

**WEST VIRGINIA STATE UNIVERSITY
BOARD OF GOVERNOR'S
MINUTES OF THE FINANCE COMMITTEE
MARCH 10, 2011**

The meeting of the Finance Committee of the West Virginia State University Board of Governor's was held on March 10, 2010 in the Cleveland Room of the Erickson Alumni Center on the campus of West Virginia State University. The meeting was called to at 12:00 PM by Chair, Mr. Vincent Williams. Members present were Mrs. Millie Booker and Mr. Larry Salyers. Others attending were: Dr. Joseph Badgley, Mr. Bryce Casto, Dr. Eric Coleman, Mrs. Lori Elliott, Dr. Tom Guetzloff, Mr. Robert Parker, Mrs. Carmen Parrish, Mrs. Patricia Shafer, Mr. Lawrence Smith, Dr. John Thralls and Dr. Ulises Toledo.

Approval of Agenda: A motion was made by Mr. Larry Salyers to accept the agenda as written. Motion was seconded by Mrs. Millie Booker and motion carried.

Approval of Minutes: There is a correction in the first line of the fourth paragraph. It should read: There is \$15,000,000 in "EAST Bonds" rather than in State appropriations. With that correction Mr. Salyers made a motion to accept the minutes and it was seconded by Mrs. Booker. Motion carried.

Status Reports:

1. Update on Day Care Center: The Day Care Center officially closed on February 28, 2010. There will be some additional expenditures, i.e. annual leave pay for the director who retired on February 28. The students who worked there have been transferred to other areas on the campus.

2. Update on Resolution of Billing Issue with AVI: There have been two meetings with AVI representatives pertaining to the reconciliation of the billing. AVI sent a check in the amount of \$105,491.22 to refund the over billing in Fiscal Year 2010. The main problem with the billing was the computer systems that were being used did not communicate correctly pertaining to the headcount. There have been new internal control procedures put in place to correct the problems. The procedures have already been implemented. There are some invoices that have not been paid but AVI is working to correct them. The corrected invoices will then be submitted for payment.

Mr. Parker contacted the general counsel at HEPC and was advised that the Attorney General's office in WV does not have prosecuting power. If WVSU wants to pursue the matter, we would have to contact the Kanawha County Prosecutor's office. However, the issue with the signature on the invoices does not meet the definition of fraud. AVI has taken disciplinary action with their employee and placed him on probationary status for a year.

3. Update on Payments from KVCTC: Since the Service Agreement was settled by the two Chancellors, we have been receiving regular payments. KVCTC is current with payments through February which are approximately \$133,333 per month. We have received housing and dining payments for the Fall semester and recently received those payments for the Spring semester. The payment for the bookstore also is current. Even though KVCTC is still having problems with calculating student fees which are imbedded in the tuition, they have made a partial payment in the amount of \$600,000. That is approximately 55% of the amount due for the entire year. Once the computer programming is operational, they will make payment for the balance.

Dr. Guetzloff questioned the collections of the parking tickets from KVCTC students. Mr. Parker informed him that parking issues were not the finance committee agenda. Mr. Williams said that item would be postponed until the next meeting.

4. Update on Fleming Hall Project: Dr. Cassandra Whyte gave an update on the status of planning for the Fleming Hall Project. She stated that the timeline is on schedule and various ideas for the completed project are being considered. A drawing of the option that has been chosen is on display downstairs in the Erickson Alumni Center. The plan accepted is within the \$15,000,000 budget. The architects feel that it will be a turn key building no later than the end of 2013.

Committees have been selected to make plans for academic and athletic needs during the construction until it is finished. Dr. Whyte stated that a budget was being developed for the expenses that will be incurred with the need of moving these programs. The relocation costs is expected to be included in the \$15,000,000 costs of the building.

5. Update on Capital Campaign: There was no report at this time.

6. Update on Bookstore and Cash Handling Procedures: Mr. Lawrence Smith informed the committee the university does not purchase books from students. There are companies on a rotating basis that send personnel, they scan the books with a scanner when they are purchased from the students. They also send a check for that payment.

With respect to students returning books for a refund - no cash is involved. If a student returns a book, the refund is requested by the bookstore to the cashier's office, and a check is issued from the State and sent to the student. The bookstore takes their cash and checks to the cashier's office for deposit on a daily basis.

Financial Reports for FY/2011

1. FY/2011 Budget Analysis: Mr. Parker explained a couple of anomalies. For personnel costs in academic affairs they are down approximately \$1,000,000 from last year because we received stimulus money earlier this year than last year. On the college-wide activities, the amount for benefits is a clearing account for Worker's Comp. The cost is transferred to the appropriate area so that amount will zero out as we go through the year.

2. All Funds Report: This time last year we had spent approximately \$10,900,000. This year we have spent \$10,381,000. Revenue is a little less than last year because tuition is less due to the fact that KVCTC is offering more classes.

1. Budget for FY/2012.

A. Revenue projection:

1. Enrollment was projected to increase approximately 2% for FY/2012. This is one of the variables used to calculate revenue. A 1% increase in enrollment would generate about \$132,850.00.
2. A 5% increase in tuition has been discussed as a reasonable proposal. A 1% increase in enrollment would generate about \$132,850.00.

B. Anticipated additional expenses:

1. The Legislature and Governor have proposed a 2% increase for state workers. A 2% salary increase for WVSU would cost about \$418,333.00. The proposed budget for the State of WV would provide about \$188,108.00. Thus, WVSU would have come up with the difference or about \$230,225.00.
2. Currently, campus police are funded by parking fees which is insufficient to cover all the personnel costs and is only paid by those students who have cars. By moving campus police to the College Operation Account all students would be contributing to the cost of public safety.

3. The parking fees would then be used for maintenance, painting and upgrading of the parking lots. The parking fee that students and WVSU employees pay could also be reduced. This proposal would match fees with function much better.

B. Tuition and Fees: Dr. Thralls felt that the increase in tuition and fees should not exceed the cost of living increases. The last tuition increase was two years ago at 4%. The ceiling for tuition increases is 9.7%. WVSU is at the bottom of the chart in tuition costs for in-state students.

Mr. Williams asked if there was a committee to suggest ways to reduce the budget. Mr. Parker explained that each vice president is responsible for their area in saving money. He further explained that energy saving methods were being installed and that we had received state funds for upgrading Wallace Hall. Mr. Williams suggested that there be an incentive offered for employees to provide suggestions for ways that might save the university money in an effort to keep costs as low as possible.

C. Salary Enhancements for University Employees: Mrs. Booker questioned the statement of a \$500 limit on salary increases. Mr. Parker explained that \$500 was the minimum amount for any salary increase. There has been no proposal developed to fully fund the Mercer Plan.

2. HEPC Proposed Budget for FY/2012: There will probably have to be a special meeting of this committee to finalize the tuition increase and fee approval since it must be submitted to the HEPC in the near future. As of this date we do not have the budget figures from the legislature.

3. FY/2012 Service Agreement with KVCTC: Mr. Williams asked the current status of the athletic fee for KVCTC students. Mr. Parker informed the group that the community college planned to decrease the athletic fee about 20% per year and phase it out over a five-year period. KVCTC notified the university that they intend to reduce the athletic fee by 20% for FY/2012. Decreasing the fee 20% is equal to about \$50,000 per year.

Dr. Carter and Dr. Badgley have already met and agreed to dates for followup meetings and plan to meet on a regular basis to deal with the service agreement.

With there being no further business, Mr. Salyers made a motion to adjourn which was seconded by Mrs. Booker. Motion passed. The meeting was adjourned at 1:25 PM.

Respectfully submitted,



Mary Flores

