

**BOARD OF GOVERNORS MEETING PACKET
DECEMBER 13, 2019**

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West Virginia State University Board of Governors
Schedule
December 13, 2019

8:00 AM	Institutional Advancement Committee
8:30 AM	Academic Policy Committee
9:00 AM	Recruitment and Retention Committee
9:30 AM	Finance Committee
10:00 AM	Adhoc Bylaws and Policies Committee
10:30 AM	Audit Committee
11:30 PM	Presidential Review Committee
12:30 PM	Board of Governors Lunch (Grand Hall)
1:30 PM	Full Board Meeting

AGENDA
West Virginia State University Board of Governors
Institutional Advancement Committee
Erickson Alumni Center, Grand Hall
December 13, 2019
8:00 a.m.

1. Call to Order, Chair Charles E. Jones, Jr., presiding
2. Roll Call, Committee Clerk
3. Verification of Appropriate Notice of Public Meeting Action
4. Review and Approval of Meeting Agenda Action
5. Review and Approval of Minutes of Previous Meeting Action
6. Committee Recommendations and Reports Information
 - a. Report from Athletic Director Nate Burton
 - b. Fundraising Updates
 - i. Annual Giving Initiatives
 - ii. Fundraising Priorities
8. Next Meeting Date – February 6, 2020
9. Adjournment

Agenda prepared by Pat Schumann, Administrator, Institutional Advancement Committee,
November 22, 2019

**Board of Governors
West Virginia State University
Institutional Advancement Committee**

Date/Time: 12/13/2019 -- 8:00 AM

Location:

Erickson Alumni Center
Grand Hall
West Virginia State University

Purpose: To conduct the regular business of the Committee.

Notes:

Meeting was approved : 11/25/2019 8:30:38 AM

MEETING MINUTES
West Virginia State University Board of Governors
Institutional Advancement Committee
Erickson Alumni Center, Grand Hall
October 24, 2019
8:00 a.m. – 9:25 a.m.

1. Call to Order and Roll Call

Governor Charles E. Jones, Jr. called the meeting of the Institutional Advancement Committee to order at 8:02 a.m.

2. Administrative Clerk (Maria Drake) called the roll.

Members Present: Governor Charles E. Jones, Jr., Governor Katherine Dooley, Governor Kenneth Gray, Governor William Lipscomb, Governor Governor James Payne, Governor E. Gail Pitchford, Governor Ann Brothers Smith, Governor Deja Smoot, Governor Frank Vaughan

Members Absent: Governor James Buchanan, Governor Mark Davis, Governor Mark Kelley

Others Present: Dr. Anthony L. Jenkins, WVSU President; Patricia Schumann, Vice President for University Advancement, Communications & Marketing; Belinda Fuller, Director of Alumni Relations; Sue Woodward, Assistant Vice President for University Advancement, Jack Bailey, Assistant Vice President for Communications & Marketing, Mr. Gary Swingle

3. Verification of Appropriate Notice of Public Meeting

Governor Jones announced verification of appropriate notice of the meeting.

4. Review and Approval of Meeting Agenda

Governor Pitchford moved approval of the Agenda; the motion was seconded by Governor Payne. Motion carried.

5. Election of Presiding Officer

Governor Jones, as Chair of the Board of Governors, is the Ex Officio Chair of the Institutional Advancement Committee. Governor Jones requested a nomination for a committee member to serve as the presiding officer in the absence of the chair. Governor Vaughan moved that Governor E. Gail Pitchford be elected as presiding officer; the motion was seconded by Governor Smith. Motion carried.

6. Review and Approval of Minutes of the Previous Meeting

Governor Pitchford moved approval the minutes for the June 6, 2019 and September 5, 2019 meetings; the motion was seconded by Governor Gray. Motion carried.

7. Committee Recommendations and Reports

a. Report from Athletics Director Nate Burton

Nate Burton, Athletics Director, stated that his report is in two sections, charitable contributions and non-charitable contributions. Charitable gifts are received through the WVSU Foundation. Currently 46 donors have contributed a total of \$34,825. The number of donors does not include individuals who gave through a third-party crowdfunding site, which

sends lump sum payments but does not report individual gifts. Athletics uses this site because it is an easy way to support fundraising by team members and coaches, with all the work done by the vendor.

Non-charitable contributions includes sponsorships, camps, golf tournaments, and other revenue that is transactional. The current non-charitable revenue is \$58,822, which brings the total funds raised this fiscal year to \$93,647. Athletics' current goal is \$500,000. Strategies for reaching that goal include increasing sponsorships, soliciting young alumni who have not been involved in the past, increasing the number of Champions Club members, and securing major gifts through personal solicitation. One strategy with young alumni will be to ask them to give in amounts that correspond to their jersey numbers, so if they have number 39 the suggested donation amount would be \$39 or \$3,900 and so on.

In addition to raising \$500,000 in support for operations, Athletics will be seeking gifts to enhance facilities. Governor Jones asked Mr. Burton what roadblocks he faces and what committee members can do to help. Mr. Burton responded that the biggest challenge seems to be that people have so many other organizations they support. A personal conversation has proved to be the most effective way to engage people in support of Athletics. President Jenkins commented that it is important for all stakeholders to support Athletics by coming out to the games. This year WVSU teams are performing at a level that STATE has never seen, with strong winning records for volleyball, women's soccer, and football.

b. Fundraising Updates

Patricia Schumann, Vice President for University Advancement, Communications & Marketing, began her report by acknowledging Belinda Fuller, Director of Alumni Relations, the members of the Homecoming Committee, and everyone who helped make this the largest and most successful Homecoming on record. A total of 790 people registered, which is more than double the average registration. During Homecoming, President Jenkins extended three challenges to alumni: (1) Continue support for the Presidential Scholarship, (2) Reach an alumni giving participation rate of 6% by 2022, and (3) Every alumnus to make a legacy gift to West Virginia State. University Advancement is implementing strategies to support those challenges.

i. FY2020 First Quarter Giving Report

Ms. Schumann presented the First Quarterly Giving Report in the form of a dashboard. The dashboard included information about new gift revenue this year, total gross revenue, number of gifts, and the percentage of alumni versus non alumni who have given to date. As of September 30, 2019, the Foundation had received \$256,830 as compared to \$181,120 last year. Gross revenue, which includes payments on pledges made in previous years, was \$691,482, compared with \$424,304 last year.

ii. Step Up for STATE Challenge

The Step Up for STATE Challenge/Battle of the Decades was launched in September and will run through December 31. Designed to increase donor participation from both alumni and friends in giving, the campaign makes use of direct mail, email, and a new crowd funding platform that includes a video, created by the WVSU Communications team, allowing donors to share what they have done and encouraging others to support WVSU. The National Alumni Association has

pledged \$10 to for every new alumnus who contributes. The Challenge/Battle is a competition between alumni who graduated in each decade for the largest number of participants, with the winning decade being recognized at 2020 Homecoming. There is also a challenge for friends who are not alumni. Progress on Step Up For STATE will be reported at the December meeting.

iii. Legacy Giving: It's Easier Than You Think

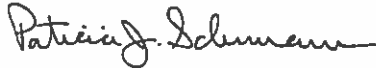
Mr. Gary Swingle, former BOG member and WVSU Foundation Director Emeritus, described several vehicles for providing a legacy gift, sharing the ease of legacy giving and the personal tax benefits that some vehicles provide. Mr. Swingle covered: Gift in a Will, Gift in a Living Trust, Gifts of Appreciated Securities, Gift of Life Insurance, Gift of Retirement Assets, Charitable Remainder Unitrust, and IRA Charitable Rollover. Ms. Schumann commented that additional information on legacy giving can be found on the WVSU legacy giving website and/or by speaking with her or Sue Woodward. The legacy giving video, which may be seen on the website, was played for the committee.

8. Next Meeting Date – December 13, 2019

9. Adjournment

Governor Smith moved for adjournment; the motion was seconded by Governor Gray. With there being no further business, the meeting adjourned at 8:50 a.m.

Approved by:



Patricia Schumann

Vice President for University Advancement, Communication, and Marketing

Respectfully Submitted by – Maria Drake, Institutional Advancement Administrative Clerk,
October 28, 2019

**West Virginia State University Board of Governors
Institutional Advancement Committee
Fundraising Updates
December 13, 2019**

I. Purpose

Provide an update on fundraising performance and gift revenue for the current fiscal year.

II. Background

Annual Giving initiatives have focused on the new crowdfunding platform and the challenge to Step Up for STATE. Fundraising for major and planned gifts is ongoing and seeks to address institutional priorities while assisting donors to meet their philanthropic goals.

III. Discussion

New gifts and pledges as well as total cash are up for this fiscal year compared with the same date last year. The Step Up for STATE Challenge is ongoing, and should experience a boost with Giving Tuesday on December 3. A \$25,000 matching challenge gift from Fred D. Thomas, Jr. should make this a very successful effort. Recent major gift commitments as well as ongoing and emerging priorities are identified in the report.

IV. Recommendation

This report is presented for information.

**West Virginia State University Board of Governors
Institutional Advancement Committee
Report of Fundraising Performance and Priorities
December 13, 2019**

Funds Raised During the 2019-2020 Fiscal Year

As of November 22, 2019, \$439,621 had been received in new gifts and pledges for the 2019-2020 fiscal year, compared with \$387,696 in FY2019, a 13% increase. Total cash received this fiscal year is \$1,047,553. A detailed report for the period through the second quarter (December 31, 2019) will be presented at the next Board of Governors meeting.

Annual Giving Initiatives

This year's annual giving campaign kicked off with the **Step Up for STATE/Battle of the Decades Challenge**. Thus far all alumni and friends have received a cultivation post card, a direct mail appeal, and messages via email and social media. The results as of 11/19/2019 are as follows:

Decade/Friend Group	Number of Donors	Total Given	Average Gift Size	
1950's	8	\$4,010.00	\$501.25	
1960's	35	\$19,625.00	\$560.71	
1970's	18	\$2,165.00	\$120.28	
1980's	5	\$600.00	\$120.00	
1990's	4	\$270.00	\$67.50	
2000's	3	\$1,167.00	\$389.00	
2010's	1	\$25.00	\$25.00	
Friends (non-alumni)	25	\$7,227.00	\$289.08	
Total	99	\$35,089.00	\$354.43	

Totals are expected to increase substantially following **Giving Tuesday** on December 3. In addition to the national and institutional marketing of this designated day of giving, WVSU has received a generous matching challenge grant from Fred D. Thomas, Jr., Class of 1950. All gifts received by midnight on December 3, up to \$25,000, will be matched dollar for dollar for the purpose designated by the donor, and that donor's decade will receive credit for the match. This

is in addition to the National Alumni Association's challenge to give an additional \$10 per new donor, up to 100 donors.

The Step Up for STATE Challenge will conclude with a Year-end giving appeal authored by SGA President Colleen Miller. Campaign totals will be established as of December 31.

Recent Gifts

Fundraising priorities are developed to support the institutional goals of Innovation, Student Success and Retention, and Experiential Learning. Examples of recent gifts in support of these goals are listed below.

Mrs. Frances B. Reed	Endowed Scholarship (Bequest Commitment)	\$100,000
Judge Damon J. Keith	Endowed Scholarship (Realized Bequest)	\$100,000
Estate of Charlotte Giles	Endowed Scholarship/Piano Lab	\$ 88,000
TGKVF	STEM Scholars Academy	\$ 49,175
Estate of Verona Clarke	Endowed Scholarship	\$ 23,000
WVSU National W Club	General Athletics	\$ 20,000

Ongoing and Emerging Priorities

Funds are currently being sought for a number of ongoing and emerging priorities, particularly in the areas of scholarships and academic program support. Examples are listed below. Financial goals will be developed as part of the strategic planning process.

Presidential Scholarship	Recruit promising new and continuing students Goal: \$400,000 per year
Healthy Grandfamilies	Create a sustainable funding model to support a Center of Excellence serving the entire state. Goal TBD.
CARE Initiative	Support the education of homeless students. Initial Goal: \$250,000
Nursing Program	Commitments totaling \$750,000 were secured to support the launch of the BSN Program. Future funding goals TBD.
Undergraduate Research	Building upon the success of Research Rookies and the potential of STEM Scholars Academy, expand funding of undergraduate research opportunities.

AGENDA
West Virginia State University Board of Governors
Academic Policy Committee
Erickson Alumni Center, Grand Hall
October 13, 2019
8:30am

1. Call to Order and Roll Call – Committee Chair Ms. Kitty Dooley, presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. University Recommendations and Reports
 - 5.1 HLC Overview
6. Next Meeting Date –*February 6, 2020*
7. Adjournment

Agenda prepared by Ms. Brittany Fletcher, Administrative Clerk for Academic Policy Committee, November 22, 2019

**Board of Governors
West Virginia State University
Academic Policy Committee**

Date/Time: 12/13/2019 -- 8:30 AM

Location:

Erickson Alumni Center
Grand Hall
West Virginia State University

Purpose: To conduct the regular business of the Committee.

Notes:

Meeting was approved : 11/25/2019 8:30:49 AM

MEETING MINUTES
West Virginia State University Board of Governors
Academic Policy Committee
Erickson Alumni Center, Grand Hall
October 24, 2019
8:30 A.M.

1. Call to Order and Roll Call

With a quorum being present, the meeting was called to order at 8:51 a.m.
Chair Dooley noted that the meeting was supposed to start at 8:30am.

Members Present: Ms. Kitty Dooley, Mr. Mark Kelley, Dr. Frank Vaughan, Dr. Ann Brothers Smith, Mr. Kenneth Gray, Mr. Chuck E. Jones, Jr, Mr. Mark Kelly, Mr. William Lipscomb, Mr. James Payne. Mrs. E. Gail Pitchford and Ms. Deja Smoot.

Members of the administration, faculty, and staff were also present.

Members Absent: Mr. James Buchanan, Mr. Mark Davis.

2. Verification of Appropriate Notice of Public Meeting

Ms. Kitty Dooley announced the Verification of Appropriate Notice of Public Meeting.

3. Review and Approval of Meeting Agenda

Mrs. E. Gail Pitchford motioned for approval of the Agenda, seconded by Dr. Ann Brothers Smith. Academic Policies Committee approved the Meeting Agenda.

4. Review and Approval of Minutes of Previous Meeting

Mr. Mark Kelley motioned for the approval of the previous Meeting Minutes, seconded by Mrs. E. Gail Pitchford. The motion passed.

5. Committee Recommendations and Reports

5.1 HLC Overview

Dr. Woodard reported to the committee that there will be a full presentation on the HLC site visit at the December meeting.

President Jenkins informed the committee that they can access the HLC information on the University website.

5.2 Healthy Grandfamilies Grant

Dean Carney introduced Dr. Kerri Steele, who is the chair and associate professor of social work. Dr. Steele reported to the committee an overview of the Healthy Grandfamilies grant.

Dr. Woodard informed the committee that the nursing program is in its last step of completion. The program will be presented to the nursing board for approval on October 25, 2019. He recognized Dean Carney and those on the nursing committee on their success and commitment towards this new degree.

Dr. Woodard introduced to the committee the new Dean of the College of Business and Social Sciences, Dr. Garupdesh Pandher.

6. Next Meeting Date

December 13, 2019

7. Adjournment

With there being no further business, a motion was made by Mrs. E. Gail Pitchford and seconded by Mr. Mark Kelley to adjourn the meeting. The motion passed. The meeting adjourned at 9:04 a.m.

Respectfully Submitted by –Brittany Fletcher, Administrative clerk for Academic Policy Committee,
October 24, 2019

Approve:



R. Charles Byers, Ph.D.
Interim Provost and Vice President for Academic Affairs
Academic Policy Committee Administrator

AGENDA
West Virginia State University Board of Governors
Recruitment and Retention Committee
Erickson Alumni Center, Grand Hall
Friday, December 13, 2019

1. Call to Order and Roll Call – E. Gail Pitchford, presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of the Previous Meeting Action
5. University Recommendations and Reports Information
 - 5.1. Recruitment
 - 5.2. Retention
6. Next Meeting Date – *February 6, 2020*
7. Adjournment

Agenda prepared by – Rhonda Brogan, Recruitment and Retention Committee Clerk, October 7, 2019

**Board of Governors
West Virginia State University
Recruitment and Retention Committee**

Date/Time: 12/13/2019 -- 9:00 AM

Location:

Erickson Alumni Center
Grand Hall
West Virginia State University

Purpose: To conduct the regular business of the Committee.

Notes:

Meeting was approved : 11/25/2019 8:30:58 AM

MEETING MINUTES
West Virginia State University Board of Governors
Recruitment and Retention Committee
Erickson Alumni Center, Grand Hall
Thursday, October 24, 2019
9:30 am - 10:20 a.m.

1. **Call to Order and Roll Call** Mr. Charles E. Jones, Jr. called the Recruitment and Retention Committee meeting to order at 9:30 a.m.

Members Present: Ms. Katherine Dooley, Mr. Kenneth Gray, Mr. Charles E. Jones, Jr., Mr. Mark Kelley, Mr. William Lipscomb, Mr. James Payne, Mrs. E. Gail Pitchford, Dr. Ann Brothers Smith, Ms. Deja Smoot, and Dr. Frank Vaughan

Members Absent: Mr. James Buchanan, Mr. Mark Davis

2. **Verification of Appropriate Notice of Public Meeting**

Board of Governor Chair, Mr. Charles E. Jones, Jr. announced the Verification of Appropriate Notice of Public Meeting was made public on October 11, 2019.

3. **Review and Approval of Meeting Agenda**

Mr. Mark Kelley made a motion to move the "Nomination and Election of Committee Chair" to action number two and add a separate action step of "Nominate and Elect Presiding Office" as action number three. Dr. Ann Brothers Smith seconded the motion; motion carried. Committee Chair, Ms. E. Gail Pitchford asked for a motion to approve the agenda. Mr. Mark Kelley made the motion. Ms. Katherine Dooley seconded the motion; motion carried.

4. **Election of Committee Chair**

Dr. Frank Vaughan nominated Ms. E. Gail Pitchford as Committee Chair. Ms. E. Gail Pitchford accepted the nomination. Ms. Katherine Dooley seconded the motion; motion carried.

5. **Election of Presiding Office**

Dr. Ann Brothers Smith nominated Mr. Kenneth Gray as Presiding Officer. Mr. Kenneth Gray accepted the nomination. Ms. Katherine Dooley and Mr. Mark Kelley both seconded the motion; motion carried.

6. **Review and Approval of Minutes of the Previous Meeting**

Committee Chair, Ms. E. Gail Pitchford asked for approval of the previous meeting minutes. Mr. Mark Kelley made the motion. Ms. Katherine Dooley seconded the motion; motion carried.

7. **University Recommendations and Reports**

- a. **Recruitment**

Dr. Underdue Murph presented the Fall 2019 Enrollment Report 30th Day Snapshot as of September 30, 2019. Dr. Underdue Murph reported that the Fall 2019 30th Day Snapshot, as of September 30, 2019, for the Undergraduate Headcount increased by 12% compared to

Fall 2018, and the Graduate Headcount decreased by 8%. The combined total enrollment increased by 12%. The Fall 2019 Undergraduate Full-Time Equivalency increased by 3% compared to Fall 2018, and the Graduate decreased by 9%. The combined Full-Time Equivalency increased by 3%.

The Fall 2019 Undergraduate Headcount decreased by 6% compared to Fall 2018, and the Dual Enrollment increased by 32%. The combined Full-Time Equivalency increased by 12%. The Fall 2019 Undergraduate Full-Time Equivalency decreased by 9% compared to Fall 2018, and the Dual Enrollment increased by 50%. The combined Full-Time Equivalency increased by 4%.

The Fall 2019 Three-Year for First-Time Freshman Headcount decreased by 17%. The Transfer Headcount increased by 10%. The combined total enrollment decreased by 9%. The Fall 2019 First-Time Freshman Full-Time Equivalency decreased by 18% compared to Fall 2018, and the Transfer decreased by 1%. The combined Full-Time Equivalency decreased by 13%.

The Fall 2018 and Fall 2019 30-day Census for First-Time Freshman and Transfer comparative data shows that Fall 2018 had a total of 3661 students who applied compared to Fall 2019 total of 4806 students who applied, resulting in an increase in applications of 31% for Fall 2019. Fall 2018 had a total of 1870 admitted students, while Fall 2019 had a total of 2465 admitted students, an increase of 32% in admitted students. Fall 2018 had a total of 450 enrolled students, compared to the Fall 2019 total of 429 enrolled students, a decrease of 5% in enrolled students.

Dr. Underdue Murph stated that in the Fall 2019 30-Day Census Total Enrollment by College: 228 students were enrolled in College of Arts and Humanities, 552 students were enrolled in the College of Business and Social Sciences, 224 students were enrolled in the College of Natural Sciences and Mathematics, 689 students were enrolled in the College of Professional Studies, and 2431 students were enrolled in the Undergraduate College. The Undergraduate Admissions Director, Ms. Jameelah Means, as well as Dr. Yvette Underdue Murph are working with an outside group, EAB, to negotiate contract for services. EAB will enable WVSU to reach a larger range of students both in-state and out-of-state as well as be more engaged on social media.

Mr. Frank Vaughan inquired about distinguishing the difference between dual credit, traditional and non-traditional students that were admitted and ultimately enrolled regarding 2018 and 2019 30-day census. Additional Dual Credit conversation regarding recruitment and the enrollment of Dual Credit students continued. Strategies to address this discussion will address amongst University personnel. Ms. E. Gail Pitchford suggested the use of alumni in recruitment efforts of Dual Enrollment / High School students. She volunteered to assist in this endeavor.

Mr. Kelley asked for the average number of hours' part-time students are enrolled. Dr. Underdue Murph stated she would have that number at the next meeting in December.

b. Retention

Dr. Underdue Murph reported on the past First-Time Full-Time Freshman Retention Rate as 62% for the 2016 cohorts, 55% for the 2017 cohort, and 61% for the 2018 cohort. Projected retention rates were provided for 2019 through 2025 cohorts, with an increase of 3% the first year, and 2% each year thereafter.

Single-year Undergraduate Retention Rates were provided by classification for the 2017 and 2018 cohorts: The Freshman retention rate for the 2018 Cohort is 53.43% compared to the 51.88% retention rate for Fall 2017 Cohort. The Sophomore retention rate for the 2018

Cohort is 81.09% compared to the 81.64% retention rate for Fall 2017 Cohort. The Junior retention rate for the 2018 Cohort is 88.89% compared to the 84.68% retention rate for Fall 2017 Cohort. The Senior retention rate for the 2018 Cohort is 90.50% compared to the 93.01% retention rate for Fall 2017 Cohort. The total retention rate for the 2018 Cohort is 82.48% compared to the 80.51% retention rate for Fall 2017 Cohort.

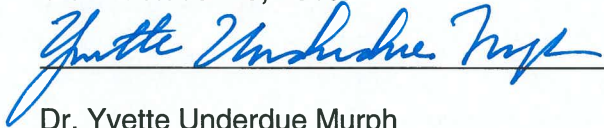
Dr. Underdue Murph presented the Committee with a six-year growth projection by student type, starting at 3% in Fall 2020 and increasing by .25% each year until reaching 4% in 2024 and remaining at 4% in 2025. She stated that the data shows Fall 2019 Undergraduate Enrollment of 1523 that will increase to an Enrollment of 1881 by 2025. The Fall 2019 Dual Enrollment Cohort enrollment of 2277 that will increase to 2812 by 2025. The Fall 2019 Graduate Cohort enrollment of 110 that will increase to 136 by 2025. The Fall 2019 Online Cohort enrollment of 214 that will increase to 264 by 2025. These increases would amount to a growth from 4124 total students in 2019 to 5094 enrolled students in 2025.

Next Meeting Date December 13, 2019


8. Adjournment

With there being no further business, Committee Chair, Ms. E. Gail Pitchford requested a motion to adjourn. Ms. Katherine Dooley made the motion. Mr. Mark Kelley second the motion; motion carried and the meeting adjourned at 10:09 a.m.

Respectfully Submitted by Mrs. Rhonda Brogan, Recruitment and Retention, Committee Clerk October 25, 2019.



Dr. Yvette Underdue Murph
Vice President of Enrollment Management and Student Affairs



Date

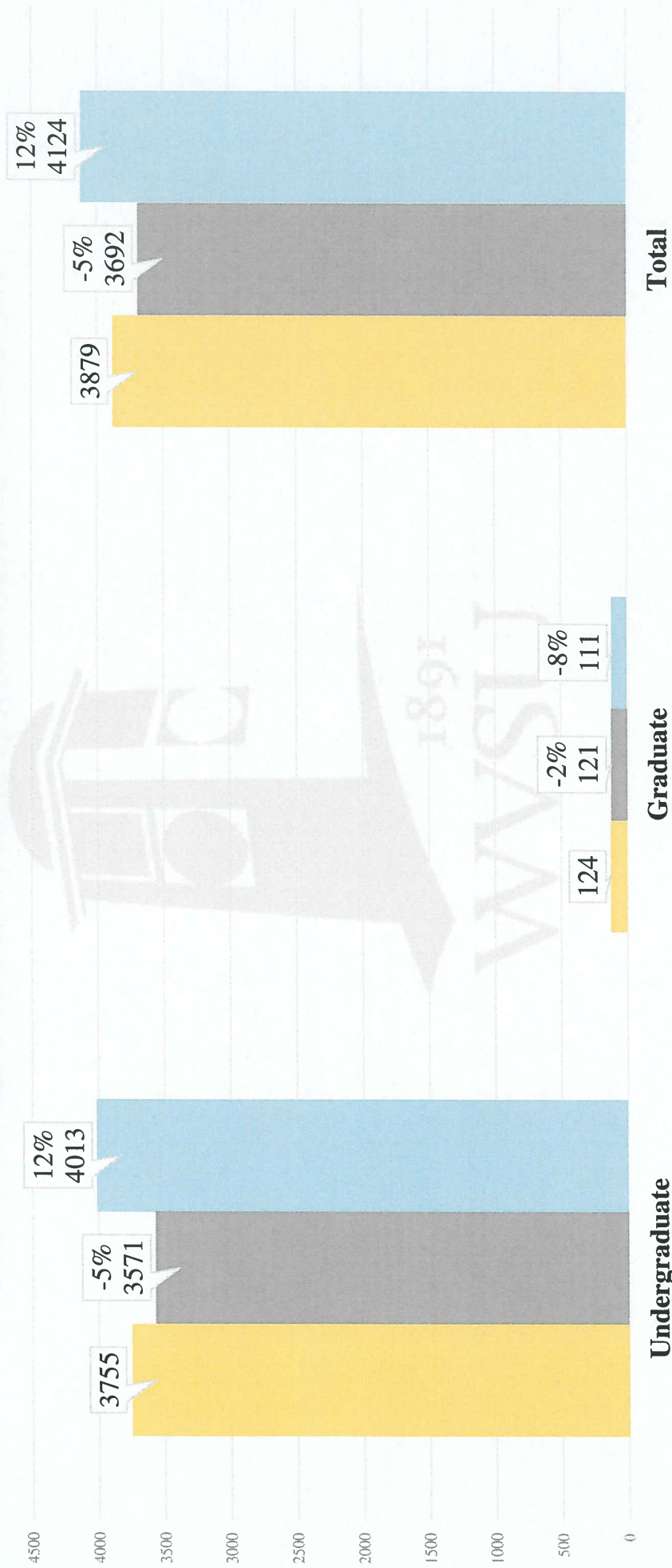
**Board of Governor's
Recruitment and Retention Committee**

October 24, 2019

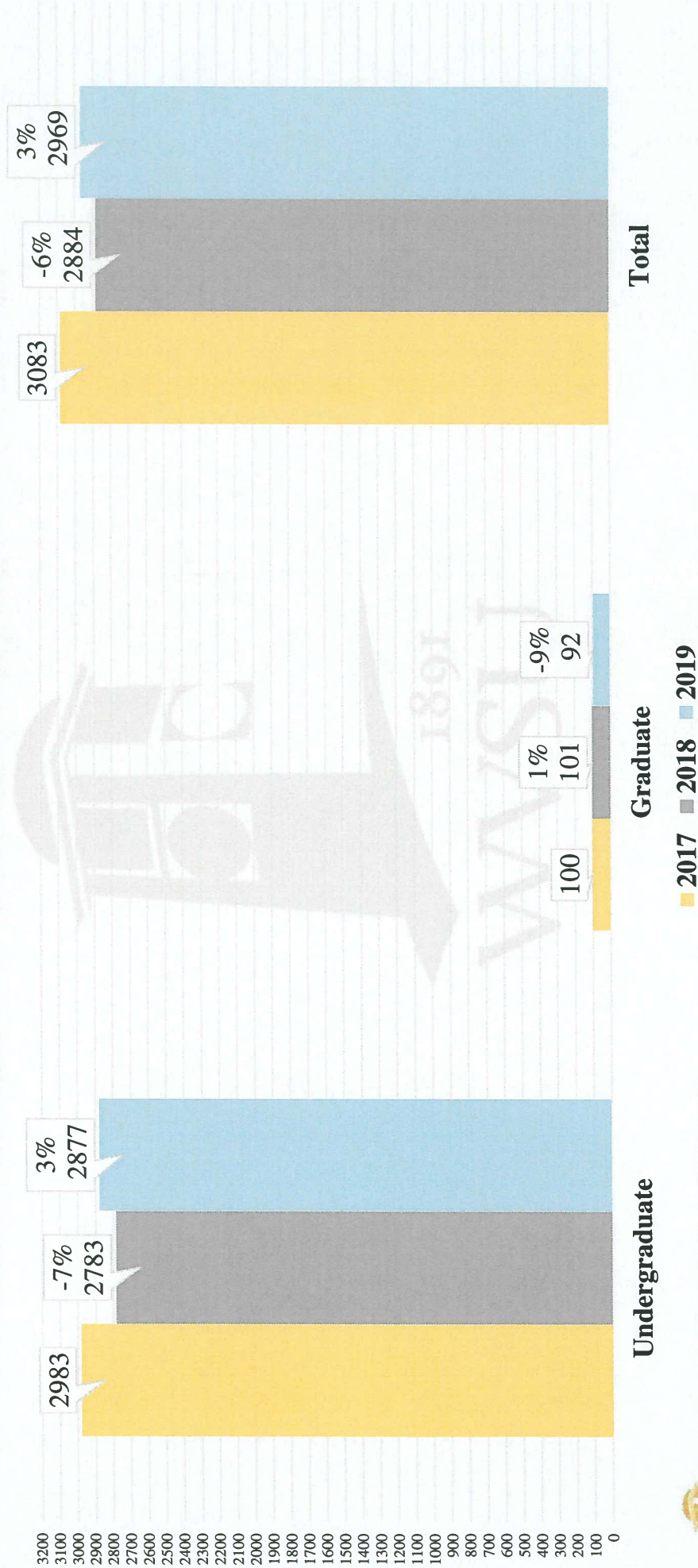
The Division of Enrollment Management and Student Affairs



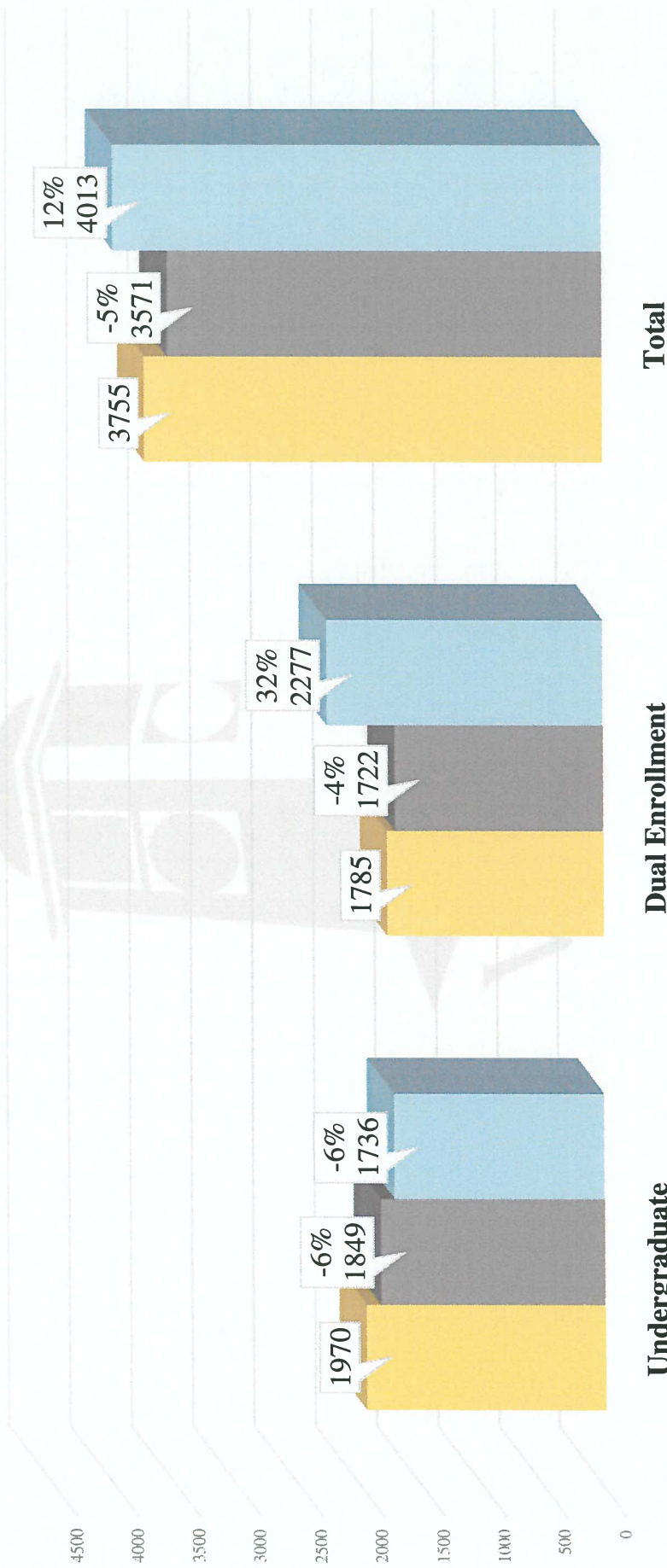
Fall Three-Year 30-Day Census Total Enrollment Headcount Trend Data



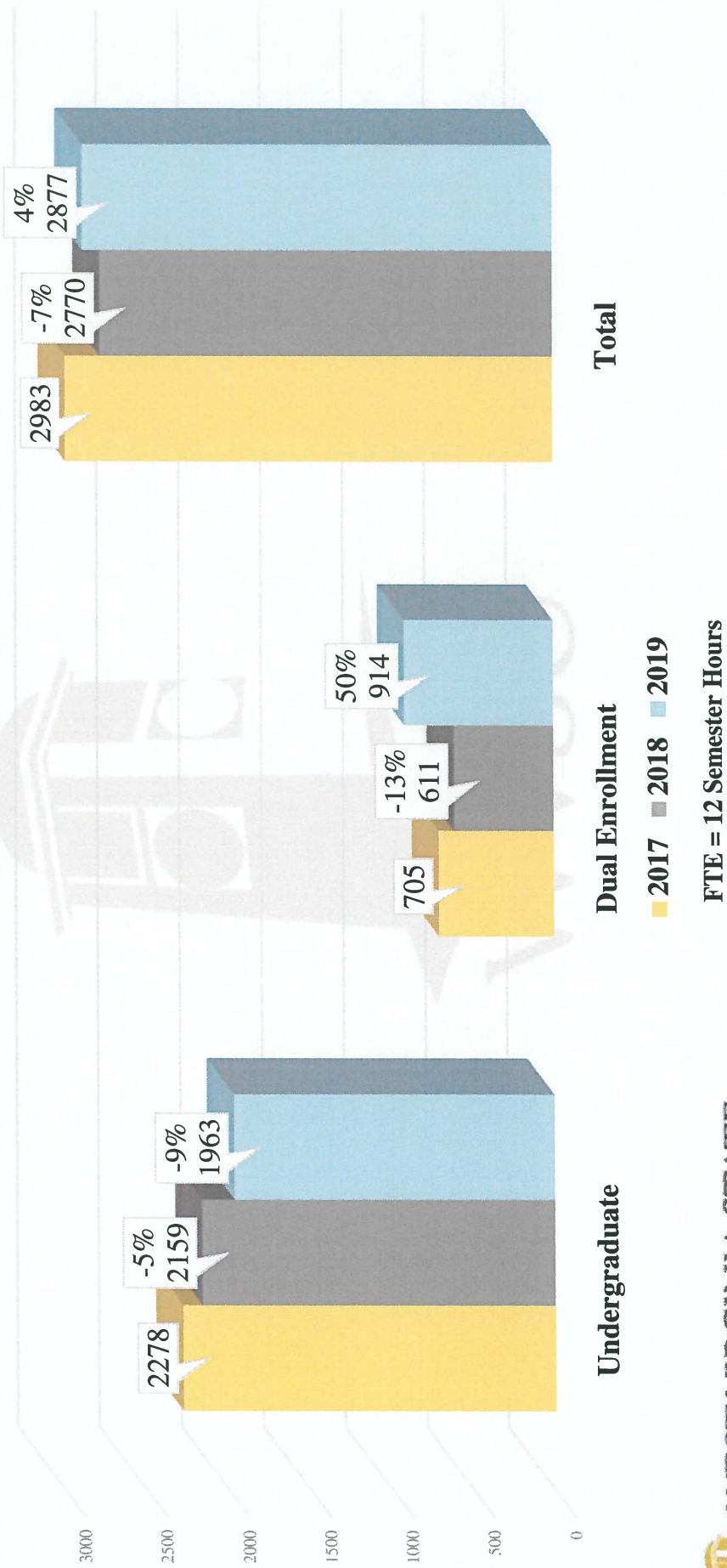
Fall Three-Year 30-Day Census Total Full Time Equivalency Trend Data



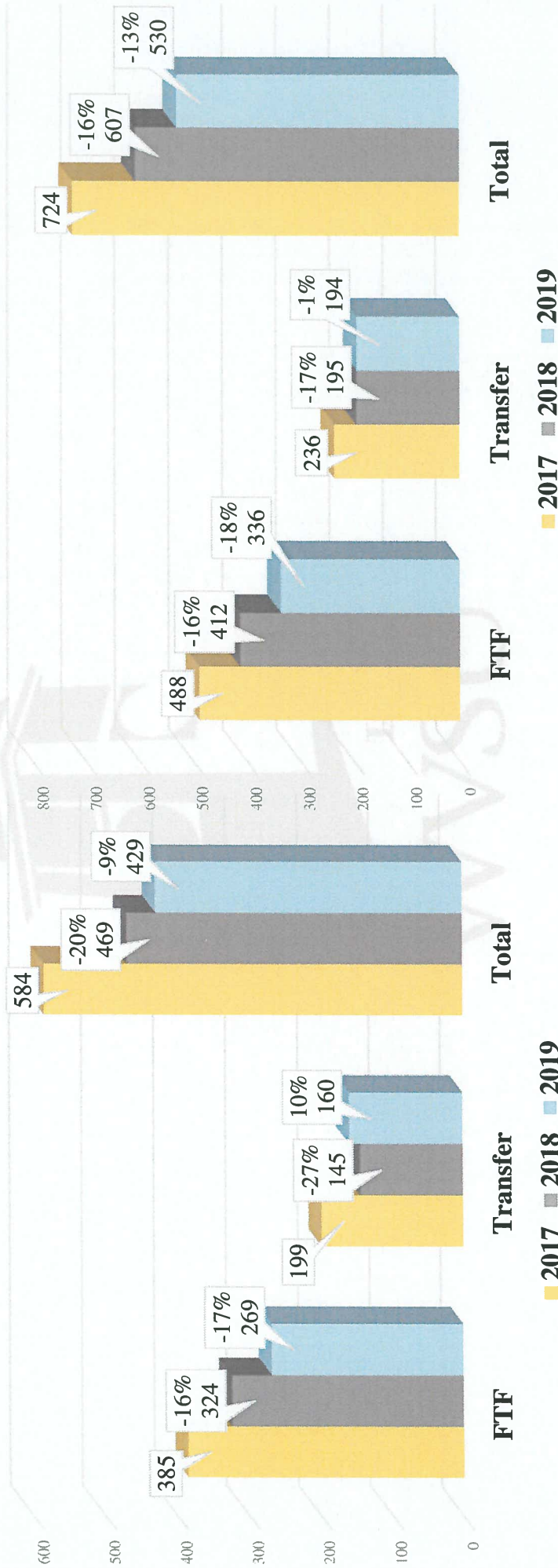
Fall Three-Year 30 Day Census Undergraduate Headcount Trend Data



Fall Three-Year 30 Day Census Undergraduate Full Time Equivalency Trend Data



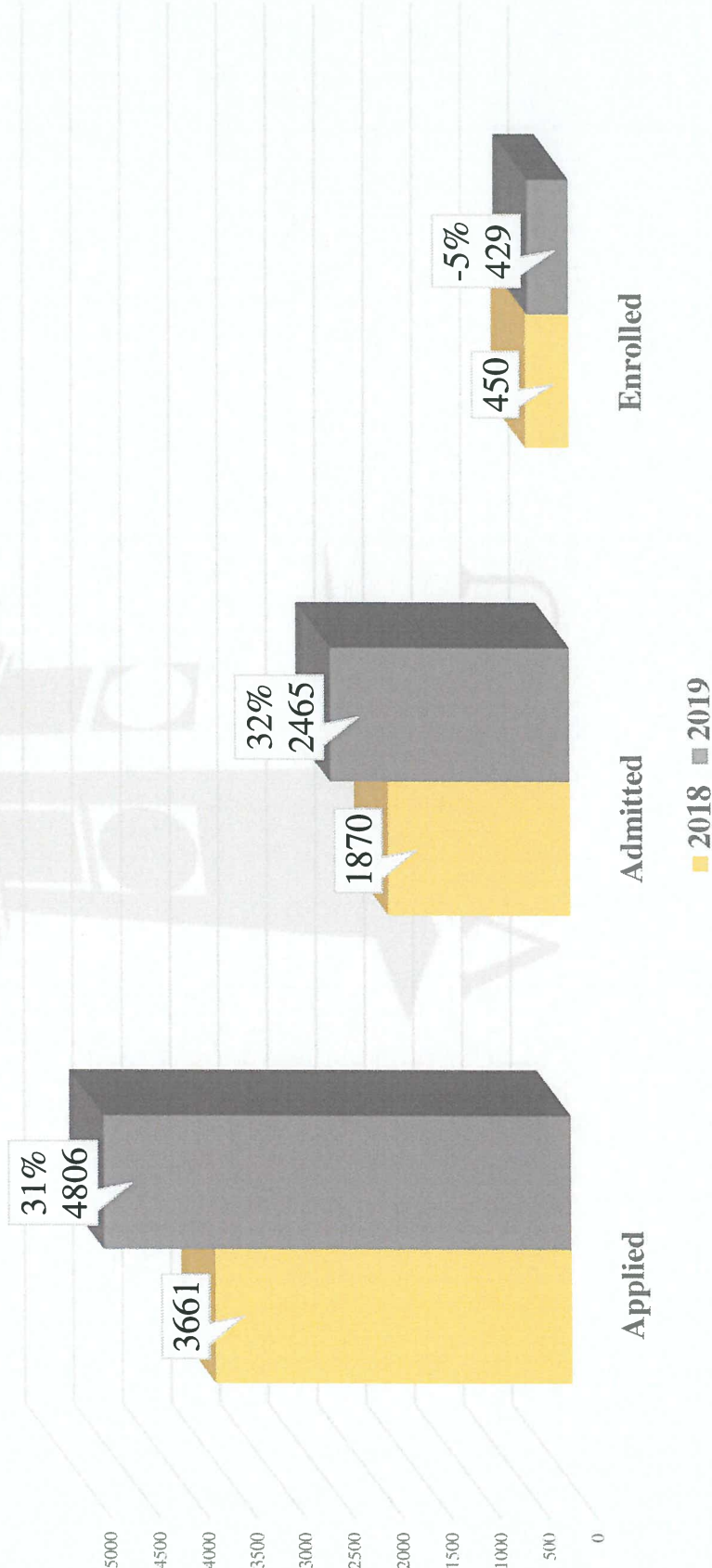
Fall Three-Year 30 Day Census FTF and Transfer
Full Time Equivalency Trend Data



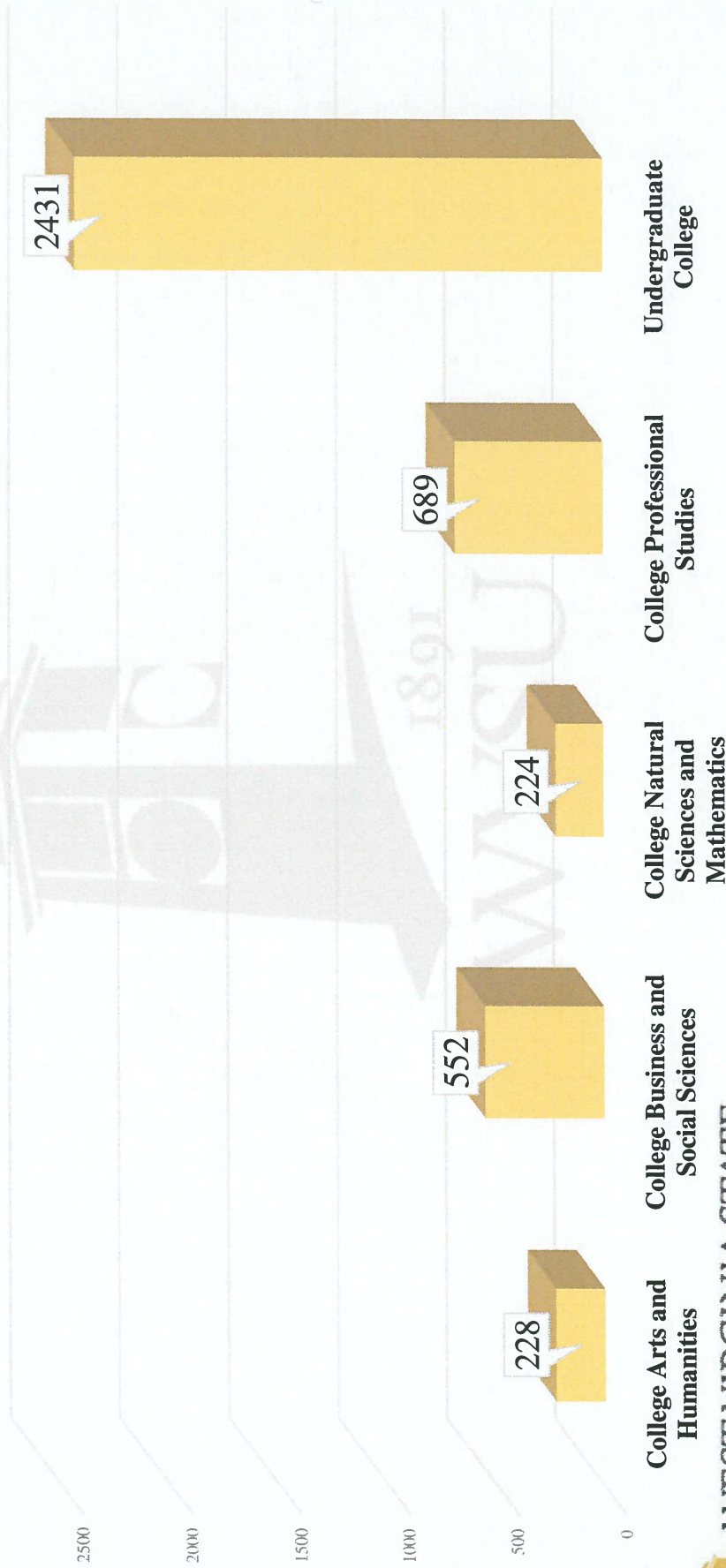
Fall 2019 Undergraduate Target Goals
 FTF: 450 Transfer: 250



Fall 2018 and Fall 2019 30-Day Census First Time Freshman and Transfer Combined Comparative Data



Fall 2019 30-Day Census Total Enrollment by College



First-Time / Full-Time Freshman Retention Rate Four-Year Trend Data
Six-Year Projection



Undergraduate Retention Rates Fall 2017 and Fall 2018 by Classification

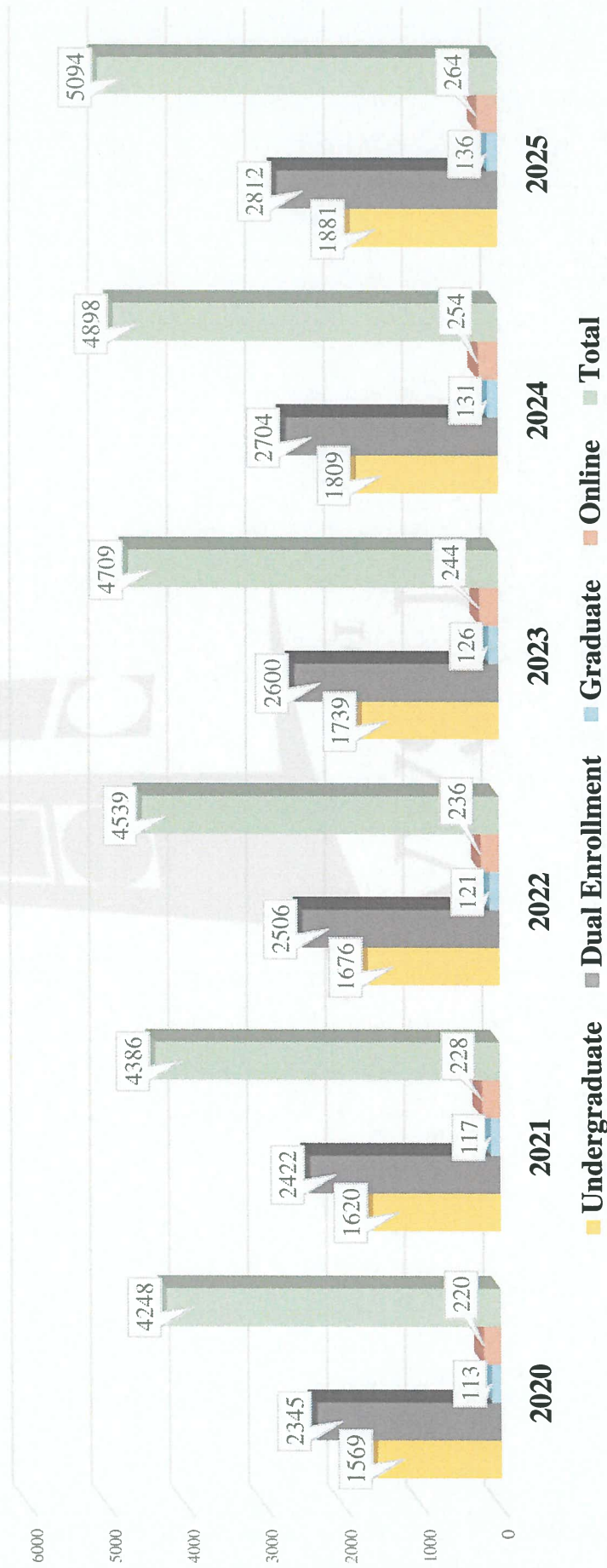


**Enrollment Headcount by Student Type
Six-Year Projection 2020 – 2025**

	2019	2020	2021	2022	2023	2024	2025
Undergraduate	1523	1569	1620	1676	1739	1809	1881
Dual Enrollment	2277	2345	2422	2506	2600	2704	2812
Graduate	110	113	117	121	126	131	136
Online	214	220	228	236	244	254	264
Total	4124	4248	4386	4539	4709	4898	5094
Growth Rate Projection		3%	3.25%	3.50%	3.75%	4%	4%



Enrollment Headcount by Student Type Six-Year Projection 2020 – 2025



Thank You

The Division of Enrollment Management and Student Affairs

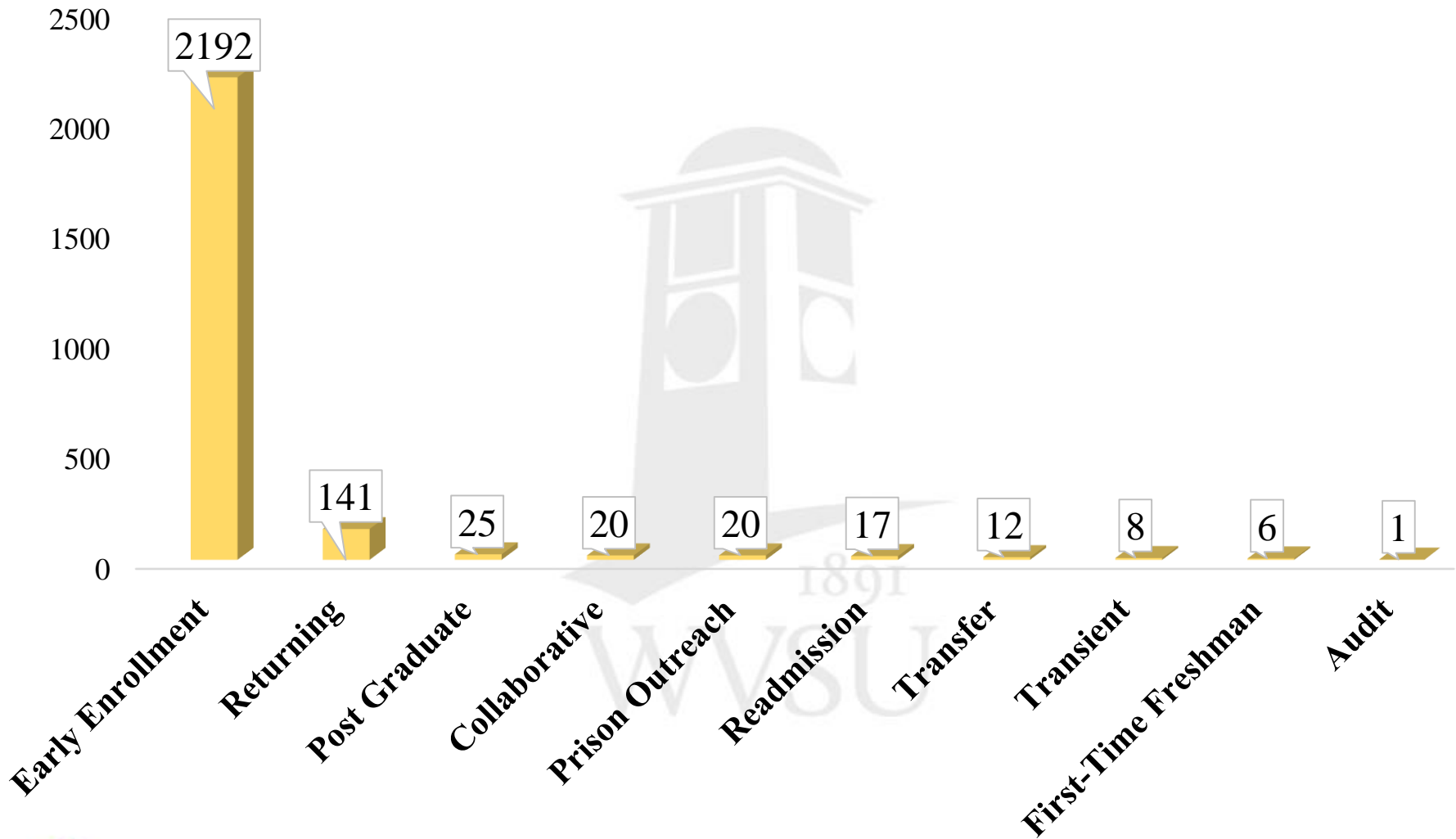


Board of Governor's Recruitment and Retention Committee

December 13, 2019

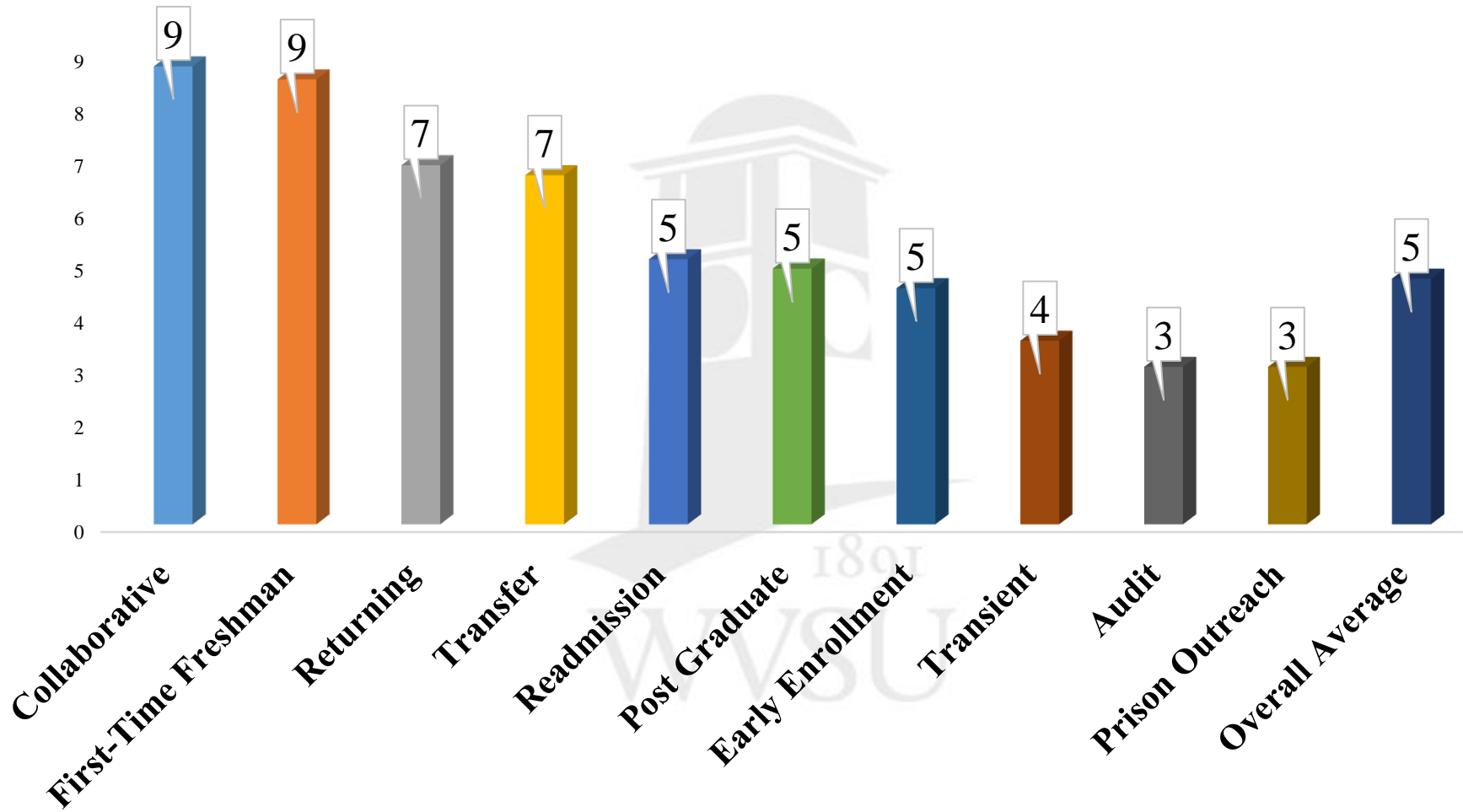
Division of Enrollment Management and Student Affairs

Fall 2019 30-Day Census Undergraduate Part-Time Students by Type

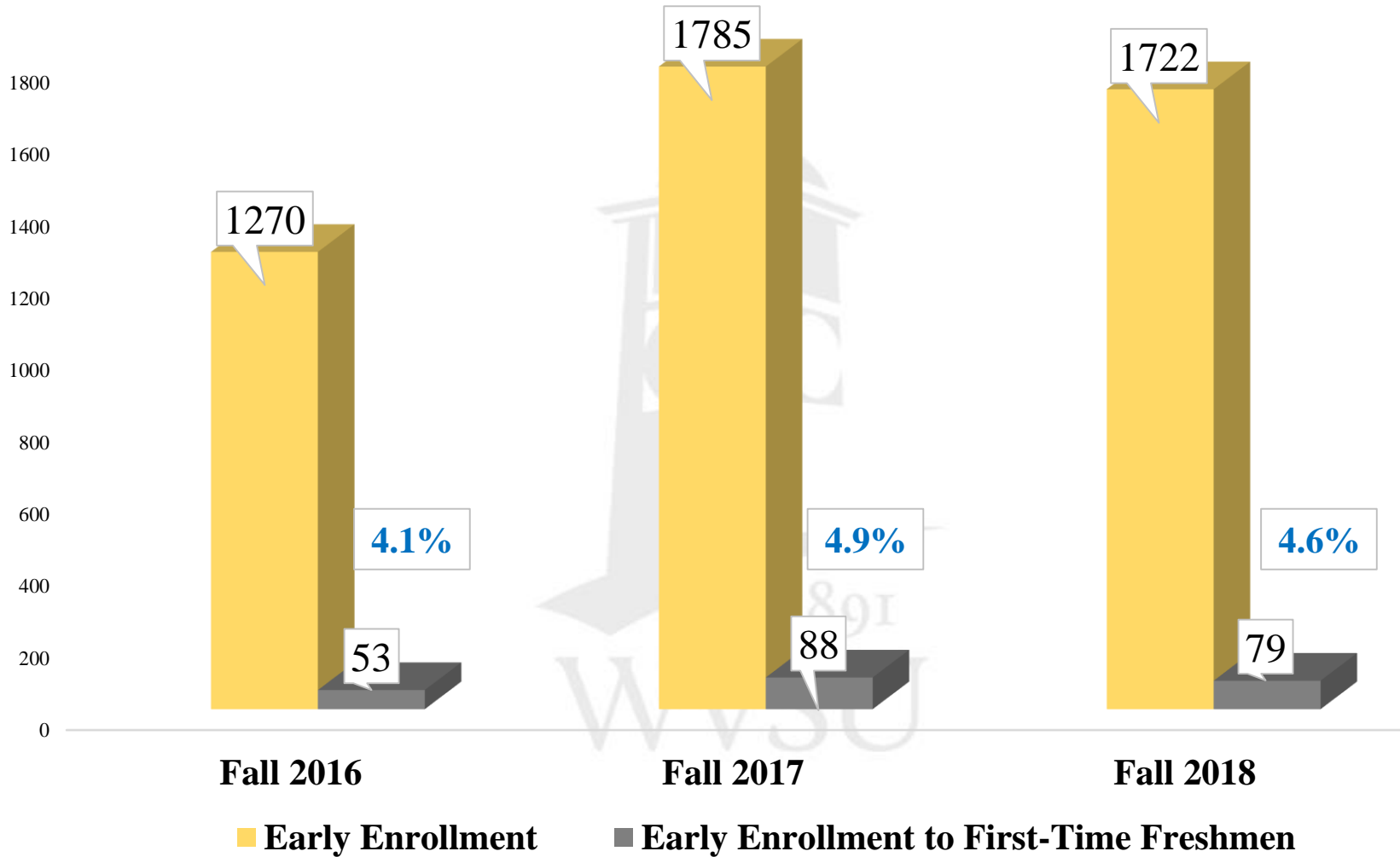


Fall 2019 30-Day Census

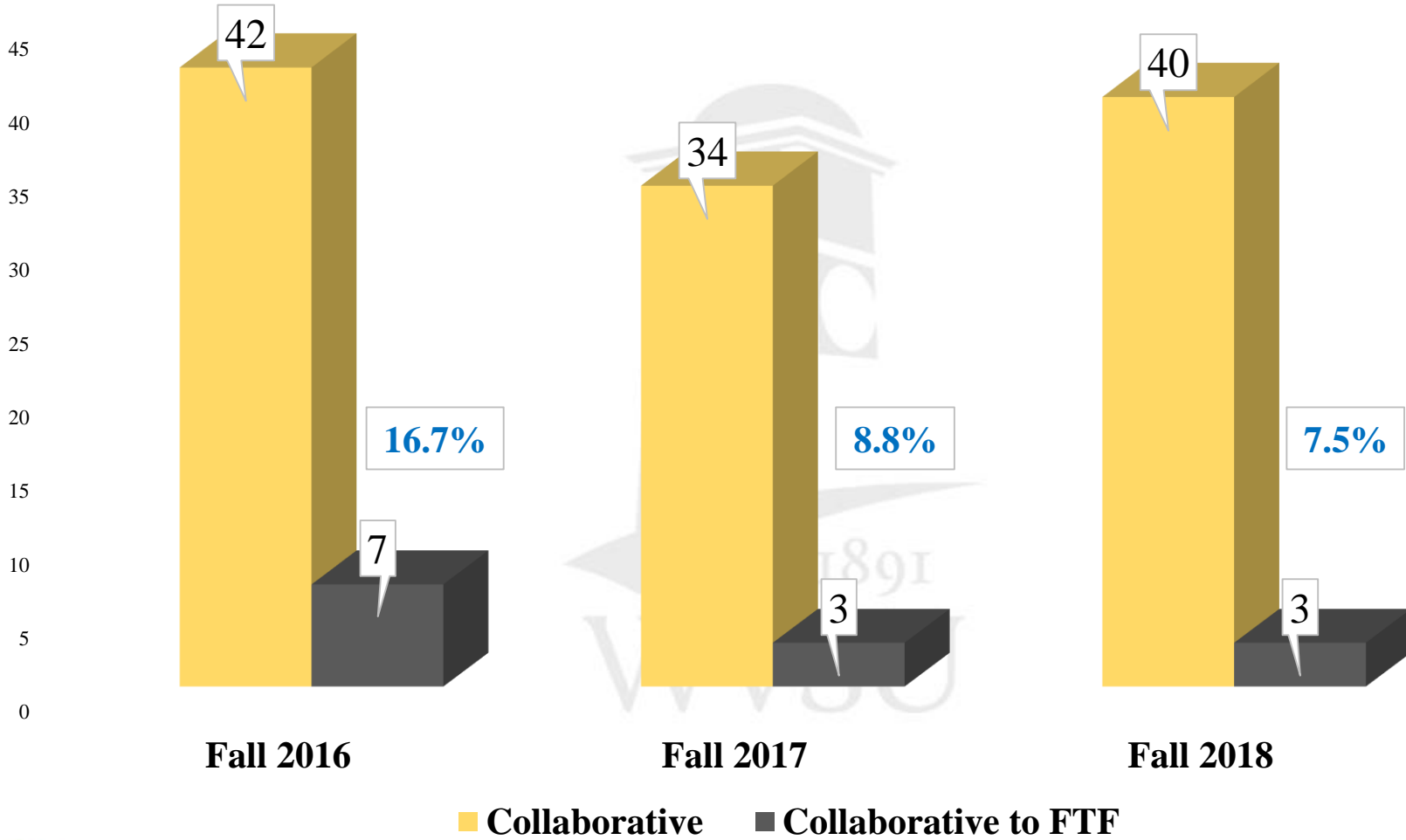
Undergraduate Part-Time Students Average Attempted Hours



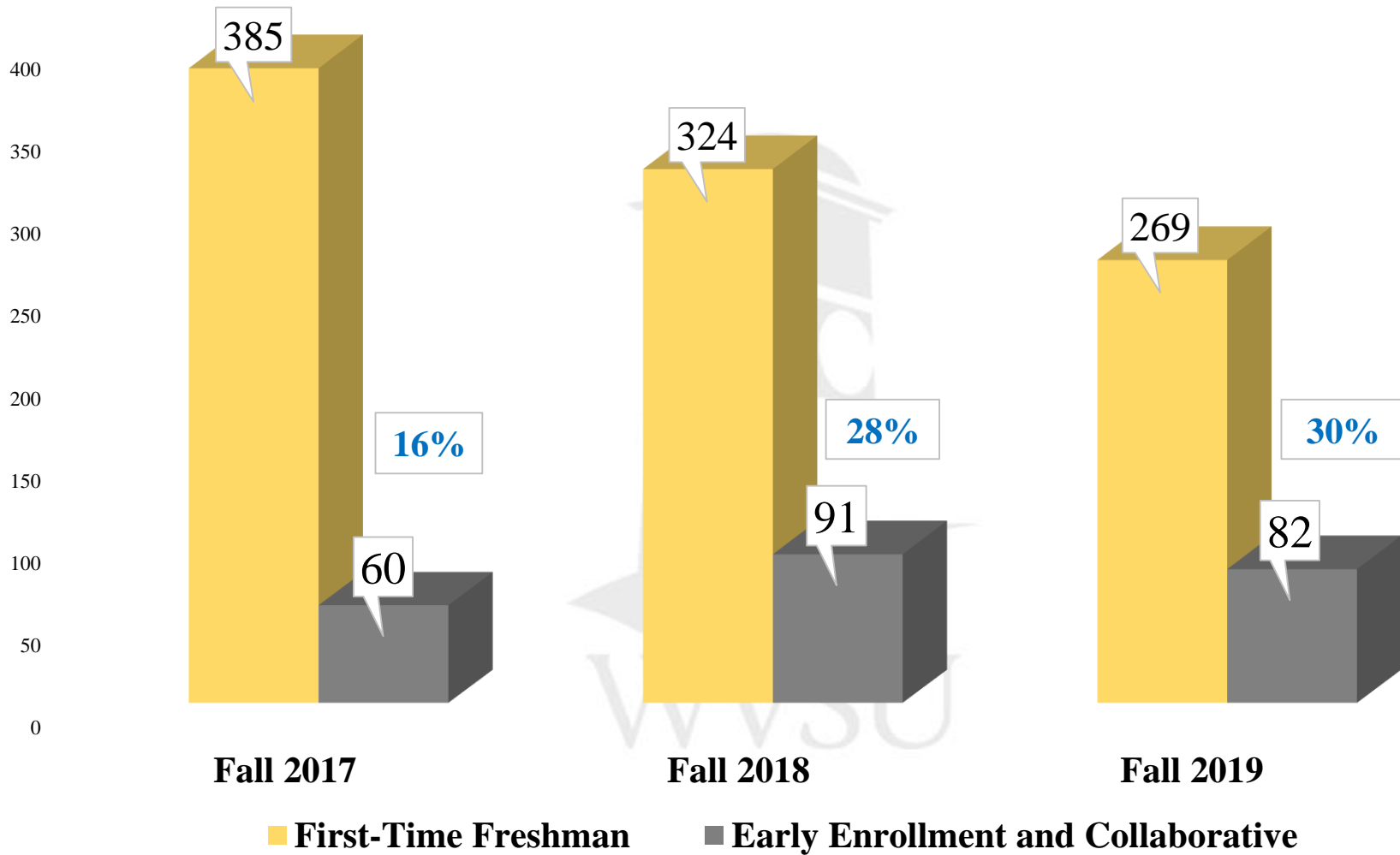
Fall Three-Year Trend Data Early Enrollment to First-Time Freshman Capture Rate



Fall Three- Year Trend Data Collaborative to First-Time Freshman Capture Rate

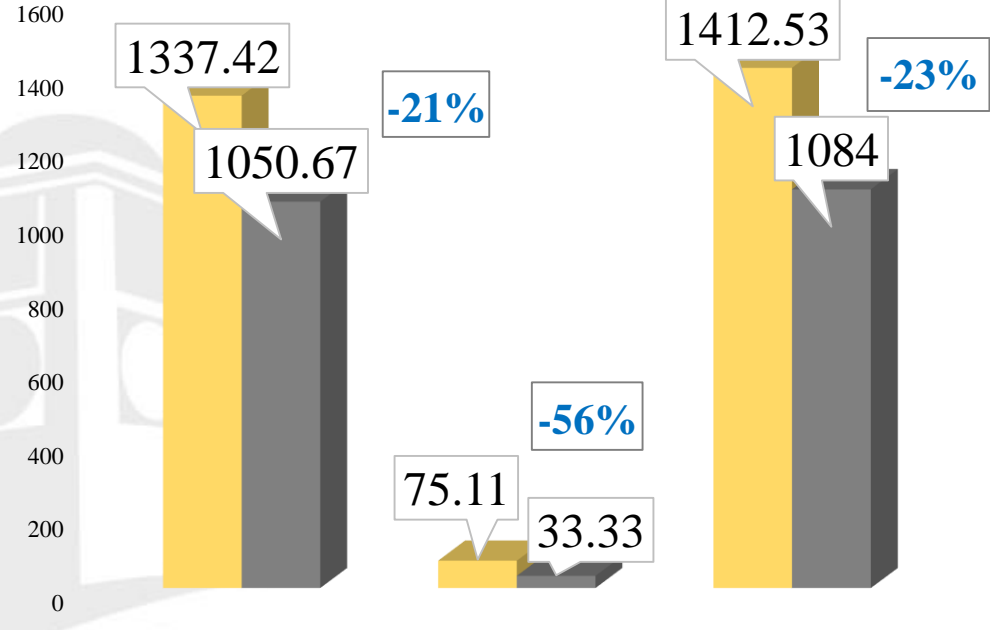
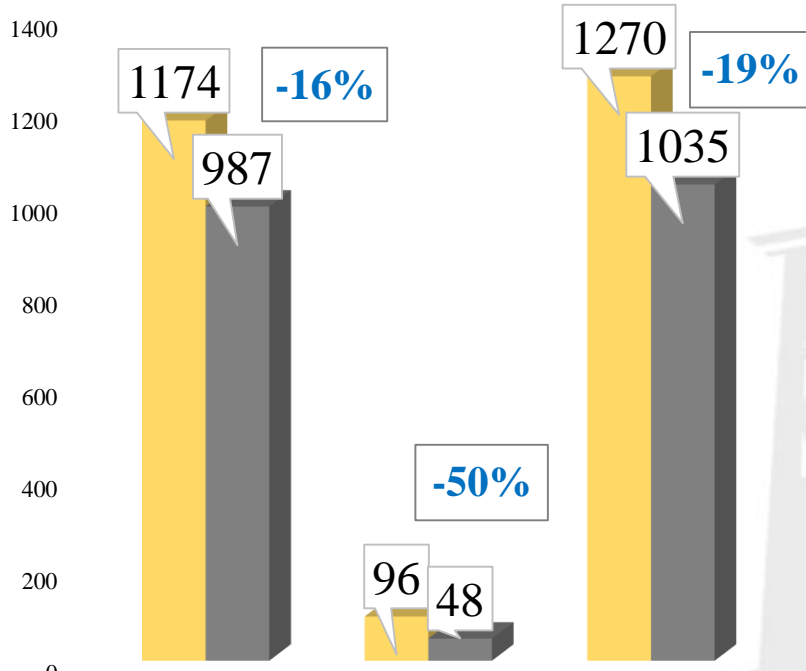


Fall Three-Year Percentage of First-Time Freshman Trend Data Combined Early Enrollment and Collaborative Combined



Enrollment by Headcount as of November 22, 2019

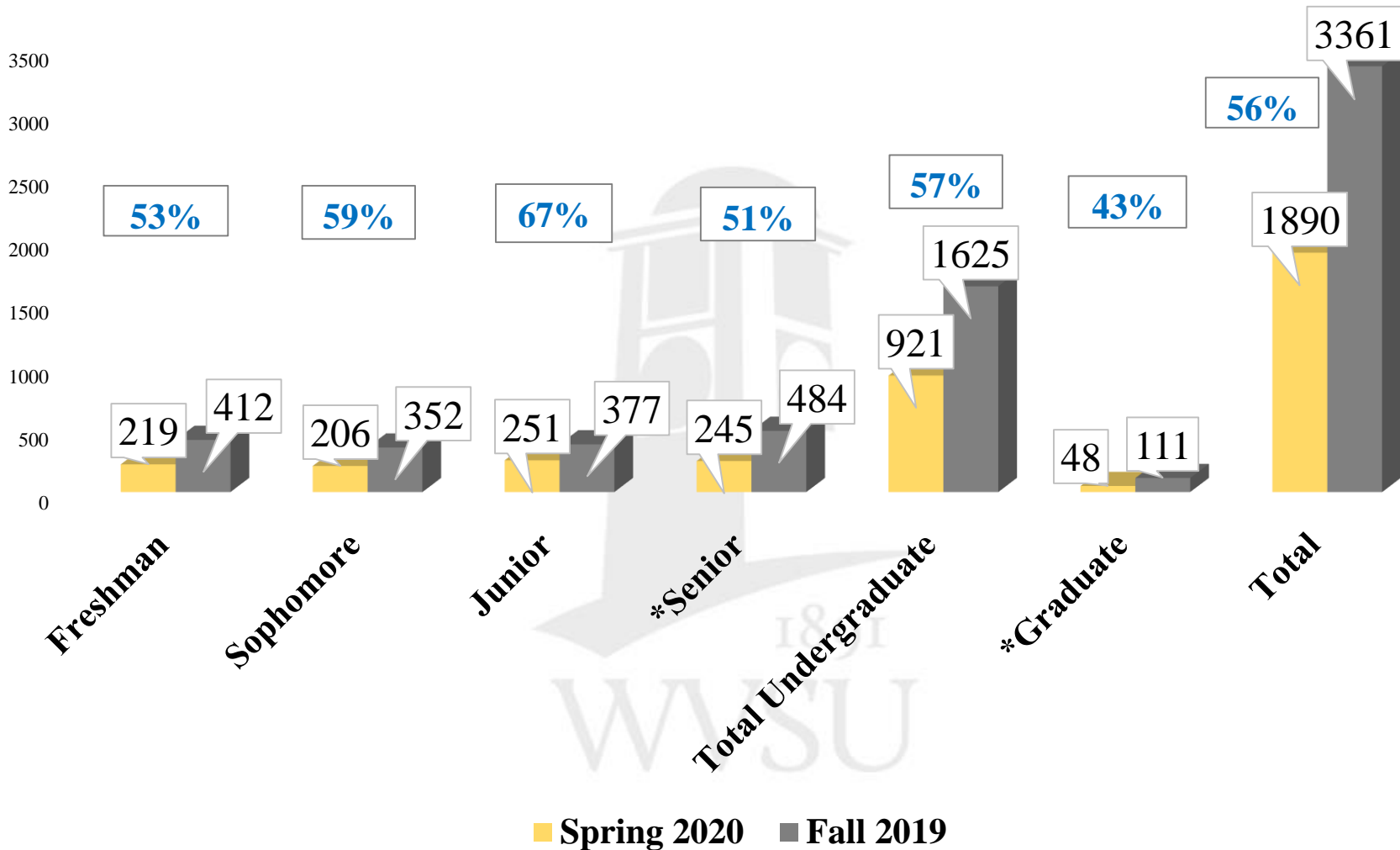
Enrollment by Full Time Equivalency as of November 22, 2019



■ Spring 2019 ■ Spring 2020

■ Spring 2019 ■ Spring 2020

Fall 2019 to Spring 2020 Retention Rates as of November 22, 2019



** Senior and Graduate Fall Cohorts Adjustment Occurs After December 2019 Commencement*

Thank You



Division of Enrollment Management and Student Affairs

AGENDA
West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center
.....; fUbX' < U`
.....**December 13, 2019**
.....**9:30am**

1. Call to Order and Roll Call – Chair, Mr. Mark Davis, presiding
2. Verification of Appropriate Notice of Public Meeting
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. University Recommendations and Reports
 - 5.1 Budget Reports – October 2019
 - 5.2 Accounts Payable Report
 - 5.3 Accounts Receivable Report
 - 5.4 Faculty Housing
6. Other Matters
7. Next Meeting Date – February 6, 2020
8. Adjournment

Agenda prepared by Natasha Tyson, Administrative Clerk, Finance Committee
November 22, 2019.

**Board of Governors
West Virginia State University
Finance Committee**

Date/Time: 12/13/2019 -- 9:30 AM

Location:

Erickson Alumni Center
Grand Hall
West Virginia State University

Purpose: To conduct the regular meeting of the Board.

Notes:

Meeting was approved : 11/25/2019 8:31:06 AM

MEETING MINUTES
West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
October 24, 2019
10:30 a.m.

1. Call to Order and Roll Call

Presiding Officer, Dr. Ann Brothers Smith called the meeting of the West Virginia State University Board of Governors to order at 10:30 a.m.

Members Present: Mr. Mark Kelley, Mr. James Payne, Dr. Frank Vaughan, Dr. Ann Brothers Smith, Ms. Katherine "Kitty" Dooley, Mr. Kenneth Gray, Mr. Charles E. Jones, Jr., Ms. Deja Smoot, and Mr. William Lipscomb.

Members Absent: Mr. James Buchanan, Mr. Mark Davis, Ms. E. Gail Pitchford

Others Present: President Anthony L. Jenkins, administrators, faculty and staff, and members of the community.

2. Verification of Appropriate Notice of Public Meeting

Dr. Smith announced the verification of appropriate notice of a public meeting.

3. Review and Approval of Meeting Agenda

Dr. Smith asked for a motion to approve the agenda. Ms. Dooley made a motion, and it was seconded by Mr. Kelley. Motion carried.

4. Review and Approval of Minutes of the Previous Meeting

Dr. Smith asked for a motion to approve the meeting minutes. Mr. Kelley made a motion, and it was seconded by Mr. Jones. Motion carried.

5. University Recommendations and Reports

a. Monthly Budget Reports – September 2019

Dr. Smith asked that Ms. Kristi Williams respond to a question from the last meeting regarding how the University budgets and the numbers from the thirty day count and how it impacts the budget for this year.

Ms. Kristi Williams, Interim Vice President for Business and Finance, addressed the Board and spoke of the University budgeting based on the FTE. Ms. Williams stated that special groups (Early Enrollment, Kanawha County Collaborative, and several others) are removed for budgeting purposes because they are students that do not pay the regular tuition and fees. The FTE count is collected for the previous fall to spring. In reviewing the budget in April, it was projected that there would be an increase. The FY19 was budgeted based on approximately 1560 fulltime students. As for FY20, the amount is slightly increased but was later decreased to match the 1560 for both fall and spring of the previous year.

The FY19 All Funds Reports as of September 30, 2019 had a target revenue of 25%, with a total revenue collected being 26.7% which puts the University ahead of the projected target.

Auxiliary accounts for FY19 include Athletics, Student Union, Dining Hall, Parking, Faculty Housing, and the Bookstore. The fund started with \$58,456 cash balance. There was an increase in the first quarter of \$476,891. The actuals as of September 30 FY19 versus FY18 year-to-date have an overall \$10,383,299 collected. There was \$1,029,311 more than last year. The expenses overall were less with a net gain of \$235,335.

b. Accounts Payable Report

Accounts Payable as of September 30 FY19 has an overall of \$3,100,469.66. Vendor by Vendor change, September 30, 2019 compared to September 30, 2018. FY 19 has an overall change of \$93,145.50. President Jenkins noted that the payables reports reflects how much cash on hand is possible once the debts are paid down.

c. Accounts Receivable Report

As of September 30 FY19, there is \$388,620 in receivables which has been turned over to collections. There is about a 3% uncollectable for the prior fiscal year. In FY18, the balance due was \$514,576 and receivables decreased by approximately \$126,000. There is currently \$296,505 for fall 2018 semester in accounts receivable. Ms. Dooley asked if the University uses its own method of negotiations in collecting student debt. Ms. Williams stated that other measures can be reviewed in the future.

d. Faculty Housing

Faculty Housing currently has two vacancy as of September 30, 2019 with a beginning cash balance of \$169,122. There was almost \$40,000 collected in revenue and approximately \$21,000 spent with an ending cash balance of \$188,110.48.

6. Next Meeting Date

December 13, 2019

7. Adjournment

With their being no further discussion, Dr. Smith asked for a motion to adjourn. Ms. Dooley motioned to adjourn, and it was seconded by Mr. Gray. Motion carried. The meeting adjourned at 11:00 a.m.

Respectfully Submitted by Natasha Tyson, Administrative Clerk for the Finance Committee,
October 29, 2019.

Approved by:



Kristi Williams

Interim Vice President for Business and Finance

**West Virginia State University Board of Governors
Finance Committee
Budget Report
December 13, 2019**

- I. Purpose
To provide an update on status of the University's budget as of October 31, 2019.

- II. Background
This is a report to compare the YTD actual revenue and expenses against the annual budget projections.

- III. Discussion
Presentation of various highlights to Board members.

- IV. Recommendation(s)
Information.

University Budget - All Funds
FY 2020 Budget / Actual Expenditures 10/31/2019

	Salaries & Benefits					%	Supplies & Other Services					%	Total					Actual %	Notes	Target %
	FY20 Budget	Budget Reduction	Revised FY20 Budget	Fiscal YTD Actual	Difference		FY20 Budget	Budget Reduction	Revised FY20 Budget	Fiscal YTD Actual	Difference		FY20 Budget	Budget Reduction	Revised FY20 Budget	Fiscal YTD Actual	Difference			
State Appropriations													11,342,512	0	11,342,512	4,763,855	6,578,657	42.00%		8.67%
E&G Tuition													10,522,368	0	10,522,368	3,671,555	6,850,813	34.89%		1.56%
Academic Affairs													3,296,243	0	3,296,243	1,626,388	1,669,855	49.34%		16.01%
Student Affairs													6,147,958	0	6,147,958	2,126,622	4,021,336	34.59%		1.26%
President's Area													3,181,160	0	3,181,160	1,733,781	1,447,379	54.50%		21.17%
Athletics													662,144	0	662,144	173,385	488,759	26.19%		-7.14%
University Advancement													247,685	0	247,685	33,650	214,035	13.59%		-19.74%
Finance													3,394,628	0	3,394,628	1,143,589	2,251,039	33.69%		0.36%
College Wide													0	0	0	0	0			
Sub Total of Revenues													38,794,698	0	38,794,698	15,272,824	23,521,874	39.37%		6.04%
Academic Affairs	11,143,793	(345,458)	10,798,335	4,224,369	6,573,966	39.12%	1,675,471	(51,940)	1,623,531	505,225	1,118,307	31.12%	12,819,264	(397,398)	12,421,866	4,729,594	7,692,272	38.07%		4.74%
Student Affairs	1,882,159	(58,347)	1,823,812	644,554	1,179,258	35.34%	6,567,932	(203,606)	6,364,326	2,159,614	4,204,712	33.93%	8,450,091	(261,953)	8,188,138	2,804,168	5,383,970	34.25%		0.92%
President's Area	737,595		737,595	201,988	535,607	27.38%	4,104,739		4,104,739	370,660	3,734,079	9.03%	4,842,335	0	4,842,335	572,649	4,269,686	11.83%		-21.50%
Athletics	1,173,264	(36,371)	1,136,893	423,961	712,932	37.29%	462,144	(14,326)	447,818	246,135	201,683	54.96%	1,635,408	(50,697)	1,584,711	670,096	914,615	42.29%		8.96%
University Advancement	873,748		873,748	301,355	572,393	34.49%	211,643		211,643	70,640	141,003	33.38%	1,085,391	0	1,085,391	371,995	713,396	34.27%		0.94%
Finance	3,568,397	(110,620)	3,457,777	1,256,738	2,201,039	36.35%	4,216,949	(130,725)	4,086,224	1,228,269	2,857,956	30.06%	7,785,346	(241,345)	7,544,001	2,485,007	5,058,994	32.94%		-0.39%
College Wide	0		0	11,512	(11,512)		1,700,000	(52,700)	1,647,300	333,446	1,313,854	20.24%	1,700,000	(52,700)	1,647,300	344,958	1,302,342	20.94%		-12.39%
Sub Total of Expenses	19,378,957	(550,796)	18,828,161	7,064,479	11,763,682	37.52%	18,938,878	(453,297)	18,485,581	4,913,989	13,571,592	26.58%	38,317,835	(1,004,093)	37,313,742	11,978,468	25,335,275	32.10%		-1.23%
Grand Total													476,863	1,004,093	1,480,956	3,294,356				

West Virginia State University
Auxiliary Account Activity for October 2019
Fund 4612

Fund Number	Fund Name	6/30/2019 Fund Balance	10/31/2019 Fund Balance	FY 20 Net Activity
2361	Student Union Operation	(899,056)	(1,152,430)	\$ (253,374.22)
2371 - 2374	Housing	(4,645,424)	(4,629,078)	\$ 16,346.03
2381	Dining Food Services	1,699,917	1,933,478	\$ 233,560.20
2800	Athletics Current	(2,001,013)	(2,120,014)	\$ (119,001.56)
2801 - 2980	Athletic Enhancement Funds	(1,327)	(1,327)	
2580	Faculty Housing	38,282	56,150	\$ 17,867.82
2562	Parking	(133,982)	(91,480)	\$ 42,501.84
2511	Bookstore	6,001,058	6,555,022	\$ 553,964.39
	Fund 4612 Balance	\$ 58,456	\$ 550,320	\$ 491,865
	Balance in All Funds Report		550,320	

FY20 Actual Talking Points

As of 10/31/19

	FY20 Oct 2019	FY19 Oct 2018	Difference
State Appropriations	4,763,855	4,141,721	622,134
E&G Tuition	3,671,555	4,116,029	(444,474)
Academic Affairs	1,626,388	1,141,407	484,981
Student Affairs	2,126,622	1,801,654	324,968
President's Area	1,733,781	676,400	1,057,380
Athletics	173,385	217,426	(44,041)
University Advancement	33,650	36,170	(2,520)
Finance	1,143,589	1,545,086	(401,497)
College Wide	0	0	0
Sub Total of Revenues	15,272,824	13,675,894	1,596,930
Academic Affairs	4,729,594	4,443,226	286,368
Student Affairs	2,804,168	2,075,172	728,996
President's Area	572,649	817,028	(244,379)
Athletics	670,096	505,426	164,670
University Advancement	371,995	257,895	114,101
Finance	2,485,007	2,617,306	(132,299)
College Wide	344,958	765,745	(420,786)
Sub Total of Expenses	11,978,468	11,481,799	496,669
Grand Total	3,294,356	2,194,095	1,100,261

**West Virginia State University Board of Governors
Finance Committee
Accounts Payable Update
December 13, 2019**

- I. Purpose
To provide an update on status of the University's outstanding invoices payable as of October 31, 2019.

- II. Background
This information was requested by members of the Finance Committee.

- III. Discussion
Presentation of invoices payable by vendor and the change in payables from same time previous year.

- IV. Recommendation(s)
Information.

Accounts Payable as of 10/31/2019
Vendor List - Alpha Order

Vendor Legal Name	Oct 2019
APPALACHIAN POWER CO Total	110,211.68
AUTOMOTIVE RENTALS INC Total	6,302.46
BB & T Total	3,122.16
BELINDA FULLER Total	243.00
BIG SIGNS COM Total	5,694.00
BRANDED CUSTOM SPORTSWEAR INC Total	3,412.80
BSN SPORTS Total	27,693.46
CDW GOVERNMENT LLC Total	1,930.14
CENGAGE LEARNING INC Total	7,920.11
CEP Incorporated Total	1,950.00
COLLEGE SOURCE INC Total	3,013.00
CONTEMPORARY GALLERIES Total	6,841.39
D & H DISTRIBUTING CO Total	6,866.28
DAKTRONICS INC Total	1,750.00
DEBRA H YOUNG Total	500.00
DELL MARKETING LP Total	8,242.13
Dell Total	8,480.48
DOUGLAS STEWART CO INC ' Total	629.00
DUNBAR SANITARY BOARD Total	6,828.25
EBSCO INDUSTRIES INC Total	30,221.00
EDUCATION SYSTEMS INC Total	4,900.00
ELECTRONIC SPECIALTY COMPANY Total	18,981.00
FOREMOST MEDICAL EQUIPMENT LLC Total	1,057.00
FRITO LAY Total	152.33
FROMUTH TENNIS Total	475.00
FRONTIER Total	7,981.25
GARB ALTERNATIVE SPORTWEAR INC Total	365.40
GCA SERVICES GROUP Total	610,682.13
GLENNS SPORTING GOODS INC Total	4,193.60
GUARDIAN INNOVATIONS LLC Total	1,642.55
HCC MEDICAL INSURANCE SERVICES LLC Total	8,691.71
HENRY SCHEIN INC Total	6,926.59
HUNTINGTON NATIONAL BANK Total	3,000.00
IATSE LOCAL 271 LABOR CTR LLC Total	1,299.19
ICM DISTRIBUTING CO INC Total	389.72
INSTITUTE VFD Total	3,200.00
Intoprint Total	70.00
King, Patricia Total	63.80
LEAVE A LEGACY OF CENTRAL APPALACHIA Total	250.00
LUMOS NETWORKS LLC Total	284.08
MARILYN SUE TAYLOR WOODWARD Total	247.50
Mazzella, Rebecca Total	266.00
MCGRAW HILL GLOBAL EDUCATION HOLDINGS LLC Total	3,508.78
MERCHANTS AUTOMOTIVE GROUP INC Total	16,266.60
MIDWEST LIBRARY SERVICE Total	14,341.87
Millcraft Total	3,491.40
MOODYS INVESTORS SERVICE INC Total	8,500.00
MORGANTOWN PRINTING & BINDING Total	9,165.00
MOUNTAIN EAST CONFERENCE INC Total	76,574.00
MOUNTAINEER GAS CO Total	3,996.91

Accounts Payable as of 10/31/2019
Vendor List - Alpha Order

Vendor Legal Name	Oct 2019
MPS Total	2,000.00
Neon Entertainment Total	2,580.00
NEWSBANK INC Total	7,700.00
OCLC Total	670.85
OPEN PRESENCE INC Total	8,300.00
OUTSOLVE LLC Total	1,450.00
PEARSON EDUCATION INC Total	13,059.12
Peoplwork Solutions Inc Total	1,666.68
PIONEER TRAILS INC Total	19,000.00
PITNEY BOWES Total	7,935.72
PROQUEST LLC Total	13,371.72
RAWLINGS SPORTING GOODS CO INC Total	3,068.00
Refurble Inc Total	1,697.50
REGROUP Total	6,877.00
RESPONDUS INC Total	1,695.00
RICHARDSON SPORTS INC Total	1,333.20
RITA F BAILEY Total	3,000.00
RUFFALO NOEL LEVITZ LLC Total	15,500.00
SOMERVILLE & CO PLLC Total	292.50
STUDIMO Total	2,100.00
Swagger, Michael Total	1,500.00
TEXAS BOOK CO Total	4,764.68
TGRAPHICS LLC Total	1,903.20
THOMPSON HOSPITALITY SERVICES LLC Total	1,789,047.65
TOBACCO ROAD TEES LLC Total	1,758.32
TRI STATE ROOFING & SHEET METAL CO Total	4,752.35
Valley Gardens Total	4,900.00
VISTA HIGHER LEARNING Total	12,600.00
W W NORTON & CO INC Total	7,632.15
W. Nuhsbaum, Inc. Total	4,270.00
Watermark Insights LLC Total	10,968.75
WEST DUNBAR PSD Total	256.60
WILLIAMS & FUDGE INC Total	10,092.37
Workforce WV Total	3,512.93
WT COX INFORMATION SERVICES Total	6,332.97
WV AM WATER CO Total	23,289.43
WV OUTDOOR Total	4,000.00
WV ROUNDTABLE INC Total	2,000.00
WV STATE UNIV FOUNDATION INC Total	707.98
WVNET Total	227,684.72
XEROX CORPORATION Total	22,609.24
Total	3,310,695.38

Accounts Payable as of 10/31/2019
Variance By Vendor

Vendor Legal Name	Oct 2019	Vendor Legal Name	Oct 2018	Difference
		ADOBE SYSTEMS INC Total	11,769.24	(11,769.24)
		ADVANTAGE TECHNOLOGY LLC Total	30,180.80	(30,180.80)
APPALACHIAN POWER CO Total	110,211.68	APPALACHIAN POWER CO Total	104,618.75	5,592.93
AUTOMOTIVE RENTALS INC Total	6,302.46	AUTOMOTIVE RENTALS INC Total	1,617.03	4,685.43
BB & T Total	3,122.16	BB & T Total	9,139.68	(6,017.52)
BELINDA FULLER Total	243.00			243.00
BIG SIGNS COM Total	5,694.00			5,694.00
BRANDED CUSTOM SPORTSWEAR INC Total	3,412.80			3,412.80
BSN SPORTS Total	27,693.46	BSN SPORTS Total	39,641.92	(11,948.46)
CDW GOVERNMENT LLC Total	1,930.14			1,930.14
CENGAGE LEARNING INC Total	7,920.11			7,920.11
CEP Incorporated Total	1,950.00			1,950.00
		CHARLESTON NEWSPAPERS Total	600.00	(600.00)
COLLEGE SOURCE INC Total	3,013.00			3,013.00
CONTEMPORARY GALLERIES Total	6,841.39			6,841.39
D & H DISTRIBUTING CO Total	6,866.28			6,866.28
		DATAPAGES INC Total	1,200.00	(1,200.00)
DAKTRONICS INC Total	1,750.00			1,750.00
DEBRA H YOUNG Total	500.00			500.00
DELL MARKETING LP Total	16,722.61	DELL MARKETING LP Total	2,557.50	14,165.11
DOUGLAS STEWART CO INC ' Total	629.00			629.00
DUNBAR SANITARY BOARD Total	6,828.25			6,828.25
EBSCO INDUSTRIES INC Total	30,221.00	EBSCO Total	18,342.00	11,879.00
EDUCATION SYSTEMS INC Total	4,900.00	EDUCATION SYSTEMS INC Total	28,800.00	(23,900.00)
ELECTRONIC SPECIALTY COMPANY Total	18,981.00	ELECTRONIC SPECIALTY CO Total	780.00	18,201.00
		EVENT PRODUCTION LLC Total	1,548.20	(1,548.20)
		FAIRMONT STATE UNIV Total	50.00	(50.00)
		FERGUSON ENTERPRISES INC Total	12,665.00	(12,665.00)
FOREMOST MEDICAL EQUIPMENT LLC Total	1,057.00			1,057.00
FRITO LAY Total	152.33	FRITO LAY Total	137.73	14.60
FROMUTH TENNIS Total	475.00			475.00
FRONTIER Total	7,981.25	FRONTIER Total	7,817.16	164.09
		GALE CENGAGE LEARNING INC Total	7,542.96	(7,542.96)
GARB ALTERNATIVE SPORTWEAR INC Total	365.40			365.40
GCA SERVICES GROUP Total	610,682.13	GCA SERVICES GROUP Total	583,752.06	26,930.07
GLENNS SPORTING GOODS INC Total	4,193.60			4,193.60
GUARDIAN INNOVATIONS LLC Total	1,642.55			1,642.55
		HARRISON CO BD OF EDUCATION Total	50.00	(50.00)
HCC MEDICAL INSURANCE SERVICES LLC Total	8,691.71			8,691.71
HENRY SCHEIN INC Total	6,926.59			6,926.59
		HF GROUP LLC Total	177.06	(177.06)
		HIGHER LEARNING COMMISSION Total	500.00	(500.00)
HUNTINGTON NATIONAL BANK Total	3,000.00	HUNTINGTON NATL BANK Total	7,235.47	(4,235.47)
IATSE LOCAL 271 LABOR CTR LLC Total	1,299.19			1,299.19
ICM DISTRIBUTING CO INC Total	389.72			389.72
INSTITUTE VFD Total	3,200.00			3,200.00
Intoprint Total	70.00			70.00
King, Patricia Total	63.80			63.80
		KRYSTAL TOLLIVER Total	157.09	(157.09)
LEAVE A LEGACY OF CENTRAL APPALACHIA Total	250.00			250.00
		LEE HARTMAN & SONS INC Total	5,198.22	(5,198.22)
LUMOS NETWORKS LLC Total	284.08			284.08
		MALDEN PSD Total	84.03	(84.03)
MARILYN SUE TAYLOR WOODWARD Total	247.50			247.50
		MATTHEW BENDER & CO INC Total	1,041.36	(1,041.36)
Mazzella, Rebecca Total	266.00			266.00
		MBC CONSTRUCTION Total	2,660.00	(2,660.00)
		MBS TEXTBOOK EXCHANGE INC Total	986.56	(986.56)
MCGRAW HILL GLOBAL EDUCATION HOLDINGS LLC Total	3,508.78			3,508.78
MERCHANTS AUTOMOTIVE GROUP INC Total	16,266.60			16,266.60
MIDWEST LIBRARY SERVICE Total	14,341.87			14,341.87
Millcraft Total	3,491.40			3,491.40
MOODYS INVESTORS SERVICE INC Total	8,500.00	MOODYS INVESTORS SERVICE Total	8,000.00	500.00
		MOREHEAD STATE UNIV Total	20.00	(20.00)
MORGANTOWN PRINTING & BINDING Total	9,165.00			9,165.00
MOUNTAIN EAST CONFERENCE INC Total	76,574.00			76,574.00
MOUNTAINEER GAS CO Total	3,996.91	MOUNTAINEER GAS CO Total	2,566.22	1,430.69
MPS Total	2,000.00			2,000.00
Neon Entertainment Total	2,580.00			2,580.00
NEWSBANK INC Total	7,700.00	NEWSBANK INC Total	220.00	7,480.00
OCLC Total	670.85	NEWTECH SYSTEMS INC Total	34,922.30	(34,251.45)
OPEN PRESENCE INC Total	8,300.00			8,300.00
OUTSOLVE LLC Total	1,450.00			1,450.00
PEARSON EDUCATION INC Total	13,059.12			13,059.12
Peoplwork Solutions Inc Total	1,666.68	PEOPLEWORK SOLUTIONS INC Total	416.67	1,250.01
		PEPSI BOTTLING GROUP Total	1,706.39	(1,706.39)

Accounts Payable as of 10/31/2019
Variance By Vendor

Vendor Legal Name	Oct 2019	Vendor Legal Name	Oct 2018	Difference
PIONEER TRAILS INC Total	19,000.00			19,000.00
PITNEY BOWES Total	7,935.72	PITNEY BOWES Total	15,510.36	(7,574.64)
PROQUEST LLC Total	13,371.72	PROQUEST LLC Total	14,370.00	(998.28)
RAWLINGS SPORTING GOODS CO INC Total	3,068.00			3,068.00
Refurble Inc Total	1,697.50			1,697.50
REGROUP Total	6,877.00			6,877.00
RESPONDUS INC Total	1,695.00			1,695.00
		RESERVE ACCOUNT PITNEY BOWES Total	10,000.00	(10,000.00)
		RESERVE OIL & GAS INC Total	11,241.12	(11,241.12)
RICHARDSON SPORTS INC Total	1,333.20			1,333.20
RITA F BAILEY Total	3,000.00			3,000.00
RUFFALO NOEL LEVITZ LLC Total	15,500.00			15,500.00
SOMERVILLE & CO PLLC Total	292.50			292.50
		SONOCENT LLC Total	2,000.00	(2,000.00)
STUDIMO Total	2,100.00	STUDIMO Total	2,100.00	0.00
		SYMPPLICITY CORP Total	4,010.10	(4,010.10)
Swagger, Michael Total	1,500.00			1,500.00
TEXAS BOOK CO Total	4,764.68			4,764.68
TGRAPHICS LLC Total	1,903.20			1,903.20
THOMPSON HOSPITALITY SERVICES LLC Total	1,789,047.65	THOMPSON HOSPITALITY SERVICES LLC Total	1,807,732.14	(18,684.49)
TOBACCO ROAD TEES LLC Total	1,758.32	TOBACCO ROAD TEES LLC Total	1,825.19	(66.87)
TRI STATE ROOFING & SHEET METAL CO Total	4,752.35			4,752.35
		TURNITIN LLC Total	16,240.20	(16,240.20)
		UNITED WAY OF CENTRAL WV Total	5,200.00	(5,200.00)
Valley Gardens Total	4,900.00			4,900.00
VISTA HIGHER LEARNING Total	12,600.00			12,600.00
		VTLS INC Total	39,565.65	(39,565.65)
W W NORTON & CO INC Total	7,632.15			7,632.15
W. Nuhsbaum, Inc. Total	4,270.00			4,270.00
Watermark Insights LLC Total	10,968.75			10,968.75
		WEALTHENGINE INC Total	3,665.00	(3,665.00)
WEST DUNBAR PSD Total	256.60			256.60
		WEST VIRGINIA UNIVERSITY FOUNDATION INC Total	500.00	(500.00)
		WEX BANK Total	43.89	(43.89)
WILLIAMS & FUDGE INC Total	10,092.37	WILLIAMS & FUDGE INC Total	18,076.64	(7,984.27)
Workforce WV Total	3,512.93	WORKFORCE WV UNEMPLOYMENT COMPENSATION DIV Total	4,847.10	(1,334.17)
WT COX INFORMATION SERVICES Total	6,332.97	WT COX INFORMATION SERVICES Total	39,155.33	(32,822.36)
WV AM WATER CO Total	23,289.43	WV AM WATER CO Total	253.17	23,036.26
WV OUTDOOR Total	4,000.00	WV OUTDOOR Total	5,025.00	(1,025.00)
WV ROUNDTABLE INC Total	2,000.00			2,000.00
WV STATE UNIV FOUNDATION INC Total	707.98	WV STATE UNIV FOUNDATION INC Total	10,538.34	(9,830.36)
		WVACRAO Total	100.00	(100.00)
WVNET Total	227,684.72	WVNET	235,440.00	(7,755.28)
		WVSU NBS-AERHO Total	350.00	(350.00)
		WVSU RESEARCH & DEVELOPMENT CORP Total	1,042.00	(1,042.00)
		WVU OFFICE OF ADMISSIONS & RECORDS Total	40.00	(40.00)
XEROX CORPORATION Total	22,609.24	XEROX CORP Total	37,719.73	(15,110.49)
Grand Total	3,310,695.38	Grand Total	3,215,292.36	95,403.02

**Accounts Payable as of 10/31/19
Aging Summary**

	2019	2018	Difference	
Over 300	976,582.90	1,294,406.43	(317,823.53)	Thompson Hospitality and WVNI
120 - 299 days	734,406.74	785,897.31	(51,490.57)	Thompson Hospitality, WVNET &
90 - 119 days	94,973.02	141,520.68	(46,547.66)	
60 - 89 days	695,881.66	280,650.51	415,231.15	
0 - 59 days	<u>808,851.06</u>	<u>712,817.43</u>	<u>96,033.63</u>	
Total	3,310,695.38	3,215,292.36	95,403.02	

**West Virginia State University Board of Governors
Finance Committee
Accounts Receivable Update
December 13, 2019**

- I. Purpose
To provide an update on status of the University's student receivables as of October 31, 2019.
- II. Background
This information was requested by members of the Finance Committee.
- III. Discussion
Presentation of summary information as to how much students owe the University.
- IV. Recommendation(s)
Information.

**Accounts Receivable Summary
Trend Data
As of October 31, 2019**

AS Of October 31, 2019	Total Tuition Assessed to Student		% of Tuition Uncollected	Number of Student Accounts with Average		AS Of October 31, 2018	Total Tuition Assessed to Student		% of Tuition Uncollected	Number of Student Accounts with Average	
	Accounts	Total Receivable		Balances Due	Balance		Accounts	Total Receivable		Balances Due	Balance
Fall 2017	7,960,355	\$ 198,939	2%	511	\$ 389	Fall 2017	7,960,355	\$ 232,547	3%	444	\$ 524
Spring 2018	7,282,877	\$ 162,633	2%	270	\$ 602	Spring 2018	7,287,521	\$ 218,473	3%	385	\$ 568
Summer 2018	616,175	\$ 17,339	3%	9	\$ 1,927	Summer 2018	618,071	\$ 30,967	5%	21	\$ 1,475
Total		\$ 378,911		790		Total		\$ 481,987		850	
Change from Prior Year		\$ (103,076)		(60)							
Fall 2018	8,009,528	\$ 239,375	3%	438	\$ 547	Fall 2018	7,614,416	\$ 1,549,506	20%	1761	880
Spring 2019	8,044,582	\$ 203,461	3%	424	\$ 480	Spring 2019					
Summer 2019	656,983	\$ 67,075	10%	70	\$ 958	Summer 2019					
Total		\$ 509,911		932		Total		\$ 1,549,506		1,761	
Change from Prior Year		(1,039,595)		(829)							
Fall 2019	7,210,746	\$ 1,285,301	18%	2,546	\$ 505						

**West Virginia State University Board of Governors
Finance Committee
Faculty Housing Update
December 13, 2019**

- I. Purpose
To provide an update on status of the University's Faculty Housing as of October 31, 2019.
- II. Background
This information was requested by members of the Finance Committee.
- III. Discussion
Presentation of summary information for prior fiscal years and YTD info for current fiscal year.
- IV. Recommendation(s)
Information.

**West Virginia State University
Faculty Housing Summary**

	FY20 as of 10/31/19	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Beginning Cash	169,122.65	125,406.01	94,494.86	46,294.23	31,815.18	21,491.58	65,635.65	20,093.62
Revenue	46,357.74	96,718.06	72,653.04	102,078.42	97,964.89	104,137.76	106,350.35	143,268.48
Expense	27,360.71	53,001.42	41,741.89	53,877.79	83,485.84	93,814.16	150,494.42	97,726.45
Ending Cash	188,119.68	169,122.65	125,406.01	94,494.86	46,294.23	31,815.18	21,491.58	65,635.65

2 Vacant homes

Agenda
West Virginia State University Board of Governors
Adhoc Bylaws and Policies Review Committee
Erickson Alumni Center, Grand Hall
December 13, 2019
10:00 a.m.

1. Call to Order and Roll Call -- Committee Chair Mark Kelley, presiding
2. Verification of Appropriate Notice of Public Meeting
3. Review and Approval of Agenda Action
4. Review and Approval of November 19, 2019 Meeting Minutes Action
5. Committee Discussion Action
 - 5.1 Bylaws and Meeting Structure
 - 5.2 Procedures and Timeline for updating Board Policies
 - 5.3 Reaffirmation of the University Mission
6. Other Matters
7. Next Meeting Date – *TBA*
8. Adjournment

Agenda prepared by Crystal Walker, Committee Clerk, December 2, 2019

**Board of Governors
West Virginia State University
Adhoc Bylaws and Policies Committee**

Date/Time: 12/13/2019 -- 10:00 AM

Location:

Erickson Alumni Center
Grand hall
West Virginia State University

Purpose: To conduct the regular business of the Board.

Notes:

Meeting was approved : 11/25/2019 8:31:17 AM

Meeting Minutes
West Virginia State University Board of Governors
5 X cWBylaws and Policies Special Committee
Erickson Alumni Center, Weisberg Lounge
November 19, 2019
2:00 p.m.

1. Call to Order and Roll Call

Mr. Kelley called the meeting to order at 2:07 p.m. and asked for the roll call.

Members Present: Mr. Davis, Mr. Jones, and Mr. Kelley

Members Absent: Ms. Dooley

2. Verification of Appropriate Notice of Public Meeting

Mr. Kelley verified the Appropriate Notice of Public Meeting.

3. Review and Approval of Agenda

Mr. Davis motioned for approval of the agenda as presented. Mr. Jones seconded the motion, and the motion carried.

4. Review and Approval of September 5, 2019 Minutes

Mr. Davis motioned for approval of the minutes of the September 5, 2019 meeting. Mr. Jones seconded the motion, and the motion carried.

5. Discussion and Updates

Dr. Thomas informed the Committee that the HEPC Title 133-49 regarding the new Accountability System is now before LOCEA and awaiting approval. There was agreement that the Committee would recommend an action to remove or update language in the Bylaws regarding the old compact and report card, as well as any new requirements after the new rule has been approved.

For Title 133 Series 10 regarding Program Reviews, Dr. Vaughan was to bring a recommendation from the Faculty Senate on the program review overview and materials for the Board to approve. Mr. Kelley asked Dr. Thomas to follow-up with Dr. Vaughan about the status of the proposal and a date for the Committee to review.

6. Proposed Revision of Bylaws Article II. Meetings

Mr. Kelley led a discussion about changing the structure of the Board Committee meetings. Mr. Jones shared that the purpose of the new structure was to have all Board members serve on the four regular Board Committees without membership restrictions for a quorum and depth of information. The concern was scheduling the appropriate time for each committee to maximize Board participation.

Mr. Kelley will discuss the protocol for action items when a Committee is operating as a whole needed to be voted on again during the full Board meeting. There was a consensus for the consideration of many variables as the Board continues with the new structure. Mr. Kelley stated that he would draft the proposed language for the Bylaws regarding Committees.

Dr. Thomas requested that to support administrators, for the Board Chairs to proof the Draft Minutes for corrections or edits, and to submit any agenda items for preparing the next meeting agenda. A suggestion for developing only two meeting notices for Board Committee Meetings and the Full Board Meeting. There would be two Agendas that incorporated the Committee information, and the other for the Full Board information.

7. Other Matters

Dr. Thomas indicated that Mrs. Williams requested an agenda item for proposed revisions to the existing policy on background checks for employees. The proposed changes will be brought before the Committee later for consideration.

The Committee discussed the procedure for revising Board policies to align with updated legislative rules guided by Title 133 Procedural Rule, West Virginia Higher Education Policy Commission, Series 4, Rules and Administrative Procedures. The Committee will discuss a timeline for completion.

Dr. Thomas asked about the reaffirmation of the university mission by the governing board. For assurance that the business of the University and Board aligns with the university mission.

8. Next Meeting Date

December 13, 2019

9. Adjournment

With there being no further business, Mr. Jones motioned for adjournment. Mr. Davis seconded the motion, and the meeting adjourned at 2:54 p.m.

Respectfully Submitted by – Crystal Walker – Committee Clerk, December 2, 2019

**West Virginia State University Board of Governors
Adhoc Bylaws and Policies Committee FYdcfh
West Virginia Legislative Rules
December 13, 2019**

I. Purpose

The Legislative Rules will guide updating current Board policies and inform protocol.

II. Background

Title 133 Procedural Rule WV Higher Education Policy Commission
Series 4: Rules and Administrative Procedures. Establishes the process for adoption, amendment, or repeal of rules and posting and publication of rules and administrative procedures by state institutions of higher education under the jurisdiction of the West Virginia Higher Education Policy Commission. The final document repeals and replaces previous Series 4 dated April 19, 2013, Effective September 28, 2018.

Title 133 Procedural Rule WV Higher Education Policy Commission
Series 3: Higher Education Report Card is under revision awaiting action with LOCEA.

Title 133: Procedural Rule WV Higher Education Policy Commission
Series 49: Accountability System is in progress to be repealed with the Higher Education Policy Commission.

Title 133: Procedural Rule WV Higher Education Policy Commission
Series 10: Policy Regarding Program Review. This rule delineates the responsibilities of the institutional governing boards and the Higher Education Policy Commission in the review of existing academic programs.

Title 133: Procedural Rule WV Higher Education Policy Commission
Series 11: Submission of Proposals for Academic Programs at Public Regional Institutions and the Monitoring and Discontinuance of Existing Programs, delineates the responsibilities of the WV HEPC in the approval and discontinuance of academic programs and establishes processes for institutions in seeking Commission approval of new academic programs.

Title 133: Legislative Rule WV Higher Education Policy Commission
Series 5: Guidelines for Governing Boards in Employing and Evaluating Presidents establishes the regulatory process for employing and evaluating presidents. Effective April 29, 2019. The rule shall terminate and have no further force or effect upon April 29, 2024.

**Recommendation(s)
Information**

**TITLE 133
PROCEDURAL RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**SERIES 4
RULES AND ADMINISTRATIVE PROCEDURES**

§133-4-1. General.

1.1. Scope. Rule establishing process for adoption, amendment, or repeal of rules and posting and publication of rules and administrative procedures by state institutions of higher education under the jurisdiction of the West Virginia Higher Education Policy Commission (Commission).

1.2. Authority. West Virginia Code §18B-1-6(c)(3).

1.3. Filing Date. August 28, 2018.

1.4. Effective Date. September 28, 2018.

1.5. Repeals and replaces previous Series 4 dated April 19, 2013.

§133-4-2. Definitions.

2.1. Rule. Any regulation, guideline, directive, standard, statement of policy or interpretation of general application which has institution-wide effect or affects the rights, privileges or interests of employees, students or citizens. The following are not rules:

2.1.a. Regulations, guidelines or policies established for individual units, divisions, departments or schools of the institution that deal solely with the internal management or responsibilities of a single unit, division, department or school; or

2.1.b. Academic curricular policies that do not constitute a mission change for the institution.

2.2. Administrative Procedure. Any regulation, guideline, directive, standard or statement of policy or interpretation of future effect that does not qualify as a “rule.”

§133-4-3. Application.

3.1. This rule shall apply to the adoption, amendment, or repeal of any rule by a governing board of any public higher education institution under the Commission’s jurisdiction, as well as to the posting and publication of rules and administrative procedures.

3.2. A governing board may not delegate responsibility for approving a rule to the President.

3.3. The Chancellor shall periodically advise institutions of topics that should be dealt with only through the rule-making process. If the governing board or President of an institution is unsure whether the rulemaking process must be used, the governing board or President shall seek guidance from the Chancellor or his/her designee.

3.4. Each institution’s governing board shall adopt a rule that outlines the rulemaking process at that institution pursuant to this rule and West Virginia Code.

3.5. No rule shall be adopted, amended, or repealed by a governing board without the appropriate provisions in this rule and its own rule on rules being met.

§133-4-4. Rulemaking Process.

4.1. Consultation. Institution officers are encouraged to consult with interested groups before presenting a proposed rule to the governing board for consideration.

4.2. Approval of Proposed Notice and Rulemaking. If a governing board determines that a rule concerning a subject matter under the governing board's jurisdiction should be adopted, amended, or repealed, the governing board shall approve a notice of proposed rulemaking. A notice of proposed rulemaking shall include:

4.2.a. A brief description of the subject matter of the rule, an explanation of how comments will be received, the deadline for receiving comments, and contact information for the person who has been designated to receive comments; and

4.2.b. A copy of the proposed rule if adoption or amendment is proposed or a copy of the current rule if repeal is proposed.

4.3. Notice of Proposed Rulemaking. Notices of proposed rulemaking shall be provided directly to the Chancellor, those persons representing students, faculty, and staff at the institution, and other interested parties. In addition, notices of proposed rulemaking shall be posted prominently at a location or locations accessible to the public and identified in the institution's rule on rules, as well as posted on the institution's website, and copies be made available at no cost to any requester.

4.4. Comment Period. Except for emergency rules, a notice of proposed rulemaking must provide for a public comment period of at least thirty (30) days during which written comments will be received before final adoption of the rule. A President or governing board may also provide for a public hearing.

4.5. Approval of Final Rule.

4.5.a. If a governing board originally approved a notice of rulemaking at a previous meeting and no comments are received during the comment period, a proposed rule need not be re-approved by the governing board if the board provides so at the time it approves the proposed rule.

4.5.b. If written comments are received or a hearing held during the comment period, the governing board shall summarize the comments received and/or made and make a determination concerning each issue raised. The governing board may amend a proposed rule as a result of the comments or evidence received. All written comments and evidence received and determinations made by the governing board shall be made available in the manner set out in Section 4.3 of this rule at least ten (10) days prior to the meeting in which the governing board gives final approval to the rule and be carefully preserved by the institution and open for public inspection and copying for a period of at least five (5) years from the date of final board action.

4.5.c. The institution shall furnish the Chancellor or his/her designee with a copy of the final proposed rule fifteen (15) days prior to the governing board's formal adoption of the final rule.

4.5.d. Except as set forth in Section 4.5.f of this rule, any rule adopted by a governing board shall not be effective until reviewed and commented on by the Chancellor or his/her designee. The Chancellor or his/her designee shall notify the governing board of any specific or general objections to the rule within fifteen (15) days of receiving the proposed rule and allow the governing board to address the objections.

4.5.e. In situations where the governing boards have been given authority that inherently requires the governing board to promulgate and adopt a rule, that authority is void until the governing board adopts a rule in a manner consistent with this rule and West Virginia Code.

4.5.f. Any rule adopted by the governing boards of the exempted schools under West Virginia Code §18B-1-2 shall not be subject to Section 4.5.d. of this rule. However, the exempted schools shall submit their proposed rule to the Chancellor and the Chancellor shall submit any comments or suggestions to the governing board within fifteen (15) days. Any comments or suggestions made by the Chancellor regarding a proposed rule by any governing boards of non-exempted schools may not become effective or implemented until the governing board places the comments or suggestions on its agenda and considers them at a meeting of the governing board.

§133-4-5. Posting and Publication of Approved Rules.

5.1. Approved rules shall be posted prominently at a location or locations identified in the institution's rule on rules, as well as on the institution's website, and copies shall be made available at no cost to any requester.

5.2. Approved rules shall be enumerated in a manner that makes them easily identifiable.

5.3. No later than October 1 of each year, each institutional governing board shall file with the Commission a list of all institutional rules that were in effect on the first day of July of that year, as well as a list of institutional rules repealed during the preceding year.

5.3.a. For each rule listed, the governing board shall identify the most recent date on which each rule was adopted, amended or repealed.

5.3.b. The list shall include a statement by the chair of the governing board certifying that the governing board complied with the provisions of West Virginia Code §18B-1-6 and this rule when each rule was adopted.

§133-4-6. Emergency Rules.

6.1. In the case of an emergency, a governing board of a non-exempted school may adopt, amend, or repeal a rule without first following the procedure set out in this rule. An exempted school's governing board shall include any such authority in its own rule on rules.

6.2. For the purpose of this section, an emergency exists when the adoption, amendment, or repeal of a rule is necessary for the immediate preservation of the public peace, health, safety or welfare, or is necessary to comply with a time limitation established by state or federal law or regulation or a directive or rule of the Commission, or to prevent substantial harm to the public interest, or to deal with financial exigency. The facts constituting an emergency shall be communicated in writing in advance to the Chancellor, who shall disapprove the action of the governing board if the Chancellor, or his/her designee, disagrees that an emergency existed.

6.3. Any emergency rule shall remain in effect no longer than three (3) months and shall expire unless a final rule has been approved under the normal process set out in this rule.

§133-4-7. Administrative Procedures.

7.1. This rule contains no restrictions on the adoption, amendment or repeal of administrative procedures. A governing board, however, is free to impose restrictions on this process.

7.2. The institution shall post administrative procedures prominently at places where those subject to the administrative procedures are likely to see them.

§133-4-8. Enforceability.

8.1. Any institution rule that fits within the definition contained in Section 2.1 of this rule, but which has not previously been adopted by a formal vote of the governing board, must be adopted, amended or repealed by the governing board on or before July 1, 2006, or it shall be void and may not be enforced.

8.2. Any institution rule adopted, amended or repealed after the effective date of this rule in a manner inconsistent with the provisions of this rule shall be void and may not be enforced.

8.3. Any institution rule or policy statement not posted in a manner consistent with the provisions of this rule may not be enforced.

**TITLE 133
LEGISLATIVE RULE**

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

**SERIES 3
HIGHER EDUCATION REPORT CARD ACCOUNTABILITY SYSTEM**

§133-3-1. General.

1.1. Scope. -- This rule ~~establishes definitions, guidelines and procedures which will direct the development of the database and the comparable information to be included in the annually published Higher Education Report Card.~~ sets forth an accountability system for West Virginia public higher education institutions under the jurisdiction of the West Virginia Higher Education Policy Commission (Commission).

1.2. Authority. -- W. Va. Code ~~§18B-1-8a, §18B-1-1a, §18B-1-6, and §18B-1-8, §18B-1B-4, §18B-1D-1, and §18B-1D-8.~~

1.3. Filing Date. -- ~~April 9, 2002.~~

1.4. Effective Date. -- ~~April 9, 2002.~~

1.5. ~~This Rule repeals and replaces 128-16 and 131-16 which became effective on June 9, 1996. Sunset Date. -- This rule shall terminate and have no further force or effect upon~~

§133-3-2. Purpose.

2.1. ~~The primary purposes of this report are to:~~ This rule describes the responsibilities of the Commission and public higher education institutions under its jurisdiction to West Virginia taxpayers for the performance of the state public higher education system.

2.2. The rule sets forth an accountability system for the Commission and institutions under its jurisdiction.

2.3. The rule defines requirements for a public reporting system that facilitates the dissemination of higher education accountability data through internet-based data tools and published reports. At a minimum, the public reporting system must:

2.3.1. Provide basic thorough and consistent data and other relevant information to be used in assessing progress of the Higher Education Policy Commission and its member institutions toward the goals and objectives as stated in W. Va. Code §18B-1-1a;

2.3.2. Provide a basis for comparing institutional and system performance with regional and national norms toward accomplishing the goals and objectives as stated in W. Va. Code §18B-1-1a;

2.3.3. Provide information to assist the Commission in assessing institutional and system progress toward statewide and institutional higher education goals;

2.43.4. Provide additional information to assist the Commission in assessing institutional and system progress relative to historical, regional, and national trends;

2.43.5. Serve students, parents, faculty, staff, state policymakers and the public as a neutral and credible source of information available to parents, students, faculty, staff, state policymakers, and the general public on about the overall quality and performance of public higher education in West Virginia.

§133-3-3. Definitions.

3.1. “Accountability System.” All research, reports, documents, data and any other materials, the collection, analysis and dissemination of which are necessary to accomplish the purpose of this rule. The system includes goals, objectives and priorities, public policy agendas, implementation plans, institutional mission statements and master plans, the statewide annual report, and the statewide data reporting system.

3.2. “Goal.” A long-term public purpose that is a desired and expected result for which public higher education is established.

3.3. “Higher Education Institution” or “Institution.” Bluefield State College, Concord University, Fairmont State University, Glenville State College, Marshall University, Shepherd University, West Liberty University, West Virginia School of Osteopathic Medicine, West Virginia State University, and West Virginia University, including Potomac State College and West Virginia University Institute of Technology.

3.4. “Key Performance Indicator.” A quantifiable measure used to evaluate the success of an organization in meeting objectives for performance.

3.5. “Objective.” End to be accomplished or attained within a specified period of time for the purpose of meeting established goals.

3.6. “Priority.” The order in which objectives are to be addressed for the purpose of achieving state goals.

3.7. “State Compact.” A formal written agreement between the Commission and at least one other external entity to achieve state goals and objectives where significant collaboration and commitment of resources between the partners to the agreement is required in order to achieve the desired results.

3.8. “Statewide Annual Report.” A report or series of reports that outlines significant trends, identifies major areas of concern, and assesses the progress of Commission and the institutions under its jurisdiction toward achieving state, system or institution goals or objectives.

3.9. “Statewide Data Reporting System.” A collection of information management tools that provide public access to data on the performance of the Commission and institutions under its jurisdiction.

§133-3-34. General Guidelines for Data Collection and Reporting.

34.1. The following will guide the further development of the existing higher education database and the collection of data which will comprise the ~~Higher Education Report Card~~ Statewide Data Reporting System and the Statewide Annual Report:

~~34.1.1.~~ All data reported will be based on uniform and consistent definitions as established by the Commission.

~~34.1.2.~~ Institutional requirements for additional record keeping and reporting will be minimized.

~~34.1.3.~~ Data element collection procedures and report timelines will be established by the Commission.

~~3.1.4.~~ The Higher Education Report Card shall be brief and contain concise, non-technical language, including relevant explanations.

~~3.1.5.~~ The preparation, printing, and distribution of the Higher Education Report Card will follow a schedule determined by the Commission so that the final document will be prepared by January 1 of each year. The Commission shall provide technical assistance (as needed) in data collection and reporting.

~~3.1.6.~~ The Higher Education Report Card shall be prepared using institutional, system, and state, regional, and national data as applicable and available indicating performance of the individual institutions and public higher education as a whole. It shall be based upon information for the preceding academic school year, or for the most recent complete school year for which such information is available. Goals and trends for the institutions shall also be indicated in relation to higher education goals as stated in W. Va. '18B-1-1a.

~~3.1.7.~~ Integrated Postsecondary Education Data System (IPEDS) data will serve as primary sources for peer data comparisons. Historical trend data and other relevant data comparisons will be used as appropriate.

~~3.2.~~ The president or administrative head of each public college, university, regional campus, or community and technical college shall be responsible for ensuring that all requested information is submitted annually to the Commission and shall certify that the information submitted has been reviewed for accuracy.

~~3.3.4.2.~~ All detailed background data used in compiling the Higher Education Report Card Statewide Annual Report shall be maintained on file at the Commission for a reasonable time.

§133-3-5. Key Performance Indicators and Goal Setting.

5.1. The Commission shall adopt a set of key performance indicators to measure institutional and system progress toward achieving state, system and institutional objectives. These indicators will focus on institution- and system-level performance in the areas of finance, admissions, enrollment, academics, student outcomes, and other areas as deemed appropriate by the Commission.

5.2. In cooperation with the institutions under its jurisdiction, the Commission shall set state, system and institutional goals for each of the adopted key performance indicators.

5.3. Higher education central office staff shall develop and update at least annually a public internet-based data tool that will display system and institutional progress toward meeting established goals.

5.4. Higher education central office staff shall present an annual report to the Commission about progress made toward meeting established goals.

§133-3-6. Statewide Annual Report and Statewide Data Reporting System.

6.1. Purpose.

6.1.1. A primary purpose of the statewide data reporting system and statewide annual report is to make information available to students, parents, faculty, staff, state policymakers and the public on the quality and performance of public higher education.

6.1.2. A primary purpose of the statewide annual report is to provide a mechanism to evaluate the annual progress of the Commission and institutions under its jurisdiction in achieving state and system goals and objectives.

6.2. Contents.

6.2.1. The statewide annual report shall provide information on the performance of state higher education institutions, including health sciences education, in relation to the state and system goals, objectives and priorities.

6.2.2. When possible, the statewide annual report shall be based upon information for the current school year or for the most recent school year for which information is available, in which case the year shall be clearly noted.

6.2.3. When possible, the statewide data reporting system shall break down data by institution, including Potomac State College and West Virginia University Institute of Technology, and by system.

6.2.4. When possible, the ~~system report card~~ statewide annual report shall provide regional and/or national comparison data.

6.2.5. When possible, the information contained in the statewide annual report and the statewide data reporting system shall allow for easy comparison with higher education-related data collected and disseminated by the Southern Regional Education Board, the United States Department of Education and other education data-gathering and data-disseminating organizations.

6.2.6. The information contained in the statewide annual report and the statewide data reporting system shall be consistent and comparable between and among higher education institutions.

6.2.7. To the extent practicable, the statewide annual report shall be analysis-driven, rather than solely data-driven, and present information in a format that will help inform education policymaking.

6.3. Implementation.

6.3.1. The higher education central office staff, under the direction of the Vice Chancellor for Administration, shall provide technical assistance to each institution and governing board in data collection and reporting.

6.3.2. The president or chief executive officer of each higher education institution shall prepare and submit all requested data to the Commission at the times established by the Commission.

6.3.3. The higher education central office staff, under the direction of the Vice Chancellor for Administration, is responsible for maintaining the statewide data reporting system and developing the statewide annual report using data and information submitted by each institution.

6.3.4. The statewide annual report shall be completed no later than January 1 annually with printed copies provided to the Commission and the Legislative Oversight Commission on Education Accountability. The report shall also be published in electronic format to the Commission's official website.

6.3.5. An executive summary highlighting specifically the trends, progress toward meeting goals and objectives and major areas of concern for public higher education, including medical education, shall be presented annually to the Legislative Oversight Commission on Education Accountability during interim meetings in January.

§133-3-47. Health Sciences Indicators and Rural Health Data Collection and Reporting.

47.1. In addition to applicable information required by Section 34 of this rule, each health sciences school shall be responsible for ensuring that all requested information is submitted to the Vice Chancellor for Health Sciences.

47.2. The Vice Chancellor for Health Sciences shall make available to the public through the Statewide Data Reporting System or through the annual Health Sciences Report Card information specific to each of the state's health sciences schools, including:

~~4.27.2.1. For each health sciences school, the Higher Education Report Card shall include historical trend information for medical and dental students, tuition and fees, faculty, specialization of graduates, revenues and expenditures, passage rates on licensing examinations, and in-state retention of graduates.~~

~~4.37.2.2. The Higher Education Report Card shall indicate for each health sciences school the number and dollar value of loans made through the medical student loan program as well as default rates for the most recent year.~~

~~4.47.2.3. The Higher Education Report Card shall indicate for each health sciences school the number and dollar value of aid awarded through the Health Sciences Scholarship Service Program for the most recent year.~~

~~4.5. In addition, each health sciences school shall annually:~~

~~4.5.1. Report to the Vice Chancellor for Health Sciences all contractual and/or financial agreements with non-profit and for-profit entities receiving monies from the health sciences schools;~~

~~4.5.2. Submit to the Vice Chancellor for Health Sciences for review audits of the expenditures of each health sciences school and any audit received from such non-profit and for-profit entities determined by the Commission to have a significant affiliation to the health sciences school; and~~

~~4.5.3. Submit to the Vice Chancellor for Health Sciences a report projecting capital projects, operating expenses, and anticipated areas of expansion.~~

~~4.6. Information required in Sections 4.1. through 4.4. shall be submitted to the Vice Chancellor for Health Sciences who shall compile the information for inclusion in the Higher Education Report Card.~~

~~4.7. In addition to any and all information required in Sections 3 and 4, the following shall occur:~~

~~4.7.1. The Vice Chancellor shall review each institution's yearly report required in subsection 4.5.3. of this rule and will prepare an annual, comprehensive review and recommendations for allocation of state or other tax support for health sciences.~~

~~4.7.2. The Vice Chancellor shall review each institution's accreditation report. Accreditation reviews are conducted on a schedule set by the appropriate accreditation agency. The Vice Chancellor's review will depend on the institution's accreditation schedule.~~

~~4.7.3. The Vice Chancellor shall review each year the role and mission of each medical school and, based on outcome measures developed jointly with each school, submit an evaluation of each school's performance to the Legislature and also report on the quality of health sciences education.~~

~~4.7.4. The Vice Chancellor shall review the yearly audits as required by 4.5.2. and shall provide a report regarding financial management and operation of medical schools including proposals and barriers to improving efficiency and generating cost savings.~~

~~4.8. Each health sciences school shall assist the Vice Chancellor for Health Sciences in meeting the requirements of Section 4.7.~~

~~4.9. Other information deemed necessary or helpful by the Commission or the Vice Chancellor for Health Sciences may be requested at any time.~~

§133-3-5. Rural Health Indicators.

~~5.1. The Vice Chancellor for Health Sciences shall annually report to the West Virginia Higher Education Policy Commission on the West Virginia Rural Health Education Partnerships. At a minimum this report shall include, but is not limited to, identification of the sites, number of students involved, and student weeks served for the most recently concluded year.~~

~~5.2. The findings of this section shall be included in the Higher Education Report Card.~~

§133-3-6. Presentation of Higher Education Report Card.

~~6.1. The Higher Education Report Card shall be presented annually at a regular meeting of the Commission.~~

~~6.2. The Higher Education Report Card format adopted by the Policy Commission shall be completed and disseminated with copies to the Legislative Oversight Commission on Education Accountability prior to or by January 1, 2002 and each year thereafter. The Policy Commission will review formats and definitions annually to add new measures related to emerging state issues and delete measures which are no longer relevant.~~

133-3-8. State Compacts.

8.1. The Commission may identify important state and system goals, objectives and priorities that it and institutions under its jurisdiction acting alone will be unable to accomplish. In such cases, the Commission may authorize the Chancellor to enter into state compacts, or contracts, with external entities.

8.2. In determining whether a state compact may be appropriate, the Chancellor shall consider:

8.2.1. Whether significant collaboration with an external entity or entities is necessary or advantageous to increase the likelihood of accomplishing a goal, objective or priority;

8.2.2. Whether an external entity or entities would need to make a significant commitment of resources to accomplish a goal, objective or priority; and

8.2.3. Whether an external entity or entities is/are receptive to entering into a state compact.

8.3. At a minimum, a state compact shall:

8.3.1. Identify the parties to the compact;

8.3.2. Identify the term of the compact;

8.3.3. Set forth measurable outcomes the parties seek to achieve by entering into the compact;

8.3.4. Identify what each party will contribute in terms of resources as part of the compact;

8.3.5. Set forth a system for evaluating the success or failure of the compact to achieve the outcomes sought; and

8.3.6. Provide that the failure of one party to the compact to perform excuses the Commission from performance under the compact.

8.4. Before a proposed state compact becomes operative and binding on the Commission and institutions under its jurisdiction, the Commission shall approve it.

8.5. The Chancellor shall provide a copy of any approved state compact to the Legislative Oversight Commission on Education Accountability.

TITLE 133
LEGISLATIVE RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

SERIES 49
ACCOUNTABILITY SYSTEM

§133-49-1. General.

1.1. ~~Scope.~~—This rule sets forth an accountability system for West Virginia public higher education institutions under the West Virginia Higher Education Policy Commission’s jurisdiction.

1.2. ~~Authority.~~—W. Va. Code § 18B-1-6 and §18B-1D-1.

1.3. ~~Filing Date.~~—April 14, 2009

1.4. ~~Effective Date.~~—May 14, 2009

§133-49-2. Purpose.

2.1. ~~This rule describes the responsibilities of the West Virginia Higher Education Policy Commission (Commission) and public higher education institutions under its jurisdiction to West Virginia taxpayers for the performance of the state public higher education system.~~

2.2. ~~The rule sets forth an accountability system for the Commission and institutions under its jurisdiction.~~

§133-49-3. Definitions.

3.1. ~~“Accountability System.” All research, reports, documents, data and any other materials, the collection, analysis and dissemination of which are necessary to accomplish the purpose of this rule. The system includes goals, objectives and priorities, public policy agendas, statewide master plans, state and institution compacts, implementation plans, institutional mission statements and master plans, and the system report card.~~

3.2. ~~“Goal.” A long term public purpose that is a desired and expected end result for which public higher education is established.~~

3.3. ~~“Higher Education Institution” or “Institution.” Bluefield State College, Concord University, Fairmont State University, Glenville State College, Marshall University, Shepherd University, West Liberty State College, West Virginia School of Osteopathic Medicine, West Virginia State University, and West Virginia University, including Potomac State College and West Virginia University Institute of Technology.~~

3.4. ~~“Implementation Plan.” A document developed within the higher education community that identifies a series of objectives, sets forth performance indicators that can be used to determine if objectives are being achieved, and outlines strategies over the life cycle of the system master plan.~~

3.5. ~~“Institution Compact.” A formal, written contract between the Commission and a state institution of higher education under its jurisdiction expressing intent to accomplish state and system goals and objectives.~~

~~3.6. “Objective.” End to be accomplished or attained within a specified period of time for the purpose of meeting established goals.~~

~~3.7. “Priority.” The order in which objectives are to be addressed for the purpose of achieving state goals.~~

~~3.8. “Report Card.” Report or series of reports that assesses the progress of the Commission and institutions under its jurisdiction toward achieving state, system or institution goals and objectives.~~

~~3.9. “State Compact.” A formal written agreement between the Commission and at least one other external entity to achieve state goals and objectives where significant collaboration and commitment of resources between the partners to the agreement is required in order to achieve the desired results.~~

~~3.10. “System Master Plan.” A document developed by the Commission that sets forth system goals, objectives and strategies and is aligned with, but not limited to, meeting state goals, objectives and priorities.~~

~~§133-49-4. System Master Plan.~~

~~4.1. Development.~~

~~4.1.1. The Commission shall develop a system master plan for public higher education institutions under its jurisdiction at least once every five years.~~

~~4.1.2. The system master plan shall be developed in collaboration with various parties with an interest in higher education policy, including institution presidents and administrators, faculty, classified employees and students.~~

~~4.1.3. Before becoming effective, a proposed system master plan shall be approved by both the Commission and the Legislative Oversight Commission on Education Accountability.~~

~~4.1.4. At a minimum, the Chancellor shall provide interested parties with at least one thirty-day opportunity to comment on the proposed system master plan before it is taken to the Commission for its approval.~~

~~4.1.5. Unless replaced or amended by the Commission, the Commission’s current system master plan *Charting the Future 2007-2012: A Master Plan for West Virginia Higher Education* shall remain in place through 2012.~~

~~4.2. Contents.~~

~~4.2.1. The system master plan shall address all major goals and objectives for higher education of relevance to institutions under its jurisdiction that are contained in W. Va. Code §§ 18B-1-1a and 18B-1D-3, as well as in other provisions of the West Virginia Code.~~

~~4.2.2. The system master plan shall include a well-developed analysis of the state of all major components of the public higher education system for which the Commission is responsible, including, but not limited to, institution missions, degree offerings, resource requirements, physical plant needs, personnel needs, enrollment levels, and other planning determinants needed for a quality system of higher education.~~

~~4.2.3. The system master plan shall include a detailed set of system objectives designed to meet all major state goals and objectives as well as to address other issues of importance to the development of a quality system of higher education.~~

~~4.2.4. The system master plan shall identify a strategy for cooperation and collaboration with the State Board of Education, the State Department of Education, the Council for Community and Technical College Education, higher education institutions and other relevant education providers to assure a comprehensive and seamless system of education in West Virginia.~~

~~4.3. Implementation.~~

~~4.3.1. The Chancellor shall be responsible for ensuring that the system master plan is implemented.~~

~~4.3.2. The Chancellor shall report to the Commission at least annually on progress made in implementing the system master plan.~~

~~4.3.3. The Chancellor, on behalf of the Commission, shall report to the Legislative Oversight Commission on Education Accountability no later than in January of each year on progress made in implementing the system master plan.~~

~~4.4. Review and Evaluation.~~

~~4.4.1. The Chancellor shall review the system master plan annually to determine whether it should be amended to address new state goals and objectives or other issues of importance to public higher education. Any proposed amendment to the system master plan shall be approved by the Commission and the Legislative Oversight Commission on Education Accountability.~~

~~4.4.2. Before beginning a new system master planning cycle, the Chancellor shall prepare and submit a comprehensive report to the Commission and the Legislative Oversight Commission on Education Accountability evaluating current system master planning implementation, including:~~

~~4.4.2.1. A detailed, data-based analysis of the progress of the system and institutions within the system toward meeting each goal and objective included in the current system master plan; and~~

~~4.4.2.2. A strategy for using these data as a basis for developing the new system master plan.~~

~~**§133-49-5. Institution Compacts.**~~

~~5.1. Development.~~

~~5.1.1. The Commission shall enter into a compact with each higher education institution under its jurisdiction to accomplish state and system goals, objectives and priorities as set forth in the system master plan.~~

~~5.1.2. Before the process of developing institution compacts begins, the Chancellor shall identify specific focus areas and proposed outcomes that align with state and system public policy goals, objectives and priorities for institutions to address.~~

~~5.1.2.1. The Chancellor may identify focus areas applicable to all institutions or a designated group of institutions.~~

~~5.1.2.2. The Chancellor may identify focus areas from which institutions may select only a certain number to address.~~

~~5.1.3. Institutions should develop proposed institution compacts in collaboration with as many institution units and constituency groups as possible to increase the likelihood that implementation will be effective.~~

~~5.1.4. Before becoming effective, a proposed institution compact shall be approved by the Commission.~~

~~5.1.5. Once approved, a compact constitutes a negotiated contract between the state institution of higher education and the Commission.~~

~~5.2. Contents.~~

~~5.2.1. Each institution compact shall contain a comprehensive assessment of education needs within the institution's geographic area of responsibility, if applicable.~~

~~5.2.2. Each institution compact shall identify the institution's mission and address any changes that may be necessary or expedient to the accomplishment of state, system and institution goals, objectives and priorities.~~

~~5.2.3. Each institution compact shall explain how the compact aligns with and will be implemented in conjunction with the institution's master plan.~~

~~5.2.4. Each institution compact shall address all required focus areas and an appropriate number of elective focus areas, if any. For each focus area that an institution addresses in its proposed compact, the institution at a minimum must discuss:~~

~~5.2.4.1. Current performance in addressing the focus area;~~

~~5.2.4.2. Goals, objectives and priorities over the course of the compact period;~~

~~5.2.4.3. Barriers to the accomplishment of the identified goals, objectives and priorities;~~
~~and~~

~~5.2.4.4. Strategies for focusing resources to accomplish the identified goals, objectives and priorities.~~

~~5.2.5. Each institution compact shall provide for collaboration and brokering of education services as necessary or expedient to carry out the institutional mission and meet its objectives, as appropriate.~~

~~5.2.6. Each institution compact shall address the provision of student services at the optimum level to support the institution mission and compact goals, objectives and priorities.~~

~~5.2.7. Each institution compact shall address strategies for using existing infrastructure and resources within each region, where feasible, to increase student access while controlling costs and maintaining academic quality.~~

~~5.3. Implementation.~~

~~5.3.1. The institution's board of governors and president shall be responsible for ensuring that the institution compact is implemented.~~

~~5.3.2. Each institution shall report to the Commission no later than October 1 of each year on progress made in achieving compact goals, objectives and priorities during the preceding academic year.~~

~~At a minimum, the progress report shall contain:~~

~~5.3.2.1. Outcomes associated with each goal, objective or priority;~~

~~5.3.2.2. A summary of strategies undertaken during the previous academic year to achieve each goal, objective or priority, as well as an assessment of the effectiveness of each strategy if the goal, objective or priority was not achieved;~~

~~5.3.2.3. A summary of strategies being undertaken during the current academic year to achieve each goal, objective or priority; and~~

~~5.3.2.4. Recommendations concerning the modification of institution compact goals, objectives or priorities, which must be approved by the institution's board of governors.~~

~~5.3.3. The Chancellor shall develop strategies to assist institutions in accomplishing the goals, objectives and priorities set forth in their respective institution compacts.~~

~~5.4. Review and Evaluation.~~

~~5.4.1. The Commission shall review each compact progress report no later than December 31 annually to determine whether each institution is:~~

~~5.4.1.1. Making sufficient progress in achieving identified goals, objectives and priorities;~~
~~and~~

~~5.4.1.2. Proposing to implement strategies that will produce continued progress in achieving identified goals, objectives and priorities.~~

~~5.4.2. If an institution's board of governors requests to modify its institution compact's goals, objectives or priorities, the Commission shall approve or disapprove its request.~~

~~5.4.3. If the Commission determines that an institution is not making sufficient progress overall or in a particular area, the Commission may:~~

~~5.4.3.1. Direct the institution to modify its compact implementation strategies;~~

~~5.4.3.2. Direct the institution to develop an overall remediation plan or a remediation plan in a particular focus area;~~

~~5.4.3.3. Direct the Chancellor to work with the institution's board of governors and or president to remedy the deficiencies or to develop a remediation plan;~~

~~5.4.3.4. Withhold approval of a salary increase for the institution's president; and/or~~

~~5.4.3.5. Take whatever other action consistent with its statutory responsibilities that is necessary or appropriate to ensure that adequate progress is made in the future.~~

~~§133-49-6. State Compacts.~~

~~6.1. In its system master plan, the Commission may identify important state and system goals, objectives and priorities that it and institutions under its jurisdiction acting alone will be unable to accomplish. In such cases, the Commission directs the Chancellor to attempt to enter into state compacts, or contracts, with those external entities.~~

~~6.2. In determining whether a state compact may be appropriate, the Chancellor shall consider:~~

~~6.2.1. Whether significant collaboration with an external entity or entities is necessary or advantageous to increase the likelihood of accomplishing a goal, objective or priority;~~

~~6.2.2. Whether an external entity or entities would need to make a significant commitment of resources to accomplish a goal, objective or priority; and~~

~~6.2.3. Whether an external entity or entities is/are receptive to entering into a state compact.~~

~~6.3. At a minimum, a state compact shall:~~

~~6.3.1. Identify the parties to the compact;~~

~~6.3.2. Identify the term of the compact;~~

~~6.3.3. Set forth measurable outcomes the parties seek to achieve by entering into the compact;~~

~~6.3.4. Identify what each party will contribute in terms of resources as part of the compact;~~

~~6.3.5. Set forth a system for evaluating the success or failure of the compact to achieve the outcomes sought; and~~

~~6.3.6. Provide that the failure of one party to the compact to perform excuses the Commission from performance under the compact.~~

~~6.4. Before a proposed state compact becomes operative and binding on the Commission and institutions under its jurisdiction, the Commission shall approve it.~~

~~6.5. The Chancellor shall provide a copy of any approved state compact to the Legislative Oversight Commission on Education Accountability.~~

~~§133-49-7. Implementation Plans.~~

~~7.1. Development.~~

~~7.1.1. The Chancellor and/or the Presidents of institutions under its jurisdiction periodically may develop implementation plans to assist in the accomplishment of state, system and institution goals, objectives and priorities.~~

~~7.1.2. Implementation plans are internal documents developed among members of the public higher education community and generally are not subject to external approval processes.~~

~~7.1.3. Unless specifically mandated by the Commission, a system implementation plan need not be approved by the Commission before being implemented.~~

~~7.1.4. Unless specifically mandated by an institution's board of governors, an institution implementation plan need not be approved by the institution's board of governors before being implemented.~~

~~7.2. Contents. An implementation plan shall:~~

- ~~7.2.1. Identify the goals and objectives to be achieved;~~
- ~~7.2.2. Identify the parties to the implementation plan and a process for developing consensus among the parties;~~
- ~~7.2.3. Contain a needs assessment or other mechanism to determine the current status of proposed objectives;~~
- ~~7.2.4. Identify challenges or barriers to meeting objectives;~~
- ~~7.2.5. Delineate tasks to be performed;~~
- ~~7.2.6. Contain a specific time line for meeting objectives;~~
- ~~7.2.7. Contain an evaluation process; and~~
- ~~7.2.8. Contain a method for determining success in achieving objectives.~~

~~§133-49-8. Institution and System Report Cards.~~

~~8.1. Purpose.~~

~~8.1.1. A primary purpose of institution and system report cards is to make information available to parents, students, faculty, staff, state policymakers and the general public on the quality and performance of public higher education.~~

~~8.1.2. A primary purpose of the system report card is to provide a mechanism to evaluate the annual progress of the Commission and institutions under its jurisdiction in achieving state and system goals and objectives.~~

~~8.2. Contents.~~

~~8.2.1. The system report card shall provide information on the performance of state higher education institutions, including health sciences education, in relation to the state and system goals, objectives and priorities.~~

~~8.2.2. When possible, the system report shall be based upon information for the current school year or for the most recent school year for which information is available, in which case the year shall be clearly noted.~~

~~8.2.3. When possible, the system report card shall break down data by institution, including Potomac State College and West Virginia University Institute of Technology, and by system.~~

~~8.2.4. When possible, the system report card shall provide regional and/or national comparison data.~~

~~8.2.5. When possible, the information contained in report cards shall allow for easy comparison with higher education related data collected and disseminated by the Southern Regional Education Board, the United States Department of Education and other education data gathering and data disseminating organizations.~~

~~8.2.6. The information contained in report cards shall be consistent and comparable between and among higher education institutions.~~

~~8.2.7. To the extent practicable, report cards shall be analysis driven, rather than simply data-driven, and present information in a format that can inform education policymaking.~~

~~8.3. Implementation.~~

~~8.3.1. The higher education central office staff, under the direction of the Vice Chancellor for Administration, shall provide technical assistance to each institution and governing board in data collection and reporting.~~

~~8.3.2. The president or chief executive officer of each higher education institution shall prepare and submit all requested data to the Commission at the times established by the Commission.~~

~~8.3.3. The higher education central office staff, under the direction of the Vice Chancellor for Administration, is responsible for assembling the statewide report card from information submitted by each institution.~~

~~8.3.4. The system report card shall be completed no later than January 1 annually and copies provided to the Commission, the Legislative Oversight Commission on Education Accountability, institution boards of governors, institution presidents and other interested parties.~~

~~8.3.5. A report highlighting specifically the trends, progress toward meeting goals and objectives and major areas of concern for public higher education, including medical education, shall be prepared for presentation to the Legislative Oversight Commission on Education Accountability no later than January annually.~~

**TITLE 133
PROCEDURAL RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**SERIES 10
POLICY REGARDING PROGRAM REVIEW**

§133-10-1. General.

- 1.1. Scope - This rule delineates the responsibilities of the institutional governing boards and the Higher Education Policy Commission in the review of existing academic programs.
- 1.2. Authority - W. Va. Code § 18B-1-6, 18B-1B-4 and 18B-2A-4
- 1.3. Filing Date - September 10, 2008
- 1.4. Effective Date - October 10, 2008

§133-10-2. Basis of Program Review Process.

- 2.1. W. Va. Code §18B-1B-4 and 18B-2A-4 delineate responsibilities for the review of academic programs. Each institutional governing board has the responsibility to review at least every five years all programs offered at the institution(s) of higher education under its jurisdiction and in the review to address the viability, adequacy, necessity, and consistency with mission of the programs to the institutional master plan, the institutional compact, and the education and workforce needs of the responsibility district. Additionally, each governing board as part of the review is to require the institution(s) under its jurisdiction to conduct periodic studies of graduates and their employers to determine placement practices and the effectiveness of the education experience. The Higher Education Policy Commission has the responsibility for review of academic degree programs, including the use of institutional missions as a template to assure the appropriateness of existing programs and the authority to implement needed changes.
- 2.2. For the purpose of this document, a "program" is defined as curriculum or course of study in a discipline specialty that leads to a certificate or degree.

§133-10-3. Assumptions Used in Developing the Review Process.

- 3.1. A rational and comprehensive program review process requires differentiation among levels of degrees. The process, criteria, and

standards for associate degree programs will differ significantly from those applied to graduate programs.

- 3.2. The program review process must be accomplished within the limits of available staff and resources.
- 3.3. A continuous auditing process allowing for early identification of programs that need particular scrutiny is required to permit changes to be anticipated, appropriate intervention to take place, and corrective action to be accomplished within normal institutional planning efforts.
- 3.4. A readily accessible computerized data base should be available to support the program review process.

§133-10-4. Evaluative Components.

- 4.1. In order to address the elements of viability, adequacy and necessity, each institution will develop a reporting format that includes the following core components:
 - 4.1.1. Mission;
 - 4.1.2. Faculty;
 - 4.1.3. Curriculum;
 - 4.1.4. Resources;
 - 4.1.5. Student learning outcomes;
 - 4.1.6. Other learning and service activities;
 - 4.1.7. Viability; and
 - 4.1.8. Program improvement.

At the discretion of the institution, additional components may be adopted.

- 4.2. Reporting formats developed by the institutions under the provisions of section 4.1. shall be submitted to the Commission for review.

§133-10-5. Program Review Procedures and Levels of Review.

- 5.1. The program review process will provide for a review and evaluation of all programs leading to a certificate or degree at the institution. The procedural elements utilized by the institution shall be submitted to the

Commission for review and shall include, at a minimum the following components:

- 5.1.1. Delineation of the roles of faculty, administrators and the institutional governing board;
- 5.1.2. A process for external review that includes at least one reviewer, either external to the institution or to the academic unit under review, as an outside evaluator for each program reviewed; and
- 5.1.3. A five-year schedule.

The institutional governing board will constitute a committee or committees to review appropriate programs during a given year. The institution will draft, in accord with the appropriate governing boards' guidelines, a self-study. The governing board will report to the Chancellor, by May 31, the results of the program reviews conducted each academic year. The Higher Education Policy Commission, through its staff or other appropriate entities, shall review annually the program review actions reported by each institution. The Commission may modify any institutional action consistent with its authority for review of academic programs.

- 5.2. Each institution shall submit the results of the program review actions in a common format designed to provide the Commission with essential information. The format elements are:
 - 5.2.1. Name and degree level of program;
 - 5.2.2. Synopses of significant findings, including findings of external reviewer(s);
 - 5.2.3. Plans for program improvement, including timeline;
 - 5.2.4. Identification of weaknesses or deficiencies from the previous review and the status of improvements implemented or accomplished;
 - 5.2.5. Five year trend data on graduates and majors enrolled;
 - 5.2.6. Summary of assessment model and how results are used for program improvement;
 - 5.2.7. Data on student placement (for example, number of students employed in positions related to the field of study or pursuing advanced degrees); and
 - 5.2.8. Final recommendations approved by governing board.

For programs with specialized accreditation, the institution shall provide a copy of the letter continuing the conferral of accreditation. Accredited programs that meet productivity guidelines will not be subject to further review by the Commission.

- 5.3. Program Review by the Institutional Board of Governors - The purpose of the appropriate Board review, conducted on a regular five-year cycle, will be to conduct an in-depth evaluation of the viability, adequacy, and necessity for each academic program, consistent with the mission of the institution. Comprehensive institutional self-studies conducted in compliance with accreditation or institutional processes and completed within the previous 60 months may be used to provide the base line data for the review, with any necessary updating of factual information or interim reports to the accrediting body.

Programs that are accredited by specialized accrediting or approving agencies (for disciplines for which such agencies exist) recognized by the Federal Government and/or the Council on Higher Education Accreditation shall be considered to have met the minimum requirements of the review process with respect to adequacy. For programs so accredited or approved, institutions shall submit: the comprehensive institutional self-study conducted in compliance with the accreditation or approval process, a copy of the letter containing the conferral of accreditation or approval and a documented statement from the chief academic officer regarding program consistency with mission, viability and necessity. In preparing the institutional self-study, each institution will utilize a collaborative process which includes faculty, students and administrators.

- 5.4. Program Review by the Higher Education Policy Commission - The Higher Education Policy Commission has the responsibility for review of academic programs including the use of institutional missions as a template to assess the appropriateness of existing programs and the authority to implement needed changes. The reports on actions resulting from program review at each institution shall be reviewed by the staff of the Commission. The review will focus on the appropriateness of the institutional action, particularly as the actions relate to adequacy, viability, necessity and consistency with institutional mission for each program. In addition to the report outlined in Section 5.2.1, the Commission staff may request a copy of the self-study or other supporting materials. If the Commission staff concludes that the institutional program review action should be modified, the staff shall consult with the president or designee to reach consensus on the appropriate steps. Should a consensus and agreement not be reached, the matter would be referred to the Commission for resolution.

- 5.5. Institutional personnel, external consultants, and the staff of the

appropriate Board of Governors will be involved in establishing the criteria, standards, and process of evaluation, and in interpreting the information resulting from the review. It is the responsibility of the institution to assure that the program review process is carried out objectively and that person(s) external to the academic unit in which the program is housed and/or external to the institution participate in the review. The Commission strongly urges institutions to consider using evaluators that are external to the institution. To ensure that each program is reviewed at least once every five years, consistent with statutory requirements, the appropriate Board of Governors will select approximately 20 percent of all programs for review each year. For each program identified for review, the institution will develop a self-study statement addressing the following items.

5.5.1. Viability - Viability is tested by an analysis of unit cost factors, sustaining a critical mass, and relative productivity. Based upon past trends in enrollment, patterns of graduates, and the best predictive data available, the institution shall assess the program's past ability and future prospects to attract students and sustain a viable, cost-effective program.

5.5.2. Adequacy - The institution shall assess the quality of the program. A valuable (but not the sole) criterion for determining the program's adequacy is accreditation by a specialized accrediting or approving agency recognized by the Federal Government or the Council for Higher Education Accreditation. The institution shall evaluate the preparation and performance of faculty and students, and the adequacy of facilities.

5.5.3. Necessity - The dimensions of necessity include whether the program is necessary for the institution's service region, and whether the program is needed by society (as indicated by current employment opportunities, evidence of future need, rate of placement of the programs' graduates). Whether the needs of West Virginia justify the duplication of programs in several geographic service regions shall also be addressed.

5.5.4. Consistency With Mission - The program shall be a component of, and appropriately contribute to, the fulfillment of the institutional and system missions. The review should indicate the centrality of the program to the institution, explain how the program complements other programs offered, and state how the program draws upon or supports other programs. Both institutional aspects of the program should be addressed. The effects (positive or negative) that discontinuance of the program might have upon the institution's ability to accomplish its mission should be stated.

5.6. Focused Program Review - Either the Higher Education Policy

Commission or the appropriate Board of Governors may request at any time that focused program reviews be conducted for a given purpose such as a) reviewing all programs within a discipline (e.g. biology) or b) concentrating on specific program review components (e.g. assessment). Formal strategies for conducting such reviews will be developed, consistent with the purpose of the review.

§133-10-6. Possible Outcomes.

- 6.1. Institutional Recommendation - The appropriate Board of Governors' five-year cycle of program review will result in a recommendation by the institution for action relative to each program under review. The institution is clearly obligated to recommend continuation or discontinuation for each program reviewed. If recommending continuation, the institution should state what it intends:
 - 6.1.1. Continuation of the program at the current level of activity, with or without specific action;
 - 6.1.2. Continuation of the program at a reduced level of activity (e.g., reducing the range of optional tracks) or other corrective action.
 - 6.1.3. Identification of the program for further development; or
 - 6.1.4. Development of a cooperative program with another institution, or sharing of courses, facilities, faculty, and the like.
 - 6.1.5. If it recommends discontinuance of the program, then the provisions of Higher Education Policy Commission policy on approval and discontinuance of academic programs will apply.
 - 6.1.6. For each program, the institution will provide a brief rationale for the observations, evaluation, and recommendation. These should include concerns and achievements of the program. The institution will also make all supporting documentation available to the Commission upon request.
- 6.2. Committee Recommendation - The appropriate Institutional Program Review Committee will develop a recommendation for action and present it to the institutional Board of Governors for action and referral to the Policy Commission.
 - 6.2.1. The committee may make recommendations that go beyond those also. The committee may request additional information and may recommend continuance on a provisional basis and request progress reports.
- 6.3. Appeals Committee and the Appeals Process - Any disagreement between

a final recommendation of the Institutional Program Review Committee and the recommendation of the academic unit may be appealed to an institutional Program Review Appeals Committee.

§133-10-7. Productivity Review.

- 7.1. On a biennial basis, the Commission will conduct a productivity review of academic programs that have been in operation for at least five years. Programs will be required to meet at least one of the indicators listed in Section 7.4.
- 7.2. Unless exempted by the Commission, academic programs that fail to meet both productivity standards detailed in Section 7.4 shall be recommended for placement on probationary status by the institutional governing board for a four-year period, during which time institutions will be expected to increase program enrollment and degrees awarded. Institutions will have 60 days from the date of Commission action on initial probationary status to provide the Commission with a plan for meeting degree program productivity standards within the four-year probationary period. At the end of the probationary period, the Commission will recommend continuing approval status for programs meeting productivity standards and termination of programs that again fail to meet the standards. The recommendation of the Commission will be forwarded to the appropriate institutional governing board for final action.
- 7.3. Institutions may petition for a program to be exempt from further review by submitting documentation that addresses the reasons for the request including how the program is critical to the mission of the institution.
- 7.4. Annual productivity standards for degrees awarded and enrollments in majors are provided below. Institutional attainment for degree awards and enrollment in majors will be based on the average of degree awards or major enrollment for the five most recent years.

7.4.1. <u>Degree Level</u>	<u>Degree Awards</u>	<u>Major Enrollment</u>
Baccalaureate	5	12.5
Masters/1 st Professional	3	6
Doctoral	2	4.5

**TITLE 133
PROCEDURAL RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**SERIES 11
SUBMISSION OF PROPOSALS FOR ACADEMIC PROGRAMS AT PUBLIC REGIONAL
INSTITUTIONS AND THE MONITORING AND DISCONTINUANCE OF EXISTING PROGRAMS**

§133-11-1. General.

1.1. Scope. -- This rule delineates the responsibilities of the West Virginia Higher Education Policy Commission (Commission) in the approval and discontinuance of academic programs and establishes processes for institutions in seeking Commission approval of new academic programs.

1.2. Authority. -- West Virginia Code §§18B-1-6 and 18B-1B-4.

1.3. Filing Date. -- April 27, 2018.

1.4. Effective Date. -- May 27, 2018.

1.5. Repeal of Former Rule. -- Repeals and replaces Title 133, Series 11, dated December 18, 2016.

§133-11-2. Background.

2.1. The Commission is charged by statute with general authority for academic program approval for West Virginia regional public colleges and universities. The Commission is further required to use institutional missions as a template in assessing the appropriateness of new programs and to avoid unnecessary duplication in program approvals.

To facilitate the discharge of these responsibilities, the following procedures and format shall be followed by each institution in submitting to the Chancellor for consideration by the Commission proposals to establish academic programs.

§133-11-3. Definitions.

3.1. Area of emphasis: An area of emphasis is a specific subject area of study which has defined course offerings within an approved degree program and major. Normally, a minimum of twelve (12) and no more than eighteen (18) hours would be expected for an area of emphasis within a baccalaureate degree program and a minimum of six (6) and no more than twelve (12) credit hours would be expected for an area of emphasis within a graduate degree. Typically, a minimum of six (6) and no more than nine (9) credit hours would be expected for an area of emphasis within an associate degree program. Areas of emphasis completed would appear on the student's transcript.

3.2. Certificate Programs: A certificate program (as distinguished from the one-year Certificate Degree Program offered by the community and technical colleges) is a coherent, specialized curriculum designed for students in search of a specific body of knowledge for personal/career development or professional continuing education. The certificate program is not attached to a degree program, although credit hours earned in a certificate program may be applied to a degree if they are deemed appropriate by the institution. The awarding of a certificate upon completion of the program is not contingent upon completion of a degree program. The certificate would appear on the student's transcript and an institution may issue an official certificate of completion.

Normally, a minimum of six (6) and no more than nine (9) credit hours would constitute a certificate program at the associate level, and a minimum of twelve (12) and no more than twenty-one (21) would constitute a certificate program at the baccalaureate or graduate level.

3.3. Collaborative Master's Degree Programs: Any proposal to establish a collaborative master's degree program should be submitted jointly by the partnering institutions in the collaborative.

3.4. Degree program: A degree program is an area of study approved as such by the institution and the Commission and listed on the official Commission inventory of degree programs, e.g. English, Social Work, Physical Education. The degree, which is an award signifying a rank or level of educational attainment and which is conferred on students who have successfully completed a degree program, is represented by the official degree designation, e.g. B.A. - Bachelor of Arts, B.S. - Bachelor of Science, A.S. - Associate of Science, etc. The degree program completed would be listed on the student's diploma.

3.5. Majors: A major is a field of study within an approved degree program, having its own curriculum. A degree program may have more than one major. An institution may elect to include the major(s) on the student's diploma.

3.6. Minors: A baccalaureate minor is earned in a specific subject area of study and must be composed of at least twelve (12) credit hours of course work. A student may not earn a baccalaureate minor in a subject area in which he/she is earning a baccalaureate major.

3.7. Regional institutions are defined as those public four-year institutions not affiliated with or under the administrative umbrella of West Virginia University, Marshall University, or the West Virginia School of Osteopathic Medicine. Currently those institutions include, Bluefield State College, Concord University, Fairmont State University, Glenville State College, Shepherd University, West Liberty University, and West Virginia State University.

§133-11-4. Submission Guidelines and Timelines.

4.1. Proposals for approval of new academic degree programs and new teaching specializations for regional institutions require Commission approval.

4.1.a. West Virginia University at Beckley and West Virginia University Institute of Technology, both campuses under the administrative umbrella of West Virginia University, are required by statute, to seek Commission approval for new degree programs until 2026.

4.2. Proposals to add new degree programs shall be submitted to the Chancellor a minimum of ninety (90) days prior to the intended date of implementation for baccalaureate or graduate/professional programs.

4.3. Proposals to add majors within a degree program require approval of the appropriate Board of Governors. Newly approved majors are reported to the Academic Affairs Division in the Commission office.

4.4. Decisions to establish areas of emphasis, certificate programs, or baccalaureate minors may be made at the institutional Board of Governors level or may be delegated to the institutional president and do not require external approvals.

4.5. If the proposal is to add a new teaching specialization, such proposal shall be submitted to the Chancellor a minimum of ninety (90) days prior to the date intended for implementation.

4.6. Filing of notices of intent to offer existing bachelor's or master's degree programs at new locations shall be submitted to the Chancellor at least ninety (90) days prior to the date of implementation. The Chancellor shall render a decision prior to the intended date of implementation of any program change. Exceptions to the requirements on lead times may be approved by the Chancellor.

4.7. Proposals to offer existing associate level degree programs at new locations must be submitted to the Chancellor not less than forty-five (45) days prior to the date for intended implementation. The Chancellor shall render a decision prior to the intended date of implementation of any program change. Exceptions to the requirements on lead times may be approved by the Chancellor. New associate programs must also have the approval of the West Virginia Council for Community and Technical College Education.

4.8. An institution planning to offer existing academic programs or courses at sites outside West Virginia must have the approval of the appropriate out-of-state agency which regulates such offerings, as well as the approval of the Commission. Any program, once approved, may continue, as long as the institution has the continuing approval of the appropriate out-of-state agency.

4.9. Unless exempted by the Commission, duplication of academic program delivery at the same location by different institutions is not permitted. Any exemption will require Commission approval based upon written justification and documentation of need submitted to the Commission.

4.10. The Commission reserves the right to modify any program action which affects the mission of the institution or otherwise has statewide impact.

§133-11-5. Notice of Intent to Plan.

5.1. Notice of Intent to Plan: An institution must express to the Chancellor and the vice chancellor for academic affairs at the time the president and/or provost is notified by the appropriate academic division or a minimum of 45 days prior to the submission of a full program proposal, a notice of intent to plan a new baccalaureate or graduate/professional degree program. Early notice of intent to plan allows assistance to the institutions of such fundamental areas as needs analyses, consistency with institutional mission, resource requirements, possible duplication of programs, available resources that can be leveraged by the institution with Commission staff help, and the possible cooperation, or merger with other similar programs in the state.

5.1.a. The notice of intent to plan shall be submitted electronically to the Chancellor and vice chancellor for academic affairs offices. The email must be sent from the institutional president or provost or contain a letter from either office indicating official approval of the notice of intent to plan.

5.1.b. Once received at the Commission office, the notice of intent to plan is to be posted electronically for comment among the Commission's regional institutions.

5.2. A notice of intent to develop a plan should indicate the projected date of submission of the full proposal and the projected date of implementation. It should also include the following:

5.2.a. A statement describing the educational objectives, the relationship of the objectives to the mission of the institution, and any special features or conditions that make the institution a desirable or unique place to initiate such a program.

5.2.b. A brief description of the program.

5.2.c. A statement describing how the institution will assure high quality standards for the program and maintain a continuing assessment of quality.

5.2.d. A statement listing other institutions in West Virginia that offer similar programs.

5.2.e. A statement on what societal, occupational, research, or public service needs will be met, as well as anticipated student demand for the program.

5.2.f. A statement on what additional resources will be needed to offer the program.

5.2.g. A statement describing the instructional delivery methodologies to be employed to deliver the program, i.e. on-site or by technology-based delivery.

§133-11-6. Submission Requirements for New Program Proposals.

6.1. Once the institution has submitted a notice of intent to plan it may develop the program proposal, which must be approved by the institutional board of governors before submission to the Commission. The format of the proposal should follow the sequence of items as they appear on the following pages. Please respond to each item if only to indicate that it is not applicable. Information may be presented in narrative or in outline form or in a combination of the two. Supporting materials such as charts and tables may be included or attached.

The cover page should include the following:

Name of Institution

Date

Category of Action Required

Title of Degree or Certificate

Location

Effective Date of Proposed Action

Brief Summary Statement

6.2. Program Description

6.2.a. Program Objectives: State the program objectives so that they can be related to the criteria in the evaluation plans (See Section 7). A table should be included in the proposal that defines each program objective and where that objective is taught and assessed within the program.

6.2.b. Program Identification: Each proposal shall include appropriate program identification as provided in the Classification of Instructional Programs (CIP) developed and published by the U.S. Department of Education Center for Education Statistics.

6.2.c. Program Features: Summarize the important features of the program and include a full catalog description. This section should contain:

6.2.c.1. Admissions and Performance Standards: Describe admissions and performance standards and their relationship to the program objective.

6.2.c.2. Program Requirements: Describe course requirements (indicating new courses with asterisks), majors and specializations, credit-hour requirements, research-tool requirements, examination procedures and requirements for a research paper, thesis, or dissertation. Also include field work or similar requirements and any other information that helps to describe the program of study.

6.2.d. Program Outcomes: Indicate the expected results of the program and, if this is a proposal for an expanded or modified program, specify how the proposed change may achieve results different from those produced by the current program.

6.2.e. Program Content. The proposed educational programs shall be compatible with the institutional mission. The relationship shall be described in documents provided to the Commission.

6.2.e.1. The content and length of the proposed academic program shall follow practices common to institutions of higher education. The commonly accepted program length is: 120 semester credits for bachelor's degrees, 30 semester credits beyond the bachelor's degree for master's degrees, 30 semester credits beyond the master's degree for doctorates.

6.2.e.2. All proposed undergraduate degree programs shall include a coherent general education component that is consistent with the institution's mission and appropriate to its educational programs. The undergraduate general education component shall be documented.

6.2.e.3. The minimum requirement for general education for all undergraduate programs delivered through the traditional distributed curricula is 24 for transfer associate's degrees, and 30 for bachelor's degrees. If the general education component is delivered through integrated, embedded, interdisciplinary, or other accepted models, institutions must demonstrate that the program meets minimum requirements equivalent to the distributed model.

6.3. Program Need and Justification

6.3.a. Relationship to Institutional Goals/Objectives: Relate this program to the institution's goals and objectives and the statewide master plan.

6.3.b. Existing Programs: List similar programs (and their locations) offered by other institutions (public or private) in West Virginia. State why additional programs or locations are desirable.

6.3.c. Program Planning and Development: Indicate the history to date of the development and submission of this program proposal. What resources (e.g., personnel, financial, equipment) have already been invested in this program? What planning activities have supported this proposal?

6.3.d. Clientele and Need: Describe the clientele to be served and state which of their specific needs will be met by the program. Indicate any special characteristics, such as age, vocation, or academic background. Indicate manpower needs, interest on the part of industry, research and other institutions, governmental agencies, or other indicators justifying the need for the program.

6.3.e. Employment Opportunities: Present a factual assessment of the employment opportunities that are likely to be available to program graduates. Include data and references supporting this assessment. Indicate the types and number of jobs for which such a curriculum is appropriate.

6.3.f. Program Impact: Describe the impact of this program on other programs that it will support or that will be supported by it.

6.3.g. Cooperative Arrangements: Describe any cooperative arrangements (including clinical affiliations, internship opportunities, personnel exchanges, and equipment sharing) that have been explored.

6.3.h. Alternatives to Program Development: Describe any alternatives to the development of this program that have been considered and why they were rejected.

6.4. Program Implementation and Projected Resource Requirements

6.4.a. Program Administration: Describe the administrative organization for the program and explain what changes, if any, will be required in the institutional administrative organization.

6.4.b. Program Projections: Indicate the planned enrollment growth and development of the new program during the first five (5) years (FORM 1). If the program will not be fully developed within five (5) years, indicate the planned size of the program in terms of degrees and majors or clients served over the years to reach full development of the program. Include a plan for sustainability of the program after the initial five (5) year start-up.

6.4.c. Faculty Instructional Requirements: Indicate the number, probable rank, experience, and cost of faculty required over the five (5) year period.

6.4.d. Library Resources and Instructional Materials: Evaluate the adequacy of existing library resources and instructional materials for the proposed program. Estimate the nature and probable cost of additional resources necessary to bring the proposed program to an accreditable level.

6.4.e. Support Service Requirements: Indicate the nature of any additional support services (e.g., laboratories, computer facilities, equipment, etc.) likely to be required by the proposed program. Include the expected costs, and describe how such expansions will be incorporated into the institutional budget. Describe any student support services that will be put into place to enhance student retention and successful program completion for this new program.

6.4.f. Facilities Requirements: Indicate whether the program will require the addition of new space or facilities or the remodeling or renovation of existing space. If so, provide a statement detailing such plans and space needs and their estimated funding requirements. Describe the impact of this new program on space utilization requirements.

6.4.g. Operating Resource Requirements: Using FORM 2, provide a summary of operating resource requirements by object of expenditure.

6.4.h. Source of Operating Resources: Indicate the source of operating resource requirements if the service levels are to reach those projected in FORM 1. Describe any institutional plans to reallocate resources to the program in each year of the five (5) year period. Describe the supplementary resource needs that are beyond the usual or expected institutional allocations that are derived through the regular budget request process.

6.5. Program Evaluation

6.5.a. Evaluation Procedures: Indicate the evaluation or review guidelines, procedures, schedule, and assessment measures that will be used for this program. Criteria and standards for program evaluation will vary according to the level and purpose of the program. The evaluation should address the viability, adequacy, and necessity of the program in relation to the mission of the institution. Both qualitative and quantitative indicators are important. Among the measures may also be the value of the program to the State and its people, its roles in contributing to human development, and its social utility in contributing to the further development of West Virginia.

6.5.b. Accreditation Status: Indicate the accrediting agency for the proposed program, the schedule for initiating and receiving accreditation, and the costs of each stage of the process. Attach to the proposal the

statement of standards used by the accrediting agency for such a program and how each accreditation standard will be addressed within the proposed program.

§133-11-7. Commission Review of New Program Proposals.

7.1. A copy of the new program proposal is to be electronically submitted by the president or provost, to the chancellor and the vice chancellor for academic affairs with documentation of the institutional board of governor's approval.

7.1.a. The vice chancellor for academic affairs will review the proposal confirming the submission's compliance with proper format requirements as outlined in Section 6 of this rule. Any format deficiencies shall be reported to the institution within ten (10) working days of the date of submission.

7.1.b. The Commission shall consider all relevant factors in the program approval process but shall focus in particular on the following policy concerns:

7.1.b.1. New programs should not be implemented which change the institutional mission, unless the institution also receives approval for expanding the institutional mission.

7.1.b.2. New programs which require significant additional expense investments for implementation should not be implemented unless the institution demonstrates that expenses shall be addressed by effective reallocation of existing resources or the expenses can be legitimately spread out over future years and will be covered by anticipated net revenues from new enrollments.

7.1.b.3. A new undergraduate program which is significantly similar to an existing program already in the geographic service area should not be implemented unless the requesting institution demonstrates a compelling need in the service area that is not being met by the existing program. Academic programs at the exempted schools are not to be taken into consideration except as it relates to academic programs offered at West Virginia University at Beckley and West Virginia University Institute of Technology at Beckley.

7.1.b.4. New programs that constitute a substantive change and/or change of mission for the institution may require consultation with an out-of-state expert in the field prior to confirming format and issuing a recommendation to the chancellor. This may extend the time needed for a final decision.

7.2. Once a recommendation by the vice chancellor for academic affairs is submitted to the chancellor, he/she has five (5) working days to forward a copy of relevant documents including the program proposal and recommendation to the Commissioners.

7.2.a. Commissioners have five (5) working days to review the program proposal and address any concerns.

7.2.a.1. If no concerns are reported by the Commissioners to the Chancellor, a recommendation for approval will be forwarded by the Chancellor to the president and provost of the institution.

7.2.a.2. If there are concerns by any Commissioner, that Commissioner may request a special meeting to address the program concerns and consider the program for approval or rejection.

7.3. Programs approved prior to a regularly scheduled meeting of the Commission shall be included as a public information item in the chancellor's report at the next regularly scheduled meeting of the Commission.

7.4. All proposals approved by the Commission shall be reviewed via a post-approval audit three (3) years after the initial approval was received. The structure of the audit will be determined by Commission staff and will include review of such issues as enrollment, retention, adequacy, necessity, viability and consistency with mission.

7.5. Once implemented, per Commission policy, Series 10, Policy Regarding Program Review, the new program must be reviewed at least every five (5) years at the institution(s) of higher education where implemented. In the review process, the following must be addressed: the viability, adequacy, necessity, and consistency with mission of the program to the institutional master plan, the institutional compact, and the education and workforce needs of the responsibility district. Additionally, periodic studies of graduates and their employers to determine placement practices and the effectiveness of the education experience should be conducted.

7.6. Academic programs approved prior to the effective date of this policy will be reviewed for compliance to the program requirements found in Section 6.2.e. of this policy as a component of the program's first regularly scheduled post-approval audit or five-year program review, whichever is applicable.

§133-11-8. Termination of a Program.

8.1. An institution with the approval of its Board of Governors may discontinue a degree or certificate program. In seeking the Board of Governors approval the president should explain the reason for the proposed action (e.g. lack of enrollment, high cost) and indicate the institution's plan for assigning the positions and workload of faculty who are involved in the program and the impact on students who are already enrolled. The request to the Board of Governors should describe any plans that may have been made to transfer students, library holdings, equipment, etc. to another institution and indicate any financial savings that would accrue to the institution as a result of the termination. The institution shall also report to the Chancellor any termination that is approved by the Board of Governors.

8.2. The Commission through the program review process also has the authority to recommend that an academic program be terminated. Per Series 10, Policy Regarding Program Review, every institution is to review all academic programs at least every five (5) years that are offered by the institution. At the conclusion of the program reviews, which examine such things as the viability, adequacy, necessity and consistency of the program with the institutional mission, the Board of Governors will report to the Chancellor, by May 31, the results of the program reviews conducted each academic year. The Commission, through its staff or other appropriate entities, shall review annually the program review actions reported by each institution. The Commission has the responsibility for review of academic programs including the use of institutional missions as a template to assess the appropriateness of existing programs and the authority to implement needed changes. The Commission may modify any institutional action consistent with its authority for review of academic programs. Accredited programs that meet productivity guidelines will not be subject to further review by the Commission.

8.3. On a biennial basis, the Commission conducts a productivity review of academic programs that have been in operation for at least five (5) years. Unless exempted by the Commission, academic programs that fail to meet both productivity standards detailed in Series 10, Policy Regarding Program Review, shall be recommended for placement on probationary status by the institutional governing board for a four (4) year period. At the end of the probationary period, the Commission may recommend continuing approval status for programs meeting productivity standards and termination of programs that again fail to meet the standards. The recommendation of the Commission will be forwarded to the appropriate institutional governing board for final action.

§133-11-9. Guidelines for Cooperative Doctoral Programs.

9.1. Either of the doctoral degree-granting research institutions may initiate a proposal for a cooperative doctoral program. The president of the initiating institution should send a proposal to the other president, with a copy to the Chancellor.

9.2. Within 45 calendar days, the president of the receiving institution should send to the president of the initiating institution a response to the proposal, with a copy to the Chancellor.

9.3. Following receipt of the response, the Chancellor (or his/her designee) shall convene a meeting of the presidents or other representatives of the graduate research degree-granting institutions to review the proposal and responses. The purpose of the meeting will be to determine whether the proposal is consistent with the approved mission statements of the institution and to resolve any concerns expressed in the response. In the event of disagreement, the Chancellor will attempt to resolve the differences and make a determination about the proposal, subject to the institutions' right to appeal to the Commission.

9.4. When agreement is reached on the appropriateness of the proposal to the missions of the two research institutions, and when any concerns expressed in the responses have been resolved, the Chancellor, with advice from the presidents of the cooperating institutions, will appoint an ad hoc committee composed of representatives of the cooperating institutions to conduct a needs assessment. The ad hoc committee will submit to the Chancellor the results of the needs assessment, together with a recommendation concerning implementation of a cooperative doctoral program.

9.5. Based upon a review and positive recommendation by the Chancellor, the ad hoc committee will draft a formal proposal for a cooperative doctoral program.

9.6. The lead institution will consider the proposal in accordance with its internal committee structure, and (as appropriate) the cooperating institutions also may do so. The participating institutions will then make a joint presentation of the proposal to the Chancellor, who will make a recommendation to the Commission. As appropriate, representatives of the participating institutions will be invited to be present.

9.7. The Chancellor will monitor the progress of the program from the time of initiation of the proposal to ensure that satisfactory progress is made toward action on the proposal.

FIVE-YEAR PROJECTION OF PROGRAM SIZE

	First Year (20__)	Second Year (20__)	Third Year (20__)	Fourth Year (20__)	Fifth Year (20__)
Number of Students Served through Course Offerings of the Program:					
Headcount:	_____	_____	_____	_____	_____
FTE:	_____	_____	_____	_____	_____
Number of student credit hours generated by courses within the program (entire academic year):	_____	_____	_____	_____	_____
Number of Majors:					
Headcount:	_____	_____	_____	_____	_____
FTE majors:	_____	_____	_____	_____	_____
Number of student credit hours generated by majors in the program (entire academic year):	_____	_____	_____	_____	_____
Number of degrees to be granted (annual total):	_____	_____	_____	_____	_____

FIVE-YEAR PROJECTION OF TOTAL OPERATING RESOURCES REQUIREMENTS*

	First Year (20__)	Second Year (20__)	Third Year (20__)	Fourth Year (20__)	Fifth Year (20__)
A. FTE POSITIONS					
1. Administrators	_____	_____	_____	_____	_____
2. Full-time Faculty	_____	_____	_____	_____	_____
3. Adjunct Faculty	_____	_____	_____	_____	_____
4. Graduate Assistants	_____	_____	_____	_____	_____
5. Other Personnel:					
a. Clerical Workers	_____	_____	_____	_____	_____
b. Professionals	_____	_____	_____	_____	_____
Note: Include percentage of time of current personnel					
B. OPERATING COSTS (Appropriated Funds Only)					
1. Personal Services:					
a. Administrators	_____	_____	_____	_____	_____
b. Full-time Faculty	_____	_____	_____	_____	_____
c. Adjunct Faculty	_____	_____	_____	_____	_____
d. Graduate Assistants	_____	_____	_____	_____	_____
e. Non-Academic Personnel:					
Clerical Workers	_____	_____	_____	_____	_____
Professionals	_____	_____	_____	_____	_____
Total Salaries	_____	_____	_____	_____	_____

FIVE-YEAR PROJECTION OF TOTAL OPERATING RESOURCES REQUIREMENTS*

	First Year (20__)	Second Year (20__)	Third Year (20__)	Fourth Year (20__)	Fifth Year (20__)
2. Current Expenses	_____	_____	_____	_____	_____
3. Repairs and Alterations	_____	_____	_____	_____	_____
4. Equipment:					
Educational Equipment	_____	_____	_____	_____	_____
Library Books	_____	_____	_____	_____	_____
5. Nonrecurring Expense (specify)	_____	_____	_____	_____	_____
Total Costs	_____	_____	_____	_____	_____
C. SOURCES					
1. General Fund Appropriations (Appropriated Funds Only)	_____	_____	_____	_____	_____
<input type="checkbox"/> Reallocation <input type="checkbox"/> New funds (check one)					
2. Federal Government (Non-appropriated Funds Only)	_____	_____	_____	_____	_____
3. Private and Other (specify)	_____	_____	_____	_____	_____
Total All Sources	_____	_____	_____	_____	_____

Note: Total costs should be equal to total sources of funding

*Explain your Method for Predicting the Numbers (use additional sheet if necessary)

**TITLE 133
LEGISLATIVE RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**SERIES 5
GUIDELINES FOR GOVERNING BOARDS IN EMPLOYING AND EVALUATING
PRESIDENTS**

§133-5-1. General.

1.1. Scope. -- Rule establishing guidelines for governing boards of non-exempted schools to use in employing and evaluating presidents.

1.2. Authority. -- West Virginia Code §§18B-1B-4, 18B-1B-6.

1.3. Filing Date. -- March 29, 2019.

1.4. Effective Date. -- April 29, 2019.

1.5. Sunset Provision. -- This rule shall terminate and have no further force or effect upon April 29, 2024.

§133-5-2. State Colleges and Universities.

2.1. The provisions of this rule apply to the employment of presidents of Bluefield State College, Concord University, Fairmont State University, Glenville State College, Shepherd University, West Liberty University, and West Virginia State University.

2.2. Upon the occurrence of a vacancy in the position of President at one of the institutions set out in Section 2.1, the governing board of the institution shall undertake a search for a new President. The governing board is responsible for the search, both procedurally and financially. The governing board shall adopt a procedure, consistent with this rule, governing the search. The search procedure adopted by the governing board shall be approved by the West Virginia Higher Education Policy Commission ("Commission") prior to being implemented. The procedure shall require, at the least:

2.2.a. Input as to the best characteristics and qualities of the President should be solicited by the governing board of its constituencies and utilized in selecting and evaluating the candidates.

2.2.b. If a search committee is appointed, it shall include representation of faculty, students, and staff, and other constituencies of the institution. The number and constituency of the membership of the committee shall be at the discretion of the governing board.

2.2.c. A position announcement shall be prepared detailing the characteristics and qualities sought in a new President and distributed to appropriate newspapers and other media sources, heads of higher education associations and organizations, and other appropriate individuals for the purpose of advertising the position.

2.2.d. Interviews with the finalists, as determined by the governing board, shall be conducted on campus and, during the campus visits, students, classified employees, non-classified employees, faculty, campus administrators, community leaders, alumni, and other individuals shall be invited to meet with the candidates, and their comments shall be solicited and evaluated by the governing

board.

2.2.e. Background checks may be conducted on each candidate prior to interviewing with the search committee or governing board. Background checks should be conducted on finalists prior to any campus visit made at the invitation of the search committee or governing board and shall be conducted prior to any final selection by the search committee or the governing board. On-site visits to the candidates' current and past places of employment may be conducted and are recommended for the final candidates. Standard industry practices shall be utilized in conducting background checks and, at a minimum, shall include confirmation of degrees and past employment and criminal and credit checks.

2.3. Candidates may be considered through their own application or by nomination.

2.4. Members of the governing board, or any search committee appointed, may not provide information about the names or backgrounds of any candidates, without their consent, to anyone who is not a member of the governing board or search committee, or authorized agents or staff as designated in the search procedures approved by the Commission. When candidates are invited to a preliminary interview with the search committee, they shall be notified of the conditions under which confidentiality may be waived as to background checks and that in the event that they are invited for a campus interview, their names and backgrounds shall be publicly released at the time they accept an invitation for a formal campus visit.

2.5. At the request of an institution, the Commission may provide the governing board with staff assistance to manage the search process, or the governing board may enter into a contract with a consultant or executive search firm to identify potential candidates in addition to those who have applied or been nominated or to assist in the search.

2.6. The Chancellor shall serve as an ex officio, non-voting member on all search committees or bodies serving in that capacity during the search process. The Commission reserves the right to conduct independent interviews of one or more finalists. Prior to exercising such option, it shall give sufficient notice to the governing board so that any such interviews will occur sufficiently close to the final decision of the governing board. All presidential appointments must be confirmed by the Commission.

2.7. Terms of compensation and contracts discussed with or offered to candidates shall be consistent with the sections of this rule regarding presidential compensation and contracts.

2.8. Interim Presidents appointed by a governing board shall be confirmed by the Commission.

§133-5-3. Presidential Contracts.

3.1. Governing boards under the jurisdiction of the Commission shall receive the approval of the Commission of the total compensation package from all sources for a President when the President is initially hired and for any subsequent changes in the total compensation package.

3.2. A President is considered a will and pleasure employee of his/her governing board unless that status is specifically altered by the President's letter of appointment or contract. Presidential contracts exceeding a term of one fiscal year shall conform to the following:

3.2.a. An initial offer of employment as President, or guarantee of employment in that or another position, may not exceed two years. After the initial contract, the governing board may offer contracts of up to five years. A President assigned to an alternative position during a guaranteed term of employment shall perform substantive duties on behalf of the institution in order to collect his or her salary.

3.2.b. All contracts with a term greater than one fiscal year shall be conditioned upon availability

of funding.

3.2.c. A governing board may agree to reasonable notice of the intent not to renew a contract. It is recommended that such notice not exceed one year but may be increased up to two years after five years of service by the President.

3.2.d. All contracts with a commitment of continued employment must provide that the President may be discharged for "cause" and that such a discharge nullifies any commitment to continued employment. "Cause" includes, but is not limited to, official misconduct, incompetence, neglect of duty, gross immorality, malfeasance, misfeasance, insubordination, and acts of commission or omission in violation of the governing board's directives or policies.

3.2.e. Provisions in contracts existing on the effective date of this rule that are inconsistent with this rule may remain in effect at the discretion of the governing board unless the provisions are in violation of the statute.

§133-5-4. Compensation.

4.1. The total compensation of a President, from all sources, shall receive prior approval of the Commission. Forms of compensation which require prior approval include: annual salary derived from whatever funding source, deferred compensation, and housing or vehicle allowances. The governing board may require approval of other compensation such as non-state funded discretionary funds, compensation from other employment or for service on a corporate board of directors, and payment of dues or assessments for membership in non-professional related clubs or associations. Any such compensation received shall be reported to the Chancellor. If approval of deferred compensation is being sought, the institution shall submit an actuarial report to the Commission detailing the present cash value of the deferred compensation and conditions for eligibility or receipt of the deferred compensation.

4.2. The total salary from all funding sources for a President should be based on a comparison of the presidential salaries at the institution's peer institutions, or other national data sources which may be utilized by the governing board, as appropriate, to establish salary ranges.

4.3. A percentage presidential salary increase in excess of the average percentage salary increase for all personnel at that institution within the last calendar year may be approved only if a detailed rationale of its governing board justifying the increase is submitted to the Commission.

4.4. Housing allowances granted a President not provided housing by the institution may not be considered as part of the presidential salary for the purposes of Section 4.2 above.

4.5. Annually, the Chancellor shall make available to the governing boards and Commission the most recent College and University Professional Association for Human Resources (CUPA-HR) or other comparable salary data applicable to their institutions.

4.6. The Commission must receive notice, but need not approve or confirm an increase in the compensation of a President that is exactly in the ratio of compensation increases allocated to all institutional employees if approved by the governing board.

§133-5-5. Presidential Evaluation.

5.1. Each governing board shall conduct a formal and structured written performance evaluation of the institution's President every third year of the President's employment. The President's performance shall be evaluated in relation to the duties and responsibilities assigned the President by the governing board, the success of the institution in meeting each requirement of its institutional compact, and any other criteria previously established by the governing board.

5.2. The governing board shall appoint a committee of its own members, a visiting team, or any combination thereof, and utilize institutional personnel including faculty and staff as well as students, and persons who are knowledgeable of higher education matters to assist in its evaluation of the President.

5.3. The governing board committee, visiting team, or other body chosen by the governing board, shall visit the campus to receive the views of the President, governing board members, administrators, faculty, classified employees, non-classified employees, students, alumni, and community leaders. A schedule of interviews, meetings, and open forums that will assure a careful assessment of leadership and condition of the campus shall be arranged.

5.4. The governing board shall use the report of its committee, visiting team, or other body chosen by the governing board to assist in its own written evaluation of the President. The governing board's evaluation shall be reported to the President of the institution, the Chancellor, and the Chair of the Commission.

5.5. The Chancellor shall provide the governing boards, upon request, with evaluative tools, guidelines, and procedures recommended for the assessment and evaluation of college and university presidents and provide any assistance requested by a governing board in performing the evaluations set out in this rule.

5.6. The governing board shall conduct a written evaluation at the end of the initial contract period. In addition to the formal and structured evaluation every three years and at the end of the initial contract period, each President shall receive a written yearly evaluation in a manner and form decided by the governing board.

5.7. The Commission shall not approve any request for an increase in compensation of a President prior to receiving an evaluation of that President for the year immediately preceding the requested increase.

AGENDA
West Virginia State University Board of Governors
Audit Committee
Erickson Alumni Center
December 13, 2019
.....10:30a.m.

1. Call to Order and Roll Call – Chair, Mr. James Payne, presiding
2. Verification of Appropriate Notice of Public Meeting
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. University Recommendations and Reports Action
 - 5.1 Presentation of 2019 Audited Financial Statements from CliftonLarsonAllen
6. Other Matters
7. Next Meeting Date – February 6, 2020
8. Adjournment

Agenda prepared by Natasha Tyson, Administrative Clerk, Audit Committee

**Board of Governors
West Virginia State University
Audit Committee**

Date/Time: 12/13/2019 -- 10:30 AM

Location:

Erickson Alumni Center
Grand Hall
West Virginia State University

Purpose: To conduct the regular business of the Committee.

Notes:

Meeting was approved : 11/25/2019 8:31:24 AM

MEETING MINUTES
West Virginia State University Board of Governors
Audit Committee
Erickson Alumni Center, Grand Hall
October 24, 2019
11:30 a.m.

1. Call to Order and Roll Call

Chair, Mr. James Payne called the meeting of the West Virginia State University Board of Governors to order at 11:30 a.m.

Members Present: Mr. James Payne, Ms. Katherine “Kitty” Dooley, Dr. Ann Brothers Smith, Mr. Kenneth Gray, Mr. Charles E. Jones, Jr., Ms. Deja Smoot, Mr. Mark Kelley, Dr. Frank Vaughan, and Mr. William Lipscomb

Members Absent: Mr. James Buchanan, Ms. E. Gail Pitchford, Mr. Mark Davis

Other Present: President Anthony L. Jenkins, administrators, faculty and staff, and members of the community.

2. Verification of Appropriate Notice of Public Meeting

Mr. Payne announced the verification of appropriate notice of a public meeting.

3. Review and Approval of Meeting Agenda

Mr. Payne asked for a motion to approve the agenda. Ms. Dooley made a motion, and it was seconded by Dr. Smith. Motion carried.

4. Review and Approval of Minutes of the Previous Meeting

Mr. Payne asked for a motion to approve the meeting minutes. Dr. Smith made a motion to approve the minutes, and it was seconded by Mr. Kelley. Motion carried.

5. Audit Updates

Ms. Kristi Williams, Interim Vice President for Business and Finance, presented a status update regarding the Annual Financial Audit. The deadline to issue the final report was October 15, and it was received in the Office of Business and Finance via email on October 17. A copy will be issued to the Board for the next meeting. The audit firm will plan to be in attendance at the December meeting to present the report in the event there are any questions. There were no material issues of concern or findings, only a clean report. Mr. Payne would like both, a hard copy and electronic copy for the Board.

Ms. Dooley asked for a Financial Stress Test to look further into the status of the University. Mr. Jones also asked that a Comprehensive Annual Financial Report is considered in addition to the Audit Report. As an individual state agency, this will allow WVSU to have total financial transparency with the general public.

6. Next Meeting Date

December 13, 2019

7. Adjournment

Mr. Payne asked for a motion to adjourn. Mr. Kelley made the motion, and it was seconded by Ms. Dooley. Motion carried. With there being no further business, the meeting adjourned at 11:48 a.m.

Respectfully Submitted by Natasha Tyson, Administrative Clerk to the Audit Committee,
October 29, 2019.

Approved by:

Kristi Williams

Kristi Williams
Interim Vice President for Business and Finance



Board of Governors
West Virginia State University
Institute, West Virginia

We have audited the accompanying financial statements of West Virginia State University and its discretely presented component unit (University), as of and for the year ended June 30, 2019, and have issued our report thereon dated October 15, 2019. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by University are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2019.

We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the useful lives of capital assets is based on authoritative guidance and past experience. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the amount of year-end compensated absences payable to employees is based on historical trends and anticipated leave time activity. We evaluated the key factors and assumptions used to develop the year-end compensated absences payable to employees in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of scholarship allowance is based on an approved National Association of College and University Business Officers (NACUBO) method. We evaluated the key factors and assumptions used to develop the scholarship allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the other postemployment benefits is based on an actuarial computed amount. We evaluated the key factors and assumptions used to develop the other postemployment benefits liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the earned and unearned portions of summer-session tuition, room and board fees is based on number of days for the respective fiscal year as a percentage of the total summer days on a calendar basis. We evaluated the key factors and assumptions used to develop the earned and unearned portions of summer-session tuition, room and board fees in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair value of investments on June 30, 2018 is based on a reasonable and consistent basis using factors such as average market indexes from bigcharts.com. We evaluated the key factors and assumptions used to develop the market value and determined it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on an actuarial computed amount allocated to the University based on past contributions to the Teachers Retirement System. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated October 15, 2019.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the University's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We have provided a separate letter to you dated October 15, 2019, communicating internal control related matters relevant to the group audit and identified by us or by a component auditor during the audit.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the board of governors and management of West Virginia State University, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 15, 2019

West Virginia State University

Financial Statements as of and for the
Years Ended June 30, 2019 and 2018, and
Independent Auditors' Reports

WEST VIRGINIA STATE UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

Board of Governors
West Virginia State University
Institute, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of West Virginia State University and its discretely presented component unit, a component unit of the West Virginia Higher Education Policy Commission, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the West Virginia State University Foundation, a discretely presented component unit of West Virginia State University, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Additionally, we did not audit the financial statements of the West Virginia State University Research and Development Corporation, a blended component unit of West Virginia State University, which represent 4%, 4%, and 30%, respectively, of the assets, net position, and revenues of the statements of West Virginia State University. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for West Virginia State University and the discretely presented component unit, are based solely on the reports of the other auditors. We and the auditors of the West Virginia State University Research and Development Corporation, conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the West Virginia State University Foundation, which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the financial statements of West Virginia State University and its discretely presented component unit as of June 30, 2019 and 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note 1, the financial statements present only West Virginia State University and do not purport to, and do not present fairly the financial position of the West Virginia Higher Education Policy Commission as of June 30, 2019 and 2018, the changes in its financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and contributions, and schedule of proportionate share of net OPEB liability and schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The certificate of regarding debt service coverage as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2019, on our consideration of the West Virginia State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Virginia State University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 15, 2019

West Virginia State University
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

HISTORY OF WEST VIRGINIA STATE UNIVERSITY

West Virginia State University was founded under the provisions of the Second Morrill Act of 1890 as the West Virginia Colored Institute, one of 17 land-grant institutions authorized by Congress and designated by the states to provide for the education of black citizens in agriculture and the mechanical arts. West Virginia was one of the states that maintained segregated educational systems at that time.

From 1891 to 1915, the original Institute offered the equivalent of a high school education, vocational training, and teacher preparation. In 1915, the West Virginia Collegiate Institute began to offer college degrees. Under the leadership of President John W. Davis, the academic program was expanded and new buildings were constructed, and in 1927 the institution was accredited by the North Central Association. In 1929, it became West Virginia State College (WVSC). Over the next decades, WVSC became recognized as one of the leading public institutions of higher education for blacks in the country.

In 1954, the United States Supreme Court gave its historic decision in *Brown vs. Board of Education* outlawing school segregation. The consequence of this decision for West Virginia State College was a rapid transition to an integrated institution serving a multiracial, multi-generational commuting student population. This shift in student population and mission occurred in part due to demographics and in part due to efforts made by the college administration to reverse a decline in enrollment during the early 1950s. Enrollment quadrupled during the following decades.

Meanwhile, by a decision of the West Virginia Board of Education, WVSC was compelled to surrender its land-grant status, the only one of the 1890 institutions to do so. Only after a 12-year quest was the college's land-grant status fully restored, in 2001 by act of Congress signed by President Bill Clinton.

In 2004, WVSC was granted university status by the West Virginia Legislature along with three other public four-year colleges and renamed West Virginia State University. The same piece of legislation (SB 448) also called for re-organization of community and technical colleges throughout the state which eventually led to WVSC's community and technical college component becoming a separate institution, Kanawha Valley Community and Technical College.

The first half-century of the history of WVSU epitomizes the long struggle of African-Americans for educational opportunity and political, social and economic equality. While desegregation changed the racial proportions of the student body, faculty and staff, WVSU still emphasizes the diversity of its people and derives important values and elements of its mission from its tradition as a historically black college. The motto "A Living Laboratory of Human Relations" is still a relevant depiction of West Virginia State University.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

West Virginia State University (the “University”) is pleased to present the financial statements for the year ended June 30, 2019. The information also includes the West Virginia State University Research and Development Corporation (the “Corporation”). The West Virginia State University Foundation is included as a discretely presented component unit.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

The required, supplementary information in the form of a narrative analysis or management discussion and analysis offers an overview of the financial activities for the fiscal year ended June 30, 2019.

The Governmental Accounting Standards Board (GASB) has issued directives for the presentation of financial statements for colleges and universities in the United States. Previously, the reporting had presented financial information in the format of fund groups. The revised GASB format focuses on reporting the overall economic resources of the University.

STATEMENTS OF NET POSITION

The purpose of the University’s Statements of Net Position is to take a snapshot of the financial statements at a point in time. This statement shows the assets, deferred outflows, liabilities, deferred inflows, and net position of the University as of June 30, 2019.

The year-end data regarding assets (current and noncurrent) and deferred outflows, liabilities (current and noncurrent) and deferred inflows of resources and net position (assets and deferred outflows minus liabilities and deferred inflows) is also presented in the financial statements. The difference between current and noncurrent assets, deferred outflows, liabilities, and deferred inflows of resources are discussed in the note section of the financial statements.

By reviewing the Statement of Net Position, the reader is able to ascertain the assets available to continue the operations of the University. Also, readers can see data presented in a way to discern how much the institution owes vendors, employees, and lending institutions. In addition, the Statement of Net Position offers an overview picture of the net position (assets and deferred outflows of resources minus liabilities and deferred inflow of resources) and the availability of the assets to utilize for future expenditure by the University.

Net position is divided into four major types:

- Net Investment in Capital Assets: net book value of the University’s capital assets less any related debt.
- Restricted Net Position — The restricted component of net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. This includes amounts restricted for use in capital projects and for loans to students by various agreements, as well as amounts required to be held for use in debt service on outstanding bonds as outlined in Bond Trust Indenture.
 - a. Nonexpendable — The nonexpendable component of net position is permanently restricted, and only the income from such resources can be used. The University does not have such assets as of June 30, 2019 or 2018.
 - b. Expendable — The expendable component of net position is available for expenditures as determined by donors and/or external entities in regard to time or purpose.
- Unrestricted: The unrestricted component of net position is the net amount of assets available to this institution to utilize for any lawful purpose.

Condensed Schedules of Net Position

	FY 2019	FY 2018	Difference	FY 2017
Assets				
Total current assets	\$5,561,912	\$5,453,349	\$ 108,563	\$5474,606
Total non-current assets	<u>79,566,443</u>	<u>81,036,442</u>	<u>(1,469,999)</u>	<u>79,869,615</u>
Total assets	\$85,128,355	\$86,489,791	\$(1,361,436)	\$85,344,221
Deferred Outflows	<u>1,161,297</u>	<u>910,352</u>	<u>250,945</u>	<u>328,061</u>
Total Assets and Deferred Outflows	<u>\$86,289,652</u>	<u>\$87,400,143</u>	<u>\$(1,110,491)</u>	<u>\$85,672,282</u>
Liabilities				
Total current liabilities	\$10,268,353	\$10,351,068	\$ (82,715)	\$12,019,732
Total non-current liabilities	<u>41,252,154</u>	<u>42,920,663</u>	<u>(1,668,509)</u>	<u>48,635,526</u>
Total liabilities	\$ 51,520,507	\$53,271,731	\$ (1,751,224)	\$60,655,258
Deferred Inflows	<u>2,491,077</u>	<u>1,966,901</u>	<u>524,176</u>	<u>162,505</u>
Total Liabilities and Deferred Inflows	<u>\$ 54,011,584</u>	<u>\$55,238,632</u>	<u>\$ (1,227,048)</u>	<u>\$60,817,763</u>
Net Position				
Net investment in capital assets	\$46,261,064	\$44,446,116	\$ 1,814,948	\$43,709,179
Restricted expendable-debt service	256,830	365,052	(108,222)	357,354
Restricted expendable-other	(360,305)	(379,513)	19,208	(343,539)
Unrestricted (deficit)	<u>(13,879,521)</u>	<u>(12,270,146)</u>	<u>(1,609,375)</u>	<u>(18,868,475)</u>
Total net position	<u>\$32,278,068</u>	<u>\$32,161,509</u>	<u>\$ 116,559</u>	<u>\$24,854,519</u>
Total liabilities and net position	<u>\$ 86,289,652</u>	<u>\$87,400,143</u>	<u>\$(1,110,491)</u>	<u>\$ 85,672,282</u>

Total assets for fiscal year 2019 decreased from fiscal year 2018 by \$1.3 million. This was caused by the decrease in items such as cash, inventories, and prepaid expenses. Total current liabilities of resources of \$10.2 million exceeded total current assets of \$5.6 million, for a net working capital of \$(4.6) million.

Total assets for fiscal year 2018 increased from fiscal year 2017 by \$1.1 million. This was caused by the increase in investment of capital assets, net, of \$1.2 million. Total current liabilities of resources of \$12.0 million exceeded total current assets of \$5.5 million, for a net working capital of \$(4.9) million.

Liabilities:

Total liabilities for fiscal year 2019 decreased by \$1.8 million over fiscal year 2018. The difference is a decrease in accounts payable, net pension liability and OPEB Liability.

Total liabilities for fiscal year 2018 increased by \$7.4 million over fiscal year 2017. Most of the difference is a decrease in OPEB Liability of \$10.3 million and an increase of Net Pension Liability of \$5.4 million.

Net Position:

The largest difference in net position for fiscal year 2019 is the Unrestricted Net Assets category as a result of decrease for OPEB Liability and in Net Pension Liability compared to 2018.

The largest difference in net position for fiscal year 2018 is the Unrestricted Net Assets category as a result of decrease for OPEB Liability and increase in Net Pension Liability compared to 2017.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The purpose of the Statements of Revenues, Expenses, and Changes in Net Position is to present the operating and non-operating revenues earned and expenses incurred by the University and any other revenues, expenses, gains and losses of the University.

Operating revenues are earned by providing goods and services to the various customers and constituencies of the University. Operating expenses are those incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the University.

Revenues for which goods and services are not provided are reported as nonoperating revenues. For example, State of West Virginia (the "State") appropriations are non-operating revenues because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues.

Condensed Schedules of Revenues, Expenses, and Changes in Net Position

	FY 2019	FY 2018	Difference	FY 2017
Operating Revenues	\$29,515,256	\$28,955,372	\$ 559,884	\$30,209,543
Operating Expenses	46,429,842	44,644,891	1,784,951	49,777,732
Operating Loss	(16,914,586)	(15,689,519)	(1,225,067)	(22,753,423)
Nonoperating Revenues Net	14,028,113	13,877,540	150,573	16,001,487
Income before other revenue, expenses, gains or losses	(2,886,473)	(1,811,979)	(1,074,494)	(6,751,936)
Capital gifts and Grants	2,120,701	4,905,013	(2,784,312)	3,916,627
Capital Payments Behalf	882,331	976,089	(93,758)	466,348
(Decrease) Increase in Net Position	116,559	4,069,123	(3,952,564)	(2,368,961)
Net Position, beginning of year	32,161,509	24,854,520	7,306,989)	27,223,481
Cumulative effect, change in accounting principle		3,237,866		
Net Position, beginning of year, restated		28,092,386		
Net position, end of year	\$32,278,068	\$32,161,509	\$ 116,559	\$24,854,520

Operating Revenues:

Operating revenues increased by \$0.6 million for fiscal year 2019 as a result of increase of student tuition and fees, federal grants, and state grants, along with a decrease in auxiliary revenue.

Operating revenues increased by \$0.7 million for fiscal year 2018 as a result of increase federal grants by \$0.5 million and auxiliary revenue increased by \$0.2 million.

Operating Expenses:

Operating expenses increased in 2019 by about \$(1.8) million. The increase in fiscal year 2019 in supplies and other expense of \$(1.6) million, was the significant change for operating expenses.

Operating revenues in fiscal year 2019 of \$29.5 million compared to operating expenses of \$46.4 million resulted in an operating loss of \$16.9 million. Although State Appropriations of \$11.4 million and Pell Grants of \$4.7 million are counted as non-operating revenues, we should point out that they should be added to the operating revenues when comparing operating revenues against operating expenses.

Operating expenses decreased in 2018 by about \$(6.5) million. The decrease in fiscal year 2017 salaries and benefits of \$(1.5) million, and student financial aid decrease of \$(1.9) million and decrease in supplies and other expense of \$(3.0) million, were the significant changes for operating expenses.

Operating revenues in fiscal year 2018 of \$28.9 million compared to operating expenses of \$44.4 million resulted in an operating loss of \$15.5 million. Although State Appropriations of \$11.1 million are counted as non-operating revenues, we should point out that they should be added to the operating revenues when comparing operating revenues against operating expenses.

STATEMENTS OF CASH FLOWS

The final statement presented by the University is the Statements of Cash Flows. The statement of cash flows presents detailed information about the cash activity of the University during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and noncapital financing purposes. The third section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fourth section deals with the cash used for the acquisition and construction of capital and related items. The fifth section reconciles the net cash used to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Condensed Schedules of Cash Flows

	FY 2019	FY 2018	Difference	FY 2017
Cash provided by (used in):				
Operating activities	\$(15,078,042)	\$(13,633,642)	\$(1,444,400)	\$(17,510,510)
Noncapital financing activities	16,094,662	15,985,863	108,799	18,141,699
Capital financing activities	(2,043,117)	(1,859,261)	(183,856)	(1,862,066)
Interest on investments	65,386	40,870	24,516	26,928
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in cash and cash equivalents	(961,111)	533,830	(1,494,941)	(1,203,949)
Cash — beginning of year	2,176,102	1,642,274	533,828	2,846,223
	<hr/>	<hr/>	<hr/>	<hr/>
Cash — end of year	\$ 1,214,991	\$ 2,176,104	\$ (961,113)	\$ 1,642,274

The major difference between fiscal year 2019 and fiscal year 2018 included in operating activities consists of auxiliary enterprise charges decrease of \$1.0 million.

The major difference between fiscal year 2018 and fiscal year 2017 included in operating activities consists of student tuition and fees of \$2.3 million, grants and contracts of \$0.3 million, payments to and on behalf of employees of \$1.4 million.

Major difference between fiscal year 2019 and fiscal year 2018 in funding included is noncapital financing is primarily an increase in state appropriations of \$0.3 million compared to last year's receipts and decrease in Pell Grant receipts of \$(0.1) million.

Major difference between fiscal year 2018 and fiscal year 2017 in funding included is noncapital financing is primarily decrease in state appropriations of \$(0.2) million compared to last year's receipts and decrease in Pell Grant receipts of \$(1.9) million.

Major differences between fiscal year 2019 and fiscal year 2018 in capital finance activities included, capital made on behalf of WVSU \$(0.9) million and principal paid on notes and bonds \$(0.15) million.

Major differences between fiscal year 2018 and fiscal year 2017 in capital finance activities included, capital gifts and grants received \$0.9 million and principal paid on notes and bonds \$(1.3) million.

CAPITAL ASSETS

In FY 2019, West Virginia State University exercised frugal management in regard to capital improvements. The purchase, renovation and restoration of capital assets, such as land and/or buildings, educational and scientific equipment, renovation of classroom and research facilities remain essential for the forward movement of the University.

Some of the capital projects for FY 2019 include the following.

- Renovation of F. Ray Power Building for research, now called I.R.E.B.

ECONOMIC OUTLOOK

Under the leadership of the President, Dr. Anthony L. Jenkins, the University continues to seek external and internal resources for the conduct of its institutional mission: research, instruction and outreach programming. Furthermore, new academic offerings including additional graduate and undergraduate programs, along with their associated research and public service, have been established. The University is also positioning itself as an active participant in statewide initiatives, along with other state Universities, related to research infrastructure improvements which in turn translate into regional economic development. Efforts to increase recruitment and retention while maintaining an affordable education are the leading forces in establishing WVSU as the number one university in West Virginia.

During FY2019 the WVSU Foundation received \$1,905,385 in new gifts and pledges. Of this total, \$1,099,547 was in the form of outright cash gifts, the second highest total on record. Alumni participation fell from 4.5% in FY2018 to 3.3% in FY2019; the decrease was not unexpected as the increase in 2018 was related to the record number of alumni who donated in support of the campaign to honor Katherine Johnson. For FY2020 the Foundation seeks to raise \$2.5 million in new gifts and pledges, and to increase the alumni participation rate to 4.1%. The Foundation closed FY2019 with an endowment of \$9,648,797.

Due to the loss of revenue from the state mandated separation of the Kanawha Valley Community and Technical College in 2009, WVSU has appealed for funding support from the State legislature for \$1,000,000 in FY's 2014, 2015, 2016, 2017, and 2018. Additional funding was placed in the budget legislation that passed both the House of Delegates and Senate in FY's 2015 and 2016 but was vetoed by the Governor. WVSU is continuing the effort to obtain this needed funding during the upcoming State Legislative session particularly since other institutions in a similar situation has received additional funding for their respective Community and Technical College separation.

The University continues to grow academically. This past summer, The Higher Learning Commission, the University's regional accrediting body, approved the institutions request to offer the Bachelor of Science in Nursing (BSN). The next step is to get approval from the State of West Virginia's Nursing Board. The hope is that the nursing program will have its first cohort in spring 2020. The development of this program was due to the current and predicted shortages in in nurses in West Virginia.

West Virginia Research and Development Corporation will continue supporting and playing a vital role, as the designated fiscal manager of external resources, in the administration and advancement of research, teaching, and public service for the University. The Corporation has been, and will continue to be, a foundational fiscal catalyst in increasing sponsored activities at the University. As previously discussed, this year's financial statements (based on revenue and net assets outcomes), as a result of a still quiescent economic environment declined slightly. Through its "Vision 2020" Strategic Plan, the University is committed to increasing efforts related to expanding external resources, which, in turn, generate positive impacts on the communities and citizenry served throughout the state, regional economic development, increased research capacity, and expansion of educational facilities and programming.

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF NET POSITION AS OF JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,214,994	\$ 2,176,104
Accounts receivable — net	3,785,810	2,566,472
Loans to students — current portion	65,607	84,595
Inventories	270,303	323,372
Prepaid expenses	225,198	302,806
	<u>5,561,912</u>	<u>5,453,349</u>
Total current assets		
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	256,830	365,052
Other Receivables	93,066	104,155
Loans to students — net of allowance of \$11,743 and \$318,082 in 2019 and 2018, respectively	-	5,416
Capital assets — net	<u>79,216,547</u>	<u>80,561,819</u>
	<u>79,566,443</u>	<u>81,036,442</u>
Total noncurrent assets		
Deferred Outflows of Resources:		
Deferred outflows related to OPEB	1,010,096	590,940
Deferred outflows related to pensions	<u>151,201</u>	<u>319,412</u>
	<u>1,161,297</u>	<u>910,352</u>
Total deferred inflows of resources		
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 86,289,652</u>	<u>\$ 87,400,143</u>

(Continued)

WEST VIRGINIA STATE UNIVERSITY

**STATEMENTS OF NET POSITION
AS OF JUNE 30, 2019 AND 2018**

	2019	2018
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,671,257	\$ 3,989,652
Accrued liabilities	2,390,069	2,443,300
Unearned revenue	2,056,610	1,633,719
Compensated absences — current portion	936,417	890,397
Leases payable - current portion	244,000	180,000
Bonds payable — current portion	375,000	375,000
Notes payable — current portion	595,000	839,000
Total current liabilities	<u>10,268,353</u>	<u>10,351,068</u>
NONCURRENT LIABILITIES:		
Deposits	87,450	89,150
Compensated absences	210,678	173,763
Bonds payable	9,250,000	9,620,000
Notes payable	2,177,999	2,272,999
Capital leases payable	20,743,032	20,987,032
Advances from federal sponsors	579,122	579,122
Net pension liability	718,868	938,439
Other post employment benefits liability	7,485,005	8,260,158
Total noncurrent liabilities	<u>41,252,154</u>	<u>42,920,663</u>
TOTAL LIABILITIES	<u>51,520,507</u>	<u>53,271,731</u>
Deferred Inflows of Resources:		
Deferred inflows related to OPEB	2,157,905	1,397,282
Deferred inflows related to pensions	333,172	569,621
Total deferred inflows of resources	<u>2,491,077</u>	<u>1,966,903</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>54,011,584</u>	<u>55,238,634</u>
NET POSITION:		
Net investment in capital assets	<u>46,261,064</u>	<u>44,446,116</u>
Restricted - Expendable Loans	(360,305)	(379,513)
Restricted - Expendable Debt service	<u>256,830</u>	<u>365,052</u>
Total restricted	<u>(103,475)</u>	<u>(14,461)</u>
Unrestricted (deficit)	<u>(13,879,521)</u>	<u>(12,270,146)</u>
TOTAL NET POSITION	<u>\$ 32,278,068</u>	<u>\$ 32,161,509</u>

See notes to combined financial statements.

(Concluded)

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of \$7,242,018 and \$6,239,611 in 2019 and 2018, respectively	\$ 11,524,175	\$ 10,850,974
Contracts and grants:		
Federal	9,945,569	9,141,392
State	3,138,924	2,880,045
Private	164,849	273,348
Auxiliary enterprise revenue — net of scholarship allowance of \$2,209,081 and \$2,549,291 in 2019 and 2018, respectively	3,515,297	4,553,336
Miscellaneous — net	1,105,582	1,116,851
Fees charged to the students of Kanawha Valley Community and Technical College	<u>120,860</u>	<u>139,426</u>
 Total operating revenues	 <u>29,515,256</u>	 <u>28,955,372</u>
OPERATING EXPENSES:		
Salaries and wages	20,419,377	20,705,544
Benefits	4,835,924	5,322,636
Supplies and other services	11,729,204	10,076,102
Utilities	2,193,684	2,051,356
Student financial aid — scholarships and fellowships	3,772,946	2,990,171
Depreciation and amortization	<u>3,478,707</u>	<u>3,499,082</u>
 Total operating expenses	 <u>46,429,842</u>	 <u>44,644,891</u>
 OPERATING LOSS	 <u>(16,914,586)</u>	 <u>(15,689,519)</u>
NONOPERATING REVENUES (EXPENSES):		
State appropriations	11,447,580	11,099,907
Federal Pell Grants	4,662,462	4,901,128
Investment income	65,386	40,870
Interest on indebtedness	(2,126,648)	(2,149,194)
Loss on fixed asset disposal	(5,287)	-
Fees assessed by the Commission	<u>(15,380)</u>	<u>(15,171)</u>
 Net nonoperating revenues	 <u>14,028,113</u>	 <u>13,877,540</u>
 LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	 <u>(2,886,473)</u>	 <u>(1,811,979)</u>
PAYMENTS MADE ON BEHALF OF WV STATE UNIVERSITY	882,331	976,089
CAPITAL GRANTS AND GIFTS	<u>2,120,701</u>	<u>4,905,013</u>
CHANGE IN NET POSITION	116,559	4,069,123
NET POSITION — Beginning of year	<u>32,161,509</u>	<u>28,092,386</u>
NET POSITION — End of year	<u>\$ 32,278,068</u>	<u>\$ 32,161,509</u>

See notes to combined financial statements.

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	\$ 10,738,817	\$ 11,541,864
Contracts and grants	13,249,342	12,294,785
Payments to and on behalf of employees	(25,947,092)	(26,592,036)
Payments to suppliers	(11,916,922)	(11,695,556)
Payments to utilities	(2,193,684)	(2,051,356)
Payments for scholarships and fellowships	(3,772,946)	(2,990,171)
Collection of loans to students	24,404	38,063
Auxiliary enterprise charges	3,513,597	4,564,482
Fees charged to Kanawha Valley Community and Technical College students	120,860	139,426
Other receipts — net	<u>1,105,582</u>	<u>1,116,851</u>
Net cash used in operating activities	<u>(15,078,042)</u>	<u>(13,633,648)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	11,447,580	11,099,907
William D. Ford direct lending receipts	11,198,248	12,174,124
William D. Ford direct lending payments	(11,198,248)	(12,174,124)
Federal Pell grants	4,662,462	4,901,128
Fees assessed by the Commission	<u>(15,380)</u>	<u>(15,171)</u>
Net cash provided by noncapital financing activities	<u>16,094,662</u>	<u>15,985,864</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Capital grants and gifts received	2,120,701	4,905,013
Capital payments made on behalf of WVSU	882,331	976,089
Purchases of capital assets	(2,138,723)	(4,709,470)
Principal paid on notes and bonds	(889,000)	(874,001)
Interest paid on notes, bonds, and leases	(2,126,648)	(2,149,194)
Withdrawals from non-current cash and cash equivalents	<u>108,222</u>	<u>(7,698)</u>
Net cash used in capital financing activities	<u>(2,043,117)</u>	<u>(1,859,261)</u>
CASH FLOWS FROM INVESTING ACTIVITY — Interest on investments	<u>65,386</u>	<u>40,870</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(961,111)</u>	<u>533,828</u>
CASH AND CASH EQUIVALENTS — Beginning of year	<u>2,176,102</u>	<u>1,642,274</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 1,214,991</u>	<u>\$ 2,176,102</u>

(Continued)

WEST VIRGINIA STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (16,914,586)	\$ (15,689,519)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation and amortization expense	3,478,707	3,499,082
Effect of change operating assets and liabilities:		
Receivables — net	(1,208,249)	677,786
Loans to students — net	24,404	38,063
Prepaid expenses	77,608	(113,283)
Inventories	53,069	3,780
Accounts payable and accrued liabilities	(371,626)	(1,643,911)
Compensated absences	82,935	(32,449)
Leases payable	-	60,000
OPEB	5,334,247	(7,845,160)
Unearned revenue	422,891	13,106
Defined benefit pension plans	(6,055,742)	7,387,715
Deposits held in custody for others	<u>(1,700)</u>	<u>11,146</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (15,078,042)</u>	<u>\$ (13,633,644)</u>
NONCASH TRANSACTIONS		
Donated capital assets	<u>\$</u>	<u>\$</u>
See notes to combined financial statements.		(Concluded)

WEST VIRGINIA STATE UNIVERSITY

THE WEST VIRGINIA STATE UNIVERSITY FOUNDATION, INCORPORATED, A COMPONENT UNIT OF WEST VIRGINIA STATE UNIVERSITY STATEMENTS OF NET ASSETS AS OF JUNE 20, 2019 AND 2018

	2019	2018
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 540,312	\$ 452,900
Cash and cash equivalents - restricted funds	1,905,470	2,191,962
Unconditional promises to give (less allowance for doubtful accounts of \$152,000 and \$52,000, respectively)	2,593,894	2,599,476
Other receivables	27,340	36,416
Investments	9,648,797	9,378,525
Other Investments, bond reserve funds	3,240,289	3,082,494
Beneficial interest in trusts	264,370	270,955
Note Receivable	500,000	750,000
Lease Receivable	20,987,032	21,167,032
Deferred bond issuance cost	363,956	384,568
Property and equipment, net	<u>407,618</u>	<u>437,673</u>
TOTAL ASSETS	<u><u>\$ 40,479,078</u></u>	<u><u>\$ 40,752,001</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 58,655	\$ 50,057
Bonds payable	<u>24,717,794</u>	<u>24,837,602</u>
	<u>24,776,449</u>	<u>24,887,659</u>
NET ASSETS		
Without donor restrictions	734,659	767,787
With donor restrictions	14,967,970	15,096,555
Total net assets	<u>15,702,629</u>	<u>15,864,342</u>
	<u><u>\$ 40,479,078</u></u>	<u><u>\$ 40,752,001</u></u>

See notes to combined financial statements.

WEST VIRGINIA STATE UNIVERSITY

THE WEST VIRGINIA STATE UNIVERSITY FOUNDATION, INCORPORATED, A COMPONENT UNIT OF WEST VIRGINIA STATE UNIVERSITY STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions and gifts	\$ 211,731	\$ 1,659,591	\$ 1,871,322
Administrative fees (expenses)	148,281	(148,281)	-
Rental income	2,060	9,011	11,071
Investment income	3,795	1,008	4,803
Other Income	12,978	338,981	351,959
Net assets released from restrictions	<u>1,982,311</u>	<u>(1,982,311)</u>	<u>-</u>
	<u>2,361,156</u>	<u>(122,001)</u>	<u>2,239,155</u>
EXPENSES			
Program services			
Scholarships	646,152		646,152
University support	<u>1,417,614</u>	<u>-</u>	<u>1,417,614</u>
Total program services	<u>2,063,766</u>	<u>-</u>	<u>2,063,766</u>
Supporting services			
Management and general	237,374		237,374
Fundraising	<u>93,144</u>	<u>-</u>	<u>93,144</u>
Total supporting services	<u>330,518</u>	<u>-</u>	<u>330,518</u>
Total Expenses	<u>2,394,284</u>	<u>-</u>	<u>2,394,284</u>
NET INCREASE (DECREASE)	(33,128)	(122,001)	(155,129)
Change in Value of Perpetual Trust	-	(6,584)	(6,584)
Capital Lease Interest Income	1,644,663	-	1,644,663
Bond Interest Expense	(1,644,663)	-	(1,644,663)
Gain on Sale of Fixed Assets	-	-	-
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(33,128)	(128,585)	(161,713)
Net Assets at Beginning of Year	<u>767,787</u>	<u>15,096,555</u>	<u>15,864,342</u>
Net Assets at End of Year	<u>\$ 734,659</u>	<u>\$ 14,967,970</u>	<u>\$ 15,702,629</u>

See notes to combined financial statements.

WEST VIRGINIA STATE UNIVERSITY

THE WEST VIRGINIA STATE UNIVERSITY FOUNDATION, INCORPORATED, A COMPONENT UNIT OF WEST VIRGINIA STATE UNIVERSITY STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions and gifts	\$ 195,509	\$ 1,675,264	\$ 1,870,773
Administrative fees (expenses)	149,500	(149,500)	-
Rental income	2,882	460	3,342
Investment income	3,783	624,028	627,811
Other Income	10,962	334,407	345,369
Net assets released from restrictions	<u>1,747,298</u>	<u>(1,747,298)</u>	<u>-</u>
	<u>2,109,934</u>	<u>737,361</u>	<u>2,847,295</u>
EXPENSES			
Program services			
Scholarships	627,218		627,218
University support	<u>1,190,374</u>	<u>-</u>	<u>1,190,374</u>
Total program services	<u>1,817,592</u>	<u>-</u>	<u>1,817,592</u>
Supporting services			
Management and general	268,649		268,649
Fundraising	<u>89,850</u>	<u>-</u>	<u>89,850</u>
Total supporting services	<u>358,499</u>	<u>-</u>	<u>358,499</u>
Total Expenses	<u>2,176,091</u>	<u>-</u>	<u>2,176,091</u>
NET INCREASE (DECREASE)	(66,157)	737,361	671,204
Change in Value of Perpetual Trust	-	7,779	7,779
Capital Lease Interest Income	1,653,288	-	1,653,288
Bond Interest Expense	(1,653,288)	-	(1,653,288)
Gain on Sale of Fixed Assets	34,883	-	34,883
Reclassification	<u>(8,756)</u>	<u>8,756</u>	<u>-</u>
Change in Net Assets	(40,030)	753,896	713,866
Net Assets at Beginning of Year	<u>807,817</u>	<u>14,342,659</u>	<u>15,150,476</u>
Net Assets at End of Year	<u>\$ 767,787</u>	<u>\$ 15,096,555</u>	<u>\$ 15,864,342</u>

See notes to combined financial statements.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

1. ORGANIZATION

West Virginia State University (the “University”) is governed by the West Virginia State University Board of Governors (the “Board”). The Board was established by Senate Bill 653 (“S.B. 653”).

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise, and manage the financial, business, and educational policies and affairs of the University under its jurisdiction, the duty to develop a master plan for the University, the power to prescribe the specific functions and the University’s budget request, the duty to review, at least every five years, all academic programs offered at the University, and the power to fix tuition and other fees for the different classes or categories of students enrolled at the University.

S.B. 653 also created the West Virginia Higher Education Policy Commission (the “Commission”), which is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board standards (GASB). The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the University’s assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

Reporting Entity — The University is a component unit of the West Virginia Higher Education Fund and represents separate funds of the State of West Virginia (the “State”) that are not included in the State’s general fund. The University is a separate entity which, along with all the State institutions of higher education, the Commission (which includes West Virginia Network for Educational Telecomputing), and the West Virginia Council of Community and Technical College Education form the Higher Education Fund of the State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State’s comprehensive annual financial report.

The accompanying financial statements present all funds under the authority of the University, including its blended component unit, the West Virginia State University Research and Development Corporation (the “Research and Development Corporation”), a nonprofit, nonstock corporation. The basic criteria for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the University’s ability to significantly influence operations and accountability for fiscal matters of the Research and Development Corporation.

The related organization, Alumni Association, is not part of the University reporting entity and is not included in the accompanying financial statements, as the University has no ability to designate management, cannot significantly influence operations of these entities, and is not accountable for the fiscal matters of the West Virginia State University Alumni Association under GASB.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with GASB, the audited financial statements of the “Foundation” are discretely presented here with the University’s financial statements. The Foundation is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s audited financial information, as it is presented herein (see also Note 20).

Financial Statement Presentation — GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a basis to focus on the University as a whole. The University’s net position is classified into three categories according to external donor restrictions or availability of resources for satisfaction of University obligations. The components of the University’s net position are classified as follows:

- *Net Investment in Capital Assets* — This represents the University’s total investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- *Restricted Net Position* — This includes amounts restricted for use in capital projects and for loans to students by various agreements, as well as amounts required to be held for use in debt service on outstanding bonds as outline in Bond Trust Indenture. See Footnote 2 for details on debt service deposits.
 - *Restricted — Expendable* — This includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. The West Virginia State Legislature (the “State Legislature”), as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education* of the West Virginia State Code. House Bill No. 101 passed in March 2004 simplified the tuition and fee restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of the institution. These restrictions are subject to change by future actions of the State Legislature.
 - *Restricted — Nonexpendable* — This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The University does not have any nonexpendable funds or components of net position of this type as of June 30, 2019 and 2018.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Unrestricted* — This represents resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the Board to meet current expenses for any purpose. These resources also include resources of auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

Basis of Accounting — For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses are reported when materials or services are received. All interinstitution accounts and transactions have been eliminated.

Cash and Cash Equivalents — For purposes of the statements of net position, the University considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Cash on deposit with the West Virginia Treasurer's Office (the "Treasurer") is deposited into the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool with the West Virginia Board of Treasury Investments (BTI). The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

Cash and cash equivalents also include cash in bank accounts and cash on hand.

Accounts Receivable – Accounts receivable include primarily amounts due from students for tuition and fees, amounts due from sponsoring agencies for grants and contracts, and other miscellaneous receivables.

Allowance for Doubtful Accounts — It is the University's policy to provide for future losses on uncollectible accounts, contracts, grants, and loans receivable based on an evaluation of the underlying account, contract, grant, and loan balances, the historical collectability experienced by the University on such balances, and such other factors which, in the University's judgment, require consideration in estimating doubtful accounts.

Inventories — Inventories are stated at the lower of cost or market, cost being determined on the first-in, first-out method.

Noncurrent Cash, Cash Equivalents, and Investments — Cash, cash equivalents, and investments that are (1) externally restricted to make debt service payments, long-term loans to students or to maintain sinking or reserve funds, (2) to purchase capital or other noncurrent assets, or (3) permanently restricted components of net position, are classified as a noncurrent assets in the statements of net position.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets — Capital assets include property, plant, equipment, books and materials that are part of a catalogued library, and infrastructure assets. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 50 years for buildings and infrastructure, 20 years for land improvements and library books, and 3 to 10 years for furniture and equipment. Land is not depreciated as it is considered to have an indefinite useful life. The University's threshold for capitalizing capital assets is \$5,000. The financial statements reflect all adjustments required by GASB.

Impairment of Capital Assets – Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any write-downs due to impairment are charged to operations at the time of the impairment is identified. No write-down of capital assets was required for the years ended June 30, 2019 or 2018.

Unearned Revenue — Revenues received for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including items such as tuition and fees, football ticket sales, and room and board. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Other Post-Employment Benefits — GASB provides standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the University was required to participate in this multiple employer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of West Virginia. Details regarding this plan and its stand-alone financial statements can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or <http://www.wvpeia.com>.

These statements require entities to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave as such benefits are earned and payment becomes probable. The University's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1-1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage and three days extend health insurance for one month of family coverage. For employees hired after 1988, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later, will no longer receive sick leave credit toward insurance premiums when they retire. This liability is now provided for under the multiple employer cost-sharing plans sponsored by the State.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally 3-1/3 years of teaching service extend health insurance for one year of single coverage and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009 will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010 receive no health insurance premium subsidy from the University. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

The estimated expense and expense incurred for the vacation leave or OPEB benefits are recorded as a component of benefits expense on the statement of revenues, expenses, and changes in net position.

Other Post-Employment Benefits – For purposes of measuring the net other postemployment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Postemployment Benefit Plan (the “OPEB plan”), which is administered by a combination of the West Virginia Public Employees Insurance Agency (“PEIA”) and the West Virginia Health Benefit Plan (the “RHBT”), additions to/reductions from the OPEB plan’s fiduciary net position have been determined on the same basis as they are reported in the RHBT’s financial statements which can be found at www.peia.gov. The OPEB plan schedules are prepared using the accrual basis of accounting in accordance with U.S. GAAP as prescribed by GASB.

Net Pension Liability – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers’ Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, which can be found at <https://www.wvretirement.com/Publications.html#CAFR>. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. (See Note 13.)

Deferred Outflows of Resources – Consumption of net position by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the Statement of Net Position. As of June 30, 2019 and 2018, the University had deferred outflows of resources related to pensions of \$151,201 and \$319,412, respectively (see Note 13). As of June 30, 2019 and 2018, the University had deferred outflows of resources related to OPEB of \$1,010,096 and \$590,940, respectively.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources – Acquisition of net position by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the Statement of Net Position. As of June 30, 2019 and 2018, the University had deferred inflows related to pensions of \$333,172 and \$569,621, respectively (see Note 13). As of June 30, 2019 and 2018, the University had deferred inflows related to OPEB of \$2,157,905 and \$1,397,282, respectively.

Risk Management — The State’s Board of Risk and Insurance Management (BRIM) provides general, property, and casualty liability coverage to the University and its employees. Such coverage may be provided to the University by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the University or other participants in BRIM’s insurance programs. As a result, management does not expect significant differences between the premiums the University is currently charged by BRIM and the ultimate cost of that insurance based on the University’s actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the University and the University’s ultimate actual loss experience, the difference will be recorded, as the change in estimate becomes known.

In addition, through its participation in the West Virginia PEIA and third-party insurers, the University has obtained health, life, prescription drug coverage, and coverage for job-related injuries for its employees. In exchange for payment of premiums to PEIA and the third-party insurer, the University has transferred its risks related to health, life, prescription drug coverage, and job-related injuries.

Classification of Revenues — The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

- *Operating Revenues* — Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state, local, and nongovernmental grants and contracts, and (4) sales and services of educational activities.
- *Nonoperating Revenues* — Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations, Federal Pell Grants, investment income, and sale of capital assets (including natural resources). Nonoperating revenues also exclude student fees which were billed for capital improvements.
- *Other Revenues* — Other revenues consist primarily of capital grants and gifts.

Use of Restricted Component of Net Position — The University has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Generally, the University attempts to utilize restricted resources first when practical.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Alternative Loans — Students apply for Alternative Loans through lenders who participate in the Alternative Loan Program when they have exhausted their Federal Loan Eligibility or need extra money to fill the gap of their cost of attendance. The University will certify these loans and, if approved by the lender, will receive the funds to disburse to the student accounts. Under this program, banks and loan companies make loans directly to students, via a guarantor. The University uses Sallie Mae as its guarantor. Student loan receivables are not included in the University's statements of net position, as the loans are repayable directly to the bank or loan company. For the years ended June 30, 2019 and 2018, the University received and disbursed approximately \$439,159 and \$287,377, respectively, which is not included as revenue and expense in the statement of revenues, expenses, and changes in net position.

Direct Lending — The University facilitates loans to students under the Direct Lending Program (DL). Under this program, the U.S. Department of Education makes interest-subsidized and nonsubsidized loans directly to students, via a guarantor. The University uses Sallie Mae as its guarantor. Direct Lending student loan receivables are not included in the University's statements of net position, as the loans are repayable directly to the U.S. Department of Education. In the years ended June 30, 2019 and 2018, the University received and disbursed approximately \$11.2 million and \$12.2 million, respectively, on behalf of the U.S. Department of Education, which is not included as revenue and expense in the statement of revenues, expenses, and changes in net position.

The University also distributes other student financial assistance funds on behalf of the federal government to students under the federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In the years ended June 30, 2019 and 2018, the University received and disbursed approximately \$4.7 million and \$5.1 million, respectively, under these federal student aid programs.

Scholarship Allowances — Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the student's behalf.

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers. Certain aid such as loans, funds provided to students as awarded by third parties and Federal Direct Lending are accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a University basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Grants and Contracts — Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to an audit. The University recognizes revenue associated with direct costs as the related costs are incurred. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to five years.

Service Concession Arrangements — The University has a service concession arrangement for the operation of food services.

Income Taxes — The University is exempt from income taxes as a governmental entity. The component units are exempt from income taxes, except for unrelated business income, as nonprofit organizations under federal income tax laws and regulations of the Internal Revenue Service.

Cash Flows — Any cash and cash equivalents escrowed, restricted, or in funded reserves have not been included as cash and cash equivalents for the purpose of the statement of cash flows.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk and Uncertainties — Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risk and values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Newly Adopted Statements Issued by the Governmental Accounting Standards Board (GASB)

The University has implemented GASB Statement No. 83, *Certain Asset Retirement obligations*. This statement establishes accounting and financial reporting for certain asset retirement obligations. The adoption of this statement did not have a material impact on the financial statements.

The University has also implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement establishes additional financial statement note disclosure requirements related to debt obligations including direct borrowings and direct placements.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Statements Issued by the Governmental Accounting Standards Board (GASB)

The GASB has also issued Statement No. 84, *Fiduciary Activities*, which is effective for fiscal years beginning after December 15, 2018. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments to determine whether an activity should be reported in a fiduciary fund in the financial statements. The Commission has not yet determined the effect that the adoption of GASB Statement No. 84 may have on its financial statements.

The GASB has also issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2019. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In other words, most leases currently classified as operating leases will be accounted for and reported in the same manner as capital leases. The Commission has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. This Statement also establishes accounting requirements for interest cost incurred before the end of a construction period. The Commission has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Major Equity Interests*, which is effective for fiscal years beginning after December 15, 2018. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting component unit if a government acquires a 100% equity interest in that component unit. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The Commission has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

The GASB has also issued Statement No. 91, *Conduit Debt Obligations*, which is effective for financial statements beginning after December 15, 2020. The statement defines conduit debt obligations for accounting and financial reporting purposes and establishes standards for recognition, measurement, and disclosure for issuers. The University has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications – Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications did not have any impact on net position or changes in net position.

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents at June 30, 2019 and 2018, was held as follows:

	2019		
	Current	Noncurrent	Total
State Treasurer	\$ 672,212	\$ -	\$ 672,212
Trustee	-	256,830	256,830
In bank	<u>542,782</u>	<u>-</u>	<u>542,782</u>
	<u>\$ 1,214,994</u>	<u>\$ 256,830</u>	<u>\$ 1,471,824</u>
	2018		
	Current	Noncurrent	Total
State Treasurer	\$ 1,309,580	\$ -	\$ 1,309,580
Trustee	-	365,052	365,052
In bank	<u>864,042</u>	<u>-</u>	<u>864,042</u>
	<u>\$ 2,173,622</u>	<u>\$ 365,052</u>	<u>\$ 2,538,674</u>

Cash on deposit with trustee escrow consists of Huntington National Bank for Bond Series 2012 and 2013 and it will hold funds for principal, and interest payments as described in Note 7. The deposits with trustee escrows were covered by federal depository insurance as noted below. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of the deposits that are in the possession of an outside party. The combined carrying amount of cash in bank at June 30, 2019 and 2018 was \$1,471,823 and \$2,538,674 as compared with the combined bank balance of \$723,637 and \$1,331,215, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Amounts with the State Treasurer as of June 30, 2019 and 2018, are comprised of three investment pools, the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following table provides information on the Standard & Poor's rating of the investment pools as of June 30:

External Pool	2019		2018	
	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	\$ 590,838	AAAm	\$ 1,171,641	AAAm
WV Short Term Bond Pool	<u>13,984</u>	Not Rated	<u>27,182</u>	Not Rated
	<u>\$ 604,822</u>		<u>\$ 1,198,823</u>	

A Fund rated "AAAm" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAm" is the highest principal stability fund rating assigned by Standard & Poor's.

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool and the WV Government Money Market Pool:

External Pool	2019		2018	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	\$ 590,838	42	\$ 1,171,641	34

The following table provides information on the effective duration for the WV Short Term Bond Pool:

External Pool	2019		2018	
	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
WV Short Term Bond Pool	\$ 13,984	723	\$ 27,182	372

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Other Investment Risks — Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the BTI's Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019 and 2018, are as follows:

	2019	2018
Student tuition and fees — net of allowance for doubtful accounts of \$863,172 and \$941,580 in 2019 and 2018, respectively	\$ 488,225	\$ 407,094
Grants and contracts receivable	3,288,561	2,144,660
Due from the Commission	1,299	2,078
Due from other State agencies	-	706
Other accounts receivable	<u>7,725</u>	<u>11,934</u>
	<u>\$ 3,785,810</u>	<u>\$ 2,566,472</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

5. CAPITAL ASSETS

Summary of capital asset transactions for the University for the years ended June 30, 2019 and 2018 are as follows:

	2019				
	Beginning Balance	Reclassifications	Ending Additions	Reductions	Balance
Capital assets not being depreciated:					
Land	\$ 8,628,563	\$ -	\$ -	\$ -	\$ 8,628,563
Construction in progress	7,007,052	-	1,523,245	(8,352,843)	177,454
Total capital assets not being depreciated	<u>\$ 15,635,615</u>	<u>\$ -</u>	<u>\$ 1,523,245</u>	<u>\$ (8,352,843)</u>	<u>\$ 8,806,017</u>
Capital assets being depreciated:					
Land improvements	\$ 1,651,479	\$ -	\$ 199,991	\$ -	\$ 1,851,470
Infrastructure	5,274,451	50,679	-	-	5,325,130
Buildings	90,226,534	323,376	8,187,373	-	98,737,283
Equipment	9,306,103	(212,459)	392,173	(103,441)	9,382,376
Motor vehicles	792,808	(161,596)	-	-	631,212
Software	340,069	-	-	(147,890)	192,179
License	18,750	-	-	-	18,750
Library books	5,300,928	-	188,783	-	5,489,711
Total capital assets being depreciated	<u>112,911,122</u>	<u>-</u>	<u>8,968,320</u>	<u>(251,331)</u>	<u>121,628,111</u>
Less accumulated depreciation for:					
Land improvements	1,007,666	-	50,477	-	1,058,143
Infrastructure	3,937,858	-	138,002	-	4,075,860
Buildings	31,394,331	-	2,595,268	-	33,989,599
Equipment	5,916,257	-	641,379	(98,155)	6,459,481
Motor vehicles	580,482	-	26,612	-	607,094
Software	340,069	-	-	(147,890)	192,179
License	18,750	-	-	-	18,750
Library books	4,789,604	-	26,969	-	4,816,574
Total accumulated depreciation	<u>47,985,017</u>	<u>-</u>	<u>3,478,707</u>	<u>(246,045)</u>	<u>51,217,680</u>
Capital assets being depreciated — net	<u>\$ 64,926,105</u>	<u>\$ -</u>	<u>\$ 5,489,613</u>	<u>\$ (497,376)</u>	<u>\$ 70,410,431</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 15,635,615	\$ -	\$ 1,523,245	\$ (8,352,843)	\$ 8,806,017
Capital assets being depreciated	112,911,122	-	8,968,320	(251,331)	121,628,111
Total cost of capital assets	128,546,737	-	10,491,565	(8,604,174)	130,434,128
Less accumulated depreciation	47,985,017	-	3,478,707	(246,045)	51,217,680
Capital assets — net	<u>\$ 80,561,720</u>	<u>\$ -</u>	<u>\$ 7,012,858</u>	<u>\$ (8,358,129)</u>	<u>\$ 79,216,448</u>

Certain amounts were reclassified between asset categories between June 30, 2018 and June 30, 2019, see the reclassification column above.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2018			
	Beginning Balance	Ending Additions	Reductions	Balance
Capital assets not being depreciated:				
Land	\$ 8,628,563	\$ -	\$ -	\$ 8,628,563
Construction in progress	3,048,684	4,240,720	(282,352)	7,007,052
Total capital assets not being depreciated	\$ 11,677,247	\$ 4,240,720	\$ (282,352)	\$ 15,635,615
Capital assets being depreciated:				
Land improvements	\$ 1,651,479	\$ -	\$ -	\$ 1,651,479
Infrastructure	5,274,451	-	-	5,274,451
Buildings	90,175,855	50,679	-	90,226,534
Equipment	8,931,949	374,154	-	9,306,103
Motor vehicles	631,212	202,889	(41,293)	792,808
Software	340,069	-	-	340,069
License	18,750	-	-	18,750
Library books	5,177,548	123,380	-	5,300,928
Total capital assets being depreciated	112,201,313	751,102	(41,293)	112,911,122
Less accumulated depreciation for:				
Land improvements	970,522	37,144	-	1,007,666
Infrastructure	3,799,855	138,003	-	3,937,858
Buildings	28,930,520	2,463,811	-	31,394,331
Equipment	5,270,460	687,088	(41,293)	5,916,255
Motor vehicles	553,771	26,612	-	580,383
Software	340,069	-	-	340,069
License	18,750	-	-	18,750
Library books	4,643,182	146,424	-	4,789,607
Total accumulated depreciation	44,527,129	3,499,082	(41,293)	47,984,919
Capital assets being depreciated — net	\$ 67,674,184	\$ (2,747,980)	\$ (82,586)	\$ 64,926,203
Capital asset summary:				
Capital assets not being depreciated	\$ 11,677,247	\$ 4,240,720	\$ (282,352)	\$ 15,635,615
Capital assets being depreciated	112,201,313	751,102	(41,293)	112,911,122
Total cost of capital assets	123,878,560	4,991,822	(323,645)	128,546,737
Less accumulated depreciation	44,527,129	3,499,082	(41,293)	47,984,919
Capital assets — net	\$ 79,351,431	\$ 1,492,740	\$ (282,352)	\$ 80,561,818

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

5. CAPITAL ASSETS (CONTINUED)

Capital assets include buildings acquired by capital lease in the amount of \$20,987,032 and \$21,167,032 at June 30, 2019 and 2018, respectively. Related accumulated depreciation totaled \$3,558,670 and \$2,846,936 at June 30, 2019 and 2018, respectively. The University maintains various collections of inexhaustible assets to which no value can be determined. Such collections include contributed works of art, historical treasures, and literature that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not capitalized or recognized for financial statement purposes.

6. NONCURRENT LIABILITIES

Summaries of noncurrent obligation transactions for the University for the years ended June 30, 2019 and 2018 are as follows:

	2019				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Note payable	\$ 3,112,000	\$ -	\$ 339,000	\$ 2,773,000	\$ 595,000
Bonds payable	9,995,000	-	370,000	9,625,000	375,000
Other noncurrent liabilities:					
Deposits held in custody for others	66,858	-	1,700	65,158	-
Accrued compensated absences	1,064,160	-	16,316	1,047,844	936,417
Advances from Federal Sponsors	579,122	-	-	579,122	-
Capital Leases Payable	21,167,032	-	180,000	20,987,032	244,000
Net pension liability	938,439	-	219,571	718,868	-
Other post employment benefits liability	8,260,158	-	775,153	7,485,005	-
Total noncurrent liabilities	<u>\$ 45,182,769</u>	<u>\$ -</u>	<u>\$ 1,901,740</u>	<u>\$ 43,281,029</u>	<u>\$ 2,150,417</u>
	2018				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Note payable	\$ 3,446,000	\$ -	\$ 334,000	\$ 3,112,000	\$ 839,000
Bonds payable	10,355,000	-	360,000	9,995,000	375,000
Other noncurrent liabilities:					
Deposits held in custody for others	78,004	-	11,146	66,858	-
Accrued compensated absences	1,096,609	-	32,449	1,064,160	890,397
Advances from Federal Sponsors	579,122	-	-	579,122	-
Capital Leases Payable	21,287,032	-	120,000	21,167,032	180,000
Net pension liability	1,288,208	5,418,164	-	6,706,372	-
Other post employment benefits liability	12,827,808	-	10,335,583	2,492,225	-
Total noncurrent liabilities	<u>\$ 50,957,783</u>	<u>\$ 5,418,164</u>	<u>\$ 11,193,178</u>	<u>\$ 45,182,769</u>	<u>\$ 2,284,397</u>

Additional information regarding noncurrent debt is included in Notes 7 and 8.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

7. BONDS PAYABLE

In December 2012, the West Virginia State University Board of Governors (the “Board”) sold \$8,930,000 of University Refunding and Improvement Revenue Bonds, Series 2012 (the “2012 Bonds”), with interest rates from 2.5% to 4.50% and maturing October 2037. The 2012 Bonds were issued under the authority contained in Article 10, Chapter 18B of the Code of West Virginia, 1931, as amended, and the 2012 Bonds will be secured pursuant to an Indenture dated as of December 1, 2012, by and between the University and Huntington National Bank, as the Trustee. The 2012 Bonds are secured by and payable from auxiliary fees and auxiliary capital fees as defined in the Indenture. The proceeds from the 2012 Bonds were used to (1) refund the Eddie Mac Note, (2) fund the design, acquisition, construction and equipping of various capital projects and (3) pay the costs of issuance of the 2012 Bonds.

In March 2013, the Board sold \$2,815,000 of University Refunding Revenue Bonds, Series 2013 (the “2013 Bonds”), with interest rates of 1.50% to 3.00%, maturing October 2021. The 2013 Bonds were issued under the authority contained in Article 10, Chapter 18B of the Code of West Virginia, 1931, as amended, and the 2013 Bonds will be secured pursuant to an Indenture dated as of March 1, 2013, by and between the University and Huntington National Bank, as the Trustee. The 2013 Bonds are secured by and payable from auxiliary fees and auxiliary capital fees as defined in the Indenture. The proceeds from the 2013 Bonds were used to (1) refund the 2002 Series A Bonds and (2) pay the costs of issuance of the 2013 Bonds.

It is estimated that the refunding of the 2002 Bonds will result in a reduction in the University’s total debt service payments over the next 10 years of approximately \$500,000. The refunding resulted in an economic gain (the difference between the present values of the debt service payments on the old debt and new debt) of approximately \$450,000.

Principal maturities for the year ending after June 30, 2018, are as follows:

Years Ending June 30,	Bond HNB 2012 Principal	Bond HNB 2012 Interest	Bond HNB 2013 Principal	Bond HNB 2013 Interest	Bonds Combined Principal	Bonds Combined Interest
2020	\$ 55,000	\$ 296,073	\$ 325,000	\$ 30,670	\$ 380,000	\$ 326,743
2021	55,000	294,423	335,000	22,295	390,000	316,718
2022	60,000	292,893	340,000	13,695	400,000	306,588
2023	405,000	287,125	-	4,335	405,000	291,460
2024	420,000	276,813	-	-	420,000	276,813
2025-2029	2,280,000	1,167,922	-	-	2,280,000	1,167,922
2030-2034	2,775,000	669,231	-	-	2,775,000	669,231
2035-2038	2,575,000	177,441	-	-	2,575,000	177,441
Future payments	<u>\$ 8,625,000</u>	<u>\$ 3,461,920</u>	<u>\$ 1,000,000</u>	<u>\$ 70,995</u>	<u>\$ 9,625,000</u>	<u>\$ 3,532,915</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

8. NOTE PAYABLE

During fiscal year 1997, the University signed an agreement with the Educational Direct Loan Mortgage Corporation (“Eddie Mac”) to have available a line of credit of \$3,500,000 to be used to renovate dormitories.

In December 2012, a portion of the proceeds from Huntington National Bank Revenue Bond Series 2012 were used to refund 1996-1 Eddie Mac note, thus the note is paid in full. See footnote #7 for more details. In September 2015, the remaining funds in escrow were returned to WVSU and are now in the Revenue Clearing Account. A portion of the original escrow funds in the amount of \$61,928, were used for Barber-Scotia College’s default payments as part of HBCU partnership agreement. No steps have been taken to recover these funds at this time.

During February 2014, the University signed a promissory note with Capital One Equipment Finance Corp borrowing \$2,700,000 at an interest rate of 6.65% to be used to partially finance the construction of a new athletic complex. The note matures in 2033, with principal payments due annually on October 1 starting in 2014. Interest payments are due annually on April 1 and October 1 starting April 2014. In February 2016, the Board of WVSU Foundation voted to submit \$55,000 for an extra payment of principal.

Principal and interest maturities for the year ending after June 30, 2019, are as follows:

Years Ending June 30,	Principal	Interest	Total
2020	102,000	147,996	249,996
2021	108,000	141,446	249,446
2022	116,000	134,463	250,463
2023-2027	703,000	550,288	1,253,288
2028-2032	970,000	291,570	1,261,570
2033	<u>179,000</u>	<u>25,170</u>	<u>204,170</u>
Future payments	\$ 2,178,000	\$ 1,290,933	\$ 3,468,933

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

9. OTHER POSTEMPLOYMENT BENEFITS

Employees of West Virginia State University are enrolled in West Virginia Other Postemployment Benefit Plan (the “OPEB plan”) which is administered by the West Virginia Public Employees Insurance Agency (“PEIA”) and the West Virginia Retiree Health Benefit Trust Fund (the “RHBT”).

Following is the University’s other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, revenues, and other postemployment benefits expense and expenditures for the fiscal year ended June 30, 2019:

	2019	2018
Net OPEB Liability	\$ 7,485,005	\$ 8,260,158
Deferred Outflows of Resources	1,010,096	590,940
Deferred Inflows of Resources	2,157,905	1,397,282
Revenues	474,792	422,859
OPEB Expense	592,554	704,809
Contributions made by the University	714,402	560,181

Plan Description

The OPEB plan is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in West Virginia Code Section 5-16D-2 (the “Code”). Plan benefits are established and revised by PEIA and the RHBT with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years, and are eligible for reappointment. The State Department of Administration secretary serves as Chairman of the Board. Four members represent the public-at-large.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board (“CPRB”) and, as of July 1, 2008 forward, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retire coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and Empower Retirement), or are approved in writing, by the PEIA Director, must in the case of education employees, meet the minimum eligibility requirements of the State Teachers Retirement System (“STRS”), and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The financial activities of the OPEB plan are accounted for in the RHBT, a fiduciary fund of the State of West Virginia. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov.

Benefits Provided

The OPEB plan provides the following benefits: medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options: the self-insured preferred provider benefits plan option, which is primarily for non-Medicare-eligible retirees and spouses; and the external managed care organization option, which is primarily for Medicare-eligible retirees and spouses.

Contributions

Pay as you go premiums (“paygo”) are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidize the retirees’ health care.

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate depending on the member’s years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree’s date of hire and years of service at retirement as described below:

Members hired before July 1, 1988 may convert accrued sick leave or vacation leave days into 100% of the required retiree healthcare contribution.

Members hired from July 1, 1988 to June 30, 2001 may convert sick or vacation leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and vacation leave days per month for single healthcare coverage and three days of unused sick and vacation leave days per month for family healthcare coverage.

Employees hired on or after July 1, 2001 no longer receive sick and/or vacation leave credit toward the required retiree healthcare contribution when they retire. All retirees have the option to purchase continued coverage regardless of their eligibility for premium credits.

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefits based on years of service. Generally, 3 1/3 years of teaching service extend health insurance coverage for one year of family coverage. Faculty hired after July 1, 2009 no longer receive years of service credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010 receive no health insurance premium subsidy when they retire. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, and 2) retired employees who had an original hire date prior to July 1, 2010 may return to active employment. In those cases, the original hire date may apply.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions

The net OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017. The following actuarial assumptions were used and applied to all periods included in the measurement:

Actuarial cost method: Entry age normal cost method.

Amortization method and period: Level percentage of payroll over 21 years; closed as of June 30, 2016.

Investment rate of return: 7.15%, net of OPEB plan investment expense, including inflation.

Projected salary increases: dependent on pension system ranging from 3.00% to 6.50%, including inflation.

Healthcare cost trend rates: Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre- and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.5%. Excess trend rate of 0.14% and 0.29% for pre- and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

Inflation rate: 2.75%.

Discount rate: 7.15%

Mortality rates: based on RP-2000 Mortality Tables.

The long-term investment rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.5% for long-term assets invested with the West Virginia Investment Management Board ("IMB") and an expected short-term rate of return of 3.0% for assets invested with the WV Board of Treasury Investments ("BIT").

Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of the long-term geometric rates for each major asset class are summarized below.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The actuarial assumption used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%
Cash	0.0%

Discount rate. The discount rate used to measure the OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions will be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2019 and June 30, 2018 calculated using the discount rate of 7.15%, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current:

	<u>1% Decrease (6.15%)</u>	<u>Current Discount Rate</u>	<u>1% Increase (8.15%)</u>
Net OPEB Liability - June 30, 2019	\$ 8,797,134	\$ 7,485,005	\$ 6,391,205
Net OPEB Liability - June 30, 2018	9,618,004	8,260,158	7,131,406

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2019 and June 30, 2018, calculated using the current healthcare cost trend rates, as well as what the University's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease</u>	<u>Current Trend Rae</u>	<u>1% Increase</u>
Net OPEB Liability - June 30, 2019	\$ 6,193,439	\$ 7,485,005	\$ 9,058,735
Net OPEB Liability - June 30, 2018	6,938,649	8,260,158	9,876,434

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The June 30, 2019 net OPEB liability was measured as of June 30, 2018, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2018. The June 30, 2018 net OPEB liability was measured as of June 30, 2017, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to the measurement date of June 30, 2017.

At June 30, 2019, the University's proportionate share of the net OPEB liability was \$9,038,312. Of this amount, the University recognized \$7,485,005 as its proportionate share on the statement of net position. The remainder of \$1,553,307 denotes the University's proportionate share of net OPEB liability attributable to the special funding.

At June 30, 2018, the University's proportionate share of the net OPEB liability was \$9,956,804. Of this amount, the University recognized \$8,260,158 as its proportionate share on the statement of net position. The remainder of \$1,696,646 denotes the University's proportionate share of net OPEB liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to OPEB for each of the fiscal years ended June 30, 2018 and 2017. Employer contributions are recognized when due. At the June 30, 2018 measurement date, the University's proportion was 0.348880398%, an increase of 0.012963626% from its proportion of 0.335916772% calculated as of June 30, 2017. At the June 30, 2017 measurement date, the University's proportion was 0.413944926%, a decrease of 0.078028154% from its proportion of 0.413944926% calculated as of June 30, 2016.

For the year ended June 30, 2019, the University's recognized OPEB expense of \$592,554. Of this amount, \$117,762 was recognized as the University's proportionate share of OPEB expense and \$474,792 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of \$474,792 for support provided by the State.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2018, the University's recognized OPEB expense of \$704,809. Of this amount, \$281,950 was recognized as the University's proportionate share of OPEB expense and \$422,859 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of \$422,859 for support provided by the State.

For the year ended June 30, 2019, the University recognized OPEB expense of \$ 592,554. Of this amount, \$120,855 was recognized as the University's proportionate share of the OPEB expense, and \$392,381 as the amount of OPEB expense attributed to special funding. The University also recognized revenue of \$392,381 for the support provided by the State.

At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning Balance		
Changed in proportion and difference between employer contributions and proportionate share of contributions	\$ 295,994	\$ 1,161,267
Net differences between projected and actual investment earnings	-	138,547
Change in assumptions	-	747,367
Difference between expected and actual experience	-	110,724
Contributions after the measurement date	714,102	-
Total	<u>\$ 1,010,096</u>	<u>\$ 2,157,905</u>
2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning Balance		
Changed in proportion and difference between employer contributions and proportionate share of contributions	\$ -	\$ 1,267,788
Net differences between projected and actual investment earnings	-	107,038
Change in assumptions	-	-
Difference between expected and actual experience	-	22,456
Contributions after the measurement date	590,940	-
Total	<u>\$ 590,940</u>	<u>\$ 1,397,282</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The University will recognize the \$714,102 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amortization
2020	\$ (491,795)
2021	(491,795)
2022	(390,963)
2023	(69,250)
Total	<u>\$ (1,443,803)</u>

10. OPERATING LEASES

Future scheduled annual lease payments for years subsequent to June 30, 2019, are as follows:

Years Ending June 30,	
2020	\$ 68,873
2021	30,671
2022	10,237
2023	9,600
Total	<u>\$ 119,381</u>

Total rental expense for the years ended June 30, 201 and 2018, was \$254,169 and \$270,703, respectively. The University does not have any non-cancelable leases.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

11. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The University is a State institution of higher education, and the University receives a State appropriation to finance its operations. In addition, it is subject to the legislative and administrative mandates of the State government. Those mandates affect all aspects of the University's operations, its tuition and fee structure, its personnel policies, and its administrative practices.

The State has chartered the Commission with the responsibility to construct or renovate, finance, and maintain various academic and other facilities of the State's universities and colleges, including certain facilities of the University. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the University and College Systems (the "Boards").

Students of the State's universities and colleges, including students of the University, are assessed certain tuition charges and fees, which must be remitted by the universities and the colleges to the Commission for use in repayment of the bonds so issued. Any shortfalls between such tuition and fees remitted and actual debt service obligations are the responsibility of the Boards. To the extent that tuition charges and fees so collected by the Commission exceed debt service obligations, the Commission may remit funds back to the universities and colleges for renewal and replacement or maintenance and repair of the facilities so financed. These obligations administered by the Commission are the direct and total responsibility of the Commission, as successor to the former Boards.

The Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The tuition and registration fees of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. Although the bonds remain as capital obligations of the Commission, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by the Commission. During 2014, the University paid \$0, to the Commission against the debt obligation. The amount due to the Commission at June 30, 2019 and 2018 is \$0 and \$0, respectively.

During the year ended June 30, 2005, the Commission issued \$167 million of 2004 Series B 30-year Revenue Bonds to fund capital projects at various higher education institutions in the State. The University has been approved to receive \$1,350,000 of these funds. The University had drawn the entire allotment by June 30, 2010. State lottery funds will be used to repay the debt, although University revenues are pledged if lottery funds prove insufficient.

During December 2010, the West Virginia Higher Education Policy Commission (HEPC) issued \$76,865,000 of the State of West Virginia Higher Education Policy Commission Revenue Series 2010 Bonds to fund HEPC Bond projects approved by the Commission. The University has been authorized to receive \$1,135,000 of these proceeds to be specifically used for upgrades to Wallace Hall roof, windows, and HVAC system. As of June 30, 2015, \$892,887 of such proceeds have been received. The University began drawing the bond proceeds for this project in FY 2012; eighty-five percent of these bond proceeds must be spent by December 2013. The West Virginia Higher Education Policy Commission is responsible for repayment of this debt.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

12. UNRESTRICTED COMPONENTS OF NET POSITION

At June 30, 2019 and 2018, the University has no designated components of net position.

	2019	2018
Total unrestricted net position before OPEB liability and pension items	\$ (4,345,868)	\$ (2,014,998)
Less: OPEB liability	7,485,005	8,260,158
Less: Net Pension Liability	718,868	938,439
Less: Deferred Inflows of Resources	2,491,077	1,966,903
Add: Deferred Outflows of Resources	<u>(1,161,297)</u>	<u>(910,352)</u>
Total unrestricted net position	<u>\$ (13,879,521)</u>	<u>\$ (12,270,146)</u>

13. RETIREMENT PLANS

Substantially, all full-time employees of the University participate in either the West Virginia Teachers' Retirement System (the STRS) or the Teachers' Insurance and Annuities Association — College Retirement Equities Fund (the TIAA-CREF). Previously, upon full-time employment, all employees were required to make an irrevocable selection between the STRS and TIAA-CREF. Effective July 1, 1991, the STRS was closed to new participants. Current participants in the STRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by University employees have not been significant to date.

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the Educators Money 401(a) basic retirement plan. New hires have the choice of either plan. As of June 30, 2019 and 2018, respectively, two and two employees were enrolled in the Educator's Money 401(a) basic retirement plan.

Total contributions to the Educators Money 401(a) for the years ended June 30, 2019, 2018, and 2017 were \$12,067, \$11,917, and \$12,302, respectively, which consisted of \$6,033, \$5,958 and \$6,151, respectively from the University, and \$6,033, \$5,958, and \$6,151, respectively, from the covered employees for 2019, 2018, and 2017.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

13. RETIREMENT PLANS (CONTINUED)

The TIAA-CREF is a defined-contribution benefit plan in which benefits are based solely upon amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution equal to 6% of total annual compensation. The University matches the employees' 6% contribution. Contributions are immediately and fully vested. In addition, employees may elect to make additional contributions to TIAA-CREF, which are not matched by the University.

Total contributions to the TIAA-CREF for the years ended June 30, 2019, 2018 and 2017, were \$2,147,795, \$2,156,081, and \$2,206,886, respectively which consisted of contributions of \$1,073,897, \$1,078,040, and \$1,103,443, respectively, from the University and \$1,073,897, \$1,078,040 and \$1,103,443, respectively, from the covered employees in 2019, 2018 and 2017.

The University's total payroll for the years ended June 30, 2019, 2018 and 2017, was \$20,700,601, \$20,882,082 and \$21,721,199, respectively; total covered employees' salaries in the STRS, Educator's Money, and TIAA-CREF were \$455,247, \$100,558, and \$17,889,631; \$686,888, \$99,308, and \$17,868,544; \$747,829, \$102,514, and \$18,390,715, respectively, in 2019, 2018, and 2017.

DEFINED BENEFIT PENSION PLAN

Some employees of the University are enrolled in a defined benefit pension plan, the West Virginia Teachers' Retirement System (TRS), which is administered by the West Virginia Consolidated Public Retirement Board (CPRB).

Following is the University's pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal year ended June 30 (dollars in thousands):

	2019	2018
Net Pension Liability	\$ 718,686	\$ 938,439
Deferred Outflows of Resources	151,201	193,211
Deferred Inflow of Resources	333,172	280,764
Revenues	164,398	201,215
Pension Expense	478,388	106,935
Contributions Made by WV	6,455	10,178

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

13. RETIREMENT PLANS (CONTINUED)

TRS

Plan Description

TRS is a multiple employer defined benefit cost sharing public employee retirement system providing retirement benefits as well as death and disability benefits. It covers all full-time employees of the 55 county public school systems in the State of West Virginia (the State) and certain personnel of the 13 State-supported institutions of higher education, State Department of Education and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991, are required to participate in the Higher Education Retirement System. TRS closed membership to new hires effective July 1, 1991.

TRS is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual Financial Report. TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the TRS website at <https://www.wvretirement.com/Publications.html#CAFR>

Benefits Provided

TRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with five years of service, age 55 with 30 years of service or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the 5 highest fiscal years of earnings during the last 15 fiscal years of earnings. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the State Legislature.

Contributions

The funding objective of the CPRB pension trust funds is to meet long-term benefit requirements through contributions, which remain relatively level as a percent of member payroll over time, and through investment earnings. Contribution requirements are set by CPRB. A member who withdraws from service for any cause other than death or retirement may request that the accumulated employee contributions plus interest be refunded.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

13. RETIREMENT PLANS (CONTINUED)

Member Contributions: TRS funding policy provides for member contributions based on 6% of members' gross salary. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined.

Employer Contributions: Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of SAF-covered payroll of members of the TDCRS;
4. a certain percentage of fire insurance premiums paid by State residents; and
5. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2015, the University's proportionate share attributable to this special funding subsidy was \$121,518.

The University's contributions to TRS for the years ended June 30, 2019, 2018, and 2017 were approximately \$95,572, \$144,213, and \$157,044, respectively.

Assumptions

For the year ended June 30, 2016, the total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2014 and rolled forward to June 30, 2015. For the year ended June 30, 2015, total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2013 and rolled forward to June 30, 2014. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.50%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 3.75–5.25% and non-teachers 3.40–6.50%, based on age.
- Inflation rate of 2.2%.
- Discount rate of 7.50%
- Mortality rates based on RP-2000 Mortality Tables.
- Withdrawal rates: Teachers 1.2-30% and non-teachers 1.4-22.5%.
- Disability rates: 0-0.8%
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15-100%
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

13. RETIREMENT PLANS (CONTINUED)

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2005 to June 30, 2010. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2017 and June 30, 2016, are summarized below.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Domestic Equity	4.50%	27.50%
International Equity	8.60%	27.50%
Fixed Income	3.30%	15.00%
Real Estate	6.00%	10.00%
Private Equity	6.40%	10.00%
Hedge Fund	4.00%	10.00%

Discount rate. The discount rate used to measure the total TRS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability. In the event of benefit payments that are not covered by the pension plan's fiduciary net position, a municipal bond rate of 2.98% is to be used to discount the benefit payments not covered by the plan's fiduciary net position. The rate equals the S&P Municipal Bond 20 Year High Grade Rate Index at June 30, 2018.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the TRS net pension liability as of June 30, 2019 and 2018 calculated using the discount rate of 7.50%, as well as what the University's TRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.5%) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate</u>	<u>1% Increase (8.50%)</u>
Net Pension Liability - June 30, 2019	\$ 970,340	\$ 718,868	\$ 503,878
Net Pension Liability - June 30, 2018	1,235,496	938,439	684,624

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

13. RETIREMENT PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The June 30, 2019 TRS net pension liability was measured as of June 30, 2018, and the total pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2018. The June 30, 2018 TRS net pension liability was measured as of June 30, 2017, and the total pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2018.

At June 30, 2019, the University's proportionate share of the TRS net pension liability was \$2,581,453. Of this amount, the University recognized approximately \$718,868 as its proportionate share on the Statement of Net Position. The remainder of \$1,862,585 denotes the University's proportionate share of net pension liability attributable to the special funding.

At June 30, 2018, the University's proportionate share of the TRS net pension liability was \$3,013,719. Of this amount, the University recognized approximately \$938,439 as its proportionate share on the Statement of Net Position. The remainder of \$2,075,280 denotes the University's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to TRS for each of the fiscal years ended June 30, 2018 and 2017. Employer contributions are recognized when due. At the June 30, 2018 measurement date, the University's proportion was 0.023024%, a decrease of 0.004138% from its proportion of 0.027162% calculated as of June 30, 2017. At the June 30, 2017 measurement date, the University's proportion was 0.027162%, a decrease of 0.004183% from its proportion of 0.031345% calculated as of June 30, 2016.

For the year ended June 30, 2019 the University recognized TRS pension expense of \$143,779. Of this amount, \$(26,528) was recognized as the University's proportionate share of the TRS expense and \$164,398 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of \$164,398 for support provided by the State.

For the year ended June 30, 2018, the University recognized TRS pension expense of \$211,393. Of this amount, \$21,280 was recognized as the University's proportionate share of the TRS expense and \$201,215 as the amount of pension expense attributable to special funding from nonemployer contributing entity. The University also recognized revenue of \$10,178 for support provided by the State.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

13. RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2019 and 2018, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows (dollars in thousands).

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning Balance		
Changed in proportion and difference between employer contributions and proportionate share of contributions	\$ 28,123	\$ 281,254
Net differences between projected and actual investment earnings	-	37,426
Change in assumptions	22,337	-
Difference between expected and actual experience	5,169	14,493
Contributions after the measurement date	95,572	-
Total	<u>\$ 151,201</u>	<u>\$ 333,173</u>
2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning Balance		
Changed in proportion and difference between employer contributions and proportionate share of contributions	\$ 37,354	\$ 493,404
Net differences between projected and actual investment earnings	35,254	54,297
Change in assumptions	-	-
Difference between expected and actual experience	8,159	21,920
Contributions after the measurement date	238,645	-
Total	<u>\$ 319,412</u>	<u>\$ 569,621</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

13. RETIREMENT PLANS (CONTINUED)

The University will recognize the \$151,201 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amortization</u>
2020	\$ (75,052)
2021	(42,844)
2022	(74,492)
2023	(64,575)
2024	<u>(20,580)</u>
	<u>\$ (277,543)</u>

Payables to the pension plan

The University did not report any amounts payable for normal contributions to the TRS as of June 30, 2019.

14. FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the State and has as its purpose "...to aid, strengthen, and further in every proper and useful way, the work and services of the University and its affiliated nonprofit organizations..." Oversight of the Foundation is the responsibility of a separate and independently elected board of directors, not otherwise affiliated with the University. In carrying out its responsibilities, the board of directors of the Foundation employs management, form policy, and maintain fiscal accountability over funds administered by the Foundation. Although the University does not control the timing or the amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests, are restricted to the activities by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University and is therefore discretely presented with the University's financial statements in accordance with GASB. Based on the Foundation's audited financial statements as of June 30, 2019 and 2018, the Foundation's net position (including unrealized gains) totaled \$15,702,629 and \$15,864,342, respectively, on the accrual basis of accounting.

During the years ended June 30, 2019 and 2018, the Foundation contributed \$646,152 and \$608,402, respectively, to the University for scholarships. Program expenses of the Foundation are used to provide support to students of the University, for projects that benefit the University and for other activities that support the Foundations mission.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

15. AFFILIATED ORGANIZATION

The University has a separately incorporated affiliated organization, the Alumni Association. Oversight responsibility for this entity rests with an independent board and management not otherwise affiliated with the University. Accordingly, the financial statements of this organization are not included in the University's accompanying financial statements under the blended component unit requirements. They are not included in the University's accompanying financial statements under the discretely presented component unit requirements as they are not significant to the University.

16. CONTINGENCIES

The nature of the educational industry is such that, from time to time, claims will be presented against the University on account of alleged negligence, acts of discrimination, breach of contract, or disagreements arising from the interpretation of laws or regulations. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system. In the opinion of management, all known claims are covered by insurance or are such that an award against the University would not seriously affect the financial position of the University.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The University's management believes disallowances, if any, will not have a significant financial impact on the University's financial position.

The Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There are no arbitrage rebate liabilities that have been recorded in the financial statements as of June 30, 2019 and 2018.

The University owns various buildings, which are known to contain asbestos. The University is not required by federal, state, or local law to remove the asbestos from its buildings. The University is required under federal environmental, health, and safety regulations to manage the presence of asbestos in its buildings in a safe condition. The University addresses its responsibility to manage the presence of asbestos in its buildings on a case-by-case basis. Significant problems of dangerous asbestos conditions are abated as the condition becomes known. The University also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe condition.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

17. SEGMENT INFORMATION

In fiscal year 2013 the University issued two revenue bond series (2012A and 2013) to refinance old bonds, to pay off a note, and to improve various capital projects. See footnote 7 on Bond Payables for details. As part of issuing these new bonds, the University has pledged student fees collected in three funds: University Student Union (formerly Wilson Student Union), Residence Life (Dawson Hall), and the Capital Improvement Fund. Investors in these bonds rely solely on the revenues generated by the activities of the auxiliaries and capital fund for repayment.

State of West Virginia, Board of Governors of West Virginia State University, Revenue Bonds, 2012 Series — On December 20, 2012, the University issued \$8,930,000 of Revenue Bonds, 2012 Series (the “2012 Bonds”). The 2012 Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended, and the 2012 Bonds will be secured pursuant to the Bond Trust Indenture (the “Indenture”) dated as of December 1, 2012, by and between the Board and Huntington National Bank (the “Trustee”). The 2012 Bonds are secured by and payable from fees assessed to the students of the University held under the Indenture. The proceeds of the 2012 Bonds are being used to (1) refund 1996-1 note from Educational Direct Loan Mortgage Corporation (“Eddie Mac”) of \$2,515,267 for renovation of Dawson Hall, (2) fund various capital projects of \$6,260,033, and (3) pay the costs of issuance of the 2012 Bonds and related costs. Final payment date is October 1, 2037.

State of West Virginia, Board of Governors of West Virginia State University, Revenue Bonds, 2013 Series A — On February 20, 2013, the University issued \$2,815,000 of Revenue Bonds, 2013 Series A (the “2013 Bonds”). The 2013 Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended, and the 2013 Bonds will be secured pursuant to the First Supplemental Bond Trust Indenture (the “Indenture”) dated as of March 1, 2013, by and between the Board and Huntington National Bank (the “Trustee”). The 2013 Bonds are secured by and payable from fees assessed to the students of the University held under the Indenture. The proceeds of the 2013 Bonds are being used to (1) to refund 2002 Series A Call (3-25-2013) for \$3,468,655, which were used to renovate the Student Union, acquire equipment, and pay costs of issuance of 2013 Bonds and its related costs. The difference in the amounts between the 2002 Bonds and the 2013 Bonds was refunded using the balance of the 2002 Bond’s escrow of \$685,471. A new escrow account was established and funded from operations in accordance with the Bond Trust Indenture for the 2013 Bonds. The final payment of 2013 Bonds will be on October 1, 2021.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

17. SEGMENT INFORMATION (CONTINUED)

The condensed schedules net position, condensed schedules of revenues, expenses and changes in net position and condenses statement cash flows of the segments pledged to support the debt service payments as of and for the years June 30, 2019 and 2018, are as follows:

Condensed Schedules of Net Position	Capital, Housing, Student Union 2019	Capital, Housing, Student Union 2018
Assets:		
Current assets	\$ 1,594,194	\$ 1,788,099
Noncurrent assets	<u>13,127,370</u>	<u>13,239,575</u>
Total	<u>\$ 14,721,564</u>	<u>\$ 15,027,674</u>
Liabilities:		
Current	\$ 2,144,523	\$ 1,858,145
Noncurrent liabilities	<u>9,625,000</u>	<u>9,635,000</u>
Total liabilities	<u>11,769,523</u>	<u>11,493,145</u>
Net position:		
Net investment in capital assets	9,284,242	9,393,447
Restricted — expendable debt service	363,790	472,011
Unrestricted	<u>(6,695,991)</u>	<u>(6,333,929)</u>
Total net position	<u>2,952,041</u>	<u>3,531,529</u>
Total	<u>\$ 14,721,564</u>	<u>\$ 15,024,674</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

17. SEGMENT INFORMATION (CONTINUED)

Condensed Schedules of Revenues, Expenses, and Changes in Net Position	Capital, Housing, Student Union 2019	Capital, Housing, Student Union 2018
Operating:		
Operating revenues	\$ 1,443,069	\$ 1,669,625
Operating expenses	<u>(1,316,060)</u>	<u>(1,272,544)</u>
Net operating income	127,009	397,081
Nonoperating:		
Nonoperating revenues	-	1,983
Nonoperating expenses	<u>(609,362)</u>	<u>(700,890)</u>
Decrease in net position	(482,353)	(301,826)
Net position — beginning of year	<u>2,117,570</u>	<u>2,419,397</u>
Net position — end of year	<u>\$ 1,635,217</u>	<u>\$ 2,117,571</u>
Condensed Schedules of Cash Flows		
Net cash provided by operating activities	\$ 127,009	\$ 397,081
Net cash used in capital and related financing activities	<u>(609,363)</u>	<u>(698,907)</u>
Increase (decrease) in cash and cash equivalents	(482,354)	(301,826)
Cash and cash equivalents — beginning of year	<u>(639,990)</u>	<u>(338,164)</u>
Cash and cash equivalents — end of year	<u>\$ (1,122,344)</u>	<u>\$ (639,990)</u>

18. EAST BONDS

The University has been approved to receive \$15,000,000 of Education, Arts, Science, and Tourism (EAST) bond proceeds issued by the West Virginia Development Office during August 2010. As of June 30, 2014, \$15,000,000 of such proceeds has been received. The West Virginia Development Office is responsible for repayment of the debt.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES

The following are the notes taken directly from the Foundation's financial statements as follows:

Summary of Significant Accounting Policies:

Organization and Nature of Activities — West Virginia State University Foundation, Inc. and Subsidiary (the "Foundation") was established to provide support for the private fundraising efforts of the West Virginia State University (the "University") and to manage privately donated funds on behalf of the University. The Foundation is a nonprofit corporation organized in accordance with the laws of the State of West Virginia and managed by a volunteer Board of Directors.

The private fundraising efforts of the University result in the Foundation receiving gifts and pledges for the benefit of the University. Such gifts and pledges include endowment gifts to be invested in perpetuity, remainder interests in charitable remainder trusts, gift annuities, and other gifts for the benefit of the University and its affiliates. The Foundation also receives gifts and pledges to be used to fund current Foundation activities.

Basis of Accounting — The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Consolidation Policy — The accompanying consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiary, West Virginia State University Foundation Properties, Inc. Intercompany transactions and balances have been eliminated in the consolidation.

Basis of Presentation — The Foundation presents its net assets and all balances and transactions based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Unrestricted Net Assets** — Net assets not subject to donor-imposed stipulations.
- **Temporarily Restricted Net Assets** — Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time.
- **Permanently Restricted Net Assets** — Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Cash Equivalents — For purposes of the reporting on the Consolidated Statement of Cash Flows, the Foundation considers all liquid investments having initial maturities of three (3) months or less to be cash equivalents.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Investments — Investments are reported at fair value based on quoted prices in active markets. Investment income consists of interest and dividend income earned and realized gains or losses less any related fees, and is included in the Consolidated Statement of Activities.

Property and Equipment — The Foundation capitalizes all expenditures in excess of \$500 for property and equipment at cost. All donated assets are stated at the fair market value at the time of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	31.5–39 years
Furniture and equipment	3–7 years

Contributions — Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenues when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Pledges for the support of future operations, programs, and activities are recorded at the present value of the estimated future cash flows. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management’s judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Outstanding Legacies — The Foundation is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The Foundation’s share of such bequests is recorded when the probate court has declared the testamentary instrument valid and the proceeds are measurable.

Beneficial Interest in Trusts — The Foundation receives contributions of property in which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by a trustee and distributions are made to the beneficiaries during the term of the agreement. These funds are invested in debt and equity securities or property, and the Foundation records its interest in these trusts at fair value based on estimated future cash receipts. Initial recognition and subsequent adjustments to the assets’ carrying value are reported as a change in the value of split-interest trusts in the accompanying financial statements and are classified as permanently restricted, temporarily restricted, or unrestricted depending on the existence of donor-imposed purpose or time restrictions, if any.

In-Kind Contributions — The Foundation receives contributed services from a large number of volunteers who assist in fundraising efforts through their participation in a range of activities. The value of such services, which the Foundation considers not practicable to estimate, have not been recognized in the Consolidated Statement of Activities.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Spending Policy — Effective July 2004, the Foundation's Board of Trustees implemented a revised spending policy with the dual objectives of preserving the real (after inflation) value of its current and subsequently acquired assets and providing the maximum flow of funds for current Foundation activities.

The revised spending policy provides that the amount which the Foundation makes available for scholarships, operating expenses and fees will be calculated by multiplying a Percentage by a Base. This computation will be made at the beginning of each fiscal year.

The Base for scholarship distributions will be an average of the market value of the Foundation's investments. The Foundation recognizes that certain circumstances may call for a different Base to be used. In such instances, the President of the Foundation, after consultation with the Investment Committee, may adjust the period of time used for the Base.

The determination of the Percentage factor for scholarship distributions will be reviewed periodically in the light of evolving trends with respect to investment returns and the rate of inflation, and adjustment will be made when it is considered appropriate. Should the total market value of any fund fall below the initial corpus plus additional contributions to the corpus, no distributions will be made unless authorized by the fund agreement or the Board of Trustees.

The Foundation recognizes that extremely unusual circumstances with respect either to financial markets or the needs of the communities it serves may, in rare instances, require temporary departures from the strict application of these Investment and/or spending policies.

Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. In the opinion of the Foundation's management, such differences would not be significant.

Advertising and Promotional Expenses — Advertising and promotional costs are charged to expense as they are incurred.

Accounting for Uncertain Tax Positions — The Foundation has adopted the provisions of Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, relating to unrecognized tax benefits. This standard requires an entity to recognize a liability for tax positions when there is a 50% or greater likelihood that the position will not be sustained upon examination. The Foundation is liable for taxes to the extent of any unrelated business income as defined by IRS regulations. The Foundation believes that it has not engaged in any unrelated business income as defined by IRS regulations and that it is more likely than not that this position would be sustained upon examination. As such, there were no liabilities recorded for uncertain tax positions as of June 30, 2017 and 2016.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Financial assets available for general expenditure, that is without donor restrictions limiting their use within one year on the statement of activities, consist of the following at June 30, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 540,312	\$ 452,900
Unconditional promises to give (current portion)	1,211,868	847,012
Note receivable (current portion)	500,000	750,000
Lease receivable (current poriton)	<u>245,000</u>	<u>180,000</u>
	<u>\$ 2,497,180</u>	<u>\$ 2,229,912</u>

Concentrations of Credit Risk — The Foundation’s investments consist primarily of financial instruments including cash equivalents, equity securities, fixed income securities, certificates of deposit, and money market funds. These financial instruments may subject the Foundation to concentrations of credit risk as, from time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. In addition, the market value of securities are dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values. Certain receivables also subject the Foundation to concentrations of credit risk. Management believes that risk with respect to these balances is minimal, due to the high credit quality of the institutions used.

The Foundation maintains cash balances at a local financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation. Cash and cash equivalents exceeding federally insured limits totaled \$299,348 and \$221,001 at June 30, 2019 and 2018, respectively.

Unconditional Promises to Give — Unconditional promises to give at June 30, 2019 and 2018 consist of the following:

	2019	2018
Pledge receivable - without donor restrictions		
Receivable in less than one year	\$ 9,425	\$ 18,275
Receivable in one to five years	5,000	18,800
Receivable in six to ten years	-	-
Pledge receivable - with donor restrictions		
Receivable in less than one year	1,202,444	783,343
Receivable in one to five years	1,571,480	1,937,366
Receivable in six to ten years	<u>5,642</u>	<u>11,940</u>
Total unconditional promises to give	2,793,991	2,769,724
Less discounts to net present value	(48,097)	(118,248)
Less allowance for uncollectible contributions	(152,000)	(52,000)
Net unconditional promises to give	<u>\$ 2,593,894</u>	<u>\$ 2,599,476</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Investments — Investments are carried at market value at June 30, 2019 as follows:

	Cost	Fair Value	Unrealized Gain
Mutual funds	\$ 5,545,428	\$ 6,416,009	\$ 870,581
Corporate obligations	2,434,699	2,453,760	19,061
Bonds	555,393	567,678	12,285
Cash equivalents	211,350	211,350	-
	<u>\$ 8,746,870</u>	<u>\$ 9,648,797</u>	<u>\$ 901,927</u>

Investments are carried at market value at June 30, 2018 as follows:

	Cost	Fair Value	Unrealized Gain
Mutual funds	\$ 5,023,428	\$ 6,488,353	\$ 1,464,925
Corporate obligations	2,186,382	2,144,974	(41,408)
Bonds	556,519	546,881	(9,638)
Cash equivalents	198,317	198,317	-
	<u>\$ 7,964,646</u>	<u>\$ 9,378,525</u>	<u>\$ 1,413,879</u>

Investment return and fees for the years ended June 30, 2019 and 2018 is summarized as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 467,445	\$ 180,713
Realized gains (losses)	(14,297)	220,274
Unrealized gains (losses)	(511,952)	302,151
Investment management fees	(49,047)	(46,950)
Investment income	<u>\$ (107,851)</u>	<u>\$ 656,188</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 117-1, *“Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds”* (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FSP FAS 117-1 also requires additional disclosures about an organization’s endowment funds (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of West Virginia enacted UPMIFA effective March 5, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors determined that the Foundation’s permanently restricted net assets met the definition of endowment funds under UPMIFA and adopted FSP FAS 117-1.

The Foundation’s endowment consists of funds established for a variety of purposes. Its endowment includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation’s Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation’s investment policies.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Investment Return Objectives, Risk Parameters, and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Foundation has a policy of appropriating for distribution each year 4% of its endowment fund's fair value. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature, and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal rate, which is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value Measurements — Fair values of assets measured on a recurring basis at June 30, 2019 and 2018 are as follows:

	Fair Value Measurements at Reporting Date Using:			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2019				
Mutual funds	\$ 6,416,009	\$ 6,416,009	\$ -	\$ -
Corporate obligations	2,453,760	2,453,760		
Bonds	567,678	567,678	-	-
Bond Reserve Funds	2,101,578	2,101,578		
Beneficial interest in charitable trusts	264,370	264,370	-	-
Total	<u>\$ 11,803,395</u>	<u>\$ 11,803,395</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2018				
Mutual funds	\$ 6,488,353	\$ 6,488,353	\$ -	\$ -
Corporate obligations	2,144,974	2,144,974		
Bonds	546,881	546,881	-	-
Bond Reserve Funds	3,082,494	3,082,494		
Beneficial interest in charitable trusts	270,955	270,955	-	-
Total	<u>\$ 12,533,657</u>	<u>\$ 12,533,657</u>	<u>\$ -</u>	<u>\$ -</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based on unobservable inputs. There were no Level 2 or Level 3 inputs for the years ended June 30, 2019 and 2018.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Beneficial Interest in Trusts — The Foundation was the beneficiary of certain charitable trusts. The value of such trusts at June 30, 2019 and 2018 are as follows:

	2019	2018
Charitable trust	<u>\$ 264,370</u>	<u>\$ 270,955</u>

The Foundation's leasing activity includes property under a direct financing capital lease arrangement expiring over the next 30 years. The component of the Foundation's investment in the capital lease at June 30, 2019 and 2018 is as follows:

	2019	2018
Total lease receivable	<u>\$ 20,987,032</u>	<u>\$ 21,167,032</u>

Minimum lease payments to be received as of June 30, 2019 for the next five years are:

2020	\$ 1,877,444
2021	1,931,344
2022	1,986,075
2023	2,012,213
2024	2,011,194
Thereafter	<u>39,574,621</u>
Total minimum lease payments	49,392,891
Less amount representing interest	<u>28,405,859</u>
Present value of net minimum lease payments	20,987,032
Less current portion	<u>245,000</u>
Long-term portion	\$ 20,742,032

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Property and Equipment, Net — A summary of property and equipment as of June 30, 2019 and 2018 is as follows:

	2019	2018
Land	\$ -	\$ -
Buildings and improvements	1,039,064	1,039,064
Furniture and equipment	<u>17,015</u>	<u>17,015</u>
	1,056,079	1,056,079
Less accumulated depreciation	<u>648,461</u>	<u>618,406</u>
	<u>\$ 407,618</u>	<u>\$ 437,673</u>

Bonds Payable — A summary of long-term debt as of June 30, 2019 and 2018 is as follows:

	2019	2018
The County Commission of Kanawha County, West Virginia		
Student Housing Revenue Bonds Series 2013		
Series 2013 AR-1 (5.75%, matures 2023)	\$ 1,855,000	\$ 2,035,000
Series 2013 AR-2 (6.50%, matures 2033)	6,655,000	6,655,000
Series 2013 AR-3 (6.75%, matures 2045)	<u>16,300,000</u>	<u>16,300,000</u>
	24,810,000	24,990,000
Less unamortized bond discount	<u>(92,206)</u>	<u>(152,398)</u>
	24,717,794	24,837,602
Less current portion	<u>245,000</u>	<u>180,000</u>
Long-term debt	<u>\$ 24,472,794</u>	<u>\$ 24,657,602</u>

During the year ended June 30, 2014, the County Commission of Kanawha, Charleston, West Virginia issued revenue bonds and loaned the proceeds to West Virginia State University Foundation. The Series 2013 AR-1, AR-1, and AR-3 housing revenue bonds were issued to finance the cost of construction of the Judge Damon J. Keith Scholars Hall, a 291-bed residence hall on the campus of West Virginia State University. The University will manage and operate the residence hall for the Foundation, and the bond payments will be paid from the revenue generated from student housing fees.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

The bonds were issued in the aggregate principal amount of \$25,175,000. The bonds consist of “Student Housing Revenue Bonds 2013 AR-1” in the amount of \$2,220,000, “Student Housing Revenue Bonds 2013 AR-2” in the amount of \$6,655,000, and “Student Housing Revenue Bonds 2013 AR-3” in the amount of \$16,300,000. The Series 2013 AR-1 bonds will mature on July 1, 2023, the Series 2013 AR-2 bonds will mature on July 1, 2033, and the Series 2013 AR-3 bonds will mature on July 1, 2045.

The bonds were sold at a discount of \$356,062 and this discount will be amortized over the life of the bonds. For the year ended June 30, 2018, the Foundation recorded discount amortization in the amount of \$15,051.

Bond issuance cost amounted to \$487,625 and will amortize over the life of the bonds. For the years ended June 30, 2018, the Foundation recorded issuance cost amortization in the amount of \$20,611.

For the years ended June 30, 2019 and 2018, the Foundation recorded bond interest of \$1,644,663 and \$1,653,288, respectively. For the years ended June 30, 2019 and 2018, the Foundation recorded capitalized interest of \$0.

Minimum maturities on the bonds payable of the Foundation for the next five fiscal years are as follows:

2020	\$ 245,000
2021	315,000
2022	390,000
2023	440,000
2024	465,000
Thereafter	<u>22,955,000</u>
Total	<u>\$ 24,810,000</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Net assets without donor restrictions at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Without donor restrictions		
Undesignated	\$ 734,659	\$ 67,787

Net assets with donor restrictions at June 30, 2019 and 2018 consisted of the following:

	2019	2018
With donor restrictions		
Athletic participation	\$ 188,638	\$ 235,663
Students' special projects	31,196	28,487
Academic programs	426,461	249,527
WVSU Foundation programs	2,247,254	2,430,680
General scholarships	2,673,138	2,602,199
Investment income and net appreciation	1,911,112	2,477,099
Endowment principal	<u>7,490,171</u>	<u>7,072,900</u>
	<u>\$ 14,967,970</u>	<u>\$ 15,096,555</u>

Net assets were released throughout the years ended June 30, 2019 and 2018 from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by the donors.

	<u>2019</u>	<u>2018</u>
Scholarships	\$ 626,589	\$ 608,402
Athletic complex	243,114	243,866
Bad debt expense (restricted pledges)	157,638	126,446
Contracted services	317,701	156,973
Equipment and maintenance	113,124	20,136
Grants and awards	10,356	49,738
Insurance	19,377	19,377
Meeting expense	15,041	7,395
Other expenses	134,597	208,726
Printing	23,557	6,643
Supplies	136,474	155,839
Travel	<u>184,743</u>	<u>143,757</u>
	<u>\$ 1,982,311</u>	<u>\$ 1,747,298</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	With Donor Restrictions	
	2019	2018
Endowment net assets, beginning of year	\$ 10,210,475	\$ 9,766,385
Contributions	423,856	109,812
Investment Income	(111,646)	692,043
Amounts appropriated for expenditure	<u>(460,926)</u>	<u>(357,765)</u>
Endowment net assets, end of year	<u>\$ 10,061,759</u>	<u>\$ 10,210,475</u>

Compensated Absences — Compensated absences for sick pay and vacation time have not been accrued since they cannot be reasonably estimated. The Foundation's policy is to recognize these costs when actually paid.

Federal Income Taxes — The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The wholly owned subsidiary, West Virginia State University Foundation Properties, Inc., is exempt from Federal income taxes under Section 501(c)(2) of the Internal Revenue Code.

Retirement plan — All eligible employees of the Foundation are included in the University's retirement plan.

Advertising costs — The Foundation uses advertising to promote the Foundation and the University. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2019 and 2018 was \$7,700 and \$10,000, respectively.

Conditional promise to give — In the normal course of operations, the Foundation has been notified as being designated to receive various deferred gifts from alumni and friends in support of the University that are not recorded in the financial statements because of their contingent nature. However, the Foundation facilitates and does track deferred gifts through the use of pledge agreements detailing the donor's intent and stipulations for administration of gifts such as bequests. The amount of those gifts at June 30, 2019 and 2018 is \$6,265,500 and \$6,415,500, respectively. All of the gifts are to be received at the death of the donor.

Life insurance policies — The Foundation has been named as the beneficiary of various life insurance policies. These policies had face amounts at June 30, 2019 and 2018 of \$245,008 and \$244,508, respectively.

Related parties — Various investment advice and custodial services, insurance services, and other professional services are performed for the Foundation by entities that have close relationships with various members of the Board of Directors.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Although independently governed, the Foundation raised and managed funds that benefited the University for the fiscal years ended June 30, 2019 and 2018. The Foundation has also entered into a capital lease arrangement with the University whereas the Foundation is leasing the Judge Damon J. Keith Scholars Hall to the University. The University also processes payroll on behalf of the Foundation. The Foundation and the University are involved in various other activities with the intent of benefiting the University and its mission.

Reclassifications — certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Subsequent events — The Foundation has evaluated all subsequent events through September 16, 2019, the date the consolidated financial statements were available to be issued.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

20. NATURAL CLASSIFICATIONS WITHIN FUNCTIONAL CLASSIFICATIONS

For the years ended June 30, 2019 and 2018, the following table represents operating expenses within both natural and functional classifications:

	2019								Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Off	Fees Assessed by the Commission	
Instruction	\$ 8,191,181	\$ 1,906,633	\$ 918,556	\$ -	\$ 1,650	\$ -	\$ -	\$ -	\$ 11,018,020
Research	2,324,428	492,345	2,721,197	106,672	17,500	-	-	-	5,662,142
Public service	1,688,721	390,836	1,805,542	43,991	-	-	-	-	3,929,090
Academic support	791,751	259,769	525,468	51,722	276	-	-	-	1,628,986
Student services	1,108,216	278,039	546,249	52,802	-	-	-	-	1,985,306
General institutional support	3,937,491	864,080	2,087,446	52,376	-	-	-	-	6,941,393
Operations maintenance of plant	1,212,979	361,775	1,489,528	1,264,833	-	-	-	-	4,329,115
Scholarship and fellowship	-	-	-	-	3,753,519	-	-	-	3,753,519
Auxiliary enterprises	1,164,610	282,447	1,635,218	621,289	-	-	-	-	3,703,564
Depreciation and amortization expense	-	-	-	-	-	3,478,707	-	-	3,478,707
Total	\$ 20,419,377	\$ 4,835,924	\$ 11,729,204	\$ 2,193,685	\$ 3,772,945	\$ 3,478,707	\$ -	\$ -	\$ 46,429,842

	2018								Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Off	Fees Assessed by the Commission	
Instruction	\$ 8,363,937	\$ 2,184,771	\$ 357,227	\$ -	\$ 18,117	\$ -	\$ -	\$ -	\$ 10,924,052
Research	2,356,108	504,089	5,200,340	40,277	13,500	-	-	-	8,114,314
Public service	1,688,454	411,359	1,616,414	42,341	-	-	-	-	3,758,568
Academic support	769,194	98,756	368,052	51,608	4,107	-	-	-	1,291,717
Student services	1,290,894	335,583	485,481	47,984	900	-	-	-	2,160,842
General institutional support	3,797,962	1,101,217	1,292,506	46,961	(128,094)	-	-	-	6,110,552
Operations maintenance of plant	1,223,291	395,907	(3,089,564)	1,239,786	-	-	-	-	(230,580)
Scholarship and fellowship	-	-	-	-	3,075,957	-	-	-	3,075,957
Auxiliary enterprises	1,215,704	290,954	3,845,645	582,398	5,684	-	-	-	5,940,385
Depreciation and amortization expense	-	-	-	-	-	3,499,082	-	-	3,499,082
Total	\$ 20,705,544	\$ 5,322,636	\$ 10,076,101	\$ 2,051,355	\$ 2,990,171	\$ 3,499,082	\$ -	\$ -	\$ 44,644,889

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

21. SERVICE CONCESSION ARRANGEMENTS

The University has adopted GASB Statement No. 60, Accounting, and Financial Reporting for Service Concession Arrangements. The University has identified two contracts for services that meet the four criteria of a service concession arrangement (SCA). SCAs are defined as a contract between a government and an operator, another government or private entity, in which the operator provides services, the operator collects and is compensated by fees from third parties, the government still has control over the services provided and the government retains ownership of the assets at the end of the contract.

During the entire year ended June 30, 2013 and for the period ending July 31, 2013 of the fiscal year ended June 30, 2014, the University had a contract with AVI Foodsystems, Inc. (AVI) who managed its dining services. The contract began on August 1, 2003 and allowed for nine annual renewals. AVI provided meal plans to students through the University as well as offering cash sales to the University community. The University received annual commission payments from AVI calculated as a contractually agreed percentage of cash sales and the University Paid AVI for the meal plans from fees collected by the University from students. In FY 2014 and 2013, the University received \$40,079 respectively, in commissions.

For the period starting August 1, 2014 of the fiscal year ended June 30, 2014, the University has a contract with Thompson Hospitality who manages its dining services. The contract started August 1, 2013 and allows for six (6) one-year renewals. Thompson Hospitality provides meal plans to student through the University as well as offering cash sales to the University community. The University receives annual commission payments from Thompson calculated as a contractually agreed percentage of cash and credit sales and the University pays Thompson Hospitality for the meal plans based on contractually agree rates from fees collected by the University from students. In FY 2019 and 2018, the University received \$18,942 and \$13,128, respectively in commissions. Initial capital investment and contributions totaling \$1,043,204 were made by Thompson Hospitality and will be billed to the University over the contract periods.

22. DONATION OF ASSETS

The University received a donation of assets (land and buildings) from the WV Department of Administration on June 28, 2013. The net book value of the assets totaled \$52,000 – the historical cost of the land. The buildings donated to the University were condemned by the WV Department of Rehabilitation Services before being turned over to the Department of Administration in FY 2012.

There were no donated assets during the year ended June 30, 2019.

23. OIL AND GAS LEASE

The University entered into a lease agreement with Reserve Oil and Gas Company in August 2013. The lease allows for the company to drill up to three wells on campus with 15% royalty to be paid to the University. Royalties in the amount of \$9,762 and \$7,978 were received by the University in FY19 and FY18, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS**

Schedule of Proportionate Share of TRS Net Pension Liability

University's Proportionate Share as a Percentage of Net Pension Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	University's Plan Fiduciary Net Position as a Percentage of Total Pension
0.03%	\$ 718,868	\$ 1,862,585	\$ 2,581,453	\$ 749,627	95.90%	71%
0.03%	936,039	2,075,280	3,011,319	747,829	125.17%	68%
0.03%	1,288,208	2,453,693	3,741,901	810,120	159.01%	61%
0.03%	1,032,299	2,355,461	3,387,760	903,085	114.31%	66%
0.03%	1,198,042	2,706,856	3,904,898	903,085	132.66%	65%

Schedule of Employer Contributions

Measurement Date	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
June 30, 2018	\$ 112,444	\$ 112,444	\$ -	\$ 749,627	15.00%
June 30, 2017	112,174	112,174	\$ -	747,829	15.00%
June 30, 2016	112,518	112,518	\$ -	810,120	13.89%
June 30, 2015	135,463	135,463	\$ -	903,085	15.00%
June 30, 2014	159,923	159,964	\$ (41)	1,066,427	15.00%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2019**

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. With only one year reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS**

Schedule of Proportionate Share of Net OPEB Liability

Measurement Date	University's	University's	State's	Total	University's	University's	University's
	Proportionate					Proportionate	Proportionate
	Share as a	Proportionate	Proportionate	Proportionate	Covered	Share as a	Net Position as a
	Percentage of	Share	Share	Share	Employee	Percentage of	Percentage of
	Net OPEB Liability				Payroll	Covered Payroll	Total OPEB
June 30, 2018	0.348880398%	\$ 7,485,005	\$ 1,553,307	\$ 9,038,312	\$ 12,519,915	59.78%	25.10%
June 30, 2017	0.335916772%	8,260,158	1,696,646	9,956,804	11,918,745	69.30%	25.10%

Schedule of Employer Contributions

Measurement Date	Actuarial	Actual	Contribution	Covered	Actual Contribution
	Determined				
	Contribution	Contribution	(Excess)	Payroll	Covered Payroll
June 30, 2018	\$ 590,940	\$ 590,940	\$ -	\$ 12,519,915	4.72%
June 30, 2017	560,181	560,181	\$ -	11,918,745	4.70%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2019**

There are no factors that trends in the amounts reported, such as changes in benefits or assumptions. Information, if necessary can be obtained from the RHBT and PEIA at www.peia.gov

CERTIFICATE REGARDING DEBT SERVICE COVERAGE

Pursuant to Subsection 8(a) of the Loan and Security Agreement dated as of February 1, 2014 (the "Loan Agreement"), by and between the West Virginia State University Board of Governors and Capital One Public Funding, LLC, the duly authorized officer of the Board of Governors and the Certified Public Accountant hereby certifies as follows:

1. Capitalized terms used and not otherwise defined in this Debt Service Coverage Certificate have the respective meanings given them in the Loan Agreement.

2. **Mrs. Kristi Williams** is the duly appointed, qualified and interim **Vice President of Business & Finance** of the Board of Governors (the "Authorized Representative") and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same and has made or caused to be made such examination or investigation as is necessary to enable the undersigned to express an informed opinion with respect to the subject matter herein.

3. The Authorized Representative has read the reporting requirements set forth in Section 8 of the Loan Agreement and the affirmative covenants set forth in Section 9 of the Loan Agreement and the definitions relating thereto.

4. Delivered herewith is a full, true and correct copy of the audited financial statements of the University for its fiscal year ended June 30, 2017 (the "Audited Annual Financial Statements") together with the executed unqualified opinion of independent certified public accountants with respect thereto, all as required in accordance with Section 8 and Section 9 of the Loan Agreement; the Audited Annual Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis.

5. No Default or Event of Default has occurred under the Loan Agreement during the period subject to the Audited Annual Financial Statements or thereafter to the date hereof, except None [provide reasonable detail if any Default or Event of Default has occurred and otherwise indicate "None"]

6. The audited amount of Pledged Revenues for the immediately preceding Fiscal Year (as reflected in or derived from the Audited Annual Financial Statements) is **\$704,658**. Such Pledged Revenues can be found as part of the Auxiliary Enterprise Revenue line item on page 14 of the financial statements for the fiscal year ending June 30, 2016. (Statement of Revenues, Expenses, and Changes in Net Position).

7. The Maximum Annual Debt Service which will come due on the Note in the current or any succeeding Fiscal Year is **\$250,615**, as reflected in fiscal year 2018 in the attached Final Numbers from the closing of the loan in February 2014.

8. The Debt Service Coverage for the immediately preceding Fiscal Year is determined as follows:

DEBT SERVICE COVERAGE RATIO

A.	Pledged Revenues	\$554,382
B.	Maximum Annual Debt Service	\$250,615
C.	Ratio of Line A to Line B	2.212: 1.00
D.	Line C must not be less than	1.50:1.00
E.	The Board of Governors is in compliance (circle one)	<input checked="" type="radio"/> Yes <input type="radio"/> No



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Governors
West Virginia State University
Charleston, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Virginia State University and its discretely presented component unit, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise West Virginia State University's basic financial statements, and have issued our report thereon dated October 15, 2019. The financial statements of the West Virginia State University Foundation, which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Virginia State University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Virginia State University's internal control. Accordingly, we do not express an opinion on the effectiveness of West Virginia State University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Virginia University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 15, 2019

AGENDA
West Virginia State University Board of Governors
Presidential Review Committee
Ferrell Hall, Room 103
Thursday, December 12, 2019
3:00 p.m.

1. Call to Order and Roll Call – Dr. Ann Brothers Smith, presiding
2. Verification of Appropriate Notice of Public Meeting
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. Possible Executive Session in Accordance with West Virginia Code §6-9A-4 to Discuss Personnel Matter, Presidential Annual Review Action
6. Annual Performance Review Recommendation to the Full Board Action
7. Other Business
8. Next Meeting Date – *December 13, 2019*
9. Adjournment

Agenda prepared by – Crystal Walker, Committee Clerk, December 2, 2019

**Board of Governors
West Virginia State University
Presidential Review Committee**

Date/Time: 12/12/2019 -- 3:00 PM

Location:

103 Ferrell Hall

Purpose: To conduct the regular business of the committee.

Notes:

Meeting was approved : 11/25/2019 8:30:06 AM

Meeting Minutes
West Virginia State University Board of Governors
Presidential Review Committee
Ferrell Hall, Room 113
November 15, 2019
11:00 a.m.

1. Call to Order and Roll Call

Committee Chair, Dr. Ann Brothers Smith, called the meeting to order at 11:01 a.m. and asked the clerk to call the roll.

Members Present: Ms. Dooley, Mr. Gray, Mr. Jones, Mrs. Pitchford, and Dr. Smith

2. Verification of Appropriate Notice of Public Meeting

Dr. Smith verified the Appropriate Notice of Public Meeting.

3. Review and Approval of Meeting Agenda

Mrs. Pitchford motioned for approval of the agenda as presented. Mr. Jones seconded the motion, and the motion carried.

4. Review and Approval of Minutes of Previous Meeting

Mrs. Pitchford motioned for approval of the minutes for the November 6, 2019 meeting. Ms. Dooley seconded the motion, and the motion carried.

5. Possible Executive Session under the Authority of West Virginia Code §6-9A-4 to Discuss Legal, Personnel, and Property Matters

Mr. Jones motioned for approval to go into executive session, in accordance with West Virginia Code §6-9A-4, to discuss legal, personnel, and property matters. Ms. Dooley seconded the motion, and the motion carried.

A motion to arise from executive session and reconvene into the regular session was made by Mr. Jones, and Mrs. Pitchford seconded the motion. The motion carried. Dr. Smith asked for the record to reflect that the Committee only discussed items related to the topics listed, that no decisions were made in executive session, and no motions or votes were taken.

6. Other Business

No other business was brought before the Committee.

7. Next Meeting Date

The Committee will hold its next meeting on December 12, 2019. The Committee requested that President Jenkins be present for the meeting. In addition, the meeting agenda should include a possible executive session and an item to make a recommendation to the full Board.

8. Adjournment

With there being no further business, Ms. Dooley motioned for adjournment, and Mr. Gray seconded the motion. The meeting adjourned at 11:59 a.m.

Respectfully submitted by – Ms. Crystal Walker, Committee Clerk, December 6, 2019

AGENDA
West Virginia State University Board of Governors
Presidential Review Committee
Erickson Alumni Center
December 13, 2019
11:30 a.m.

1. Call to Order and Roll Call – Dr. Ann Brothers Smith, presiding
2. Verification of Appropriate Notice of Public Meeting
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. Possible Executive Session in Accordance with West Virginia Code §6-9A-4 to Discuss Personnel Matter, Presidential Annual Review Action
6. Recommendation to the Full Board Based on the Annual President’s Performance Review Action
7. Other Business
8. Next Meeting Date – *TBD*
9. Adjournment

Agenda prepared by – Crystal Walker, Committee Clerk, December 2, 2019

**Board of Governors
West Virginia State University
Presidential Review Committee**

Date/Time: 12/13/2019 -- 11:30 AM

Location:

Erickson Alumni Center
Grand Hall
West Virginia State University

Purpose: To conduct the regular meeting of the Committee.

Notes:

Meeting was approved : 11/25/2019 8:31:34 AM

HOLD FOR PRESIDENTIAL REVIEW COMMITTEE MEETING
MINUTES December 12, 2019

AGENDA
West Virginia State University
BOARD OF GOVERNORS
Erickson Alumni Center, Grand Hall
December 13, 2019
1:30 p.m.

1. Call to Order and Roll Call, Chair, Mr. Charles E. Jones, Jr., presiding
2. Verification of Appropriate Notice of Public Meeting
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of October 24, 2019, Meeting Minutes Action
6. Report from the University President
7. Possible Executive Session under the Authority of West Virginia Code §6-9A-4 to Discuss Legal, Personnel and Property Matters Action
9. Audit Committee Report Action
10. Annual Presidential Review Action
11. Presidential Search Process Action
12. Other Matters Action
10. Next Meeting Date- February 6, 2020
11. Adjournment

Agenda prepared by – DeNeia M. Thomas, Ph.D., Chief of Staff and Board Liaison,
December 5, 2019

**Board of Governors
West Virginia State University
Full Board**

Date/Time: 12/13/2019 -- 1:30 PM

Location:

Erickson Alumni Center
West Virginia State University

Purpose: To conduct the regular business of the Board.

Notes:

Meeting was approved : 11/25/2019 8:31:42 AM

Meeting Minutes
West Virginia State University Board of Governors
Erickson Alumni Center, Grand Hall
October 24, 2019
1:30 p.m.

1. Call to Order and Roll Call

Mr. Jones called the meeting to order at 1:30 p.m. and asked for the roll call. He welcomed the new student representative, Ms. Deja Smoot, and administered the Oath of office.

Members Present: Ms. Dooley, Mr. Gray, Mr. Jones, Mr. Kelley, Mr. Lipscomb, Mr. Payne, Dr. Smith, Ms. Smoot, and Dr. Vaughan

Members Absent: Mr. Buchanan, Mr. Davis, and Mrs. Pitchford

2. Verification of Appropriate Notice of Public Meeting

Mr. Jones verified the Appropriate Notice of Public Meeting.

3. Review and Approval of Meeting Agenda

Mr. Kelley motioned for approval of the agenda, as presented. Ms. Dooley seconded the motion, and the motion carried.

4. Review and Approval of Minutes of September 5, 2019 Meeting

Dr. Smith motioned for approval of the minutes of the September 5, 2019 meeting. Mr. Lipscomb seconded the motion, and the motion carried.

5. Report from the University President

President Jenkins welcomed back Governor Gray and congratulated Ms. Smoot on her appointment as the student representative. He also recognized the new Dean of the College of Business and Social Sciences, Dr. Gurupdesch Pandher.

President Jenkins thanked the Cabinet and their respective teams for their work on the format for the Board Committee reports and meetings.

The Homecoming was the largest on record and a great success. Appreciation was expressed to Ms. Belinda Fuller, Director of Alumni, and all for their part in planning and organizing the events.

President Jenkins provided feedback on his service as the keynote speaker at the Higher Education Policy Commission's GEAR UP Student Leadership Academy, where 1,400 high school seniors from 10 counties were in attendance. He awarded a \$1,000 scholarship to one student from each county.

President Jenkins thanked Dr. Paige Carney, Dr. Mary Sizemore, and the leadership team for their work on the Bachelor of Science in Nursing degree program. The program goes before the state nursing board for approval on October 25.

The accreditation team is continuing its preparation for the Higher Learning Commission (HLC) comprehensive review visit. The accreditation website is live

<http://wvstateu.edu/Academics/Accreditation.aspx>. Detailed information will be provided to Board members before the visit from the Co-Chairs, Drs. Woodard and Kiddie.

President Jenkins thanked Dr. Yvette Underdue Murph and Dr. Shannon McGhee, along with their team and everyone on campus who helped the University achieve a 61% retention rate.

He also expressed appreciation to Mr. Nate Burton for his leadership in Athletics. The athletic teams are excelling, and President Jenkins encouraged everyone to go out and support our student-athletes.

President Jenkins provided an update on the search for the Provost and Vice President for Academic Affairs search. The three finalists were on campus this week and awaiting feedback and recommendation from the search committee.

President Jenkins recently spoke with C-SPAN during their city tour of Charleston and talked about the University and Katherine Johnson. He said that during his State of the University address, he shared information on his vision for the University. A significant focal point will be critical thinking and assessing our academic programs. Also, the University will be evaluating student transitions after graduation that will be led by Alumni Relations and Career Services. Another focal point will be increasing the experiential learning across all academic disciplines with a review of where this is happening and its impact. He is developing the strategic teams for the evaluation of these initiatives as a part of our strategic plan.

President Jenkins deferred to Dr. Barbara Ladner to provide an update on the West Virginia Advisory Council of Faculty, on which she serves as the representative for West Virginia State University. The Council was established in 2001 by code and consists of representatives from all state four-year and two-year colleges and universities. The group communicates with the Higher Education Policy Commission and the Community and Technical College Council concerning matters of higher education in which the faculty members may have an interest.

6. Possible Executive Session under the Authority of West Virginia Code §6-9A-4 to Discuss Legal, Personnel, and Property Matters

Mr. Kelley motioned for approval to go into executive session, by West Virginia Code §6-9A-4, to discuss legal, personnel, and property matters. Dr. Smith seconded the motion, and the motion carried.

Mr. Kelley made a motion to arise from the executive session and reconvene into the regular meeting, and Ms. Dooley seconded the motion. The motion carried. Mr. Jones asked that the record reflect that the Board only discussed items related to the topics listed, that no decisions were made in executive session, and no motions or votes were taken.

7. Other Matters

Dr. Vaughan informed the Board that the Faculty Senate expressed that Board members are invited to the Faculty Senate open meetings. The next meeting is, November 1, 2019, at 1:30 p.m. in Hamblin Hall.

8. Next Meeting Date

December 13, 2019

9. Adjournment

With there being no further business, Dr. Smith motioned for adjournment. Ms. Dooley seconded the motion, and the meeting adjourned at 2:33 p.m.

Respectfully submitted,

Katherine L. Dooley
Secretary

Approved:

Charles E. Jones, Jr.
Chair

APENDIX:

WEST VIRGINIA STATE UNIVERSITY WEB INFORMATION:

GOVERNANCE AND ADMINISTRATION: [HTTP://WVSTATEU.EDU/ABOUT/ADMINISTRATION.ASPX](http://wvstateu.edu/about/administration.aspx)

BOARD OF GOVERNORS:

[HTTP://WVSTATEU.EDU/ABOUT/ADMINISTRATION/BOARD-OF-GOVERNORS.ASPX](http://wvstateu.edu/about/administration/board-of-governors.aspx)

BOARD OF GOVERNORS BYLAWS

BOARD OF GOVERNORS POLICIES

[HTTP://WVSTATEU.EDU/ABOUT/ADMINISTRATION/BOARD-OF-GOVERNORS.ASPX](http://wvstateu.edu/about/administration/board-of-governors.aspx)

The following policies have been approved and constitute the current West Virginia State University Board of Governors (BOG) policies. All approved BOG policies and related guidelines which might be generated are maintained on this website and made available at the West Virginia State University Drain-Jordan Library at no cost.

1. [Procedures for Generating Policies, Guidelines, and Rules](#)
2. [Salary Policy](#)
3. [Academic Standards for Students to Participate in Intercollegiate Athletics](#)
4. [Seniority as Related to Reduction in Work Force](#)
5. [Travel Regulations](#)
6. [Credit Card Solicitation](#)
7. [Holidays](#)
8. [Smoking](#)
9. [Role of Adjunct Faculty](#)
10. No Current Policy
11. [Balance of Part-Time/Full-time Classified Employees](#)
12. No Current Policy
13. [Naming or Renaming of Buildings and Organizational Units](#)
14. [Sexual Harassment](#)
15. [Use of Institutional Facilities](#)
16. No Current Policy
17. [Equal Opportunity and Affirmative Action](#)
18. [Employee Leave](#)
19. [Personnel Administration](#)
20. [Assessment, Payment and Refund of Fees](#)
21. [Social Justice](#)
22. [Ethics](#)
23. [Student Rights and Responsibilities](#)
24. [Grade-Point Averages for Associate and Baccalaureate Degrees](#)
25. [Awarding of Undergraduate Fee Waivers](#)
26. [Fee Waivers for Graduate Students and Graduate Assistants](#)
27. [Change in the Organization of Colleges, Schools, Divisions, Department or other Administrative Units](#)
28. [Student Academic Rights](#)
29. [Faculty Development](#)
30. [Alien Employment Control](#)
31. [Sabbatical Leave](#)
32. No Current Policy
33. No Current Policy
34. [Standards and Procedures for Undergraduate Admissions](#)

35. [Performance Review for Non-Classified Employees](#)
36. [Alcoholic Beverages](#)
37. [Fiscal Responsibility and Oversight of Intercollegiate Athletics](#)
38. [Parking of Vehicles on Campus](#)
39. [Administrators Required to Do Teaching or Research](#)
40. [Tuition and Fee Waivers for Those 65 or Older](#)
41. [Making Agendas Available to the Public](#)
42. [Disposition of Obsolete and Unusable Equipment and Supplies](#)
43. [Separation of Academic and Faculty Personnel Policies](#)
44. [Faculty and Administrative Productivity](#)
45. [Work-Scheduling Innovations](#)
46. [Merit Increases for Classified Staff](#)
47. [Staff Development](#)
48. [Credit for Service Learning in Public Agencies](#)
49. [Employees' Catastrophic Leave](#)
50. No Current Policy
51. No Current Policy
52. [Information Technology \(IT\) Security Policy](#)
53. [Responsible Use of University Computing Resources](#)
54. [Delayed Payroll Assignment](#)
55. No Current Policy
56. [Background Checks for Employment](#)
57. [Deadly Weapons and Destructive Devices](#)
58. [Bookstore](#)
59. [Intellectual Property Rights Management](#)
60. [Fixed Asset Inventory Policy](#)
61. [Employment and Evaluation of the President](#)
62. [Evaluation of Tenured Faculty](#)
63. [Record Retention Policy](#)
64. [Designation/Status of Employees](#)