

**West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
June 18, 2015
10:30 a.m. – 11:30 a.m.
Agenda**

1. Call to Order and Roll Call – Committee Chair Larry Salyers, presiding
2. Verification of Appropriate Notice of Public Meeting Action 2
3. Review and Approval of Agenda Action 1
4. Review and Approval of Minutes of Previous Meeting Action 3
5. University Recommendations and Reports
 - 5.1 BOG Budget Report
6. Next Meeting Date – *September 3, 2015 (Tentative)*
7. Adjournment

West Virginia State University Board of Governors
Finance Committee

Date/Time: 6/18/2015 – 10:30 AM

Location:

West Virginia State University,
Erickson Alumni Center, Grand Hall,
Institute, WV

Purpose: To conduct regular business of the Committee in preparation for the June 18, 2015 Board of Governors meeting

Notes:

This is a compliant meeting.

Meeting was approved : 6/2/2015 8:27:12 AM

**West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
Minutes
April 23, 2015**

1. Call to Order and Roll Call

Committee Chair Salyers called the meeting of the West Virginia State University Board of Governors Finance Committee to order at 10:30 a.m.

Present: Mrs. Jarvis, Mr. Konstanty, Mr. Salyers, Mr. Susman, Mr. Swingle, and Mr. Williams. Several members of the administration, faculty, and staff were present.

2. Verification of Appropriate Notice of Public Meeting

Mr. Salyers announced the Verification of Appropriate Notice of Public Meeting.

3. Review and Approval of Agenda

Mr. Susman made a motion to approve the agenda, and it was seconded by Mr. Williams. The motion passed.

4. Review and Approval of Minutes of Previous Meeting

Mr. Swingle noted a correction to item seven; the next meeting date should be April 23, 2015. Mr. Susman made a motion to approve the minutes of the previous meeting as amended, and it was seconded by Mr. Williams. The motion passed.

5. University Recommendations and Reports

5.1 BOG Budget Report for March

Mr. Salyers asked Mr. Melvin Jones, the University's Vice President for Business and Finance, to report on the University's budget. Mr. Jones said the report was a cash-basis report, and the figures listed therein are through March 31, 2015. The income target for March 2015 is 75 percent, and the University is at 72.80 percent, which is slightly below the target. Mr. Jones informed the Committee that the University received a \$3 million appropriation from the State of West Virginia on April 1, 2015, which was the final transfer for the current fiscal year. Additionally, he noted that income from other revenues (i.e., OASIS rental space, online course fees, gas wells, etc.) has not been received. Mr. Konstanty inquired about royalties from the gas wells. Mr. Jones stated the University received \$1,400 in total for the two wells that are connected, thus far. Mr. Swingle asked about the amount of savings. Mr. Jones stated that the free gas was used first and, as a result, the University experienced a 10 percent savings. However, the University is bearing approximately \$1,000 in maintenance costs to re-pipe the entire system in order to route gas from the first two wells, so they will tie in

across from the third well, which has a larger plate. This will increase the amount of free gas that moves through the pipeline, resulting in additional savings.

Mr. Jones provided the percentages for all of the areas and noted some areas that are on budget: Academic Affairs, University Relations and Operations, Physical Facilities, University Advancement, and Business and Finance. Areas that are under budget are the President's Office (54 percent) and College-Wide (55 percent). Mr. Jones noted that the President's Office is below budget, because the athletic and academic scholarships will not be posted until late April. He noted specific items for Student Affairs (see notes 3 and 4), which show this area is running ahead in expenses.

Mr. Susman inquired about the cost savings from the custodial change. Mr. Jones stated the contract is a fixed cost. However, there will be an increase of approximately \$2,000 for cleaning of the Gregory V. Monroe Athletic Complex, which was not completed when the company performed a walkthrough during contract negotiations. Mr. Salyers inquired about income generating from the English as a Second Language (ESL) program. Mr. Jones stated the projected revenue for the summer cohorts is approximately \$200,000. The University signed a new lease with OASIS that will extend through December and result in additional revenue.

For the auxiliary accounts, Mr. Jones said the Student Union Operations, Housing, and Dining Services accounts have positive net activity. The Athletic accounts remain in a deficit. Through discussion on the Athletic accounts, the Committee requested Mr. Jones and the appropriate staff to prepare a report with an analysis based on the cost per sport. Mr. Jones stated he would communicate with the appropriate individuals to begin compiling information for the report. The Faculty Housing and Parking accounts are trending positively. The figure listed in the report for the Bookstore will be reviewed following the meeting, because the deficit showing is not accurate.

The Committee also discussed cash on hand compared to the previous year. President Hemphill said it would be premature to predict a figure for comparison at present time. He noted that measures have been put in to place that are different from previous years, such as purchasing card reductions and requiring pre-approval of all purchases, as the University closes the final two months of the fiscal year.

Mr. Swingle inquired about receivables and the percentage of revenue the University collects. Mr. Jones stated the University's procedure involves sending a minimum of three notices to individuals who have not paid. Following the third internal attempt, the account is turned over to a collection agency. The national average for collections is 10 percent, and the University is slightly ahead of that percentage. Through further discussion on the process of collections for student

accounts, the Committee members requested a complete report be provided to the full Board.

5.2 Fiscal Year 2016 Budget and 2015-2016 Tuition and Fee Schedule

Copies of the Fiscal Year 2016 Budget and 2015-2016 Tuition and Fee Schedule were distributed to the Committee. Mr. Jones stated that the Fiscal Year 2016 Budget includes projected revenues from the proposed 6.9 percent tuition increase, as well as fee increases and new fees. A library fee has been restructured to increase funding for library books and resources; the fee is \$75 per semester for full-time students, and 100 percent of the revenue from the fee will go toward the Library. There is also a new \$40 orientation fee to help defray the cost of orientation; this is a one-time flat fee and is for new students only. Other fee adjustments are mostly small and under \$5.

Mr. Susman asked if a fee increase for Sullivan Hall should be added to the fee schedule, so it could be charged if needed for the ESL program. Mr. Jones said a fee increase for Sullivan Hall could be added, as long as the percentage is inline with and not more than the percentage increase for Dawson Hall. There was a consensus among the Board that the fee increase for Sullivan Hall should be included. Mr. Jones stated this section of the fee schedule would be revised and distributed during the full Board meeting.

Mr. Konstanty made a motion to recommend the Fiscal Year 2016 Budget, which includes a 6.9 percent tuition increase, and the 2015-2016 Tuition and Fee Schedule, as amended, and it was seconded by Mr. Williams. The motion passed.

6. Next Meeting Date

June 18, 2015

7. Adjournment

With there being no further business, Mr. Konstanty made a motion to adjourn the meeting, and it was seconded by Mr. Williams. The motion passed. The meeting adjourned at 11:39 a.m.

Respectfully submitted,

Crystal Walker
Executive Assistant to the President