

AGENDA
FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS' MEETING
JUNE 16, 2011, 9:00 A. M.



- I. Call to Order**
 - A. Roll Call
 - B. Public Comment
 - C. Approve Agenda..... **Action Item**
 - D. Presentation
- II. Approval of Minutes of April 28, 2011 Tab 1 Action Item**
- III. Chairperson's Report**
- IV. President's Report**
- V. Election of Officers**
- VI. Reports and Presentations**
 - A. Faculty Senate (Jaci Webb-Dempsey)
 - B. Classified Staff (Chris Daniels)
 - C. Student Government (Meagan Gibson)
 - D. Foundation (Kim Pellillo)
 - E. Alumni Association (Emily Swain)
- VII. Consent Agenda Tab 2 Action Item**
 - A. Capital Projects (update for end of April current year)
 - B. Financial Report (for the end of April current year)
- VIII. Academic Affairs/Admissions (Janet Crescenzi, Chair)**
- IX. Student Life Committee (Skip Tarasuk, Chair)**
- X. Finance Committee (Jim Kettering, Chair)**
 - A. 2012 Unrestricted Education and General (E&G) Budget Approval **Tab 3 Action Item**
 - B. 2012 Auxiliary Budget Approval..... **Tab 4 Action Item**
 - C. Chargeback Agreement for Fiscal Year 2012 **Tab 5 Action Item**
 - D. Revision of Policy #25, Salary Policy **Tab 6 Action Item**
 - E. 2012 Pay Raise **Tab 7 Action Item**
 - F. Capital Projects for 2011 Fiscal Year..... **Tab 8 Action Item**
 - G. Workers Compensation Insurance Policy for Fiscal Year 2012 **Tab 9 Action Item**
 - H. Property Acquisition (adjacent to the Gaston Caperton Center in Clarksburg).. **Tab 10 Action Item**
 - I. Missing Textbook Adoptions Report **Tab 11 Action Item**
- XI. Executive Committee (Rocco Muriale, Chair)**
- XII. By-Laws Committee (Shirley Stanton, Chair)**
- XIII. Possible Executive Session**
- XIV. Adjournment**

Next Meeting: August 18, 2011



**FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
APRIL 28, 2011
MEETING MINUTES**

I. Call to Order

- A. Roll Call. Chairman Rocco Muriale convened a meeting of the Fairmont State University (FSU) Board of Governors held on April 28, 2011, beginning at 9:00 a.m. in the Board Room at the Falcon Center, 1201 Locust Avenue, Fairmont, West Virginia.

Present for the meeting were board members Janet Crescenzi, Zach Hammett, Matt Jacques, Jim Kettering, Robert Mild, Rocco Muriale, Mark Pallotta, Shirley Stanton, Skip Tarasuk, Bryan Towns, Ron Tucker, and Bob White. Also in attendance were FSU President's Council members Maria Rose, Michael Belmear, Devanna Corley, Bill Finley, Quentin Johnson, Rick Porto, and David Tamm.

At the request of Chairman Muriale, Judy Biafore conducted a roll call of the Board of Governors. All members were present.

- B. Public Comment. Member Ron Tucker reported that no one signed up for public comment.
- C. Approval of Amended Agenda. Chairman Muriale asked Rick Porto, Vice President of Administrative and Fiscal Affairs, to explain the reason for an amended agenda which would eliminate Item a. Worker's Compensation Insurance Plan Change (s) under item IX. Finance Committee. Mr. Porto explained that the Higher Education Policy Commission (HEPC) is looking at a consortium approach with the other college and universities in the state as a way to save costs. Additional information will continue to be collected and possibly brought to the June 16, 2011, Board of Governors' meeting. The renewal date is July 1, 2011.

Secretary Bob Mild made a motion to approve the amended agenda which would exclude letter "a." Worker's Compensation Insurance Plan Change(s) Approval under IX. Finance Committee. Matt Jacques seconded. Motion passed.

Mark Pallotta made a motion that the Finance Committee be appointed to review the Worker's Compensation Insurance Plan options and give a recommendation to the full board via email. Ron Tucker seconded. Motion passed.

II. Approval of Minutes

Shirley Stanton moved approval of the minutes of the meetings held on April 4, 2011, and April 15, 2011, as provided in the agenda materials. Matt Jacques seconded. Motion passed.

III. Chairman's Report

- A. Chairman Muriale asked that Coach Kristi Kiefer and members of the Cheer Team who were in attendance be recognized for finishing well in the National Collegiate Acrobat and Tumbling Association National Championship.
- B. Thrasher Engineering made a \$100,000 donation to help students in the Department of Technology.

**Fairmont State University
Board of Governors
April 28, 2011, Meeting Minutes, Cont'd**

- C. FSU was one of three schools in the state to receive a grant focusing on international education by the West Virginia Higher Education Policy Commission.
- D. There were several articles about the Green Initiative on campus. Chairman Muriale commended Jim Decker and staff for these measures and also being proactive and keeping the campus grounds maintained.
- E. The Women's Basketball team won the Sam Marchio Award for Sportsmanship at the WVIAC Conference tournament.
- F. The Concrete Canoe Team won the Regional Championship in Morgantown. There will be a press conference following the Board of Governors' Meeting.
- G. Alumnus and community leader Frank Pulice, Jr., is the Spring 2011 Commencement Speaker and Zach Hammett will be speaking on behalf of the students.
- H. Chairman Muriale expressed continued success and positive happenings under the leadership of President Rose and her leadership team.

IV. President's Report

- A. President Rose expressed her sincere appreciation to the Board of Governors for her appointment as Interim President.
- B. President Rose reported that the The National League for Nursing Accrediting Commission (NLNAC) granted our nursing program accreditation through 2018.
- C. WV Campus Compact hosted by Fairmont State University and Pierpont Community & Technical College on April 20, 2011, was a huge success. Attendance was double from last year.
- D. As a part of our global awareness initiative, students presented and discussed their experiences with the campus community after their trips to Turkey and India. The President congratulated Alicia Nieman who was one of those students who presented and was also in attendance representing Student Government.
- E. April 25, 2011, there was a reception to honor Faculty Achievement and there were awards of internal grants to fund special projects.
- F. Another opportunity for students earlier in the week was Celebration of Student Scholarship, a daylong event which included student presentations of undergraduate research projects.
- G. A reception was recently held to honor the following retirees: Michael Belmear, Paul Boyce, Darlene Morrison, Dale Rice, Ruth Smedley, Harriett Snyder, Jim Goodwin, and Judy Turbanic.
- H. Fairmont State Athletic Association banquet will feature Dana Holgorsen, a new WVU assistant football coach.

- I. Dr. Nancy Taylor's Psychology class teamed up with the City of Fairmont to develop a survey to see how the Community and the University can partner better. Next Wednesday the students will present results of the survey at Veteran's Square in downtown Fairmont.
- J. The College of Science & Technology, The College of Liberal Arts, The School of Business, The School of Education, The School of Fine Arts, and The School of Nursing and Allied and Health Administration will have individual school awards banquets for their students.

V. Reports and Presentations

- A. Faculty Senate - Chuck Shields commended the selection of Dr. Maria Rose as Interim President. He requested more faculty members on the selection committee for a new permanent president.

The General Studies curriculum proposal passed 59.2% to 40.8%.

Bob Mild was re-elected Faculty Senate Representative to the FSU Board of Governors. Sue Kelley was appointed as the Representative for the West Virginia Advisory Council of Faculty (ACF), and the Student Representative to the FSU Board of Governors is Scott Ullom.

There will be a new Faculty Senate President elected in May and that person will attend the June Board of Governors' meeting.

- B. Classified Staff - Harriett Bower reported that there was a Classified Staff election on April 18, 2011, and Chris Daniels will be the new Chair. He will continue as the Advisory Council of Classified Employees (ACCE) Representative. Matt Jacquez was re-elected as Board of Governors' Representative. Next meeting is 2:30 p.m. this day. Ms. Bower also requested that their fundraising letters be mailed out by the Fairmont State Foundation.

- C. Student Government - President Alicia Nieman reported the various activities Student Government has been involved in since their last report. Some of the events were the Leadership Conference in late February, Falcon Idol, and General Elections that were held in March. There were open forums and a survey that had approximately 300 student participants. New officers will address the findings. On March 7 there was a Lecture Series event with Michele Norris.

WV Women Art Expo with live music was held after Spring Break.

Ms. Nieman introduced Meagan Gibson who is the new Student Government President. The month of April included a Spring Dance hosted by Student Government, Taste of the World in conjunction with International Week, and one of the last events was a comedy night.

Student Government hosted a blood drive with Central Blood Bank.

Fairmont State University
Board of Governors
April 28, 2011, Meeting Minutes, Cont'd

Student Government voted on 59 amendments to the Student Government Constitution. This fall the process will be completed with a campus-wide vote.

Ms. Nieman expressed her support of the selection of Dr. Maria Rose as Interim President, and she thanked her for support of the Pathways Advancing Community Employment (PACE) Project and the opportunity for her and others to go to India.

Vice-President Shirley Stanton asked if the amendments were on the computer and Ms. Nieman said they would be available to all students via the website by the Fall Semester so that students could vote on them. Vice-President Stanton commended Ms. Nieman for a job well done.

D. Fairmont State Foundation – No report.

VI. Consent Agenda

Jim Kettering moved to accept the following Consent Agenda as presented.

- A. Financial Report January 31, 2011
- B. Financial Report February 28, 2011
- C. Financial Report March 31, 2011
- D. Capital Projects Update

Zack Hammett seconded. Motion passed.

VII. Academic Affairs/Admissions (Janet Crescenzi, Chair)

- A. Approval of Program Review Recommendations

Academic Affairs/Admissions Chair Crescenzi asked President Rose for a brief explanation of the Program Reviews below. President Rose explained these were items she worked on as Provost. Dr. Chris Lavorata will be the Interim Provost and in the future will be handling the Program Review process and reporting to this committee. President Rose was appreciative of the additional mandate by HEPC for requiring an outside reviewer to be included in the approval process and gave a brief overview of each area. All items are on the Board of Governors' website.

Shirley Stanton moved to approve the following Program Reviews:

1. Bachelor of Arts in Communication
2. Bachelor of Science in Allied Health Administration
3. Bachelor of Science in Exercise Science
4. Bachelor of Arts in French
5. Bachelor of Science in Health Science
6. Bachelor of Arts in Spanish
7. Bachelor of Science in Psychology

Matt Jacques seconded.

Finance Chair Jim Kettering asked that future Program Reviews feature statistics of entry majors and of those how many graduate.

Nominating Chair Mark Pallotta initiated further discussion of how graduation and retention rates are calculated.

The Program Reviews will now be sent to the Higher Education Policy Commission for approval.

Motion passed.

VIII. Student Life Committee (Skip Tarasuk, Chair)

No report for Student Life. Student Life Chair Tarasuk wished to thank Vice President of Student Affairs Michael Belmear and wish him all the best on his upcoming retirement. Mr. Tarasuk personally thanked Mr. Belmear for the help he had given him and expressed appreciation for his many years of dedicated service to Fairmont State.

IX. Finance Committee (Jim Kettering, Chair)

Jim Kettering, Chair of the Finance Committee, provided an overview of the recent efforts and numerous meetings of this group to review financial reports in preparation for this Board of Governors' meeting and any other items on the agenda that relate financially to the Institution. Mr. Kettering indicated that the Finance Committee has also spent a significant amount of time on the budget to be presented at the June 16, 2011, Board of Governors' meeting and they have also been working on twenty year budget plans for various budget sectors of Fairmont State University including most recently the Falcon Center. Mr. Kettering mentioned these are not only items they have been working on now, but are also an example of the kinds of things the Finance Committee does on a monthly or meeting to meeting basis. He expressed that the Finance Committee is always open to questions or suggestions from the Board of Governors and that this committee sees their activity as just "another eye" another means of "transparency" within the financial matters of the institution and for the most part not a decision-making body.

**Fairmont State University
Board of Governors
April 28, 2011, Meeting Minutes, Cont'd**

Mr. Kettering then asked Mr. Rick Porto, Vice President of Administrative and Fiscal Affairs, to go through the agenda action items.

A. Worker's Compensation Insurance Plan Change(s) Approval - Removed from Agenda under Item I.C. above.

B. Approval of One-Time Pay Raise Continuance

Mark Pallotta moved to approve the one-time pay raise continuance. Bob White seconded. Motion passed.

C. Approval of Bookstore Contract Service Change – Information Only, No Action Required

Chair of the Bookstore Review Committee, Dr. Christina Lavorata, informed the Board of Governors that Follett Higher Education Group received the new contract. Rick Porto, VP for Administrative and Fiscal Affairs, indicated that there would be no additional cost to students with this change.

D. Approval to Change Budget to Upgrade the HVAC for HHH

Jim Kettering moved to approve the change in budget for the HVAC upgrade in Hunt Haught Hall. Bob White seconded. Motion passed.

E. 2011-2012 Tuition and Fee and Room and Board Fee Approval

Jim Kettering moved to approve the 2011-12 Tuition and Fee and the Room and Board Fees. Bob Mild seconded. Motion passed. The fees will now be sent to the Higher Education Policy Commission by Rick Porto for approval.

F. Property Acquisition Approval in Clarksburg Adjacent to the Gaston Caperton Center

There was discussion about the offering price and appraised price on the property in Clarksburg adjacent to the Gaston Caperton Center. The Finance Committee and/or Chairman Muriale plan to meet with the Clarksburg City Council concerning demolition of the building if Fairmont State University purchases the property.

Vice-President Stanton requested that there be a title search on any property that Fairmont State University purchases.

Bob Mild moved to table the Property Acquisition in Clarksburg adjacent to the Gaston Caperton Center item until the next regularly scheduled meeting in June. Zack Hammett seconded. Motion passed.

**Fairmont State University
Board of Governors
April 28, 2011, Meeting Minutes, Cont'd**

G. Revision of Policy #25, Salary Policy

Bryan Towns moved to submit the Revision of Policy #25, Salary Policy, for a 30 day comment period. Zack Hammett seconded. Motion passed.

X. Executive Committee

A. Selection of Nominating Committee

Chairman Muriale proposed a Nominating Committee be formed with Matt Jacques, Jim Kettering and Mark Pallotta serving as members. Skip Tarasuk moved to accept. Bryan Towns seconded. Motion passed.

XI. By-Laws Committee (Shirley Stanton, Chair)

There was no item to bring forth by the By-Laws Committee.

XII. Executive Session

There was no item necessary for Executive Session.

XIII. Adjournment

Bryan Towns moved to adjourn. Matt Jacques seconded. Motion passed.

CAPITAL PROJECTS				
FY 2011				
Project	Project Budget	Expenses & Encumbrances	Available Project Budget	Project Completion Date and/or Update Notes
Hardway Hall - HVAC Unit	\$ 56,472.00	\$ 56,472.00	\$ -	Project is Complete
Infrastructure - Hardway Hall	\$ 362,739.03	\$ 362,739.03	\$ -	Project is Complete
Infrastructure - Retaining Walls	\$ 130,000.00	\$ 69,812.90	\$ 60,187.10	Project is Complete
Byrd Center - HVAC Units (2)	\$ 50,000.00	\$ 6,000.00	\$ 44,000.00	Project bid on April 26th and letter of recommendation for award has been submitted by Architect. Letter of intent to award has been sent. Pre-construction meeting was held on May 4th. Work will begin as soon as contract for construction is finalized.
Byrd Center - Roof Renewal	\$ 400,000.00	\$ 28,000.00	\$ 372,000.00	Project bid on April 26th and letter of recommendation for award has been submitted by Architect. Letter of intent to award has been sent. Pre-construction meeting was held on May 4th. Work will begin as soon as contract for construction is finalized.
Aerospace Fire Suppression - ARRA	\$ 1,100,000.00	\$ 88,000.00	\$ 1,012,000.00	Project bid on April 26th and letter of recommendation for award has been submitted by Architect. Letter of intent to award has been sent. Pre-construction meeting was held on May 4th. Work will begin as soon as contract for construction is finalized.
Folklife - Phase III (ARRA)	\$ 532,700.00	\$ 409,335.00	\$ 123,365.00	Construction contract has been awarded and work will begin week of May 9th.
Hardway Hall Renovations	\$ 5,500,000.00	\$ 403,000.00	\$ 5,097,000.00	Programming will proceed after Turley programming is finished.
Hunt Haught Hall Glass Front	\$ 194,000.00	\$ 194,000.00	\$ -	Work is underway. Weather protection and interior barricades have been installed.
Hunt Haught Hall - HVAC Units	\$ 735,518.00	\$ 45,000.00	\$ 690,518.00	Funding has been finalized. Letter of intent has been sent to low bidder. Contract is being prepared.
Infrastructure - IT Emergency Back-Up	\$ 197,299.00	\$ 16,550.00	\$ 180,749.00	Project has been advertised for bidding. Pre-bid meeting is scheduled for May 10th.

Completed

In Progress

CAPITAL PROJECTS					
FY 2011					
<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>	
Infrastructure - Retaining Wall Merchant Street	\$ 175,000.00	\$ 9,000.00	\$ 166,000.00	1 contractor bid on this project. Bid came in over the project budget. Project design is being reviewed and project will re-bid at later date.	
Musick Library Elevator	\$ 2,000,000.00	\$ -	\$ 2,000,000.00	Negotiations are underway with the selected firm for architectural services.	
Turley Center Renovations	\$ 6,000,000.00	\$ 454,610.40	\$ 5,545,389.60	Project programming is continuing	
Wallman Hall Renovations	\$ 5,200,000.00	\$ 390,000.00	\$ 4,810,000.00	Contract for architectural services has been finalized. Design work is beginning	
Infrastructure - Paving Lot #15	\$ 58,560.00	\$ -	\$ 58,560.00		Not Started
Locust Avenue	\$ 40,000.00	\$ -	\$ 40,000.00		
Turley Center Renovations - FF&E	\$ 550,000.00	\$ -	\$ 550,000.00		
Academic Fund	\$ -	\$ -	\$ -	On-going - Numerous projects throughout year	On-Going
Landscaping	\$ 100,000.00	\$ 79,338.18	\$ 20,661.82	On-going - Numerous projects throughout year	
Physical Plant - Small Projects	\$ 197,000.00	\$ 81,462.59	\$ 115,537.41	On-going - Numerous projects throughout year	
	\$ 23,579,288.03	\$ 2,693,320.10	\$ 20,885,967.93		

Fairmont State University
Board of Governors
Financial Report
for the period ending April 30, 2011

Unrestricted Fund:

Budget changes in the month of April affected the budget balance negatively by approximately \$18,700. The primary reason was automated adjustments to employee benefit costs due to new hires, terminations, or life events occurring. Tuition and Fee revenues continue to be on target, chargeback revenues through the end of February have been posted as of this report. 85% of revenues have been realized through the end of April with summer school revenues yet to be realized and chargeback revenues continuing to be processed. Operating expenses through the end of April are at 75.5% of plan. The actual surplus condition through the end of April is \$6,109,620.

Auxiliary Fund:

Budget changes in the month of April improved the transfer to reserves in the Auxiliary Fund by approximately \$18,500. Changes occurred in employee benefit costs, supplies and services, and utility budgets that netted to the improved budget condition. Revenue compared to budget through the end of April is at approximately 97% of plan. Operating expenses compared to budget are at 85% of budget. The actual surplus condition is approximately \$1,421,000. The fund is scheduled to transfer to auxiliary reserves of \$612,494 by June 30, 2011.

Restricted Fund:

A minor addition of a \$200 grant occurred in the month of April. Operating revenue through the end of April is at 85.3% of budget and operating expense is at 87% of budget. Actual balance through the end of February is a deficit condition of \$24,019. Net assets are available to cover the 2011 deficit budget plan that is expected to occur.

Please find attached financial reports.

Fairmont State University
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of April 30, 2011

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	20,958,349	21,805,703	20,122,474	92.28
	Student Activity Support Revenue	559,169	580,069	563,238	97.10
	Faculty Services Revenue	1,268,259	1,272,439	1,155,885	90.84
	Operating Costs Revenue	2,432,922	2,377,001	1,618,245	68.08
	Support Services Revenue	3,942,875	3,970,189	2,336,171	58.84
	Other Operating Revenue	414,308	468,028	290,020	61.97
	Total:	29,575,881	30,473,429	26,086,033	85.60
OPERATING EXPENSE					
	Salaries	22,934,077	23,351,400	18,065,705	77.36
	Benefits	5,819,430	5,998,105	4,484,470	74.76
	Student financial aid-scholarships	1,748,476	1,953,476	1,413,250	72.35
	Utilities	1,749,920	1,749,920	1,203,882	68.80
	Supplies and Other Services	7,011,909	7,497,919	5,461,077	72.83
	Equipment Expense	1,063,891	1,252,651	793,076	63.31
	Fees retained by the Commission	178,427	178,427	133,820	75.00
	Assessment for Faculty Services	1,502,589	1,502,589	1,325,778	88.23
	Assessment for Support Services	422,524	404,132	229,063	56.68
	Assessment for Student Activity Costs	409,938	421,938	398,252	94.39
	Assessment for Operating Costs	209,276	215,716	134,406	62.31
	Total:	43,050,457	44,526,272	33,642,779	75.56
OPERATING INCOME / (LOSS)		(13,474,576)	(14,052,844)	(7,556,746)	53.77
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	15,611,661	15,611,661	15,611,661	100.00
	State Fiscal Stabilization Funds	701,797	700,888	700,888	100.00
	Gifts	25,000	25,000	43,500	174.00
	Investment Income	266,166	266,166	25,769	9.68
	Assessment for E&G Capital & Debt Service Costs	(2,478,413)	(2,519,116)	(2,428,379)	96.40
	Total:	14,126,211	14,084,599	13,953,439	99.07
TRANSFERS & OTHER					
	Capital Expenditures	(449,158)	(662,703)	(452,132)	68.23
	Transfers for Debt Service	0	(77,297)	(77,297)	100.00
	Transfers for Fin Aid Match	(124,877)	(124,877)	(58,037)	46.48
	Indirect Cost Recoveries	450,218	537,496	351,715	65.44
	Transfers for Scholarships	0	(85,000)	(84,999)	100.00
	Transfers - Other	0	13,053	33,677	258.01
	Total:	(123,817)	(399,328)	(287,073)	71.89
BUDGET BALANCE		527,818	(367,573)	6,109,620	
* Add: ACTUAL UNRESTRICTED NET ASSETS - Beginning of Year		9,022,650	9,022,650		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>9,550,468</u>	<u>8,655,077</u>		

* Actual Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2010 in the amount of \$3,105,397

Unrestricted Net Asset Balance is 20.26% of the current budget total operating expense.

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of April 30, 2011

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	5,500,976	5,615,054	5,321,887	94.78
	Auxiliary Fees & Debt Service Support Revenue	4,762,696	4,898,096	4,878,348	99.60
	Other Operating Revenue	245,304	247,438	207,671	83.93
	Total:	10,508,976	10,760,588	10,407,906	96.72
OPERATING EXPENSE	Salaries	2,070,834	2,157,032	1,826,742	84.69
	Benefits	538,167	539,668	364,727	67.58
	Student financial aid-scholarships	486,160	486,160	368,644	75.83
	Utilities	912,265	907,265	632,769	69.74
	Supplies and Other Services	2,136,549	2,185,128	2,069,146	94.69
	Equipment Expense	97,446	104,855	166,908	159.18
	Loan cancellations and write-offs	1,131	1,131	0	0.00
Total:	6,242,552	6,381,238	5,428,936	85.08	
OPERATING INCOME / (LOSS)		4,266,424	4,379,349	4,978,970	113.69
NONOPERATING REVENUE (EXPENSE)	Gifts	0	5,000	5,000	100.00
	Interest on capital asset related debt	(100,473)	(100,473)	(50,236)	50.00
	Total:	(100,473)	(95,473)	(45,236)	47.38
TRANSFERS & OTHER	Capital Expenditures	(162,260)	(157,259)	0	0.00
	Transfers for Debt Service	(3,603,621)	(3,603,607)	(3,603,607)	100.00
	Transfers for Fin Aid Match	(3,425)	(3,425)	(1,713)	50.01
	Transfer to Reserves	(396,646)	(612,494)	0	0.00
	Transfers for Scholarships	0	85,000	84,999	100.00
	Transfers - Other	0	7,909	7,909	100.00
Total:	(4,165,951)	(4,283,877)	(3,512,412)	81.99	
BUDGET BALANCE		0	0	1,421,321	
* Add: ACTUAL NET ASSETS - Beginning of Year		<u>6,514,461</u>	<u>6,514,461</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>6,514,461</u>	<u>6,514,461</u>		

* Actual Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2010 in the amount of \$375,293.

Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of April 30, 2011

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	35,155,676	33,394,462	27,496,131	82.34
	State/Local Grants and Contracts	5,421,053	5,771,922	5,785,019	100.23
	Private Grants and Contracts	2,100,110	1,789,494	1,671,198	93.39
	Other Operating Revenue	200	9,700	9,700	100.00
	Total:	42,677,039	40,965,579	34,962,048	85.34
OPERATING EXPENSE	Salaries	1,424,306	1,453,434	810,622	55.77
	Benefits	230,290	255,399	138,310	54.15
	Student financial aid - scholarships	44,102,306	40,559,121	39,751,164	98.01
	Utilities	21,607	19,000	0	0.00
	Supplies and Other Services	5,379,841	6,145,100	2,207,396	35.92
	Equipment Expense	3,308,144	2,476,694	1,422,390	57.43
	Total:	54,466,494	50,908,749	44,329,882	87.08
OPERATING INCOME / (LOSS)		(11,789,455)	(9,943,170)	(9,367,834)	94.21
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	12,000,000	10,100,000	9,544,284	94.50
	Total:	12,000,000	10,100,000	9,544,284	94.50
TRANSFERS & OTHER	Capital Expenditures	(15,459)	(4,000)	0	0.00
	Transfers for Fin Aid Match	128,322	128,302	109,148	85.07
	Indirect Cost Recoveries	(509,400)	(537,496)	(351,715)	65.44
	Transfers - Other	0	42,097	42,097	100.00
	Total:	(396,537)	(371,097)	(200,469)	54.02
BUDGET BALANCE		(185,992)	(214,267)	(24,019)	
* Add: PROJECTED RESTRICTED NET ASSETS - Beginning of Year		219,123	246,087		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>33,131</u>	<u>31,820</u>		

Fairmont State University
Board of Governors
June 16, 2011

Item: 2012 Unrestricted Education and General (E&G) Budget Approval

Committee: Committee of the Whole

Recommended Resolution: Resolved, that the Fairmont State University Board of Governors approve the Unrestricted E&G Fund Budgets for FY 2012.

Staff Member: Rick Porto

Background: The Finance, Facilities, and Audit Committee has met with Administration and reviewed the budget changes/challenges we face for the 2012 fiscal year. These reviews are documented in the attached budget planning documents, and summarized in the attached budget comparison for the E&G Fund.

The E&G Fund Budget plan for the 2012 fiscal year inclusive of fourth and final equity funding shows a deficit budget balance of \$(543,288) at the beginning of July 2011.

The Education and General Budget for 2012 includes the following highlights:

Revenues:

- The fourth installment of \$1,250,000 committed to by the legislature in the spring of 2008.
- Federal stimulus funding provided in FY 2011 was removed, however; state appropriations were provided to make-up for this loss.
- New appropriations were provided to help support the pay raise agreed to by the Governor and the Legislature.
- Three percent (3%) fee increase to help maintain a steady state in the 2012 budget. This was approved in the April 28, 2011 board meeting.
- Transition of the International Student Operations from Pierpont to the University.
- Miscellaneous revenue increase from enrollment growth.
- A shift in enrollments between Pierpont and the University provides an increase in chargeback revenue to the University.

Expenses:

- Removal of one-time budgets approved during the 2011 fiscal year.
- Pay raises for mercer step increases, faculty promotions, and two percent (2%) for faculty and staff not covered by the mercer step increase.
- Annual increment increase (statutory).
- Student info specialist position.
- Chargeback for the Office of Institutional Research.
- Reduction of support from the Foundation for the Office of Teaching Excellence.
- New faculty for graduate school (final installment) committed to for fiscal year 2011.
- Accreditation self-study.
- Tutoring center cost adjustments.
- Indirect cost budget adjustments to remove dependencies on this revenue support.
- Accepted responsibility for the International Student operations from Pierpont.
- Funding additional need in the Admissions and Welcome Weekend budgets.
- Reduction of hospital contract commitments to the School of Nursing.
- BRIM premium (liability insurance) increase.
- Collection costs increase.
- Scholarship budgets were increased to cover a new employee/employee dependent program plus funding of 3rd year of McClain full ride, and adjustment of waivers for the increase of tuition by three percent (3%).
- Alumni, Institutional Advancement, and Web and Graphics budget need due to service agreement with Pierpont no longer desired by Pierpont.
- Phase one of re-organization of Student Affairs and Enrollment Services in preparation for New Student Service Center in Turley.
- Removal of one-time commitment made to athletics in 2011. Note: The majority of this need for 2011 was supported by new revenues from enrollment growth.
- Provide a one-time funding for Athletics of \$45,000 to prevent reductions to scholarships in 2012. Administration is recommending that a continuation of this one-time for 2012.
- One-time investment in Technology to improve wireless access on our campuses and to prepare the campus for less dependency on computer labs (Cloud Computing).

- Second round of strategic plan investment offered to the campus community (one-time).
- Presidential search budget (one-time).
- Degree work development costs (one-time).
- IBM initiative (one-time) Schools of Business and Science and Technology.
- Web content social media specialist – temporary for one year (one-time).
- Continuation of one-time budgets that were approved to spend E&G operating reserves on
 - a. Fund managers plan to spend reserves in fiscal year 2012
 - b. Unspent strategic planning allocations made in FY 2011
 - c. Unspent strategic planning allocation for property acquisitions.

The budget balance for fiscal year 2012 prior to the addition of one-time 2012 strategic planning initiatives reflects a surplus budget plan of \$1,500,061. After including the 2012 one-time strategic planning initiatives the 2012 budget balance reflects a surplus of \$301,998.

With approval of the continuation of the 2011 BOG approved spend down of net asset reserves and the approval of the fund managers plan to spend reserves in fiscal year 2012 the net beginning budget balance for fiscal year 2012 will reflect a deficit spending plan of \$(543,288).

The 2012 fiscal year deficit spending plan will be supported by a strong net asset reserve. The net asset reserve (after adding back the OPEB liability) at the end of fiscal year 2010 was \$9,022,650 and was 20.26% of the 2011 operating budget. Based on the current condition of the 2011 fiscal year, administration is expecting an additional increase in net asset reserves at the end of the 2011 fiscal year. The 2011 audit report due in October 2011 will identify the actual increase in net asset reserves. Depending on the growth of the net asset reserves, administration may request permission to budget for additional one-time strategic planning priorities that will be developed through the new strategic budget planning process to be announced over the summer and early fall.

FY 2012 BUDGET PLANNING DOCUMENT
FAIRMONT STATE UNIVERSITY
EDUCATION & GENERAL FUNDS

Current base of \$15,611,661; 1,250,000 in equity funding; 2011 Stimulus Funding Added to Base.

As of April 30, 2011, Assumes a Budget Condition of:

	(367,573)	
	<u>Budget Effect</u>	<u>Budget Balance Running Total</u>
Revenue Adjustments:		
New Appropriation	1,250,000	
Stimulus Backfill Reduction	(701,797)	
Appropriation Addition to Base (Stimulus Funded in 2011)	701,797	
State Appropriation Allocated for Salary Increase	240,169	
Fee Increase (3%)	522,000	
Increased Revenue - Org 770500 (International Student & ESL)	134,000	
Enrollment Growth - Central Fees	<u>40,000</u>	
Revenue Adjustments Sub-total:	2,186,169	1,818,596
Chargeback Percentage Shift		
-Chargeback Revenue - Chargeback Percentage Shift	235,864	
-Chargeback Expense - Chargeback Percentage Shift (Reduction to Expense)	<u>44,889</u>	
Chargeback Percentage Shift Sub-total:	280,752	2,099,348
Removal of One-time FY 2011 Budgets:		
Use of Reserve	1,000,000	
Fund Manager's FY 2011 Spend Down of Reserve Plan	173,048	
Kimberly Luse - Moving Expense	5,000	
Quentin Johnson - Moving Expense	5,000	
-Chargeback Revenue - Q. Johnson Moving Expense	<u>(1,659)</u>	
Removal of One-time FY 2011 Budgets Sub-total:	1,181,389	3,280,737
Pay Raises (Higher Value of 2% or Mercer Step) :		
-Chargeback Revenue - Pay Raises	(495,552)	
-Chargeback Expense - Pay Raises	65,594	
	<u>(6,446)</u>	
Pay Raises Sub-total:	(436,404)	2,844,333
Mandatory Pay Raise Costs (Included in Pay Raise Options) :		
Faculty Promotions	<u>(67,670)</u>	
Mandatory Pay Raise Costs Sub-total:	(67,670)	2,776,663
Annual Increment:		
Increment Increase	(20,940)	
-Chargeback Revenue - Annual Increment	3,286	
-Chargeback Expense - Annual Increment	<u>(422)</u>	
Annual Increment Sub-total:	(18,076)	2,758,587
Student Info Specialist		
Budget for FY 2010 borrowed from vacant Faculty position 000644 - Joseph (800000-301000)	<u>(54,171)</u>	
Student Info Specialist Sub-total:	(54,171)	2,704,416
Office of Institutional Research:		
Support Services		
-Chargeback Revenue - Support Service Revenue Position 000744 (W. Finley)	29,273	
-Chargeback Revenue - Support Service Revenue Position T00380 (Grad Assistant)	2,302	
Operating Budget	(5,800)	
-Chargeback Revenue - Operating Services	<u>2,002</u>	
Office of Institutional Research Sub-total:	27,777	2,732,193
Foundation Contribution to Teaching Excellence		
Foundation Contribution to Teaching Excellence Sub-total:	(12,500)	2,719,693
Graduate Programs:		
Remainder of budget for new faculty	<u>(187,391)</u>	
Graduate Programs Sub-total:	(187,391)	2,532,302
Accreditation Self-Study		
Accreditation Self-Study Sub-total	(20,000)	2,512,302
Tutoring Center:		
-Chargeback Expense - Math & Writing Tutoring Center	<u>(49,110)</u>	
Tutoring Center Sub-total:	(49,110)	2,463,192

Indirect Cost Adjustments:			
Indirect Cost Revenue Adjustment (Reduction to Revenue)		(411,079)	
Indirect Cost Expenditure Reductions (Reduction to Expense)		<u>171,054</u>	
	Indirect Cost Adjustments Sub-total:	(240,026)	2,223,167
Cultural Programs:			
Symphony		(4,750)	
Grant Revenue (\$8,250)			
Ticket Sales & Ads Revenue (\$10,000)			
Symphony Expense (\$23,000)			
	Cultural Programs Sub-total:	(4,750)	2,218,417
International Student Program:			
Position 000410 (G. Hines) - Salary & Benefits		(58,486)	
-Chargeback Expense - Pos. 410 (Reduction to Expense)		21,347	
Labor Budget Org 715500		(4,484)	
-Chargeback Expense - Labor Budget Org 715500 (Reduction to Expense)		3,273	
Operating Budget Org 715500		(1,983)	
-Chargeback Expense - Operating Budget Org 715500 (Reduction to Expense)		1,448	
Labor Budget Org 770500		(107,879)	
Operating Budget Org 770500		<u>(10,196)</u>	
	International Student Program Sub-total:	(156,960)	2,061,457
Additional School of Nursing Hospital Contract Commitments:			
Reduction to Contract Revenue from Hospitals		(20,400)	
	Additional School of Nursing Hospital Contract Commitments Sub-total:	(20,400)	2,041,057
Audit Contract Costs:			
Increase to Financial Statement Audit Costs		(865)	
	Audit Contract Costs Sub-total:	(865)	2,040,192
Annual BRIM Premium			
-Chargeback Revenue - Brim Premium		(26,134)	
	Annual BRIM Premium Sub-total:	(9,022)	2,023,079
Collection Costs			
	Collection Costs Sub-total:	(35,000)	1,988,079
Other Budget Challenges/Possibilities:			
Admissions Operating Budget Increase		(60,000)	
-Chargeback Revenue - Admissions Operating Budget Increase		20,712	
Welcome Weekend		<u>(40,000)</u>	
	Other Budget Challenges/Possibilities Sub-total:	(79,288)	1,908,791
Tuition Waiver Costs:			
Full Ride Scholarships (McClain - Year 3)		(17,933)	
Waivers Due to Increase of Fee		(54,687)	
Employee/Employee Dependant School/Tuition Waiver		<u>(100,000)</u>	
	Tuition Waiver Costs Sub-total:	(172,620)	1,736,171
Assessment Services:			
-Chargeback Expense Assessment Services (Reduction to Expense)		2,027	
	Assessment Services Sub-total:	2,027	1,738,198
Proposed Changes:			
Alumni, Institutional Advancement & Web & Graphics Reorganization		(162,887)	
	Proposed Changes Sub-total:	(162,887)	1,575,311
Phase One of Reorganization of Student Affairs & Enrollment Services in preparation for the New Student Service Center in Turley:			
	Phase One of Reorganization Sub-total:	(200,000)	1,375,311
Reverse of One-Time budget support for Athletics:			
Scholarship Funds		39,750	
Operating Funds		<u>85,000</u>	
	Reverse of One-Time budget support for Athletics Sub-total:	124,750	1,500,061
One-Time Budget Support for Athletics:			
FY 2012 Support of Athletic Scholarship Budgets		(45,000)	
	One-Time Budget Support for Athletics Sub-total:	(45,000)	1,455,061

Cloud Computing in Labs/ Wireless (One-time):		<u>(353,063)</u>	
	Cloud Computing in Labs/ Wireless Sub-total:	(353,063)	1,101,998
Strategic Planning Initiatives (One-time):		<u>(500,000)</u>	
FY 2012 One-time Initiatives	Strategic Planning Initiatives Sub-total:	(500,000)	601,998
Presidential Search (One-time):		<u>(100,000)</u>	
	Presidential Search Sub-total:	(100,000)	501,998
Degree Works Development Cost (One-time):		<u>(50,000)</u>	
	Degree Works Development Cost Sub-total:	(50,000)	451,998
IBM Initiative School of Business and Science & Technology (One-time):		<u>(80,000)</u>	
	IBM Initiatives Initiative Sub-total:	(80,000)	371,998
Web Content, Social Media (One-time):		<u>(70,000)</u>	
	Web Content, Social Media Sub-total:	(70,000)	301,998
FY 2012 Budget After Recommendations Approved:		<u>301,998</u>	
Request to Spend Reserves:			
Fund Managers Plan to Spend Reserves in FY 2012		<u>(151,769)</u>	
	Fund Managers Plan to Spend Reserves Sub-total:	(151,769)	150,229
President's Request to Carry Over Reserve Spending Approved by Board in October 2010		<u>(693,517)</u>	
	President's Request to Carry over Reserve Spending Sub-total:	(693,517)	(543,288)
FY 2012 Beginning Budget Plan Inclusive of Spending Reserves:		<u>(543,288)</u>	

Fairmont State University
 Budget Statement of Revenues and Expenses
 Comparison FY 2011 April 30, 2011 to FY 2012 Current Unrestricted

		Budgeted FY2011 04/30/11	Budgeted FY2012 07/01/11	DIFFERENCE
OPERATING REVENUE	Tuition & Fees	21,805,703.00	22,627,694.00	821,991.00
	Student Activity Support Revenue	580,069.00	580,069.00	0.00
	Faculty Services Revenue	1,272,438.68	1,272,438.68	0.00
	Private Grants and Contracts	0.00	0.00	0.00
	Auxiliary enterprises revenue	0.00	0.00	0.00
	Auxiliary Fees & Debt Service Support Revenue	0.00	0.00	0.00
	Operating Costs Revenue	2,377,001.33	2,437,327.80	60,326.47
	Support Services Revenue	3,970,189.05	3,955,116.14	(15,072.91)
	Other Operating Revenue	468,027.51	428,458.00	(39,569.51)
	Total:	30,473,428.57	31,301,103.62	827,675.05
OPERATING EXPENSE	Salaries	23,351,399.63	24,065,999.00	714,599.37
	Benefits	5,998,104.80	6,032,487.00	34,382.20
	Student Financial Aid-Scholarships	1,953,476.00	2,078,727.00	125,251.00
	Utilities	1,749,920.25	1,749,920.25	0.00
	Supplies and Other Services	7,497,919.01	8,873,121.92	1,375,202.91
	Equipment Expense	1,252,651.01	1,182,232.10	(70,418.91)
	Loan Cancellations and write-off	0.00	0.00	0.00
	Fees retained by the Commission	178,427.00	178,427.00	0.00
	Assessment for Faculty Services	1,502,589.00	1,502,589.00	0.00
	Assessment for Support Services	404,131.60	400,711.69	(3,419.91)
	Assessment for Student Activity Costs	421,938.00	421,938.00	0.00
	Assessment for Operating Costs	215,715.85	203,317.41	(12,398.44)
	Total:	44,526,272.15	46,689,470.37	2,163,198.22
OPERATING INCOME/LOSS		<u>(14,052,843.58)</u>	<u>(15,388,366.75)</u>	<u>(1,335,523.17)</u>
NONOPERATING REVENUE (EXPENSE)	State Appropriations	15,611,661.00	17,803,627.00	2,191,966.00
	State Fiscal Stabilization Funds	700,888.00	0.00	(700,888.00)
	Gifts	25,000.00	12,500.00	(12,500.00)
	Investment Income	266,166.00	266,166.00	0.00
	Loss/Gain on Disposal of Fixed Assets	0.00	0.00	0.00
	Assessment for E&G Capital & Debt Service Costs	(2,519,116.00)	(2,518,828.00)	288.00
	Reappropriated State Funding	0.00	0.00	0.00
	Total:	14,084,599.00	15,563,465.00	1,478,866.00
TRANSFERS & OTHER	Capital Expenditures	(662,702.85)	(602,136.40)	60,566.45
	Construction	0.00	0.00	0.00
	Transfers for Debt Service	(77,297.00)	(77,585.00)	(288.00)
	Transfers for Fin Aid Match	(124,877.00)	(124,877.00)	0.00
	Indirect Cost Recoveries	537,496.06	131,212.00	(406,284.06)
	Transfers to Capital Projects	0.00	0.00	0.00
	Transfers for Scholarships	(85,000.00)	(45,000.00)	40,000.00
	Transfers - Other	13,052.68	0.00	(13,052.68)
	Total:	(399,328.11)	(718,386.40)	(319,058.29)
BUDGET BALANCE		<u>(367,572.69)</u>	<u>(543,288.15)</u>	<u>(175,715.46)</u>
Add: ACTUAL UNRESTRICTED NET ASSETS - Beginning of Year		9,022,650.00	8,655,077.31	(367,572.69)
Less: USE OF RESERVE		0.00	0.00	0.00
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		8,655,077.31	8,111,789.16	(543,288.15)

FUND MANAGER ESTIMATES						
			FISCAL YEAR 2012			
Manager	Fund	Title	FY 12 Beg Bal	FY 12 Rev	FY 12 Exp	FY 12 End Bal
Baker, J	362300	Kestrel	0.00	1,000.00	1,000.00	0.00
	803000	Department of Language & Literature	17,000.00	27,000.00	44,000.00	0.00
	806000	Honors Program-London Trip	3,000.00	17,600.00	20,600.00	0.00
Boni, Sharon	805500	School of Nursing & Allied Health Admin	24,000.00	128,500.00	128,500.00	24,000.00
Byers, Judy	362200	Traditions WV Folklore Journal	1,238.31	260.00	1,498.31	0.00
Dempsey, Van	801500	School of Education/HHP	70,000.00	50,000.00	60,000.00	60,000.00
Gilberti, Tony	269907	National Transportation Academy	15,000.00	0.00	15,000.00	0.00
	361000	Technology Special Services	18,657.40	0.00	18,657.40	0.00
	803500	School of Science & Math	83,000.00	84,000.00	120,000.00	47,000.00
Harvey, Richard	501000	Grad Prog-Business Administration	11,685.00	12,000.00	12,000.00	11,685.00
	801000	School of Business	5,000.00	46,500.00	46,500.00	5,000.00
Hemler, Debra	803507	Science Enrichment Program	17,707.00	1,400.00	4,000.00	15,107.00
Lach, Peter	243300	Fine Arts-Ticket Sales	500.00	34,000.00	34,000.00	500.00
	802000	School of Fine Arts	0.00	59,543.00	59,543.00	0.00
	806200	Community Music Program	800.00	55,000.00	55,000.00	800.00
McClure, Nancy	800500	Caperton Center	32,000.00	42,000.00	42,000.00	32,000.00
Rohrbaugh, Clarence	804100	Department of Behavioral Sciences	8,428.00	30,000.00	30,000.00	8,428.00
Rose, Maria	240000	BA Degree - BOR	17,919.90	0.00	9,002.00	8,917.90
	363300	International Exchange Program	250.00	0.00	250.00	0.00
Shields, Deanna	804000	Department of Social Sciences	0.00	34,112.00	34,112.00	0.00
			326,185.61	622,915.00	735,662.71	213,437.90
			Page Total - Net Rev & Exp		<u>(112,747.71)</u>	

FUND MANAGER ESTIMATES						
			FISCAL YEAR 2012			
Manager	Fund	Title	FY 12 Beg Bal	FY 12 Rev	FY 12 Exp	FY 12 End Bal
Hines, Geneva	366012	English As A Second Language	0.00	134,000.00	150,680.00	(16,680.00)
Hutchins, Thelma	360200	Library Borrower's Fee	33,000.00	4,500.00	4,500.00	33,000.00
Rose, Maria (C. Fletcher)	365500	Wheeling Symphony	0.00	14,750.00	14,750.00	0.00
			33,000.00	153,250.00	169,930.00	16,320.00
			Net Rev & Exp		(16,680.00)	
Smith, Cindy	899998	Ind Cost for Grnts. & Con. 4yr Dept	0.00	22,154.39	41,995.45	(19,841.06)
Smith, Cindy	899999	Overhead for Grnts. & Con. 4yr	0.00	13,403.99	15,903.99	(2,500.00)
			0.00	35,558.38	57,899.44	(22,341.06)
			Net Rev & Exp		(22,341.06)	
			Page Total - Net Rev & Exp		<u>(39,021.06)</u>	
			Grand Totals		<u>(151,768.77)</u>	

Strategic Plan One-Time Spending of Net Asset Reserves

Approved at the October 2010 Board of Governors Meeting

Activity to Date

Name	Org.	Purpose	Allotment	Paid	Enc/Pening	Balance
Maria Rose	210000	Summer UGR Research	\$ 40,000.00	\$ 787.60	\$ -	\$ 39,212.40
Maria Rose	200000	Classroom furnishing	\$ 40,000.00	\$ 6,212.00	\$ -	\$ 33,788.00
Devanna Corley	030000	Social Media	\$ 24,500.00	\$ -	\$ 24,498.00	\$ 2.00
Dave Tamm	617000	5 various projects	\$ 51,000.00	\$ 8,849.38	\$ 29,714.78	\$ 12,435.84
Sharon Boni	241000	Simulation lab	\$ 47,500.00	\$ 19,610.39	\$ -	\$ 27,889.61
Peter Lach	222000	Laptops/cart & digital piano	\$ 46,500.00	\$ 21,948.21	\$ -	\$ 24,551.79
Van Dempsey	221500	Laptops/cart, treadmill & Wall	\$ 59,700.00	\$ 9,467.09	\$ 47,831.41	\$ 2,401.50
Tony Gilberti	227500	Laptops/cart, dust collection	\$ 67,000.00	\$ 26,600.00	\$ -	\$ 40,400.00
Rick Harvey	221000	Laptops/cart, videoconf	\$ 70,400.00	\$ 61,860.76	\$ -	\$ 8,539.24
Nancy McClure	272000	Video conferencing	\$ 45,000.00	\$ 19,893.35	\$ 20,810.11	\$ 4,296.54
Rick Porto	315599	Property Acquisition	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
Totals			\$ 991,600.00	\$ 175,228.78	\$ 122,854.30	\$ 693,516.92

Item: 2012 Auxiliary Budget Approval

Committee: Committee of the Whole

Recommended Resolution: Resolved, that the Fairmont State University (FSU) Board of Governors approve the Auxiliary Fund Budgets for Fiscal Year 2012.

Staff Member: Rick Porto

Background: The Finance, Facilities, and Audit Committee has met with Administration and reviewed the budget challenges/changes we face for the 2012 fiscal year. These reviews are documented in the attached budget planning documents, and summarized in the attached budget comparison for the Auxiliary Fund.

The Auxiliary Fund Budget Plan for fiscal year 2012 is targeted to add to Auxiliary reserves approximately \$804,005. This reserve addition will be utilized in the future to help renovate/upgrade these auxiliary facilities over the next 20 years.

The Auxiliary budget for 2012 includes the following highlights:

Revenues:

- Three percent (3%) increase in room and meal plans.
- Meal plan enrollment growth is generating additional return from the food service business to the Falcon Center.
- Enrollment growth has resulted in increased student fee revenues to all auxiliaries except for housing.
- Dining net revenues are expected to grow in 2012.
- Bookstore net revenues for the Falcon Center are expected to grow due to a successful re-bid of the bookstore contract.

- The teaching service revenue by Dining Services to the culinary arts program was cancelled a year ago and the related revenue line for this service was never removed.
- Bookstore rent.
- Removal of one-time commitment of E&G funding to athletics.
- Provide new one-time funding from E&G to Athletics to support scholarship continuance.

Expenses:

- Provide for pay raises in fiscal year 2012.
- Provide for increment pay increases (statutory requirement).
- New retention positions which will focus on improving enrollment through increased student activities and retention activities for students in residence life and commuter students.
- Increase in dining service contractual costs.
- Increase to annual audit costs of bonds.
- Increase to liability insurance premiums (BRIM).
- Funding of third year of the McClain Scholarship plan.
- Debt service costs increases.

The budgets for the auxiliary enterprise funds will be stable for 2012 as long as current enrollment levels are maintained. Due to the past two years of progressive enrollment growth and the negotiation of a new bookstore contract, we will be able to re-invest new revenues to support new retention activities.

The net effect of all revenue and expense activities will allow for continued investment toward the future of three of the four auxiliary enterprises. We will be working on a twenty-year funding master plan for all auxiliary enterprise areas in fiscal year 2012.

FY 2012 BUDGET PLANNING DOCUMENT
 FAIRMONT STATE UNIVERSITY
 AUXILIARY FUNDS

Explanation of Budget Issue	Total					Housing		Facilities		Falcon Center		Athletics	
	Total Budget Effect	Housing Budget Effect	Facilities Budget Effect	Falcon Center Budget Effect	Athletics Budget Effect								
FY 2011 Budgeted Transfer to Reserves for Auxiliaries (as of 04/30/2011)	612,494	293,325	75,414	206,891	38,865								
Fee increase:	159,850	74,850	0	85,000	0								
3% Meal Plans and Housing	0	0	0	0	0								
0% Facilities Fee	0	0	0	0	0								
0% Athletic Fee	0	0	0	0	0								
0% Falcon Center Operating Fee	159,850	74,850	0	85,000	0								
Fee Increase Sub-total:	159,850	74,850	0	85,000	0								
Meal Plan Enrollment Growth	180,154	0	0	180,154	0								
Enrollment Growth	205,607	0	49,371	105,485	50,751								
Dining Revenue Net	88,360	0	0	88,360	0								
Bookstore Revenue Net	135,000	0	0	135,000	0								
Removal of Culinary Arts Instructor Revenue	(22,360)	0	0	(22,360)	0								
Move of Contractual Bookstore Rent to Operating Budget	60,000	0	0	60,000	0								
Removal of One-time Revenue Support from E&G FY 2011 Budgets	(124,750)	0	0	0	(124,750)								
26 One-time Athletic Scholarship Support FY 2012 (From E & G Funding)	45,000												
Pay Raises (Higher Value of 2% or Mercer Step):	(33,473)	(6,749)	(9,813)	(9,722)	(7,189)								
Increment Increase	(1,740)	(300)	(240)	(660)	(540)								
New Retention Positions	(186,369)	0	0	(186,369)	0								
Dining Services Contractual Costs	(265,154)	0	0	(265,154)	0								
Audit Contract Costs	(404)	(117)	(85)	(202)	0								
Annual BRIM Premium	(15,614)	(8,934)	(1,127)	(3,966)	(1,586)								
Auxiliary Scholarships \$15,312 (3rd Year McClain)	(29,596)	(14,798)	0	(14,798)	0								
Increase in Transfers for Debt Service Payment due to Interest Projections	(3,000)	(1,700)	(1,300)	0	0								
FY 2012 Net Budget of Transfers to Reserves for Auxiliaries	804,005	335,577	110,219	357,659	550								
FY2012 Projected Budget Total of Transfer to Reserves for Auxiliaries	804,005	335,577	110,219	357,659	550								

FSU Auxiliary Support
Actual Vs. Budget Statement of Revenues and Expenses

	Current Year 12	Prior Year 11	Period Jul		Auxiliary	
					Auxiliary - Bd. of Governors	
			Budgeted		Actual	Actual To
			Current year		Current Year	Budgeted
						Prior Actual To
						Prior Year End
OPERATING REVENUES						
Tuition and Fees			0.00		0.00	
Auxiliary enterprise revenue			5,880,149.16		0.00	39.05
Auxiliary Fees & Debt Service Support Revenue			5,142,625.00		0.00	0.00
Other Operating Revenues			307,437.60		0.00	8.77
Subtotal:			11,330,211.76		0.00	0.00
OPERATING EXPENSES						
Salaries			2,336,998.00		0.00	7.62
Benefits			561,907.00		0.00	6.53
Student financial aid - scholarships			555,228.00		0.00	0.00
Utilities			853,995.58		0.00	1.91
Supplies and Other Services			2,325,112.06		0.00	6.17
Equipment Expense			70,946.00		0.00	3.56
Loan cancellations and write-offs			1,131.00		0.00	
Subtotal:			6,705,317.64		0.00	0.00
NONOPERATING REVENUES (EXPENSES)						
Gifts			0.00		0.00	0.00
Interest on capital asset related debt			-100,472.60		0.00	0.00
Subtotal:			-100,472.60		0.00	0.00
TRANSFERS & OTHER						
Capital Expenditures			-154,259.00		0.00	0.00
Transfers for Debt Service			-3,607,732.50		0.00	0.00
Transfers for Financial Aid Match			-3,425.00		0.00	0.00
Transfers to Plant Reserves			-804,005.02		0.00	0.00
Transfers for Scholarships			45,000.00		0.00	0.00
Transfers - Other			0.00		0.00	0.00
Subtotal:			-4,524,421.52		0.00	0.00
OPERATING INCOME/LOSS			4,624,894.12		0.00	0.00
BALANCE			0.00		0.00	0.00
						148.15

FZRPR03

Fund %

MAY-23-11

Year End Transfers Summary
 Auxiliary Capital Reserves
 Fiscal Years 2007, 2008, 2009, 2010, 2011 and 2012
 AUXILIARY FUNDS

FUND	FY 2010 Ending Balance	Transfers from Auxiliary Reserves for Capital Projects	Transfers Out for Capital Projects	FY 2011 Budgeted Transfer	Projected Balance at June 30, 2011	FY 2012 Budgeted Transfer	FY 2012 Planned Capital Projects	Projected Balance at June 30, 2012
290690	370,000.00	1,876,624.64	280,000.00	293,324.67	2,265,426.86	335,577.02	158,000.00	2,443,003.88
310290	450,000.00	1,328,334.12	0.00	84,303.81	1,921,428.05	357,659.00	188,000.00	2,165,087.05
330090	80,000.00	277,989.11	0.00	38,864.71	390,967.27	550.00	49,070.64	342,446.63
370190	220,000.00	506,931.19	50,000.00	73,413.52	752,059.50	110,219.00	175,000.00	687,278.50
	1,120,000.00	3,989,879.06	330,000.00	489,908.71	5,329,881.68	804,005.02	550,070.64	5,637,816.06

Note: Projected balance at June 30, 2011 includes year-to-date interest earnings and other revenues not detailed above. Projected balance at June 30, 2011 does not include projections for interest earnings.

FUND	FY2007 TRANSFER	FY 2008 TRANSFER	FY2009 TRANSFER	FY2010 TRANSFER	FY2011 TRANSFER	FY2012 Budgeted Transfer
	<i>(included in balances below)</i>					
	<i>(to be transferred at 6/30/10 year end and included in estimate below)</i>					
290690	530,000.00	616,000.00	490,000.00	370,000.00	293,324.67	335,577.02
310290	90,000.00	188,000.00	320,000.00	450,000.00	84,303.81	357,659.00
330090	225,000.00	94,000.00	110,000.00	80,000.00	38,864.71	550.00
370190	70,000.00	13,000.00	190,000.00	220,000.00	73,413.52	110,219.00
	915,000.00	911,000.00	1,110,000.00	1,120,000.00	489,908.71	804,005.02

Auxiliary Reserves	FY2007	FY2008	FY2009	FY2010	Transfers to Auxiliary Reserves - Dec 2010
Year End Transfer Amounts - from operating					
Housing	663,762.88	995,670.76	1,434,872.74	1,875,842.65	1,876,624.64
Falcon Center	526,935.36	728,730.33	983,993.89	1,323,282.48	1,328,334.12
Athletic Facilities	30,047.14	266,112.19	166,241.44	277,863.93	277,989.11
	319,201.27	385,454.73	372,431.54	506,719.95	506,931.19
	1,539,946.65	2,375,968.01	2,957,539.61	3,983,709.01	3,989,879.06

Note: At the end of fiscal year 2007, the Auxiliary Reserve Funds were established to maintain auxiliary reserves in the Auxiliary Net Assets category for the benefit of the Higher Learning Commission (HLC) annual report. At year end, the balances in the Auxiliary Reserve Funds are transferred to the Plant Renewal and Replacement Reserve Funds. The Auxiliary Reserve balances represent the previous years excess operating dollars. A second transfer is done to move current year ending cash balances in the operating funds to the Auxiliary Reserve Funds. This was the process until fiscal year 2011. In December of 2010, the Auxiliary Reserves Plant Renewal and Replacement (R&R) were closed to the Auxiliary Reserves. This enables funds to be used to support operating or capital costs as approved by the Board of Governors.

Fairmont State University
Board of Governors
June 16, 2011

ITEM: Chargeback Agreement for Fiscal Year 2012

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Be it resolved, that the Fairmont State University (FSU) Board of Governors approve the chargeback agreement for fiscal year 2012 and the estimated chargeback budget for same.

STAFF MEMBER: Rick Porto

BACKGROUND: Changes in chargeback budget values for each institution due to adjustments to the agreement and a change in the FTE enrollment allocation percentage assigned to both institutions are included in the 2012 agreement attached.

Legal authority for Chargeback Agreement:

§18B-3C-12. Relationship between independent community and technical colleges and former sponsoring institutions.

(a) *Intent and purposes.* --

(1) It is the intent of the Legislature to establish community and technical colleges in every region of the state that meet the essential conditions of section three of this article and focus on achieving established state goals and objectives.

(2) This section defines the relationship between a community and technical college which was administratively linked to a sponsoring institution prior to the first day of July, two thousand eight.

(b) Where an independent community and technical college was linked administratively to a sponsoring state college or university,, or was designated as a regional campus or a division of another accredited state institution of higher education, prior to the first day of July, two thousand eight the following conditions apply:

(1) The community and technical college shall be

accredited separately from the former sponsoring institution;

(2) All state funding allocations for the community and technical college shall be transferred directly to the community and technical college.

(3) The former sponsoring institution and the community and technical college shall agree to the fees the former sponsoring institution may charge for administrative overhead costs.

(A) The fee schedule model agreed to by the institutions shall delineate services to be provided and the fees to be charged to the community and technical colleges for the services;

(B) The fee schedule shall be based upon the reasonable and customary fee for any service, shall bear a rational relationship to the cost of providing the service.

(C) Any contract between a community and technical college and its former sponsoring institution related to provision of services pursuant to subsection (c) of this section in effect on the first day of July, two thousand eight, shall continue in effect until the first day of July, two thousand nine, unless amended or revoked before that date by mutual agreement of the contracting parties.

(D) The former sponsoring institution shall continue to provide services pursuant to subsection (c) of this section as the governing board of the community and technical college considers appropriate under a negotiated contractual arrangement until the first day of July, two thousand eleven or the governing boards of both institutions mutually agree to end the contract arrangement.

(4) An independent community and technical college and the institution from which it obtains services may customize the fee schedule model to fit their needs.

(5) Policies shall be formally established to ensure the separation of academic and faculty personnel policies of the community and technical college from those of the former sponsoring institution. These policies include, but are not limited to, appointment, promotion, workload and, if appropriate, tenure; and

(c) The former sponsoring institution which was administratively linked to a community and technical college prior to the first day of July, two thousand eight, shall provide the following services subject to the provisions of subsection (b) of this section:

- (1) Personnel management;
- (2) Recordkeeping;
- (3) Payroll;
- (4) Accounting;
- (5) Legal services;
- (6) Registration;
- (7) Student aid;
- (8) Student records; and
- (9) Any other services determined to be necessary

and appropriate by the board of governors of the former sponsoring institution and the board of governors of the community and technical college.

(d) Any disputes between an independent community and technical college and its former sponsoring institution, regarding their respective rights and responsibilities under this chapter of the code, which cannot be resolved by the governing boards, shall be resolved as follows:

(1) The matters in dispute shall be summarized in writing and submitted to the chancellors jointly for resolution;

(2) If the matters in dispute cannot be resolved by the chancellors within thirty days, they shall be submitted to the Council and Commission for resolution;

(3) If the Commission and Council jointly cannot reach a resolution following their first regularly scheduled meeting or within sixty days, whichever is sooner, the chairpersons of the Commission and Council respectively shall establish a three-person panel to hear the matters and issue a decision within thirty days:

(A) The three-person panel is comprised of one person appointed by the chairperson of the Commission, one person appointed by the chairperson of the Council, and one person appointed jointly by the two chairpersons.

(B) The decision rendered by the three-person panel is binding on the governing boards, Commission and Council, and may not be challenged in the courts of this state.

(e) The governing board of the community and technical college and the Council are responsible for the development of the community and technical college and for compliance with the essential conditions, all as required by this article.

(f) The president of the community and technical college has such responsibilities, powers and duties in the development of the community and technical college and in compliance with the essential conditions, as directed by the governing board or as are necessary for the proper implementation of the provisions of this act.

(g) Notwithstanding any other provision of this code to the contrary, the Commission shall take necessary steps to ensure that institutional bonded indebtedness is secure and that each community and technical college assumes its fair share of any institutional debt acquired while it was part of the baccalaureate institution.

(h) The community and technical college is encouraged to secure academic services from the former sponsoring institution when it is in their best interests and beneficial to the students to be served. In determining whether or not to secure services from the former sponsoring institution, the community and technical college shall consider the following:

- (1) The cost of the academic services;
- (2) The quality of the academic services;
- (3) The availability, both as to time and place, of the academic services; and
- (4) Such other considerations as the community and technical college finds appropriate taking into account the best interests of the students to be served, the community and technical college, and the former sponsoring institution. Nothing in this article prohibits any state institution of higher education from purchasing or brokering remedial or developmental courses from a community and technical college.

Chargeback Agreement for Fiscal Year 2012

Fairmont State University (FSU)
Pierpont Community & Technical College (PIERPONT)

Accounting for both the FSU and PIERPONT will be on an independent profit model basis, and financial records will be maintained on a stand-alone basis. This document is intended to establish the contractual services which will be provided by both institutions. Chargeback services will occur from each institution to the other. Thus contract services will be provided by PIERPONT to FSU and FSU to PIERPONT. The definition of Chargeback services is services from one institution to the other and/or services provided from the Administrative, Academic Support, Student Service, and Physical Plant support areas of the University to the Community and Technical College and vice versa. Chargeback services costs range from the collection of fees for the payment of debt and operating expenses, to teaching services, to the everyday upkeep of the facilities so that both the University and Community and Technical College students enjoy and take advantage of both academic learning, student services, and student activities offered by Fairmont State University and Pierpont Community and Technical College for its student bodies.

Revenues:

- R.1.0. All tuition revenues will be posted to the institution in which the student is enrolled.
- R.1.1. Required Auxiliary, Capital, and Student Activity Fee revenues will be recorded as revenues to the institution in which the student is enrolled. Under this contract agreement all (100%) of these revenues will be transferred as an expense to the Capital, Auxiliary, and Student Activity Funds from which the Operating, Capital, and Debt Service Expenditures are paid. Most of these fees are pledged on revenue bonds and must be transferred to maintain compliance with bond covenants.
- R.1.2. User fees collected from students of either institution will be deposited directly to the appropriate auxiliary revenue account, and not recorded as revenues by separate institutions. Examples of this type of revenue are parking, books, meals, rent, etc...
- R.1.3. Grant revenues will be deposited in the institutions fund to which the grant was awarded.
- R.1.4. Student payments made via lockbox, web, etc. will be deposited to the four-year clearing fund and will be moved daily to the appropriate operating state fund for each institution.
- R.1.5. Interest income will be allocated by HEPC to both institutions based on current allocation methods.

Expenditures:

E. 1.0. Direct expenditures will be assigned directly to either FSU or PIERPONT.

E. 1.1 Full and part-time faculty personnel services and fringe benefit expenditures will be paid from the institution where they are employed.

E. 1.1a. Teaching service expenses will be charged back from one institution to the other based on the number of credit hours taught. This chargeback process has been automated for instructional salary and benefit costs. The software reviews the faculty member, their salary and benefit costs, courses taught, the student being taught, and the number of student credit hours being taught. The result is a report on each faculty member (full or part-time) indicating the charge and chargeback values allocated to each institution for the credit hours taught to both PIERPONT and FSU students. The teaching chargeback services calculation will be performed once each semester. If required by the State Auditor this teaching services chargeback report will be provided to substantiate the values being charged by each institution to the other.

E. 1.2. Support service charge back for salary and benefit costs.

The salary and benefit chargeback services from each institution to the other for Support Services will be based on the percentage of total credit hours (FTE enrollment) calculated for the PIERPONT and FSU students. **When appropriate certain services may be negotiated at a different chargeback rate than the percentage of total credit hours. The total credit hour enrollment percentages will be determined based on enrollments from the prior academic year's fall and spring terms at census dates.**

E.1.2a. Support service charge back for staff located in the academic schools **or departments**, for salary and benefit costs.

The chargeback services for support staff located in the academic units will be based on enrollment percentages within that academic unit. These percentages will be budgeted based on total credit hour enrollment percentages for the prior academic year's fall and spring terms at census dates.

E. 1.3. Operating (Non-Labor) expenses for all support offices listed in the Support Service and Operating Cost Chargeback Table are funded based on percentages listed in this table. The organization manager of those offices has budget authority to expend against these budgets during the fiscal year. All unspent budgets at the end of each fiscal year are not carried forward to future fiscal years. Therefore, unspent budget increases the fund balance of both institutions. These fund balances are under the direct control of the respective Presidents of each institution.

E. 1.4. Academic operating costs are funded directly by E&G revenues received by each institution. In some academic units, a portion of the operating (non-labor) expense budgets are based on the percentage of total credit hours calculated for PIERPONT and

FSU students in that academic unit. The chargeback for these operating expenses is driven by the percentages found on the attached Support Services and Operating Cost Chargeback Table. The organization manager of those academic units has budget authority to spend against these budgets during the fiscal year. All unspent budgets at the end of each fiscal year are not carried forward to future fiscal years. Once again any unspent budget increases the fund balance of the appropriate institutions. These fund balances are under the direct control of the respective Presidents of each institution.

E.1.5. Support staff actual liability costs.

The liability costs incurred annually from employee benefits provided to support staff, such as retiree health premiums, severance payable, etc. will be allocated to the institutions based on the percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates **unless a specific area is negotiated at another rate.**

E.1.6. Support staff accrued liabilities.

Accrued liabilities (sick leave, annual leave, severance payable, etc.) required to be recorded on the financial statements annually for all support staff will be allocated to the institutions based on the percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates **unless a specific area is negotiated at another rate.**

E.1.6a. PEIA retiree and severance payables in the current year.

Payout of PEIA retiree and severance costs incurred during the year will be allocated to the institutions based on percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates **unless a specific area is negotiated at another rate.**

E.1.7. Chargeback Table

The attached chargeback table will be utilized for FY 2012. This table will utilize percentages based on total credit hour enrollments for prior academic year's fall and spring terms at census dates.

Chairperson
Fairmont State
Board of Governors

Chairperson
Pierpont Community & Technical College
Board of Governors

President
Fairmont State University

President
Pierpont Community & Technical College

**Pierpont Proposed Changes
to
Chargeback Agreement for Fiscal Year 2012**

1. Institutional Advancement – Organization 030000

Current FY 2011 chargeback condition:

- Pierpont pays chargeback costs to FSU at the institutional chargeback rate on all labor costs.
- Pierpont pays chargeback costs to FSU at the institutional chargeback rate on all of the operating costs.

Proposed changes for FY 2012:

- As previously agreed to by FSU and Pierpont Administration, Pierpont will pay no chargeback costs for any labor or operating costs for Institutional Advancement.

Fairmont State's Response – While we do not believe this is the most cost efficient solution for our organizations, it is understood that senior leadership from both institutions agreed to no longer include this organization as part of the chargeback for services agreement.

2. Alumni Office – Organization 030500

Current FY 2011 chargeback condition:

- Pierpont pays chargeback costs to FSU at the institutional chargeback rate on all labor costs.
- Pierpont pays chargeback costs to FSU at the institutional chargeback rate on all of the operating costs.

Proposed changes for FY 2012:

- As previously agreed to by FSU and Pierpont Administration, Pierpont will pay no chargeback costs for any labor or operating costs for the Alumni Office.

Fairmont State's Response – While we do not believe this is the most cost efficient solution for our organizations, it is understood that senior leadership from both institutions agreed to no longer include this organization as part of the chargeback for services agreement.

3. Web and Graphics – Organization 032500

Current FY 2011 chargeback condition:

- Pierpont pays chargeback costs to FSU at the institutional chargeback rate on all labor costs.
- Pierpont pays chargeback costs to FSU at the institutional chargeback rate on all of the operating costs.

Proposed changes for FY 2012:

- As previously agreed to by FSU and Pierpont Administration, Pierpont will pay no chargeback costs for any labor or operating costs for Web and Graphics.
- Pierpont will assume full responsibility for and transfer the employment of two jointly agreed employees from FSU and Web and Graphics to Pierpont.

Fairmont State's Response – While we do not believe this is the most cost efficient solution for our organizations, it is understood that senior leadership from both institutions agreed to no longer include this organization as part of the chargeback for services agreement.

4. Director of Public Relations Budget – Organization 031000

Current FY 2011 chargeback condition:

- Pierpont currently pays 5% chargeback on the Director of Public Relations position related to emergency communication services.

Proposed changes for FY 2012:

- Pierpont will continue to pay 5% chargeback on the Director of Public Relations position related to emergency communication services.

Fairmont State's Response – There is no change to this item.

5. International Student Coordinator and English as a Second Language

Current FY 2011 chargeback condition:

- 50% of International Student Coordinator's salary and fringes, and all of the student labor and operating costs are subject to chargeback to FSU at a 73% rate.
- Pierpont manages all of the English as a Second Language Activities.

Proposed changes for FY 2012:

- Pierpont will transfer all International Student Activities (including English as a Second Language) to FSU.

- FSU will transfer the International Student Coordinator Position and the person currently holding that position from a Pierpont employee to an FSU employee.
- Pierpont will incur no chargeback costs related to International Student Activities.

Fairmont State's Response – We agree that the International Student Programs should be part of the University operations.

6. Tutoring

Current FY 2011 chargeback condition:

- 60% of the Tutoring Coordinator's salary & fringe costs are subject to chargeback to FSU.
- The student labor and operating budget are subject to chargeback to FSU.
- The chargeback rate is at the institutional chargeback rate.
- Pierpont secured a Grant that created the Math and Writing Tutoring Center within the current tutoring environment. This grant will conclude September 30, 2011. This grant has eliminated most of the actual tutoring costs incurred for FY 2011 for both Pierpont and FSU.

Proposed changes for FY 2012:

- Upon conclusion of the grant, it is estimated that \$100,000 will be needed annually to maintain the Math and Writing Tutoring Center. Until the long term plan of securing donations to fund the \$100,000 annually is successful, Pierpont plans to budget \$100,000 annually or \$75,000 (3/4 of the estimated annual amount needed) for FY 2012 in E&G Funding toward the Math and Writing Tutoring Center.
- Since this service benefits and is available to both FSU and Pierpont students, Pierpont proposes that FSU pay chargeback at the Institutional rate for FY 2012 on the additional budget of \$75,000
- Any donations or alternative funding that can be secured in FY 2012 toward this activity would reduce Pierpont's direct costs and in turn reduce FSU's chargeback costs.

Fairmont State's Response – Fairmont State wishes to see the continuance of tutoring services provided by Pierpont to the University students. We feel that providing this service by one institution is a very cost effective and efficient approach. We do not feel it necessary to create our own tutoring service.

7. Assessment Services

Current FY 2011 chargeback condition:

- 50% of Director of Assessment's salary & fringes costs are subject to chargeback to FSU.
- The chargeback percentage was based on the number of students within each institution with a Compass Test Score thereby indicating they used placement testing services. Based on enrolled students from July 1, 2009 through April 2010; approximately 40% are University Students and 60% are Pierpont Students, therefore the chargeback rate to the University for FY 11 was 40%.
- The costs of the actual purchase of the Compass Tests from ACT have/are being charged to the Pierpont President's Organization, which is not subject to chargeback to FSU.

Proposed changes for FY 2012:

- The chargeback percentage for FY 12 would be based on the number of students enrolled within each institution during FY 11 with a Compass Test Score thereby indicating they used placement testing services. This rate will need to be determined for FY 12.
- Pierpont will transfer budget from the Pierpont President's Organization to the Assessment Services Organization 751500, which would make these operating expenses subject to chargeback to FSU at the FY 12 chargeback rate.
- Estimated total budget transfer of \$9,000.

Fairmont State's Response – Fairmont State wished to see the continuance of Assessment Services provided by Pierpont to the University students. We feel that providing this service by one institution is a very cost effective and efficient approach. We do not feel it necessary to create our own Assessment Service.

8. Institutional Research

Current FY 2011 chargeback condition:

- Due to the funding structure for this FSU position and a related graduate assistant student, Pierpont has not been paying chargeback for position.

Proposed changes for FY 2012:

- Pierpont uses the Institutional Research services and therefore would propose that the labor costs associated with this activity be transferred to an Institutional Research Organization and Pierpont would pay chargeback costs at the institutional rate for the labor costs within this Organization.

Fairmont State's Response – Fairmont State appreciates Pierpont's willingness to support the Institutional Research Services provided by the University staff. We understand that Pierpont is also willing to provide chargeback support for a Graduate Assistant and an operating budget for this office. We thank you.

Institutional Chargeback Allocation Detail

for: Fairmont State University and Pierpont C&TC

	FY 2012	Chargeback C&TC	Chargeback University
Chargeback Allocation (From) to:			
Revenue:			
Capital Fees	1,397,782.00	2,518,828.00	
Required Auxiliary Fees	1,252,667.00	3,889,958.00	
Student Services	158,131.00	421,938.00	
Other (list):	0.00	0.00	
Total Chargeback Revenue	2,808,580.00	6,830,724.00	
Teaching Chargeback			
Instruction:			
Total Teaching Chargeback	1,272,439.00	1,502,589.00	
Support Services and Operating Chargeback Expenses:			
Academic Support	848,502.15	128,321.18	
Student Services	1,222,732.23	0.00	
Operations and Maintenance of Plant	1,707,290.64	0.00	
Institutional Support	2,181,277.85	21,086.88	
Other:			
Instruction	319,390.47	425,456.83	
Public Service		0.00	
Chargeback Estimate for Pay Raises	91,847.00	6,538.00	
Total Support Services and Operating Chargeback	6,371,040.34	581,402.89	
Grand Total	10,452,059.34	8,914,715.89	

CHARGEBACK TABLE

as of May 19, 2011

FZACGBK

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PC&TC %	TOTAL
2012	1	020500	ADA Administration	U	600009	65.48	34.52	100
2012	1	020500	ADA Administration	U	800000	65.48	34.52	100
2012	1	022500	Staff Development	U	600009	65.48	34.52	100
2012	1	022500	Staff Development	U	800000	65.48	34.52	100
2012	1	023000	Multi-Cultural Affairs	U	600009	65.48	34.52	100
2012	1	023000	Multi-Cultural Affairs	U	800000	65.48	34.52	100
2012	1	031011	Public Relations - Labor	U	600009	95.00	5.00	100
2012	1	031011	Public Relations - Labor	U	800000	95.00	5.00	100
2012	1	103500	Office of Grants & Contracts	U	600009	65.48	34.52	100
2012	1	103500	Office of Grants & Contracts	U	800000	65.48	34.52	100
2012	1	120000	Institutional Research - Director	U	600009	65.48	34.52	100
2012	1	120000	Institutional Research - Director	U	800000	65.48	34.52	100
2012	1	151508	Strategic Planning Administration	U	600009	65.48	34.52	100
2012	1	151508	Strategic Planning Administration	U	800000	65.48	34.52	100
2012	1	155000	Leadership Fairmont State	U	600009	65.48	34.52	100
2012	1	155000	Leadership Fairmont State	U	800000	65.48	34.52	100
2012	1	210100	Teaching Excellence	U	600009	65.48	34.52	100
2012	1	210100	Teaching Excellence	U	800000	65.48	34.52	100
2012	1	210107	Faculty Development-Ind Disciplines	U	600009	65.48	34.52	100
2012	1	210107	Faculty Development-Ind Disciplines	U	800000	65.48	34.52	100
2012	1	210700	Operations and Maintenance-MATEC	U	600009	65.48	34.52	100
2012	1	210700	Operations and Maintenance-MATEC	U	800000	65.48	34.52	100
2012	1	211000	Academic Advising Center	U	600009	65.48	34.52	100
2012	1	211000	Academic Advising Center	U	800000	65.48	34.52	100
2012	1	213000	Academic Assessment	U	600009	65.48	34.52	100
2012	1	213000	Academic Assessment	U	800000	65.48	34.52	100
2012	1	216000	Registrar	U	600009	65.48	34.52	100
2012	1	216000	Registrar	U	800000	65.48	34.52	100
2012	1	220000	Honors Program	U	600009	97.12	2.88	100
2012	1	220000	Honors Program	U	800000	97.12	2.88	100
2012	1	221000	School of Business	U	600009	80.50	19.50	100

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PC&TC %	TOTAL
2012	1	221000	School of Business	U	800000	80.50	19.50	100
2012	1	221500	School of Education/Hlth-Human Perf	U	600009	91.21	8.79	100
2012	1	221500	School of Education/Hlth-Human Perf	U	800000	91.21	8.79	100
2012	1	222000	School of Fine Arts	U	600009	73.02	26.98	100
2012	1	222000	School of Fine Arts	U	800000	73.02	26.98	100
2012	1	227000	Dean - College of Liberal Arts	U	600009	69.18	30.82	100
2012	1	227000	Dean - College of Liberal Arts	U	800000	69.18	30.82	100
2012	1	227010	Dept of Behavioral Sciences	U	600009	60.43	39.57	100
2012	1	227010	Dept of Behavioral Sciences	U	800000	60.43	39.57	100
2012	1	227020	Dept of Language & Literature	U	600009	77.16	22.84	100
2012	1	227020	Dept of Language & Literature	U	800000	77.16	22.84	100
2012	1	227030	Dept of Social Sciences	U	600009	72.46	27.54	100
2012	1	227030	Dept of Social Sciences	U	800000	72.46	27.54	100
2012	1	227500	Dean-College of Science & Technolog	U	600009	84.22	15.78	100
2012	1	227500	Dean-College of Science & Technolog	U	800000	84.22	15.78	100
2012	1	227510	Dept - Biology/Chemistry/Geoscience	U	600009	80.27	19.73	100
2012	1	227510	Dept - Biology/Chemistry/Geoscience	U	800000	80.27	19.73	100
2012	1	227520	Dept-Computer Science/Math/Physics	U	600009	83.33	16.67	100
2012	1	227520	Dept-Computer Science/Math/Physics	U	800000	83.33	16.67	100
2012	1	227530	Department of Technology	U	600009	93.74	6.26	100
2012	1	227530	Department of Technology	U	800000	93.74	6.26	100
2012	1	240000	Health Careers Administration	U	600009	88.21	11.79	100
2012	1	240000	Health Careers Administration	U	800000	88.21	11.79	100
2012	1	271000	Caperton Center-Administration	U	600009	65.48	34.52	100
2012	1	271000	Caperton Center-Administration	U	800000	65.48	34.52	100
2012	1	272000	Caperton Center - Instruction	U	600009	65.48	34.52	100
2012	1	272000	Caperton Center - Instruction	U	800000	65.48	34.52	100
2012	1	301000	Enrollment Services	U	600009	65.48	34.52	100
2012	1	301000	Enrollment Services	U	800000	65.48	34.52	100
2012	1	311000	Business Office	U	600009	65.48	34.52	100
2012	1	311000	Business Office	U	800000	65.48	34.52	100
2012	1	313000	Mailroom	U	600009	65.48	34.52	100
2012	1	313000	Mailroom	U	800000	65.48	34.52	100

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PC&TC %	TOTAL
2012	1	315000	Student Accounts	U	600009	65.48	34.52	100
2012	1	315000	Student Accounts	U	800000	65.48	34.52	100
2012	1	315500	General Institutional	U	600009	65.48	34.52	100
2012	1	315500	General Institutional	U	800000	65.48	34.52	100
2012	1	315800	Institutional Administrative Costs	U	600009	65.48	34.52	100
2012	1	315800	Institutional Administrative Costs	U	800000	65.48	34.52	100
2012	1	315900	Financial Aid Matching	U	600009	65.48	34.52	100
2012	1	315900	Financial Aid Matching	U	800000	65.48	34.52	100
2012	1	340000	Physical Plant Administration	U	600009	65.48	34.52	100
2012	1	340000	Physical Plant Administration	U	800000	65.48	34.52	100
2012	1	340008	Recycling	U	600009	65.48	34.52	100
2012	1	340008	Recycling	U	800000	65.48	34.52	100
2012	1	340500	Custodial Services	U	600009	65.48	34.52	100
2012	1	340500	Custodial Services	U	800000	65.48	34.52	100
2012	1	341200	Utilities	U	600009	65.48	34.52	100
2012	1	341200	Utilities	U	800000	65.48	34.52	100
2012	1	342500	Receiving and Storage	U	600009	65.48	34.52	100
2012	1	342500	Receiving and Storage	U	800000	65.48	34.52	100
2012	1	400000	Vice President Student Affairs	U	600009	65.48	34.52	100
2012	1	400000	Vice President Student Affairs	U	800000	65.48	34.52	100
2012	1	410000	Student Administration	U	600009	65.48	34.52	100
2012	1	410000	Student Administration	U	800000	65.48	34.52	100
2012	1	411000	Office of Admissions	U	600009	65.48	34.52	100
2012	1	411000	Office of Admissions	U	800000	65.48	34.52	100
2012	1	411006	Admissions - Orientation	U	600009	65.48	34.52	100
2012	1	411006	Admissions - Orientation	U	800000	65.48	34.52	100
2012	1	411007	College Summit	U	600009	65.48	34.52	100
2012	1	411007	College Summit	U	800000	65.48	34.52	100
2012	1	412000	Student Fin Aid Administration	U	600009	65.48	34.52	100
2012	1	412000	Student Fin Aid Administration	U	800000	65.48	34.52	100
2012	1	412500	Guidance and Counseling	U	600009	65.48	34.52	100
2012	1	412500	Guidance and Counseling	U	800000	65.48	34.52	100
2012	1	413000	Student Placement	U	600009	65.48	34.52	100
2012	1	413000	Student Placement	U	800000	65.48	34.52	100

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PC&TC %	TOTAL
2012	1	413000	Student Placement	U	800000	65.48	34.52	100
2012	1	413500	Welcome Weekend	U	600009	65.48	34.52	100
2012	1	413500	Welcome Weekend	U	800000	65.48	34.52	100
2012	1	612500	Learning Technologies	U	600009	65.48	34.52	100
2012	1	612500	Learning Technologies	U	800000	65.48	34.52	100
2012	1	613000	CIO - Telephone	U	600009	65.48	34.52	100
2012	1	613000	CIO - Telephone	U	800000	65.48	34.52	100
2012	1	615000	Library	U	600009	65.48	34.52	100
2012	1	615000	Library	U	800000	65.48	34.52	100
2012	1	615066	Library-Reserve	U	600009	65.48	34.52	100
2012	1	615066	Library-Reserve	U	800000	65.48	34.52	100
2012	1	616500	Retention Initiative	U	600009	65.48	34.52	100
2012	1	616500	Retention Initiative	U	800000	65.48	34.52	100
2012	1	617000	CIO - Information Technology	U	600009	65.48	34.52	100
2012	1	617000	CIO - Information Technology	U	800000	65.48	34.52	100
2012	1	617005	Business Applications	U	600009	65.48	34.52	100
2012	1	617005	Business Applications	U	800000	65.48	34.52	100
2012	1	617015	Solutions Center	U	600009	65.48	34.52	100
2012	1	617015	Solutions Center	U	800000	65.48	34.52	100
2012	1	617020	Networks	U	600009	65.48	34.52	100
2012	1	617020	Networks	U	800000	65.48	34.52	100
2012	1	620900	Business Office - Computer Charges	U	600009	65.48	34.52	100
2012	1	620900	Business Office - Computer Charges	U	800000	65.48	34.52	100
2012	1	621000	Gen Institutional-Computer Charges	U	600009	65.48	34.52	100
2012	1	621000	Gen Institutional-Computer Charges	U	800000	65.48	34.52	100
2012	1	711000	Off-Campus Courses - South	C	609909	65.48	34.52	100
2012	1	711000	Off-Campus Courses - South	C	700000	65.48	34.52	100
2012	1	714000	Off-Campus Credit Programs	C	609909	65.48	34.52	100
2012	1	714000	Off-Campus Credit Programs	C	700000	65.48	34.52	100
2012	1	714500	Dual-Credit Programs	C	609909	65.48	34.52	100
2012	1	714500	Dual-Credit Programs	C	700000	65.48	34.52	100
2012	1	716500	Staff Professional Dev/Community Ed	C	609909	65.48	34.52	100
2012	1	716500	Staff Professional Dev/Community Ed	C	700000	65.48	34.52	100

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PC&TC %	TOTAL
2012	1	721000	C&TC Business	C	609909	42.27	57.73	100
2012	1	721000	C&TC Business	C	700000	42.27	57.73	100
2012	1	723005	Sign Language Interpreter Program	C	609909	37.82	62.18	100
2012	1	723005	Sign Language Interpreter Program	C	700000	37.82	62.18	100
2012	1	724005	Criminal Justice	C	609909	56.78	43.22	100
2012	1	724005	Criminal Justice	C	700000	56.78	43.22	100
2012	1	724501	Applied Design	C	609909	47.20	52.80	100
2012	1	724501	Applied Design	C	700000	47.20	52.80	100
2012	1	724502	Early Childhood	C	609909	19.36	80.64	100
2012	1	724502	Early Childhood	C	700000	19.36	80.64	100
2012	1	724503	Drafting	C	609909	62.09	37.91	100
2012	1	724503	Drafting	C	700000	62.09	37.91	100
2012	1	724504	Food Service	C	609909	34.34	65.66	100
2012	1	724504	Food Service	C	700000	34.34	65.66	100
2012	1	724505	Graphics	C	609909	55.53	44.47	100
2012	1	724505	Graphics	C	700000	55.53	44.47	100
2012	1	724507	Ballroom Dance	C	609909	62.16	37.84	100
2012	1	724507	Ballroom Dance	C	700000	62.16	37.84	100
2012	1	724800	C&TC Aviation and Technology	C	609909	33.32	66.68	100
2012	1	724800	C&TC Aviation and Technology	C	700000	33.32	66.68	100
2012	1	725000	School of Business, Aviation & Tech	C	609909	42.31	57.69	100
2012	1	725000	School of Business, Aviation & Tech	C	700000	42.31	57.69	100
2012	1	725500	Tutoring	C	609909	65.48	34.52	100
2012	1	725500	Tutoring	C	700000	65.48	34.52	100
2012	1	727000	School of Human Services	C	609909	39.44	60.56	100
2012	1	727000	School of Human Services	C	700000	39.44	60.56	100
2012	1	727500	School of Health Careers	C	609909	22.20	77.80	100
2012	1	727500	School of Health Careers	C	700000	22.20	77.80	100
2012	1	740500	C&TC Medical Lab Tech	C	609909	34.09	65.91	100
2012	1	740500	C&TC Medical Lab Tech	C	700000	34.09	65.91	100
2012	1	741500	C&TC Health Information Technology	C	609909	10.04	89.96	100
2012	1	741500	C&TC Health Information Technology	C	700000	10.04	89.96	100
2012	1	742000	C&TC Veterinary Technology	C	609909	4.23	95.77	100

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PC&TC %	TOTAL
2012	1	742000	C&TC Veterinary Technology	C	700000	4.23	95.77	100
2012	1	742500	C&TC Physical Therapy Assistant	C	609909	1.14	98.86	100
2012	1	742500	C&TC Physical Therapy Assistant	C	700000	1.14	98.86	100
2012	1	743000	C&TC EMS Program	C	609909	15.75	84.25	100
2012	1	743000	C&TC EMS Program	C	700000	15.75	84.25	100
2012	1	743500	Lab Assistant Program	C	609909	22.62	77.38	100
2012	1	743500	Lab Assistant Program	C	700000	22.62	77.38	100
2012	1	744000	C&TC Respiratory Therapy	C	609909	7.85	92.15	100
2012	1	744000	C&TC Respiratory Therapy	C	700000	7.85	92.15	100
2012	1	746000	C&TC Para Education	C	609909	39.19	60.81	100
2012	1	746000	C&TC Para Education	C	700000	39.19	60.81	100
2012	1	751000	School of Academic Studies	C	609909	42.51	57.49	100
2012	1	751000	School of Academic Studies	C	700000	42.51	57.49	100
2012	1	751500	Assessment Services	C	609909	35.11	64.89	100
2012	1	751500	Assessment Services	C	700000	35.11	64.89	100
2012	1	770005	Radiological Technology	C	609909	6.33	93.67	100
2012	1	770005	Radiological Technology	C	700000	6.33	93.67	100
2012	1	772500	C&TC General Administration	C	609909	65.48	34.52	100
2012	1	772500	C&TC General Administration	C	700000	65.48	34.52	100
2012	1	773000	Off Campus Courses - North	C	609909	65.48	34.52	100
2012	1	773000	Off Campus Courses - North	C	700000	65.48	34.52	100

This table represents the agreement between the University and Community and Technical College for services outlined in the written chargeback agreement for support services from these functional organizations/areas. This percentage table will drive monthly chargebacks from one institution to the other for support services and operating expenses occurring against these organizations.

ITEM: Revision of Policy #25, Salary Policy to include the ability to provide across-the-board pay raises to regular employees when desired by the Board.

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Approve the attached revision of the Salary Policy #25, which incorporates the ability to provide across-the-board pay raises when desired by the Board.

STAFF MEMBER: Rick Porto

BACKGROUND: This policy revision was made available for public comment for 30 days as of the April 28, 2011 Board of Governors meeting.

The comments provided during the comment period are:

- 1) "If raises can be given in an across the board manner by the BOG, what is the purpose of having the rest of the salary policy at all? Could there at least be a clarification to advise future BOG members (and anyone else reading the policy) about what circumstances might make it reasonable to bypass the carefully worked out salary policy in the existing document?"

Response: Concept of flat amount/flat rate is self-explanatory. The Board will determine at the time of the raise the appropriateness and reason for any raise awarded across the board as a flat rate or amount.

- 2) A.) Request to spell out all acronyms included in the draft for clarity and better understanding.

Response: All acronyms and abbreviations have now been spelled out in full.

B.) Request to check on OCR reference in draft (stands for overall composite rating) to see if this is still being used.

Response: Protocol of overall composite rating is no longer in use. Altered language in draft accordingly to remove this reference.

3) Policy “looks acceptable.”

Response: N/A

4) “I strongly support the proposed changes to the Salary Policy. I believe having only merit based salary increases causes a lot of infighting between faculty members. This was a serious problem at Fairmont State in the past.

Response: N/A

5) A.) Add reference to section 9A of Chapter 18B under Classified Staff Salary Policy.

Response: Notation added.

B.) Question as to what is meant by “the institution’s designee” in 5.1.1.

Response: Added clarifying language that the institution’s HR officer or a qualified consultant could determine appropriate survey and market-data sources to aid in setting market salary ranges.

Fairmont State University Board of Governors
Policy #25

August 27, 2007 and June 15, 2006, originally adopted November 29, 2004

TITLE: SALARY POLICY

SECTION 1. GENERAL

1.1 SCOPE: These salary policies shall be in effect and shall govern the assignment of salaries for employees of Fairmont State University.

1.2 AUTHORITY: West Virginia Code § 18B-1-6; §18B-2A-4.

1.3 Effective Date: November 29, 2004

SECTION 2. PROCEDURES FOR ESTABLISHING SALARY POOLS

2.1 Each year, or from time to time as deemed appropriate, the President shall present to the Board a plan for the distribution of general salary increases to employees. This plan shall address increases for all employees other than the President.

2.2 The general salary increase plan shall be developed after state-wide salary mandates have been accounted for. Statewide salary mandates shall include salary increases for faculty promoted in rank, as well as required incremental funding of the classified employee "entry rate," if applicable.

2.3 After the cost of state-wide salary mandates has been separately accounted for, the President's general salary increase plan shall be submitted to the Board for approval.

2.3.1 The plan shall reflect separately the total projected costs of aggregate salary increases for faculty, for non-classified employees, and for classified employees.

2.3.2 The plan shall reflect the aggregate percentage increase in salary to be paid to faculty, non-classified, and classified employees.

2.3.3 The increase in salary for each of the three groups of employees shall be ~~be~~ comparable, but not necessarily equivalent. If the increases are not comparable, the President shall present a justification with the proposal.

2.4 Upon approval, ~~t~~The Board shall act, in response to the plan submitted, to establish the aggregate dollars to be allocated each year for general salary increases for each of the three groups of employees. The aggregate increase in dollars shall be distributed in accordance with Sections 3, 4 and 5 of this ~~p~~Policy; or at the recommendation of the President, the Board may choose to

distribute an aggregate increase as a flat rate or flat amount to eligible faculty, non-classified, Faculty Equivalent/Academic Professional (FEAP) or classified employees who have reached full funding on the current classified staff salary schedule for their years of service and pay grade.

SECTION 3. FACULTY SALARY POLICY

The total dollars for this increase in aggregate faculty salaries shall be distributed among eligible faculty as follows, or as a flat rate or flat amount distributed to all eligible faculty:

3.1 ~~The Distribution-distribution of Faculty New Pay Monies faculty salary increases shall address salary inequities and merit pay. Each Fiscal Year~~

3.1.1 Salary Inequities Distributions: Twenty-five percent (25%) of the total faculty salary pool shall be distributed to address salary inequities until such time that a lower percentage is sufficient to bring all faculty to 90% of their target salary. Of this amount, a minimum of 80% (or 20%) will be used to fund the salary equity model with the balance restricted for special cases at the discretion of the Provost. The salary equity model is based on median data from the College and University Professional Association for Human Resources (CUPA), taking into account discipline and rank. Time in rank and possession of a terminal degree affect the actual target salary as follows:

- The CUPA peer group will be all ~~b~~Bachelor's and ~~m~~Master's institutions.
- ~~No terminal degree – 10% reduction in CUPA base for rank and discipline. This does not apply to C&TC faculty.~~
- Zero time in rank – 10% reduction in CUPA base for rank and discipline.
- Maximum credit for time in rank – 9 years
- Maximum target salary – 110% of CUPA base

The equity adjustments will have two components, fixed and variable. The maximum possible variable percentage will be no greater than the fixed percentage and will be determined based on dollars available. The variable percentage for each individual will be determined by the difference between their OCR score and the minimal acceptable OCR score agreed-upon method or protocol in effect at the time of the raise, as determined by the Faculty Senate and approved by the Provost's Office and the Board. To be eligible for an equity adjustment in any given year, a faculty member must be eligible for a merit increase.

3.1.1.1 For the purpose of accelerating approach to target salary, an additional amount of money may be made available by the Board. These dollars will be dispersed as described in 3.1.1

3.1.2 Merit Pay Allocations: The remaining salary increase pool after Section 3.1.1 is implemented shall be distributed on the basis of merit pay. The procedures

for determining merit will be ~~those developed by~~based on the agreed-upon method or protocol in effect at the time of the raise, as determined by the Faculty Senate and approved by the Provost's Office and the Board,~~the faculty in the respective schools and colleges and approved by the Provost.~~

Graduated Rankings of Recipients. The merit raise will have two components, fixed and variable. The maximum possible variable percentage will be no greater than the fixed percentage and will be determined based on dollars available. The variable percentage for each individual will be determined by the agreed-upon method or protocol in effect at the time of the raise, as determined by the Faculty Senate and approved by the Provost's Office and the Board.~~difference between their OCR score and the minimal acceptable OCR score.~~ The percentage of the variable component pool available to each School or College will equal the School or College's percentage of the total salary pool. Those rated below a minimal acceptable level as determined by the Provost in consultation with the Faculty Senate will not receive a merit increase.

SECTION 4. CLASSIFIED STAFF SALARY POLICY

4.1 Salaries of classified employees shall be set consistent with Article 9 and 9A, Chapter 18B of the Code of West Virginia and Series 8, as amended by the Higher Education Policy Commission and Community and Technical College Council.

4.2 In computing the salary increases for all classified employees, the target salary under the salary schedule set forth in Section 3, Article 9, Chapter 18B of the Code of West Virginia, as amended, shall be identified. The gaps between the target and current salary shall be established. Salaries of all classified employees shall be increased in equal proportions toward eliminating all gaps; however, ~~no raises will be given if the employee's overall job performance evaluation is "unsatisfactory."~~ Beginning January 1, ~~2007, the Board, at the recommendation of the President, may decide that~~ no raises will be given if the employee's overall job performance evaluation is "needs improvement" or "unsatisfactory."

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4.3 Classified employees who have reached full funding on the current classified staff salary schedule for their years of experience and pay grade may receive a salary increase as a flat rate or a flat amount when recommended by the President and approved by the Board.

SECTION 5. NON-CLASSIFIED/Faculty Equivalent/Academic Professional (FEAP) SALARY POLICY

The total dollars for the annual increase in aggregate non-classified salaries shall be distributed among eligible non-classified staff as follows or as a flat rate or flat amount distributed to all eligible non-classified/FEAP employees:

- 5.1 Salary Inequities Distributions: The President may distribute a portion of the non-classified/~~FEAP~~ salary increase pool at his/her discretion to address salary inequities.
- 5.1.1 ~~The CUPA peer group will be all bachelor's and master's institutions; or any higher education or discipline/profession-specific survey sources as the institution's designee (typically Human Resources or a qualified consultant) or the President may deem appropriate and relevant to set market ranges.~~
- 5.2 Merit Pay Recipients: The remaining portion of the non-classified/~~FEAP~~ staff salary pool shall be distributed on the basis of merit pay.
- 5.2.1 Each non-classified/~~FEAP~~ employee shall be evaluated at least once each year, to include the ~~A~~annual ~~e~~Evaluation. The ~~a~~Annual ~~e~~Evaluation will include, but need not be limited to, the Fairmont State Non-Classified/~~FEAP~~ Employee Performance Evaluation.
- 5.2.2 No ~~non-classified/FEAP~~ employee who receives an overall rating of ~~"unsatisfactory"~~ ~~"needs improvement"~~ or ~~"unsatisfactory"~~ on ~~the his/her a~~Annual ~~e~~Evaluation ~~form~~ will be eligible for ~~merit pay~~ salary increase. ~~Beginning January 1, 2007, no raises will be given if the employee's overall job performance evaluation is "needs improvement" or "unsatisfactory."~~
- 5.3.3 Graduated Rankings of Recipients. Merit recipients will be ranked at level A, B, or C. Those ranked B shall receive a percentage increase in base salary 50% higher than those rated C. Those ranked A shall receive a percentage increase in base salary 100% higher than those rated C.

SECTION 6. THE PRESIDENT'S SALARY

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No provision herein shall be deemed to apply in any manner to the salary of the Fairmont State University President, whose remuneration shall be set, from time to time, at the will and pleasure of the Board and with the approval of the Policy Commission.

Item: 2012 Pay Raise

Committee: Committee of the Whole

Recommended Resolution: Whereas, the Governor, Legislature, and the Higher Education Policy Commission support a pay raise for all employees and partial funding for a pay raise was budgeted for by the Governor and the Legislature; and

Whereas, sufficient budget exists in 2012 budget to continue the one-time pay raise implemented in December 2010 (FY 2011) for faculty, non-classified, classified staff who have more than 15 years of service, and faculty equivalent academic professional (FEAP); and

Whereas, sufficient budget exists in 2012 budget to continue to maintain the Mercer Step funding for classified staff with less than 15 years of service (full and part-time); and

Whereas, sufficient budget exists in 2012 budget to provide a two (2%) percent raise for faculty, non-classified, classified staff who have more than 15 years of service and will not receive a step increase, and faculty equivalent academic professional (FEAP) and have a complete 2010-2011 annual faculty report or a staff most recent evaluation of "meets expectations" (1.51 or above numeric score); and

Whereas, faculty who have not completed a faculty report, and staff who are not on Mercer Step and have a score below 1.51 in their most recent performance evaluation will not receive a pay raise.

Be it resolved, that the Board of Governors approve above referenced pay raises as indicated to be effective October 1, 2011 for non-arrears pay employees and October 16, 2011 for arrears pay employees.

Staff Member: Rick Porto

Background: The continuance of the 2011 one-time pay raise and making this one-time pay raise permanent along with an additional 2% pay raise for faculty, non-classified, classified staff with more than 15 years of service and will not receive a step increase, and faculty equivalent, academic

professional employees (full and part-time) meeting the requirements stated above is recommended.

All classified staff who have less than 15 years of service will be moved to the next step on the Mercer Scale for their pay raise.

Consistent with past practice, the pay raise will be given to:

- Adjunct faculty effective the spring 2012 semester
- Retirees on phased retirement

Note: consistent with past practice, full-time faculty employed August 15, 2011 or after, non-classified and FEAP (full or part-time) employees employed after July 1, 2011 or after are not eligible to receive the October 2011 pay raise.

Fairmont State University
Board of Governors
June 16, 2011

ITEM: Capital Projects for 2011 Fiscal Year

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Be it resolved that the Fairmont State University (FSU) Board of Governors reauthorize the carryover projects from the 2011 approved E&G Capital Project list, and the 2011 approved Auxiliary Capital Project list.

Be it resolved that the FSU Board of Governors approve the E&G Capital Project plan for FY 2012.

Be it resolved that the FSU Board of Governors approve the Auxiliary Capital Project plan for FY 2012.

STAFF MEMBER: Rick Porto

BACKGROUND: 2011 E&G and Auxiliary Capital Projects which are already funded in the amount of \$20,445,461.60 (see attached 2011 continuing capital projects list) are recommended to be reauthorized for the 2011 fiscal year.

New projects to be funded by E&G Capital Fee and Infrastructure Fee reserves amount to \$1,791,055.00 (please see attached FY 2012 Proposed Capital Projects list, and narrative explaining the need for the new projects).

New capital projects to be funded by Auxiliary Enterprise reserves amount to \$550,070.64 (please see attached FY 2012 proposed capital projects and narrative explaining the need for the new projects).

CAPITAL PROJECTS

FY 2011 - CONTINUING PROJECTS

<i>Building</i>	<i>Project</i>	<i>Project Budget</i>	<i>E&G Capital 449800</i>	<i>Infrastructure 449000</i>	<i>ARRA</i>	<i>HEPC BOND</i>	<i>Foundations</i>
Byrd Center	HVAC Units (2)	\$ 50,000.00	\$ 50,000.00				
	Expended &/or Encumbered to date	\$ 67,480.00	\$ 67,480.00				
	Available Budget for Project	\$ (17,480.00)	\$ (17,480.00)				
Byrd Center	Roof Renewal	\$ 400,000.00	\$ 400,000.00				
	Expended &/or Encumbered to date	\$ 285,440.00	\$ 285,440.00				
	Available Budget for Project	\$ 114,560.00	\$ 114,560.00				
Byrd Center	Fire Suppression	\$ 1,100,000.00		\$ 1,100,000.00			
	Expended &/or Encumbered to date	\$ 88,000.00		\$ 88,000.00			
	Available Budget for Project	\$ 1,012,000.00		\$ 1,012,000.00			
Folklife Center	Phase III	\$ 532,700.00			\$ 500,000.00		\$ 32,700.00
	Expended &/or Encumbered to date	\$ 409,335.00			\$ 376,635.00		\$ 32,700.00
	Available Budget for Project	\$ 123,365.00			\$ 123,365.00		
Hardway Hall	Renovations	\$ 5,500,000.00			\$ 5,500,000.00		
	Expended &/or Encumbered to date	\$ 403,000.00			\$ 403,000.00		
	Available Budget for Project	\$ 5,097,000.00			\$ 5,097,000.00		
Hunt Haught Hall	Glass Front	\$ 194,000.00	\$ 194,000.00				
	Expended &/or Encumbered to date	\$ 194,000.00	\$ 194,000.00				
	Available Budget for Project	\$ -	\$ -				
Hunt Haught Hall	HVAC Units	\$ 735,518.00	\$ 235,518.00		\$ 500,000.00		
	Expended &/or Encumbered to date	\$ 45,000.00	\$ 45,000.00		\$ 45,000.00		
	Available Budget for Project	\$ 690,518.00	\$ 235,518.00		\$ 455,000.00		
Infrastructure	IT Emergency Back Up	\$ 197,299.00		\$ 197,299.00			
	Expended &/or Encumbered to date	\$ 16,550.00		\$ 16,550.00			
	Available Budget for Project	\$ 180,749.00		\$ 180,749.00			
Infrastructure	Merchant St Retaining Wall	\$ 175,000.00		\$ 175,000.00			
	Expended &/or Encumbered to date	\$ 9,000.00		\$ 9,000.00			
	Available Budget for Project	\$ 166,000.00		\$ 166,000.00			

CAPITAL PROJECTS
FY 2011 - CONTINUING PROJECTS

<i>Building</i>	<i>Project</i>	<i>Project Budget</i>	<i>E&G Capital 449800</i>	<i>Infrastructure 449000</i>	<i>ARRA</i>	<i>HEPC BOND</i>	<i>Foundations</i>
Infrastructure	Locust Avenue	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ -	\$ -
	Expended &/or Encumbered to date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Available Budget for Project	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ -	\$ -
Infrastructure	Paving Lot #15	\$ 58,560.00	\$ 58,560.00	\$ -	\$ -	\$ -	\$ -
	Expended &/or Encumbered to date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Available Budget for Project	\$ 58,560.00	\$ 58,560.00	\$ -	\$ -	\$ -	\$ -
Musick Library	Elevator Addition	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00	\$ -
	Expended &/or Encumbered to date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Available Budget for Project	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00	\$ -
Turley Center	Renovations	\$ 6,000,000.00	\$ 6,000,000.00	\$ -	\$ -	\$ 6,000,000.00	\$ -
	Expended &/or Encumbered to date	\$ 454,610.40	\$ 454,610.40	\$ -	\$ -	\$ 454,610.40	\$ -
	Available Budget for Project	\$ 5,545,389.60	\$ 5,545,389.60	\$ -	\$ -	\$ 5,545,389.60	\$ -
Turley Center	Renovations - FF&E	\$ 550,000.00	\$ 550,000.00	\$ -	\$ -	\$ -	\$ -
	Expended &/or Encumbered to date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Available Budget for Project	\$ 550,000.00	\$ 550,000.00	\$ -	\$ -	\$ -	\$ -
Wallman Hall	Renovations	\$ 5,200,000.00	\$ 5,200,000.00	\$ -	\$ -	\$ 5,200,000.00	\$ -
	Expended &/or Encumbered to date	\$ 390,000.00	\$ 390,000.00	\$ -	\$ -	\$ 390,000.00	\$ -
	Available Budget for Project	\$ 4,810,000.00	\$ 4,810,000.00	\$ -	\$ -	\$ 4,810,000.00	\$ -
Total Available Budget for Projects		\$ 20,370,661.60	\$ 20,370,661.60	\$ -	\$ -	\$ -	\$ -

**AUXILIARY CAPITAL PROJECTS
FY 2011 - CONTINUING PROJECTS**

<i>Building</i>	<i>Project</i>	<i>Project Budget</i>	<i>Facilities Fee</i> 370100	<i>Housing</i> 290600	<i>Other</i>
Parking Garage	Maintenance - Caulking & Painting	\$ 50,000.00	\$ 50,000.00		
	Expended &/or Encumbered to date	\$ -			
	Available Budget for Project	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -
Residence Halls	Facility Audit Master Plan	\$ 163,835.00	\$ 150,000.00	\$ 13,835.00	
	Expended &/or Encumbered to date	\$ 139,035.00	\$ 125,200.00	\$ 13,835.00	
	Available Budget for Project	\$ 24,800.00	\$ -	\$ 24,800.00	\$ -
Total Available Budgets for Projects		\$ 74,800.00			

CAPITAL PROJECTS

FY 2012 - PROPOSED CAPITAL PROJECTS

Anticipated Reserve Balance June 30, 2011		\$ 1,971,856.00		\$ 1,299,055.00		\$ 672,801.00	
Building	Project	Project Budget	E&G Capital 449800	Infrastructure 449000			
1. Academic Fund		\$ 100,000.00	\$ 100,000.00				
2. Physical Plant	Small Projects	\$ 197,000.00	\$ 175,000.00	\$ 22,000.00			
3. Physical Plant	Landscaping	\$ 100,000.00		\$ 100,000.00			
4. Byrd Center	HVAC Units (2)	\$ 50,000.00	\$ 50,000.00				
5. Jaynes Hall	Roof Renewal	\$ 350,000.00	\$ 350,000.00				
6. Hunt Haught Hall	Temperature Controls	\$ 90,000.00	\$ 90,000.00				
7. Hunt Haught Hall	Window Replacement	\$ 60,000.00	\$ 60,000.00				
8. Turley Center	FF&E	\$ 324,055.00	\$ 324,055.00				
9. Wallman Hall	Foundation Waterproof	\$ 150,000.00	\$ 150,000.00				
10. Infrastructure	Merchant Street Retaining Wall	\$ 175,000.00		\$ 175,000.00			
11. Infrastructure	Access Road - Tennis Courts	\$ 125,000.00		\$ 125,000.00			
12. Infrastructure	Fencing @ Physical Plant	\$ 20,000.00		\$ 20,000.00			
13. Infrastructure	Paving - Lot #15	\$ 25,000.00		\$ 25,000.00			
14. Infrastructure	Sealing Parking Lots	\$ 25,000.00		\$ 25,000.00			
Total		\$ 1,791,055.00	\$ 1,299,055.00	\$ 492,000.00			
Anticipated Reserve Balance after Projects		\$ 180,801.00	\$ -	\$ 180,801.00			

Turley Center FF&E: A total of \$1,000,000 is to be reserved for FF&E from FY 2011 thru FY 2013. An additional \$125,945 will be needed from FY 2013 Capital Project Plan

FY 2012 PROPOSED CAPITAL PROJECT DESCRIPTION:

1. **Academic Fund** – These dollars are appropriated annually to cover costs of major renovations and/or improvements to classrooms and facilities.
2. **Physical Plant Small Projects** – These dollars are used for much smaller projects both interior and exterior. These dollars also cover office type renovations.
3. **Physical Plant Landscaping** – These dollars cover expenses for Roads and Grounds department improvements....flowers, trees & pruning, mulch, stone, salt for snow and ice.
4. **Byrd Center HVAC Units (2)** – Continuing upgrade of HVAC units at the end of their life cycle.
5. **Jaynes Hall Roof Renewal** – These dollars will cover life cycle roof replacement on Jaynes Hall.
6. **Hunt Haught Hall Temperature Controls** – These dollars will cover final cost of HVAC project currently underway.
7. **Hunt Haught Hall Window Replacement** – Windows on Hunt Haught Hall are original windows installed in early 1970's. These dollars will cover portion of replacement. This will be completed over several years.
8. **Turley FF&E** – This is second year of funding new fixtures, furniture, and equipment for the new Student Access and Success Center.
9. **Wallman Hall Foundation Waterproofing** – Several classrooms on lower level of Wallman Hall have experienced water infiltration. These dollars will be used to correct this problem, while renovation project is underway.
10. **Infrastructure Merchant Street Retaining Wall** – This project bid last year and came in significantly over budget. This project will continue and these dollars will be used to supplement previous dollars.
11. **Infrastructure Access Road Tennis Courts** – This roadway is currently stone and we have experienced considerable damage by heavy rains. Asphalt paving will prevent washing of stone and erosion.
12. **Infrastructure Gates at Physical Plant** – We have experienced numerous items being stolen from the area surrounding the Physical Plant. Gates are planned on both sides of Physical Plant building to prevent automobiles from driving around buildings after hours.
13. **Infrastructure Paving Lot #15** – This is the parking lot on the old tennis courts between Pence Hall and Feaster Center. Lot has deteriorated over years. This is continuing project from last year and these dollars will supplement existing dollars.
14. **Infrastructure Sealing Parking Lots** – We will begin sealing parking lots on a continual basis. This has not happened in the past. 20 year plan is being prepared.

Year End Transfers Summary
E&G and Infrastructure Capital Reserves
Fiscal Years 2007, 2008, 2009, 2010, 2011 and 2012

Educational and General (E&G) Funds

E&G Reserves	FUND	FY2007 TRANSFER	FY2008 TRANSFER	FY2009 TRANSFER	FY2010 TRANSFER	FY2011 Budgeted Transfer <i>(to be transferred at 6/30/11 year end and included in estimate below)</i>	FY2012 Budgeted Transfer <i>(to be transferred at 6/30/12 year end and included in estimate below)</i>
Year End Transfer Amounts (after debt service)	449860	1,053,415.11	925,438.52	977,453.73	1,146,392.94	1,299,055.00	1,417,000.00
			<i>(included in balances below)</i>				
E&G Reserves		ENDING BALANCE	ENDING BALANCE	ENDING BALANCE	ENDING BALANCE	ESTIMATED	ESTIMATED
Plant Renewal & Replacement (R&R) Reserves	FUND	6-30-2007	6-30-2008	6-30-2009	6-30-2010	6-30-2011*	6-30-2012**
Year End Balances - after above transfers	449800	830,680.93	1,418,023.61	1,134,214.40	1,342,781.54	1,299,055.00	1,417,000.00

* The FY 2011 E&G Reserve Estimated Ending Balance assumes all FY 2011 funds will be expended for planned projects or carried forward in project funds.
**FY 2012 E&G Reserves Estimated Ending Balance is reduced by fiscal year 2012 planned projects in the amount of \$1,299,055.

Infrastructure Funds

Infrastructure	FUND	FY2007 TRANSFER	FY2008 TRANSFER	FY2009 TRANSFER	FY2010 TRANSFER	FY2011 Budgeted Transfer* <i>(to be transferred at 6/30/11 year end and included in estimate below)</i>	FY2012 Budgeted Transfer <i>(to be transferred at 6/30/12 year end and included in estimate below)</i>
Year End Transfer Amounts (after debt service)	449300	210,000.00	386,994.19	386,299.04	440,816.42	540,445.00	508,410.24
			<i>(included in balances below)</i>				
Infrastructure Reserves		ENDING BALANCE	ENDING BALANCE	ENDING BALANCE	ENDING BALANCE	ESTIMATED	ESTIMATED
Plant Renewal & Replacement (R&R)	FUND	6-30-2007	6-30-2008	6-30-2009	6-30-2010	6-30-2011**	6-30-2012***
Year End Balances - after above transfers	449000	296,555.49	485,572.18	386,299.04	617,831.61	672,800.61	689,210.85

* FY 2011 Budgeted Transfer is based on March 2011 estimates. The Banner Budget amount of \$511,007.33 has been increased to \$540,445 based on the March analysis.
**FY 2011 Infrastructure Reserves Estimated Ending Balance assumes all FY 2011 funds budget in the amount of \$485,476 will be expended or carried forward within the project fund.
***FY 2012 Infrastructure Reserves Estimated Ending Balance is reduced by fiscal year 2012 planned projects in the amount of \$492,000.

Infrastructure and E&G Perpetual Reserves

Infrastructure and E&G Perpetual Reserves	FUND	FY2007	FY2008	FY2009	FY2010	FY 2011 (Year End Est.)	FY 2012 (Year End Est.)
Year End Balances							
Perpetual Infrastructure Reserves*	449050	0.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
Perpetual E&G Plant Reserve**	449850	600,000.00	800,000.00	800,000.00	800,000.00	800,000.00	800,000.00
		600,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00

*Established in January 2008
**Established in May 2006

AUXILIARY CAPITAL PROJECTS
FY 2012 - PROPOSED AUXILIARY CAPITAL PROJECTS

	Building	Project	Project Budget	Facilities 370100	Housing 290600	Athletics 330000	Falcon 310200
1.	Parking Garage	Maintenance - Caulking & Painting	\$ 50,000.00	\$ 50,000.00			
2.	Parking Lot - Aerospace Ctr	Paving	\$ 125,000.00	\$ 125,000.00			
3.	Residence Halls	Bryant Place - 1st Floor Showers	\$ 10,000.00		\$ 10,000.00		
4.	Residence Halls	Gutter Repair & Installation of Snow Guards	\$ 23,000.00		\$ 23,000.00		
5.	Residence Halls	Morrow Hall - Boiler Replacement	\$ 125,000.00		\$ 125,000.00		
6.	Press Box	Press Box Roof Renewal	\$ 5,570.00			\$ 5,570.00	
7.	Press Box	Press Box Upgrades	\$ 26,850.64			\$ 26,850.64	
8.	Duvall Rosier Field	Turf Field Groom Machine	\$ 16,650.00			\$ 16,650.00	
9.	Falcon Center	Fabric Duct Replacement	\$ 35,000.00				\$ 35,000.00
10.	Falcon Center	Dining Carpet Replacement	\$ 78,000.00				\$ 78,000.00
11.	Falcon Center	Furniture (Student Lounge/Gathering Areas)	\$ 35,000.00				\$ 35,000.00
12.	Falcon Center	Window Cleaning (Inside & Out)	\$ 20,000.00				\$ 20,000.00
Totals			\$ 550,070.64	\$ 175,000.00	\$ 158,000.00	\$ 49,070.64	\$ 168,000.00

FY 2012 PROPOSED AUXILIARY CAPITAL PROJECT DESCRIPTION:

1. **Parking Garage Maintenance Caulking and Painting** – These dollars will cover cost of maintenance repairs on top two parking levels.
2. **Parking Lot Aerospace Center** – This will cover resurfacing of the existing student and faculty parking areas. Lot is original asphalt installed in the early 1990's.
3. **Residence Halls First Floor Showers** – Handicap showers allow water to run out into drying area and onto adjacent walls. Folding doors will reduce water coming out of showers.
4. **Residence Halls Gutter Repair and Snow Guards** – Ice damaged a section of gutter on front of Bryant Place this past winter. In past we have had several light fixtures on side of building damaged. Snow guards will prevent ice from damaging building.
5. **Residence Halls Morrow Hall Boiler Replacement** – Morrow Hall currently has two boilers that are both leaking. One was shut off last winter due to severity of leakage. This will install a new boiler and we will attempt to replace bad sections of second boiler. Second boiler will be replaced next year.
6. **Press Box Roof Repair** – Roof has several leaks. This is a painted on roof coating.
7. **Press Box Upgrades** – Interior of press box will be upgraded so that adequate seating will be provided for invited guests. This will benefit both institutions as well as athletics.
8. **Duvall Rosier Field Grooming Machine** – Grooming machine will loosen rubber infill and stand blades of turf up so that wear is reduce on sides of blades. This will lengthen life of field.
9. **Falcon Center Fabric Duct Replacement** – A replacement set of Fabric ducts will be purchased and installed with these dollars. The existing set will be washed and stored and these two sets will be changed periodically.
10. **Falcon Center Dining Carpet Replacement** – The dining area carpet is the most heavily traveled carpet on campus and is near the end of its useful life. These dollars will replace this carpet.
11. **Falcon Center Furniture (Student Lounge/Gathering Areas)** – The furniture throughout the Falcon Center for Student Gathering Areas is in need of replacement.
12. **Falcon Center Window Cleaning** – The windows in the Falcon Center need to be cleaned from floor to ceiling inside and out.

Year End Transfers Summary
Auxiliary Capital Reserves
Fiscal Years 2007, 2008, 2009, 2010, 2011 and 2012

AUXILIARY FUNDS

Auxiliary Reserves - Projections		FY 2010	Transfers from	Transfers Out	FY 2011	Projected Balance	FY 2012	FY 2012	Projected Balance
FUND	Ending Balance	Auxiliary Reserves	for Capital Projects	for Capital Projects	Budgeted Transfer	at June 30, 2011	Budgeted Transfer	Planned Capital Projects	at June 30, 2012
Housing	370,000.00	1,876,624.64	280,000.00	293,324.67	2,265,426.86	335,577.02	158,000.00	2,443,003.88	
Falcon Center	450,000.00	1,328,334.12	0.00	84,303.81	1,921,428.05	357,659.00	168,000.00	2,165,087.05	
Athletics	80,000.00	277,989.11	0.00	38,864.71	390,967.27	550.00	49,070.64	342,448.63	
Facilities	220,000.00	506,931.19	50,000.00	73,413.52	752,059.50	110,219.00	175,000.00	687,278.50	
	1,120,000.00	3,989,879.06	330,000.00	489,906.71	5,329,881.68	804,005.02	550,070.64	5,637,816.06	

Note: Projected balance at June 30, 2011 includes year-to-date interest earnings and other revenues not detailed above. Projected balance at June 30, 2011 does not include projections for interest earnings.

Auxiliary Reserves		FY2007 TRANSFER	FY 2008 TRANSFER	FY2009 TRANSFER	FY2010 TRANSFER	FY2011 Budgeted Transfer	FY2012 Budgeted Transfer
FUND	(included in balances below)	(to be transferred at 6/30/10 year end and included in estimate below)					
Year End Transfer Amounts -from operating							
Housing	530,000.00	616,000.00	490,000.00	370,000.00	293,324.67	335,577.02	
Falcon Center	90,000.00	188,000.00	320,000.00	450,000.00	84,303.81	357,659.00	
Athletics	225,000.00	94,000.00	110,000.00	80,000.00	38,864.71	550.00	
Facilities	70,000.00	13,000.00	190,000.00	220,000.00	73,413.52	110,219.00	
	915,000.00	911,000.00	1,110,000.00	1,120,000.00	489,906.71	804,005.02	

Auxiliary Reserves		FY2007	FY2008	FY2009	FY2010	Transfers to Auxiliary Reserves - Dec 2010
FUND	(balance @ 6/30/10 after transfers)					Auxiliary Reserves Plant R&R combined with Auxiliary Reserves
Year End Balances - after transfers						
Housing	663,762.88	995,670.76	1,434,872.74	1,875,842.65	1,876,624.64	
Falcon Center	526,935.36	728,730.33	983,993.89	1,323,282.48	1,328,334.12	
Athletic Facilities	30,047.14	266,112.19	166,241.44	277,863.93	277,989.11	
Facilities	319,201.27	385,454.73	372,431.54	506,719.95	506,931.19	
	1,539,946.65	2,375,968.01	2,957,539.61	3,983,709.01	3,989,879.06	

Note: At the end of fiscal year 2007, the Auxiliary Reserve Funds were established to maintain auxiliary reserves in the Auxiliary Net Assets category for the benefit of the formulas calculated for the Higher Learning Commission (HLC) annual report. At year end, the balances in the Auxiliary Reserve Funds are transferred to the Plant Renewal and Replacement Reserve Funds. The Auxiliary Reserve balances represent the previous years excess operating dollars. A second transfer is done to move current year ending cash balances in the operating funds to the Auxiliary Reserve Funds. This was the process until fiscal year 2011. In December of 2010, the Auxiliary Reserves Plant Renewal and Replacement (R&R) were closed to the Auxiliary Reserves. This enables funds to be used to support operating or capital costs as approved by the Board of Governors.

Item: Workers Compensation Insurance Policy for Fiscal Year 2012.

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Fairmont State University (FSU) Board of Governors approve the Brickstreet Group Policy offering made to the Higher Education Policy Commission for Fairmont State University.

Staff Member: Rick Porto

Background: The Higher Education Policy Commission Group Workers Compensation Insurance Policy offering (made by Brickstreet) is offering a premium savings of \$7,888 over the stand alone policy offering made by Brickstreet on April 28, 2011. Below shows the policy comparisons between these two offerings and how they compare to the current year policy premium costs.

FY 2012 Group Policy	\$141,244
FY 2012 Stand Alone Policy	\$149,132
FY 2011 Current Policy	\$150,592

The Group Policy requires Group Expectations, Individual Institution Membership Criteria, and an Association Safety Program Membership Participation Agreement to be completed. Attached is information shared by HEPC staff related to these requirements. We have been notified that HEPC staff will organize our group association beginning in early June.

The engagement of an insurance agent of record is being requested to be placed on hold until more direction is provided by the HEPC staff related to how this service would occur under the group policy offering.

The policy for fiscal year 2013 will be discussed by the HEPC group membership during the 2012 fiscal year.



Insurance Proposal

Date prepared: 05/20/2011

For:

FAIRMONT STATE COLLEGE
ATTN: ELIZABETH MCCUTCHEON, 1201
LOCUST AVENUE
FAIRMONT, WV, 26554-2451

Proposed Policy Period: 07/01/2011 - 07/01/2012

Quote #: Q46655303132011/01

Renewal of: WC10034451-08

Prepared by:

CHRISTINA WILLIAMS

*This proposal will expire 30 days from the quote date or the requested effective date
whichever is greater*

400 Quarrier Street, Charleston, West Virginia 25301-2010
304.941.1000-phone • 866.45.BRICK
www.brickstreet.com



Workers' Compensation Insurance

Proposed Policy Period: 07/01/2011 - 07/01/2012

Quote #: Q46655303132011/01

Coverage

Part I. Workers' Compensation Insurance - Statutory

Part II. Employer's Liability Limit:

\$100,000.00	Bodily injury by accident, each accident
\$500,000.00	Bodily injury by disease, policy limit
\$100,000.00	Bodily injury by disease, each employee

West Virginia Broad Form Employers Liability excluded.

States Covered

WV

Endorsements

List of endorsements based on quote coverage

SCHEDULE RATING WORKSHEET - SR0001

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY - WC000000A

INFORMATION PAGE - WC000001A

PARTNERS, OFFICERS AND OTHERS EXCLUSION ENDORSEMENT - WC000308

CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM - WC000421C

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT - WC000422A

WEST VIRGINIA CANCELLATION ENDORSEMENT - WC470601

WV INTENTIONAL INJURY EXCLUSION ENDORSEMENT - WC990306



Proposed Policy Period: 07/01/2011 - 07/01/2012 Quote #: Q46655303132011/01

Code	Description	Exposure	Rate	Total
Period	07/01/2011 - 07/01/2012			
8868	College: Professional Employees & Clerical	\$26,910,696.00	.37	\$99,569.58
9101	College or School: All Other Employees	\$2,444,857.00	2.50	\$61,121.43
	TOTAL MANUAL PREMIUM			\$160,691.00
	TOTAL SUBJECT PREMIUM			\$160,691.00
9898	EXPERIENCE MODIFICATION		.87	-\$20,890.00
	TOTAL MODIFIED PREMIUM			\$139,801.00
9887	SCHEDULED RATING		12.0	-\$16,776.00
9722	SAFETY GROUP DISCOUNT CREDIT		5.6	-\$6,889.00
	TOTAL STANDARD PREMIUM			\$116,136.00
0900	EXPENSE CONSTANT			\$175.00
9740	TERRORISM		.012	\$3,523.00
9741	CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM)		.012	\$3,523.00
	TOTAL WC PREMIUM			\$123,357.00
	ESTIMATED ANNUAL PREMIUM			\$123,357.00
	WV REGULATORY BUDGET SURCHARGE			\$6,785.00
	WV DEFICIT REDUCTION SURCHARGE			\$11,102.00
	TOTAL AMOUNT DUE			\$141,244.00
	TOTAL POLICY PREMIUM			\$123,357.00
	TOTAL WV REGULATORY BUDGET SURCHARGE			\$6,785.00
	TOTAL WV DEFICIT REDUCTION SURCHARGE			\$11,102.00
	TOTAL WV FIRE AND CASUALTY SURCHARGE			\$0.00
	TOTAL POLICY AMOUNT			\$141,244.00



BrickStreet Insurance Customer Service

360° Team Approach

- **Claims Services:**
 - Twenty four (24) Hour Contact
 - Cost Reduction Programs
 - Case Management Services
 - Medical Cost Containment
 - Procedure/Bill Review by Medical Specialists
 - Return to Work/Rehabilitation Services
 - Medical Provider Selection Assistance
 - Vendor Management
 - Special Investigative/Fraud Units
 - Pro-Active Claims handling
 - Specialized Services

- **Loss Control Services:**
 - Job Site visits
 - Safety Training
 - Construction Technical Guides & Film Library
 - Industry Experienced Representatives

- **Audit Services:**
 - Pre-Audit Conference
 - Classification Analysis - verification
 - Final Audit

- **Underwriting Services:**
 - Respond to request regarding coverages and rating plans
 - Coordinate services on account

- **Litigation Management:**
 - Reduce frequency and extent
 - Panel counsel
 - Litigation strategy
 - Savings to policyholders



NOTE: Premium listed is an estimated annual premium based upon submitted payroll exposures.

This proposal shows the premiums for the coverages described, but in no way changes or affects any terms, conditions or exclusions of the policies currently in existence. Proposed premiums shown are based on information furnished to BrickStreet Mutual Insurance Company. If accepted, the coverages in this proposal will commence upon the expiration of any policies currently in effect. Coverage comparisons are available if desired. This proposal will expire 30 days from the quote date or the requested effective date whichever is greater.

IMPORTANT NOTICE REGARDING EXPIRATION OF CURRENT WEST VIRGINIA WORKERS' COMPENSATION INSURANCE COVERAGE.

The current workers' compensation insurance coverage provided by Policy Number WC10034451-08 is scheduled to expire at 12:01 am on 07/01/2011. In the event this proposal is not accepted and the initial premium for a renewal policy is not received on or before 07/16/2011, your current policy will lapse (expire) at the time and on the date identified above, workers' compensation insurance coverage will no longer be provided by BrickStreet Mutual Insurance Company, and the lapse (expiration) of workers' compensation insurance coverage will be reported to the West Virginia Offices of the Insurance Commissioner.

BrickStreet's standard policy does not provide coverage for claims brought under West Virginia Code 23-4-2(d)(2)(ii). It is vital that you discuss your interest in purchasing this additional coverage with your underwriter or agent.

Group Expectations

1. Conduct quarterly safety committee meetings
2. The safety committee should include:
 - At least 4 policyholders who participate in the Group Association Plan
 - An association representative
 - Agent should be invited to attend
 - BrickStreet representative
3. At the safety committee meeting, the committee will review the performance of the group.
4. By the 2nd quarterly safety committee meeting, the committee will implement compliance tracking of the five-step safety program.

By the second quarterly safety committee meeting, the committee will develop and distribute an action plan for assisting members in completing the five-step safety program.

5. After all quarterly safety committee meetings, the committee will distribute the meeting minutes to the safety committee members.

BrickStreet Group Association Plan Individual Membership Criteria

BrickStreet has base requirements that companies must meet in order to qualify for association membership. These include:

1. Agree to, and report claims within 48 hours of a loss;
2. Achieve and maintain a three-year loss ratio of 65 percent or less;
3. Implement a formal return-to-work program;
4. Attend at least one safety seminar per year that applies to operational hazards, or complete one SafetySource online course dealing with operational hazards. (Note: We already provide many safety seminar opportunities across the state. If they are unable to make one of these, or decide not to attend, the online course would be at their own cost.)
5. Implement an effective Safety and Loss Control program including but not limited to the following items:

Step 1: Formal declaration of a companywide loss prevention and loss control policy.

The safety policy should be signed and dated by top management and should then be distributed to all employees and conspicuously posted.

Step 2: Formal identification of a safety committee or coordinator

Top management should distribute a dated memo to all employees identifying the safety coordinator and/or safety committee members and outlining their responsibilities. The appointed safety coordinator should also sign and date the description of duties and responsibilities. The safety coordinator should show documentation of his/her participation in the safety program by documenting and signing safety audits, participating in safety meetings and accident investigation, etc.

The safety committee should meet on a regular basis (at least quarterly), depending on your industry. Documentation should consist of dated meeting minutes with the safety committee members' signatures.

Step 3: Clearly defined and conspicuously posted safety/loss prevention rules

Employers and safety coordinators/committees should develop site-specific safety rules and orient existing employees and all new hires to these rules. Employees should sign and date the document acknowledging their awareness and understanding of the rules. The safety rules should be readily accessible for review by all employees.

Step 4: Safety awareness and loss prevention training

Safety topics discussed and a signed/dated employee attendance roster must be included as documentation of completed training sessions. New hire training is crucial and BrickStreet recommends a documented orientation process. Additionally, a plan for periodic training, at least quarterly or as new equipment is purchased or procedures are changed, should also be conducted and documented.

Step 5: Written policies and procedures on claims management

Documentation (short written plan) on how claims are managed, including items such as:

- When and how claims are reported by employees and to whom;
- How the employer ensures that claims are reported to BrickStreet within 48 hours and by whom;
- How claims are investigated; and,
- How modified duty is implemented.

The claims management procedures should be signed and dated by a member of upper management and/or the organization's claims administrator.



WORKERS' COMPENSATION ASSOCIATION SAFETY PROGRAM MEMBER PARTICIPATION AGREEMENT

As a member in good standing with the (Insert Association name) Association

Member Name

BrickStreet Policy Number

Enrolls by this agreement as a participating member in the BrickStreet Association Safety Program.

This contract agreement renews, provided the member agrees to and meets the following criteria. The member:

- A. Agrees to, and reports claims within 48 hours of a loss;
- B. Achieves and maintains a three-year loss ratio of 65 percent or less;
- C. Implements and maintains a formal return-to-work program;
- D. Attends at least one safety seminar per year that applies to operational hazards, or completes one SafetySource online course dealing with operational hazards annually; and,
- E. Implements and maintains an effective Safety and Loss Control program including but not limited to the following:

Step 1: Formal declaration of a companywide loss prevention and loss control policy

The safety policy should be signed and dated by top management and distributed to all employees and conspicuously posted.

Step 2: Formal identification of a safety committee or coordinator

Top management should distribute a dated memo to all employees identifying the safety coordinator and/or safety committee members and outlining their responsibilities. The appointed safety coordinator should also sign and date the description of duties and responsibilities. The safety coordinator should show documentation of his/her participation in the safety program by documenting and signing safety audits, participating in safety meetings and accident investigation, etc.

The safety committee should meet on a regular basis (at least quarterly), depending on your industry. Documentation should consist of dated meeting minutes with the safety committee members' signatures.

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Documentation (short written plan) on how claims are managed, including items such as:

- When and how claims are reported by employees and to whom;
- How the employer ensures that claims are reported to BrickStreet within 48 hours and by whom;
- How claims are investigated; and,
- How modified duty is implemented.

The claims management procedures should be signed and dated by a member of upper management and/or the organization's claims administrator.

- F. Maintains its own policy with BrickStreet and complies with all requirements of BrickStreet, including, but not limited to, the reporting of payroll, the payment of premiums, the implementation of loss control measures and cooperation in claims management and administration. Each member will continue to have individual loss experience rating for the purposes of determining premiums.
- G. Understands that no member of the Group shall have the right to any information concerning rates, premiums, commissions or other funds payable by any other member, such information being confidential, proprietary information of such member. No member shall have any liability for the premiums, commissions, and other charges of any other member.
- H. Understands that their premium and loss data will be used by BrickStreet and by the Association to monitor both individual and group performance.

SIGNATURE

For _____ Member
(Print or Type Member Name)

Signature (Authorized Member Representative) Title Date

Print/Type Name: _____

Address: _____

E-mail: _____

Item: Property Acquisition adjacent to the Gaston Caperton Center in Clarksburg.

Recommended Resolution: Approve the acquisition of a parcel of land, together with the dwelling house situated thereas and the appurtenances thereunto belonging, situate at No. 535 and No. 535 ½ West Main Street in the City of Clarksburg, District of Clark, County of Harrison, and the State of West Virginia.

Staff Member: Rick Porto

Background: In prior action of the Board, funding from reserves was approved to acquire property in proximity to the campus (October 14, 2010 board meeting).

Property in proximity of the main campus was the intent of the request at the time.

Since this approval, negotiations for the property next to the main campus were not successful. The offer, while almost 20% above appraised value, was not agreed to and the owner indicated they decided to hold on to the property for now.

In the past, Administration was approached by the owner of a house and property adjacent to the Gaston Caperton Center. In the recent months, Administration decided to attempt to contact the owner of this property and see if they may be interested to sell. Interactions with the owner has led administration to recommend acquiring this property as land acquisition to be owned by the University.

Two appraisals of the house property were completed and these appraisals are for \$100,000 and \$_____. Note: The second appraisal will be delivered to us on June 10, 2011 and an update of this agenda will occur at that time.

The City of Clarksburg is willing to help with the demolition of the house by incorporating this property demolition along with other planned demolitions (see attached letter from Martin Howe, City Manager), for a cost of between \$10,000 and \$15,000. Administration recommends working through the City of Clarksburg and reimbursing them for the cost of the demolition as indicated by Mr. Howe.

With Board of Governors approval, we will next pursue the Higher Education Policy Commissions approval of same. This is necessary since the property acquisition was not included on the institutions master plan.

Please find attached the specific information related to this property for land acquisition and demolition.



CITY OF CLARKSBURG

WEST VIRGINIA

OFFICE OF
CITY MANAGER

May 26, 2011

Rick Porto
VP for Administrative and Fiscal Affairs
Fairmont State University
1201 Locust Avenue
Fairmont, WV 26554

Re: Demolition of Structure(s)

Dear Mr. Porto:

It was a great pleasure to meet you and Mr. Jim Decker on Monday, May 23, 2011. As I had stated in our meeting, the City of Clarksburg is very willing to assist Fairmont State University with your upcoming project, if it comes to fruition. As I mentioned in our meeting, the city would be willing to assist with the demolition of the structure located at 535 Main Street, once FSU acquires the property. This assistance would be totally inclusive, as at the end of the project the property would be returned to slope on grade.

As mentioned in our meeting, the city has performed over three hundred (300) demolitions and we have become very proficient with our bidding process and have made demolitions, such as yours, very cost effective. The total costs are kept low since we own and operate our own Construction and Debris Landfill, which can only be utilized by city projects. This eliminates tipping and disposal fees at a traditional Landfill. We also have the capabilities of performing asbestos testing/sampling in-house by our certified Code Enforcement Department Personnel. In addition, we have a contract with an engineering firm to design the specifications, bid the structures, and perform the inspections through completion.

In order for the city to fully comply with our standards along with all EPA and WVDEP standards we would, in conjunction with our retained engineers, perform the following:

1. Condemn property for demolition.
2. Perform asbestos testing and have samples analyzed.
3. Design specifications accordingly for the bidding demolition, which would include asbestos abatement; if necessary.
4. Advertise and bid the project (prevailing wage)
5. Conduct Pre-bid Construction meeting with potential bidders.
6. Conduct Bid Opening

7. Evaluate bids and award bid to lowest responsible bidder.
8. Contractor will provide proper notifications of demolition to DEP after award of bid and Notice to Proceed has been given.

We would estimate the demolition of this structure to be approximately \$10,000 to \$15,000. These projections are merely to illustrate the cost effectiveness of our program. We obviously would expect the project to come in under this projection, whereas we are now averaging anywhere from \$6,000 to \$10,000 per structure.

Upon completion of the project, FSU would reimburse the city an agreed upon amount which would include the expenses incurred. To make this an even more worthwhile and most cost-effective for FSU we would also be willing to bid out the other structure (old BB&T Bank Drive-thru) with the other structure. Both structures could and most likely would be advertised for bid with other structures throughout the city to get the lowest possible bid.

If you have any questions or if I can be of any further assistance please don't hesitate to contact me any time. I can be reached at my office Monday through Friday from 8 a.m. to 4:30 p.m. at (304) 624-1677 or by email at mhowe@cityofclarksburgwv.com.

Sincerely,



Martin Howe
City Manager

cc: James Decker, Assistant Vice President Facilities
Adam Barberio, Code Enforcement Supervisor

S. J. WARASH COMPANY, INC.

1639 Oflahurst Drive
Fairmont
WV. 26554

(304)363-1266
Fax: (304)363-5766
sjwcoinc@aol.com

December 2, 2010

Ms. Lenora Montgomery
Fairmont State University
1201 Locust Avenue
Fairmont, WV.
26554

Re: Summary Report, Real Estate Appraisal
Warner Property - Vacant Building
535 W. Main Street, Clarksburg,
Harrison County, WV, 26301

File Name: 6789

Dear Ms. Montgomery:

At your request, I have prepared an appraisal for the above referenced property. Please reference page 13 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

This narrative appraisal report has been prepared in accordance with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice and the **Scope of Work Rule**, adopted by the Appraisal Standards Board of the Appraisal Foundation and should meet the qualifications of a **Summary Appraisal Report** as instructed.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 11). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

**SUMMARY REPORT
REAL ESTATE APPRAISAL
Of
Warner Property - Vacant Building**



535 W. Main Street, Clarksburg,
Harrison County, WV, 26301

As of
November 17, 2010

Prepared For
Ms. Lenora Montgomery
Fairmont State University
1201 Locust Avenue
Fairmont, WV.
26554

Client File: Warner Property

Prepared by
S. J. WARASH COMPANY, INC.
Samuel J. Warash, WV.-CG #029

File Name: 6789

Ms. Montgomery
Fairmont State University
December 2, 2010

Page 2

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, I have made the following value conclusion:

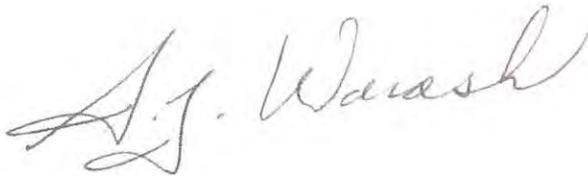
Current As Is Market Value:

The "As Is" market value of the Fee Simple estate of the property, as of November 17, 2010, is

\$100,000
One Hundred Thousand Dollars

The market exposure time¹ preceding November 17, 2010 would have been 12 months and the estimated marketing period² as of November 17, 2010 is 12 months.

Respectfully submitted,
S. J. WARASH COMPANY, INC.

A handwritten signature in cursive script that reads "S. J. Warash". The signature is written in dark ink and is positioned below the typed name.

Samuel J. Warash
WV.CG #029

¹ Exposure Time: see definition on page 10.

² Marketing Time: see definition on page 10.

Summary of Important Facts and Conclusions

GENERAL

Subject:	Warner Property - Vacant Building 535 W. Main Street, Clarksburg, Harrison County, WV, 26301 2.5 story vacant masonry building, being a former single family dwelling that has been converted into three separate office/retail units, with separate gas & electric utility hook ups for each floor level. The building appears to have been vacant for several years with deferred maintenance noted as of date of viewing.
Owner:	Margaret Jo Warner
Legal Description:	1 Lot Part 50' x 160' W. Main Street, Clark District of the City Of Clarksburg, Harrison County, WV. The site is further described in Will Book 132 Page 27 as recorded at the Harrison County Court House.
Tax Identification:	18/0149
Date of Report:	December 2, 2010
Intended Use:	The intended use is for internal office use by Fairmont State University for possible purchase of subject development.
Intended User(s):	The Fairmont State University.
Assessed Value:	\$89,100 at 60.00% Implied Market Value: \$148,500
Taxes:	\$2,704
Sale History:	There has been no Prior Transactions of the subject property over the last 3 years, which this appraiser is aware of. There is no formal listing or signed sales contract for the subject development as of effective date of the appraisal.
Current Listing/Contract(s):	The subject is not currently listed, with prior listing sheets attached in addenda of this report. This listing data is being provided for information purposes only.

PROPERTY

Land Area:

Total: 8,000 square feet; 0.18 acres

Usable: 8,000 square feet; 0.18 acres

The existing site area with improvements appears to be approaching 95 +/- % overall utility.

Improvements:

Building ID: 535 W. Main
Street
Year Built: 1920
Renovations: HVAC/Electric
Updates/Roof
Condition: Fair
Number of Stories: 2.50
Gross Building Area (GBA): 5,078
Rentable Area (RA): 5,078
Gross Leasable Area (GLA): 5,078

Zoning:

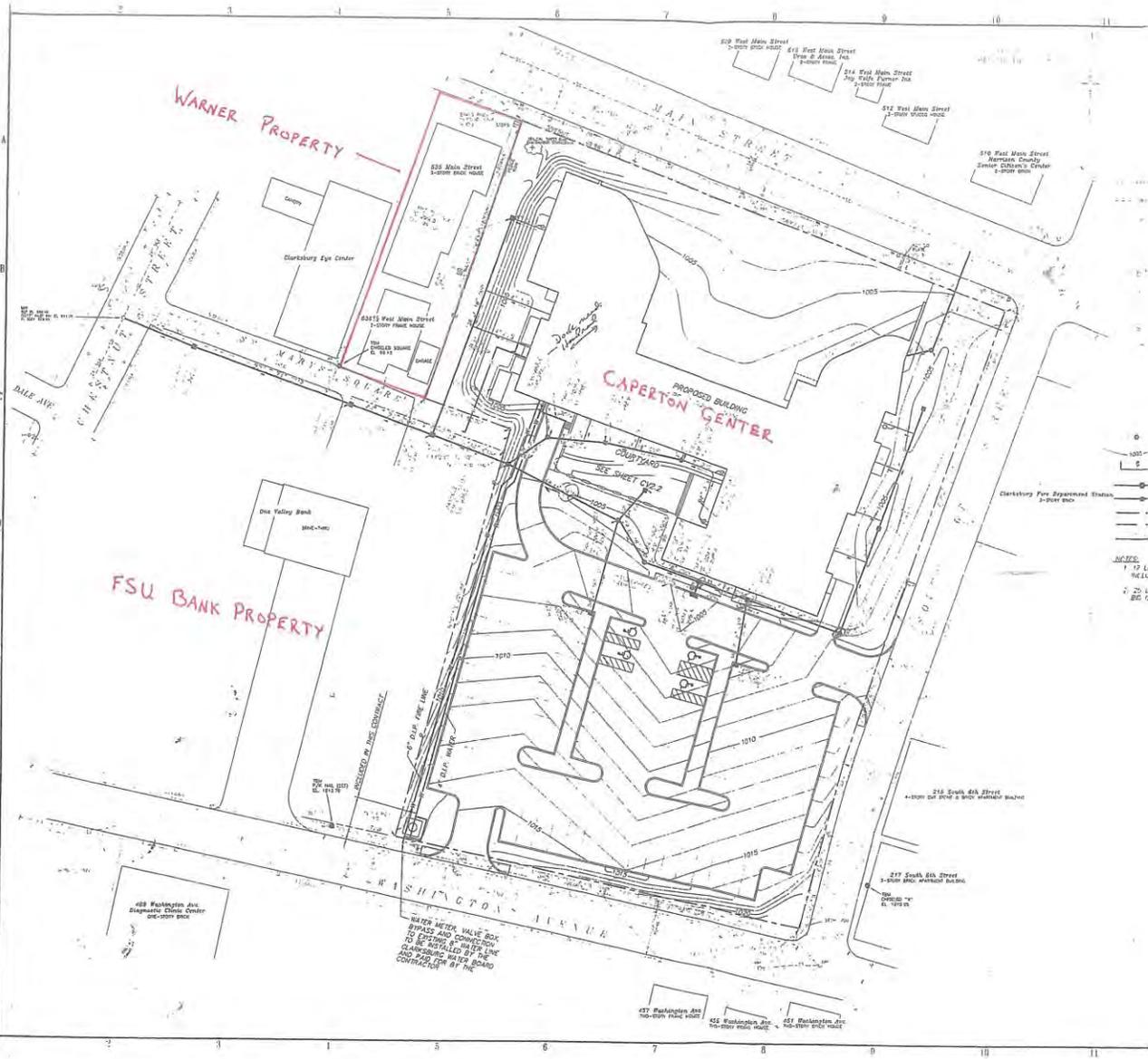
Central Business District

**Highest and Best Use
of the Site:**

The highest and best use is as currently improved.

**Highest and Best Use
as Improved:**

The existing improvements appear to be reaching the end of their useful life, and may have some remaining useful overall utility, with extensive renovations needed. Typically the market will not invest the dollars to renovate this type of improvement, due to limited returns on this type of development within the downtown Clarksburg Central Business District.



FAIRMONT
STATE UNIVERSITY

PIERPONT
COMMUNITY & TECHNICAL COLLEGE

Office of VP for Administrative & Fiscal Affairs

*1201 Locust Avenue
Fairmont, West Virginia 26554
Phone: (304)367-4111
Fax: (304)367-4706
Email: eporto@fairmontstate.edu*

Mr. Paul Shifflett
First National Bank of Romney
105 N. High Street
Romney, WV 26757

Dear Mr. Shifflett:

This letter is to serve as a showing of Fairmont State University's interest to acquire the property at 535 West Main Street, Clarksburg, WV, owned by George B. Warner Sr.

Mr. Warner asked us to draft a letter addressing our timing and purchase price as we have discussed over the past several months with the Warner's.

The Warner's have given their permission for us to communicate to First National Bank of Romney, the mortgage holder of the property next door to our Caperton Center facility in downtown Clarksburg, the content of our discussions. We have been given permission to have the Warner property appraised and the appraised value as of November 17, 2010 according to Samuel J. Warash of S.J. Warash Company, Inc. appraisal service; an independent appraiser hired by Fairmont State to derive the "highest and best use" value is \$100,000.00. We are interested in this property at the appraised price of \$100,000.00.

Fairmont State is currently pursuing one or more properties of which 535 West Main Street, Clarksburg is one. We are currently negotiating on property in the Fairmont area and based upon the success of those negotiations we will know exactly what our remaining budget will be and how fast we will be able to pursue and close upon the 535 West Main Street property.

Our process to purchase a property may be considered longer in some respects than two private entities closing a typical property purchase transaction. We must have final approval from the President, the Fairmont State University Governing Board, and the Higher Education Policy Commission. This process could take up to six months depending on when approvals are able to be requested during normally scheduled meetings. The good news is that once the decision to purchase is approved, we move quicker in that we are self-funding the purchase price.

I hope this letter provides the information the bank has requested of the sellers as it pertains to the interest Fairmont State has in acquiring this property. We respectfully request the bank work with the owners and provide the additional time needed for Fairmont State to work through our process to seek approval to acquire this property.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick Porto".

Rick Porto
Vice President for Administrative & Fiscal Affairs

EXHIBIT A

All of that certain lot or parcel of land, together with the dwelling houses situate thereon and the appurtenances thereunto belonging, situate at No. 535 and No. 535½ West Main Street in the City of Clarksburg, District of Clark, County of Harrison, and State of West Virginia, more particularly bounded and described as follows, to-wit:

BEGINNING at a stake in the southerly line of West Main Street a distance of 75 feet in an easterly direction from the easterly line of South Chestnut Street and corner to the lot occupied by the Lyon Apartments, S. 18° 48' W. 160 feet to a stake in the line of an alley; thence running with the line of said alley, S. 70° 58' E. 50 feet to a stake in the line of the G. A. Williams property; thence running with the line of said Williams lot, N. 18° 48' E. 160 feet to a stake in the southerly line of West Main Street; thence running with said southerly line of West Main Street, N. 70° 58' W. 50 feet to the place of BEGINNING.

And being the same lot or parcel of land one-half (½) of which was devised unto Margaret M. Warner by Elizabeth M. Watson, deceased, by her Last Will and Testament dated October 7, 1971, of record in the office of the Clerk of the County Commission of Harrison County, West Virginia, in Will Book No. 132, at Page 27, and one-half (½) of which was conveyed unto Margaret Jo McCoy (now Warner) by Zelma V. McCoy and Hertzell A. McCoy, her husband, by deed dated December 28, 1942, of record in said Clerk's office in Deed Book No. 544, at Page 345. The said Margaret Jo Warner died in Monongalia County, West Virginia, on October 10, 2000, and by virtue of the laws of the State of West Virginia, said property vested in her surviving spouse, George B. Warner.

This conveyance is made subject to all covenants, conditions, easements, exceptions, reservations, restrictions and rights-of-way contained in prior deeds of record in the Grantor's chain of title to said real estate.

Item: Missing Textbook Adoptions Report

Committee: Committee of the Whole

Recommended Resolution: Resolved, that the Fairmont State University (FSU) Board of Governors accept the missing textbook adoptions report and forward the same to the Higher Education Policy Commission.

Staff Member: Rick Porto

Background: The Administration, the Bookstore Advisory Committee, the Textbook Affordability Committee, the Bookstore, and the Academic leadership of both Fairmont State University and Pierpont Community and Technical College worked diligently this spring with the faculty to achieve 100% textbook adoptions for all known classes for fall term 2011, spring term 2012, and summer 2012. This covers the entire 2011-2012 academic year.

Please note: Barnes and Noble and Follett bookstores have recognized that this success of 100% textbook adoptions is a first for any institution in their companies that they are aware.

This 100% level of textbook adoptions was achieved by the end of March 2011.

Bookstore Policy #54 section 2.2.7, requires the bookstore to compile a report regarding missing textbook adoptions by June 1 each year. This report is to be forwarded to the Board of Governors for review.

The report to the Board should contain specific information on adoption deadlines missed by academic area with justifications submitted by each academic dean. Please note: There were no book adoptions missed by the academic deans.

The institutional Board of Governors must submit a report on textbook adoptions to the West Virginia Higher Education Policy Commission annually by November 1.

A copy of this agenda item may be provided to the H.E.P.C to fulfill this reporting requirement.