increase in tuition but they are going to ask the Legislature for the same decoupling funding that Marshall and Fairmont received. Dr. Carter is planning to join with their President to also request this decoupling funding.

With there being no further business, the meeting adjourned at 3:35 PM.

Respectfully submitted,

Mary Flores
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