

# Shepherd

UNIVERSITY

## Board of Governors



### Meeting Agenda June 4, 2015

#### Board Members

W. Mark Rudolph, Chair  
Marcia Brand, Vice Chair  
John Younis, Secretary

John Beatty	Tia McMillan
Jason Best, Faculty	D. Scott Roach
Bridget Cohee	Chad Robinson
Holly McCall	Diane Shewbridge, Classified Staff
Logan Sigley, Student	

Suzanne Shipley, President

**SHEPHERD UNIVERSITY**  
**BOARD OF GOVERNORS MEETING**  
**2:00 p.m.**  
**June 4, 2015**  
**Shepherdstown, WV**

**AGENDA**

Regular Session

Lower Level Multipurpose Room  
Robert C. Byrd Center for Legislative Studies

- |  |                    |
|--|--------------------|
| 1. Call to Order   | Chair Mark Rudolph |
| 2. Public Comments   |                    |
| 3. Adoption of the Minutes from March 31, 2015 Board Meeting | Chair Rudolph      |
| 4. Adoption of the Minutes from April 9, 2015 Board Meeting  | Chair Rudolph      |
| 5. Adoption of the Minutes from April 30, 2015 Board Meeting | Chair Rudolph      |

Presentation Agenda

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| 1. President's Report                                      | President Suzanne Shipley  |
| 2. Annual Approval of the Athletic Program Philosophy      | President Shipley  |
| 3. Campus Safety Annual Data Report                        | Mr. Alan Perdue, General Counsel<br>Mr. John McAvoy, University Police Chief |
| 4. Review of the Quarterly Financials                      | Ms. Anna Barker, Vice President for Finance and Chief Financial Officer      |
| 5. Recommendation for Adoption of the FY2016 Annual Budget | Ms. Barker   |

Discussion Agenda

- |                                       |               |
|---------------------------------------|---------------|
| 1. Election of Officers for 2015-2016 | Chair Rudolph |
| 2. Proposed 2015-2016 Meetings Dates  | Chair Rudolph |

Regular Session

- |                 |               |
|-----------------|---------------|
| 1. New Business | Chair Rudolph |
|-----------------|---------------|

Adjournment

*The Shepherd University Board of Governors will adjourn its regular meeting to enter into a board retreat with members of the Executive Staff.*

# Shepherd University Board of Governors

## Minutes of the Meeting of March 31, 2015

The Shepherd University Board of Governors met on March 31, 2015 in a special meeting. The meeting convened in the Lower Level Conference Room, Robert C. Byrd Center for Legislative Studies, 213 North King Street, Shepherdstown, West Virginia. Members participating were: John Beatty [phone], Jason Best, Marcia Brand, Bridget Cohee, Holly McCall, Tia McMillan [phone], D. Scott Roach [phone], W. Mark Rudolph [phone], Logan Sigley and John Younis [phone]. Also present were Shepherd University President Suzanne Shipley, members of the executive staff and others. Board members Chad Robinson and Diane Shewbridge were absent from the meeting.

### 1. PUBLIC COMMENTS

No public comments were made.

### 2. MOTION TO EXECUTIVE SESSION

**M (McCall), S (Best), PASSED**, all members participating by phone were polled, that pursuant to Section 4 of Article 9A of Chapter 6 of the WV Code, it was moved that the Board enter into executive session for the purpose of discussion of matters relating to legal matters and for discussion of individual personnel matters as to one or more specific employees of the University and matters that would be an invasion of privacy if publicly discussed.

At the conclusion of the executive session, the Board returned to open session.

### 3. PRESIDENTIAL SEARCH PROCEDURES

**M (Brand), S (Cohee)** to adopt the draft Presidential Search Procedures. Following discussion of all the components of the draft procedures, **M (Best), S (Cohee), PASSED**, all members participating by phone were polled, to amend the draft Presidential Search Procedures at Paragraph 1(d) to provide for two classified staff members; thereafter, upon the call of the question, **PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the following procedures for conducting a presidential search:

#### **SHEPHERD UNIVERSITY BOARD OF GOVERNORS SEARCH COMMITTEE PROCEDURES**

1. The Board of Governors hereby establishes a Search Committee for the position of President of the University. The appointments to the Committee shall be made with an effort to reflect the diversity of the campus community and the region, and consist of:

members appointed by the Chair of the Board;

- a. each member of the Executive Committee of the Board of Governors
- b. one additional lay Board member
- c. one former lay member of the Board
- d. a non-classified staff member exclusive of members of the Executive Staff
- e. a member of the Deans Council

f. two community representatives  
members selected by the respective representative governance bodies (Student Government Association, Faculty Senate, Classified Employees Council);

- a. one undergraduate student
- b. one graduate student
- c. two faculty members
- d. two classified staff members

and the Chancellor of the Higher Education Policy Commission, ex-officio and non-voting. (The Board Chair will coordinate with the Chancellor to formalize the involvement of the Policy Commission in this search process, as required by HEPC Series 5.)

No person shall be appointed to the Search Committee who will not be eligible and available to serve until the conclusion of the work of the Committee. The work of the Committee will begin immediately, recognizing that one or more appointments may not yet have been made.

If a member of the Search Committee becomes a candidate for the presidency, that member shall resign immediately from the Search Committee. The provisions of the State Ethics Act relating to nepotism and other conflicts of interest shall apply at all times to all members of the Search Committee.

2. The Board Vice Chair, Dr. Brand, shall be the Chair of the Search Committee, and shall be entitled to vote. The Vice Chair of the Search Committee shall be named by the Committee Chair. Both the Chair and the Vice Chair of the Search Committee shall be lay members of the Board of Governors.
3. Staff support for the committee shall be provided by the selected Search Firm and by the Office of the University President.
4. The Committee Chair or designee and other committee members, as available, shall visit the campus and solicit the views of faculty, staff, students, administrators, alumni, community leaders, and other individuals who are familiar with the institution regarding the characteristics and qualities that should be possessed by the next president. Based on this input, a statement of leadership criteria shall be prepared and submitted to the Search Committee for approval. This statement shall be utilized in soliciting candidates and evaluating applicants. It shall be provided to all nominees and candidates, the Search Committee, and to individuals and groups associated with the institution.
5. A position announcement shall be prepared and submitted to the Search Committee for approval, and then transmitted by the Search Firm to appropriate individuals and organizations.
6. The Chair of the Committee, or the Search Firm or Committee staff if so designated by the Chair, shall be the only spokespersons for the work of the Committee.
7. Meetings of the Search Committee shall be called by the Chair of the Committee and all members must be notified by Committee staff at least seven days in advance, except that less than seven days' notice may be given if an emergency meeting is necessary.
8. The Vice Chair shall exercise all of the responsibilities of the Chair in the Chair's absence. No meeting is official without the presence of either the Chair or Vice Chair.
9. The Search Committee may meet in executive session for the purpose of discussing candidates for the position or for any other purpose authorized by law. Presentations to the Committee in open session or in executive session are restricted to members of the Committee and any individuals specifically invited by the Chair of the Committee to address the Committee.

10. No member may appoint a proxy for purposes of attending meetings or voting.
11. Absentee ballots may be used for voting provided that the completed ballot is received by the Committee Chair prior to when the vote is taken.
12. At least a majority of the Committee must be present to constitute a quorum for the purpose of voting.
13. Before the first meeting of the Committee at which candidates shall be considered, the applications will be made available for review. No further duplication of information may occur, without the written authorization of the Committee Chair. Any distributed information about a candidate must be returned to the Committee staff once the candidate has been eliminated from further consideration by the Committee. Eliminated candidates shall be notified with reasonable promptness that they are no longer being considered.
14. Members of the Committee shall not provide information about the names or backgrounds of any candidates to anyone outside the Committee or in any other way undermine the commitment of the Committee to confidentiality. Any member who breaks this commitment of confidentiality shall immediately resign from the Committee. Failure to do so will result in immediate removal by the Committee Chair.
15. All correspondence, telephone contacts, and other direct contacts with the nominees and candidates prior to interviews shall be handled by the Committee Chair or the Search Firm or the Committee staff at the Chair's direction.
16. Expenses associated with travel and other expenses of the Committee members, travel of each candidate and her/his spouse/significant other for preliminary interviews or campus interviews, and all other expenses associated with the search shall be reimbursed through the Office of the President.
17. Following the receipt of written authorizations from the candidates, and under the direction of the Committee Chair, reference checks will be conducted by the Search Firm. No person outside of the Search Firm may undertake reference checks of a candidate except as expressly authorized by the Chair.
18. The Committee shall conduct interviews of semi-finalists. The interviews shall be conducted at a confidential location within as short a period of time as is practical.
19. As soon as possible following the interviews with the semi-finalists, the Committee shall select three to six finalists for campus visits.
20. Up to the point of the campus interviews of the finalists, the Committee's pledge of confidentiality shall be strictly observed. When the finalists accept the invitation to participate in the campus interviews, they shall be informed by the Committee Chair or Committee staff that confidentiality can no longer be assured. However, there shall be no official release or confirmation of the names of the finalists to the news media except at the discretion of the Chair of the Committee. After public confirmation of the finalists, Committee members are still obligated to keep information about the discussions and opinions of all Committee members confidential, permanently.
21. As a part of the campus visits, all members of the Board of Governors shall be invited to participate in the interview with the Search Committee in executive session. Each finalist's campus visit shall also include meetings with students, classified staff, and faculty members, campus administrators, community leaders, alumni, and other individuals invited by the Search Committee. The spouse/significant other of each finalist will be invited to also visit the campus and community at this time. The Committee Chair shall receive comments from representatives of these groups after the campus visits by the finalists.

22. If the Search Committee decides at any point in the process that the pool of applicants does not include a sufficient number of qualified candidates, the Committee may reopen the search.
23. Based upon the interviews, the reference checks, input from various groups and individuals who met the candidates during the campus visits, and the Committee's assessment of the experience and qualifications of the finalists, the Committee shall choose by majority vote the candidates, in rank order, to be recommended to the Board of Governors for consideration for the presidency. The Board of Governors shall then convene in executive session for the purpose of accepting or rejecting the selection of the candidates, and shall establish the salary and emoluments, and shall authorize the Chair of the Board to extend an oral offer on behalf of the Board to the individual selected. The Board may also authorize the Board Chair to make an oral offer to the other finalists in rank order if the preferred candidate does not accept the offer. Once the oral offer is accepted, the Board Chair shall provide a written offer that has been reviewed by the Board members in executive session and that includes terms and conditions of employment.

4. **NEW BUSINESS**

None.

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W. Mark Rudolph  
Chair

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John Younis  
Secretary

# Shepherd University Board of Governors

## Minutes of the Meeting of April 9, 2015

The Shepherd University Board of Governors met on April 9, 2015 in a regular meeting. Members participating were: John Beatty [phone], Jason Best, Marcia Brand, Bridget Cohee, Holly McCall [phone], D. Scott Roach, Chad Robinson, W. Mark Rudolph [phone], Diane Shewbridge, Logan Sigley and John Younis [phone]. Also present were Shepherd University President Suzanne Shipley, members of the executive staff and others. Board member Tia McMillan was absent from the meeting.

1. **PUBLIC COMMENTS**

No public comments were made.

2. **MINUTES OF THE MEETING OF FEBRUARY 26, 2015**

**M (Best), S (Cohee), PASSED**, all members participating by phone were polled, that the minutes of the February 26, 2015 meeting of the Board of Governors be adopted as presented at the meeting.

3. **MINUTES OF THE MEETING OF MARCH 12, 2015**

**M (Best), S (Cohee), PASSED**, all members participating by phone were polled, that the minutes of the March 12, 2015 meeting of the Board of Governors be adopted as presented at the meeting.

4. **RECOGNITION OF EMERITUS FACULTY AND STAFF**

Dr. Christopher Ames, Vice President for Academic Affairs, presented to the Board Dr. Carl Bell, Ms. Kathy Dilley, Mr. Ed Fincham, Ms. Barbara Kemerer and Dr. Burt Lidgerding as being recognized as new faculty *Emeritus*. Mr. Alan Perdue, General Counsel, presented to the Board Ms. Geraldine Hammond and Ms. Loretta Holmes as being recognized as new staff *Emeriti*.

5. **PRESIDENT'S REPORT**

Spring showcases the work that has been ongoing throughout the academic year with presentations by students completing their capstone experiences.

6. **FACULTY SENATE ANNUAL REPORT**

Dr. J.B. Tuttle, President of the Faculty Senate and Associate Professor of Education, presented to the Board the Faculty Senate Annual Report. The Senate's focus has included utilization of the Great Colleges to Work For survey results, the implementation of the online third year portfolio review, discussions of the management of University expenditures, and review of several alternative academic restructuring proposals. Dr. Tuttle indicated that the Faculty Senate is very pleased with the progress in the strategic plan, especially with the website conversion.

7. **REPORT ON THE DISCUSSIONS OF THE AUDIT AND FINANCE COMMITTEE**

Ms. Anna Barker, Vice President for Finance, summarized the discussions of the committee on behalf of committee chair, Dr. John Younis. The presentation included a review of the FY2016 Operating Budget Process, FY2016 Capital Initiatives, Priorities for FY2017 Capital Projects, and Board of Governors Policy 7.

8. **RECOMMENDATION FOR APPROVAL OF THE PRIORITIES FOR FY2017 CAPITAL PROJECTS**

**M (Shewbridge), S (Cohee), PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the FY2017 Capital Funding Priorities as presented in the agenda book, and authorizes the President to submit the Capital Funding Priorities on its behalf to the West Virginia Higher Education Policy Commission.

9. **RECOMMENDATION FOR APPROVAL OF BOARD OF GOVERNORS POLICY 7**

**M (Best), S (Cohee), PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the Amendment of Policy 7, Assessment, Payment and Refund of Fees as presented in the agenda materials of April 9, 2015.

10. **REPORT ON THE DISCUSSIONS OF THE ENROLLMENT MANAGEMENT AND ADVANCEMENT COMMITTEE**

Mr. Scott Roach, Enrollment Management and Advancement Committee Chair, summarized the discussions of the committee as presented by Dr. Diane Melby, Vice President for Advancement, and Dr. Shari Payne, Vice President for Enrollment Management. The presentation included an update on the vice president for university advancement search, the recommended approval of the renaming of the advancement division and an enrollment update.

11. **RECOMMENDATION FOR APPROVAL OF THE RENAMING OF THE ADVANCEMENT DIVISION**

**M (Roach), S (Shewbridge), PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the renaming of the Advancement Office to University Advancement, effective immediately.

12. **RESOLUTION HONORING DR. DIANE MELBY**

The following special resolution for adoption by the Board was approved by acclamation:

**BOARD OF GOVERNORS PROCLAMATION  
HONORING  
DR. DIANE MELBY**

WHEREAS, Dr. Diane Melby has served Shepherd University since September 2008 as Vice President for Advancement; and

WHEREAS, the completion of Shepherd's first comprehensive campaign, the create campaign, totaling \$26 million and concluding one year early, would not have been possible without Dr. Melby's leadership and vision for its success; and

WHEREAS, she has worked effectively as a collaborative partner with Shepherd-related organizations including the Shepherd University Foundation, the Contemporary American Theater Festival, and the Scarborough Society; and



WHEREAS, her service to Shepherd has enhanced the internal and external messaging of the University, specifically in developing comprehensive communication plans and the utilization of Shepherd's website and social media presence; and

WHEREAS, Dr. Melby has brought her energy, vitality, and intelligence to the many celebrations she has planned and implemented, including those surrounding the create campaign, Founders Day, and six Shepherd homecoming weekends; and

WHEREAS, she has demonstrated important leadership in building the capacity of the staff of Shepherd, including the hiring, training and mentoring of her advancement team, serving in interim roles as the vice president for academic affairs, and recruiting great talent by chairing searches for the Director of Athletics and for her successor; and

WHEREAS, Dr. Melby's service as Vice President from 2008 to 2015 has borne many innovative approaches to today's young alumni participants in university events broadening the understanding of the role of fundraising beyond the Office of Advancement;

THEREFORE, BE IT RESOLVED, THAT the Shepherd University Board of Governors honors Vice President Diane Melby for her record of exemplary service to the University and to the Board of Governors, and expresses to her the gratitude and enduring appreciation of the Board and the entire University community; and

FURTHER, BE IT RESOLVED, THAT this resolution be inscribed upon the minutes of the Board of Governors' April 9, 2015 meeting and that a copy of the resolution be presented to Vice President Melby.

13. **REPORT ON THE DISCUSSIONS OF THE ACADEMIC AFFAIRS AND STUDENT AFFAIRS COMMITTEE**

Dr. Marcia Brand, Academic Affairs and Student Affairs Committee Chair, summarized the discussions of the committee as presented by Dr. Chris Ames, Vice President for Academic Affairs. The presentation included a review of the 2014-2015 academic program reviews and proposed additions and deletions of academic programs.

14. **RECOMMENDATION FOR APPROVAL 2014-2015 ACADEMIC PROGRAM REVIEWS**  
**M (Cohee), S (Best), PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the program reviews of Computer Information Sciences, Mass Communications, Mathematics and Engineering, Psychology, Regents Bachelor of Arts, Master of Business Administration, and the Board adopts the institutional recommendations that each program be continued at the current level of activity. The Board authorizes the President to submit these reviews on its behalf to the West Virginia Higher Education Policy Commission.

15. **RECOMMENDATION FOR APPROVAL OF ADDITIONS AND DELETIONS OF ACADEMIC PROGRAMS**

**M (Cohee), S (Roach), PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the addition of the Minor in Modern Languages; the deletion of the Minor in French; and the deletions of the concentration in Fitness and Exercise Science, Biometrics and Information Security, Information Technology, and Web Programming and Design effective for the Fall 2015 semester.

**16. HUMAN RESOURCES ANNUAL REPORT**

Mr. Alan Perdue, General Counsel, and Dr. Marie DeWalt, Director of Human Resources, presented to the Board the Human Resources Annual Report.

**17. NEW BUSINESS**

Dr. Brand provided an update on the presidential search. With the exception of the faculty appointments, to be voted on at the following meeting of the Faculty Senate, membership of the committee was completed.

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W. Mark Rudolph  
Chair

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John Younis  
Secretary

# Shepherd University Board of Governors

## Minutes of the Meeting of April 30, 2015

The Shepherd University Board of Governors met on April 30, 2015 in a special meeting. The meeting convened in Room 202, Ikenberry Hall, 301 North King Street, Shepherdstown, West Virginia. Members participating were: John Beatty [phone], Jason Best [phone], Marcia Brand, Bridget Cohee, Holly McCall [phone], Tia McMillan [phone], Chad Robinson [phone], W. Mark Rudolph [phone], Diane Shewbridge [phone], Logan Sigley and John Younis [phone]. Also present were Shepherd University President Suzanne Shipley, members of the executive staff and others. Board member D. Scott Roach was absent from the meeting.

1. **PUBLIC COMMENTS**

No public comments were made.

2. **RECOMMENDATION FOR APPROVAL OF TUITION AND FEES FOR THE DOCTOR OF NURSING PRACTICE (D.N.P.)**

**M (Cohee), S (Sigley) PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the tuition and fees for the Doctor of Nursing Practice Degree as presented in the agenda book of April 30, 2015.

3. **RECOMMENDATION FOR APPROVAL OF ADDITIONS AND DELETIONS OF ACADEMIC PROGRAMS**

**M (Cohee), S (Sigley) PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the addition of the Minor in Art History; the addition of the Health Emphasis in the Regents Bachelor of Arts degree; and the deletion of the Hospitality Management and Human Resources Management concentrations in Business Administration effective for the Fall 2015 semester.

4. **AMENDMENT OF PRESIDENTIAL SEARCH PROCEDURES**

**M (Cohee), S (Sigley) PASSED**, all members participating by phone were polled, that the following resolution be adopted by the Board:

**RESOLVED**, That the Shepherd University Board of Governors amends the Presidential Search Procedures adopted at the March 31, 2015 meeting by deleting Section 11 in its entirety and by re-numbering all remaining sections, sequentially.

5. **REDUCING INTERPERSONAL VIOLENCE ON CAMPUS**

Dr. Tom Segar, Vice President for Student Affairs, discussed the education and preventative initiatives that Shepherd has implemented in the hopes of decreasing the number of interpersonal violence cases.

6. **NEW BUSINESS**

None.

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W. Mark Rudolph  
Chair

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John Younis  
Secretary

## **PRESIDENT'S REPORT**

### *Joy and Sorrow*

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As I reflect on our time together, it is very clear that our accomplishments were created together and our disappointments faced together. (Germans have a saying: geteilte Freude, doppelte Freude, geteiltes Leid, halbes Leid. That means that shared joy is doubled and shared sorrow is halved.)

From our early days creating the Crossroads strategic plan, general education reform, and the 120 hour curriculum, to our inclusion in COPLAC, creation of an exciting Master Plan for Facilities, completion of our first comprehensive campaign and several record-breaking donations and graduations, it has been our combined energy and enthusiasm that has propelled Shepherd forward. Now we look forward to our first doctoral program; we are able to pass safely from East to West campus; we enjoy first-rate student presentations and performances, in the classroom, on the stage, court, and field. Shepherd is unstoppable, no matter what life brings our way!

It is no secret that we are facing challenging times. Nowhere is this more evident than in the financial reports included in this board book. Through careful spending and targeted reductions we are hoping to achieve a balanced budget this year and next, but it is becoming ever more difficult to do so. We have trimmed all the edges and cut into the bone in several of our areas, reducing numbers of staff and in rare cases faculty, holding on filling empty lines. Expecting more of the hard-working staff and faculty at Shepherd, we are seeing new enrollments return to our vibrant pace of a few years ago and retention holding fairly steady. But raises are elusive as the state continues to reduce our budgets publicly and more quietly add expenses onto our ledgers that were previously on state ledgers. We are seeing major increases in BRIM, our state insurance, and a complete withdrawal of assistance on capital and deferred maintenance.

We have answered by opening up our budget processes to more review and input by campus representatives. Our budget advisory council continues to advise us to apply any funds possible to keeping salaries competitive. This next year's budget shows another significant reduction in operational funds as we reconfigure spending in order to meet new expenses from the state and react to reductions in state support. We continue to review salary increases, modest enough to mean little difference in the return to the individual, but still a symbolic step forward. Rather than completely lose momentum, we are inching ahead in difficult times. Baby steps are better than no steps at all.

So what do I wish for Shepherd's future? I wish for calmer times, with less uncertainty, more public support, and less cumbersome reporting. If that is not coming soon, I wish us courage and unity. Through helpful and constructive criticism, our dialogue around differences can build a stronger Shepherd. It will be our unity and combined sense of purpose that can make Shepherd stand out among the best public liberal arts universities in the country. Of that I am quite sure.

### *University Advancement*

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#### **Year-To-Date Giving Summary: 7/1/14 through 3/31/15**

The Giving Summary provides annual data for year-to-date comparisons with the previous fiscal year. Data provided include outright gifts and payments received on pledges, grants and deferred commitments during the reporting period.

- Gifts to annual programs yielded \$647,257, which is \$96,456 more than what had been received by the end of March 2014. The 18 percent gain is attributed to two new programs: the transition of the Alumni Association to a non-dues business model and the Women Investing in Shepherd (WISH) program, a philanthropic program that redistributes proceeds through grants in support of university and community initiatives. In addition, the Leadership Circle has experienced high retention of the charter membership

while attracting several new members through the course of the year.

- Contributions to endowments during the three quarters totaled \$430,914 as compared to \$1,002,673 during the same period last year. The decrease is attributed to a substantial estate gift that was realized in the last fiscal year.
- Giving from faculty and staff continues to compare well with last year. Yielding \$29,043, 66 gifts have been received from employees thus far compared to 68 gifts yielding \$18,571 last year.
- Payouts from competitive grants decreased by 15 percent as compared to the same period in FY2014. Grant activity generated \$648,631 during the first nine months of the year as compared to \$765,065 generated in FY2014. This is attributed to the completion of major grants from HUD and HRSA in FY2014.
- Overall, 3,326 gifts from 1,847 donors were received during the first nine months of the fiscal year. This is a 39 percent increase in the number of gifts and a 37 percent increase in the number of donors supporting Shepherd this year. However, total giving has decreased from \$2,335,339 last year to \$1,877,938 this year. This data suggests that outreach strategies are resulting in more alumni and community participation, but that the average amount of each gift has decreased. The members of the advancement team are discussing strategies to reinvigorate the major gifts program.

### **Comprehensive Fundraising Report: 7/1/14 through 3/31/15**

The Comprehensive Fundraising Report provides analysis of cumulative data from the start date of the fiscal year through the end of the reporting period. The report includes data from all external fundraising programs managed through the Office of University Advancement and the Shepherd University Foundation, including values of deferred gifts, multi-year pledges, and funded grant proposals.

- During the first nine months of the fiscal year, \$1,830,734 was pledged and/or paid in new, direct gifts.
- New gifts to endowment equal \$446,719 while gifts to annual programs equal \$633,382.
- Grants awards in the amount of \$750,633 have been confirmed.
- No new deferred gifts were documented.
- Shepherd continues to be supported by its constituencies as detailed in the following chart:

519	Friends have paid/pledged	\$225,898
1,358	Alumni have paid/pledged	\$257,951
99	Corporations have paid/pledged	\$205,962
9	Foundations have paid/pledged	\$13,745
174	Others have paid/pledged	\$376,545
15	Government	\$750,633
	Total	\$1,830,734

## *Enrollment Management*

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### **Commencement 2015**

At this year's commencement ceremony in May, 850 degrees were awarded (779 undergraduate and 71 graduate degrees). This is the largest graduating class, surpassing last year's total of 810 degrees awarded (740 undergraduate and 70 graduate degrees). With the successive large graduating classes and smaller incoming classes, the need to increase the number of incoming students for the fall 2015 semester is magnified in order to maintain overall enrollment. To that end, indicators for fall 2015 incoming enrollment are strong, with a projected increase of approximately ten percent over the previous year. Net deposits for fall 2015 as of Friday, May 29, were up 106 over fall 2014 and 61 over fall 2013.

### **Pardon Me, I can't Hear You With All These Rings in My Ears**

For the first time in Shepherd University history, three conference titles were realized in an academic year. As shared previously, the women's basketball team won the Mountain East Conference (MEC) title with a 17-5 record in the MEC and 22-10 overall, advancing as far as the second round of the NCAA tournament.

The lacrosse team, in its sixth season as a varsity program, won its first ever conference title in its first opportunity. The MEC, with six varsity teams this season, was able to sanction a conference season and tournament. The lacrosse team went a perfect 5-0 in the MEC regular season and served as host of the tournament at Ram Stadium. In front of a record crowd, the team defeated West Virginia Wesleyan 20-3 for the tournament title. The lacrosse team finished the season with a 12-5 record, setting a new school record of wins on the season. Senior Alyx Albano was named MEC Defensive Player of the Year.

The baseball team won the MEC regular season title with a 35-9 mark including a school record 20-game winning streak. The team lost the conference tournament on the final day, and the Rams were not selected for the NCAA tournament. The baseball team finished with a 39-12 mark overall, tying the school record for wins in a season with the 1997 and 2014 teams. Junior pitcher Sam Crater was named MEC Pitcher of the Year. Senior right fielder Matt Wilson was named MEC Offensive Player of the Year.

### **Excellence in Community, Classroom and on the Field and Courts**

On Sunday, April 26, the Athletic Department celebrated National Student-Athlete Day with ceremonies at the baseball and softball fields. National Student-Athlete Day was created by the National Consortium for Academics and Sports (NCAS) to honor the outstanding achievements of student-athletes that are exceptional in play and in academics, minimum 3.0 GPA, and athletes that use their sport as a tool to give back to others through being an active participant in their community.

The student-athletes honored were chosen by their head coaches. Senior Austin Cunningham (Vincent, OH), men's basketball, junior Dan Doub (Williamsport, MD) men's soccer, senior Gabby Flinchum (North Potomac, MD) women's basketball, junior Hunter Morris (Severna Park, MD) lacrosse, senior Bryce Schemer (Potomac, MD) baseball, senior Savannah Snyder (Elkton, MD) softball, freshman Regan Stout (Williamsport, MD) women's soccer, sophomore Octavius Thomas (Myrtle Beach, SC) football, and sophomore Shelby Wallace (Boonsboro, MD) volleyball, were recognized for their achievements as students and athletes at Shepherd University.

### **Who Screams for Ice Cream?**

The 2015 Athletic Department Awards Night and Ice Cream Social was held on April 27. The coaches nominate a platform of candidates that is voted on by the department coaches and staff as a whole.

Senior lacrosse player Georgia Karr was named Female Athlete of the Year and Female Senior Scholar Athlete. Karr won her junior season as well and is the first Ram to win two Athlete of the Year awards. Senior baseball player Matt Wilson was named Male Athlete of the Year. Gabby Flinchum of the women's basketball team was named Female Senior Athlete of the Year and football's Isaiah Shelton was named Male Senior Athlete of the Year. Women's basketball coach Jenna Eckleberry was named Coach of the Year by a vote of her peers. Steven Lesko of men's tennis was named Male Senior Scholar Athlete Award Winner. The men's tennis team and the women's tennis team had the highest cumulative GPA's per gender. Of the 12 Shepherd teams, six had cumulative GPA's higher than the department individual average of 2.96.

## *Capital Projects*

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### **Summer Deferred Maintenance and Capital Construction Projects**

Three roof replacement projects began on May 11<sup>th</sup>.

- Butcher Center shingle roof
- Thacher Hall
- Frank Arts Center standing seam roof

### **Additional Projects Beginning Late May and Early June**

- Butcher Center fire alarm replacement
- Outdoor art placement
- New exterior and building signage
- Student Center window replacement
- Campus entrance signs at Route 45 and Duke Street

## *Staffing*

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### **Staffing Transitions**

- Shelli Dronsfield, chief of staff for the duration of the president's tenure will be leaving the University to take the position of Director of Strategic Initiatives at the Public Library of Cincinnati and Hamilton County. Her last day on campus is June 9<sup>th</sup>. A reception will be held on Wednesday, June 3<sup>rd</sup> for members of the campus community to thank Shelli and wish her continued success with this new opportunity. The Board will have an opportunity to thank her during the June board meeting.

## *Upcoming Events*

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### **Friday, July 3**

University Closed for Independence Day

### **Friday, July 10**

Opening night of the 2015 Contemporary American Theater Festival at Shepherd University. Tickets can be purchased through [www.catf.org](http://www.catf.org).

### **Friday, August 7 – Saturday, August 8**

HEPC Board of Governors Summit, Charleston Embassy Suites, Charleston

The HEPC pays all expenses for board members, and attendance meets the mandatory two-year training requirement.

### **Monday, August 24**

Classes begin for the 2015-2016 Academic Year.

### **Monday, September 7**

University Closed for Labor Day

For other Shepherd events, event locations and times, please check our home page calendar at <http://www.shepherd.edu/calendar>

Shepherd University Board of Governors  
June 4, 2015  
Presentation Agenda Item No. 2

## **ANNUAL APPROVAL OF THE ATHLETIC PROGRAM PHILOSOPHY**

National Collegiate Athletic Association (NCAA) regulations require the Shepherd University Board of Governors to review and approve the institutional Athletic Program Philosophy on an annual basis. The current Athletic Program Philosophy is contained on the following page. There are no recommendations for changes this year.

The following resolution is recommended for adoption by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the Shepherd University Athletic Program Philosophy for the period July 1, 2015 – June 30, 2016 as presented in the agenda materials of June 4, 2015.



# **SHEPHERD UNIVERSITY**

## **Athletic Philosophy**

At Shepherd University, athletes shall be treated as all other students in reference to admissions, scholarships, programs of study, part-time employment, eligibility, and participation in activities representing the University. Shepherd University provides opportunity to all prospective and current members of the student body, faculty, and staff on the basis of individual qualifications and merit without regard to race, sex, sexual orientation, religion, age, national origin, or disability.

The purposes of the University's Athletic Program are to:

- provide friendly competition and cooperation with other colleges and universities in a sportsmanship-like game environment;
- develop the physical, mental, emotional, social and moral well-being of each participant;
- stimulate participants to a high caliber of citizenship;
- furnish recreational value to University students, faculty, and community;
- provide practical experiences for careers in coaching and teaching; and
- provide opportunities for community engagement between athletes, Shepherd University and the greater Shepherd community.

In order that the University may continue to carry on intercollegiate athletics programs pursuant to policies recommended by the North Central Association of Colleges and Secondary Schools, the following minimum standards have been specifically approved by the University.

- a. The conduct of the intercollegiate athletics program is exercised by the President upon the recommendation of the Athletics Committee, which is composed of representatives of the faculty, staff and the student body.
- b. Students who plan to participate in athletics, like all other students, are admitted by the Office of Admissions subject to policies set by the Committee on Admissions and Credits. Athletes are required to maintain the same academic standards as non-athletes.
- c. The award of any student aid, student loan, or student employment to an athlete is made through the regular agency of the University for aid to all students. Such aids are awarded on a basis, which will not discriminate for or against presumed or recognized athletes. An athlete is required to give full and honest return for aid received.
- d. All athletic funds are controlled by the Vice President for Administration and Finance. An audit of the receipts and disbursements of these funds is made annually by the auditors of the State and a report made to the President and to the Board of Governors.
- e. An effort is made to compete with colleges having similar educational and athletic policies.
- f. Shepherd University is a member of the Mountain East Athletic Conference and the National Collegiate Athletic Association (NCAA) - Division II. As a member, the University is committed to the principles of sportsmanship and ethical conduct, rules compliance and amateurism. All eligibility rules from these associations govern the intercollegiate program.

## **CAMPUS SAFETY ANNUAL DATA REPORT**

Each year in the fall, Shepherd University publishes a comprehensive report regarding public safety issues and polices, in compliance with the Clery Act. This annual report addresses not only crime statistics, but also all of our campus policies and practices relating to law enforcement, fire safety, missing students, and public safety alerts.

The Annual Campus Security and Fire Safety Report is published each year on October 1, and is available on the Shepherd University website. The following pages reflect the calendar year 2014 updates of the charts for campus crime data since 2008, as well as the new 2014 fire safety information.

General Counsel Alan Perdue and University Police Chief John McAvoy will present the Campus Safety Annual Data Report.

<b>Crimes Reported</b>		<b>Total (Campus)</b>	<b>In Residence Halls</b>	<b>Non Campus</b>	<b>Public Property</b>
Murder	2014	0	0	0	0
	2013	0	0	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	0	0	0	0
	2009	0	0	0	0
	2008	0	0	0	0
Negligent Manslaughter	2014	0	0	0	0
	2013	0	0	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	0	0	0	0
	2009	0	0	0	0
	2008	0	0	0	0
Forcible Sex Offenses	2014	7	6	0	1
	2013	8	7	0	1
	2012	9	9	0	0
	2011	10	6	2	0
	2010	9	9	2	0
	2009	6	6	0	0
	2008	4	4	0	0
Non-Forcible Sex Offenses	2014	0	0	0	0
	2013	0	0	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	0	0	0	0
	2009	0	0	0	0
	2008	0	0	0	0

<b>Crimes Reported</b>		<b>Total (Campus)</b>	<b>In Residence Halls</b>	<b>Non Campus</b>	<b>Public Property</b>	
Robbery	2014	1	0	0	1	
	2013	1	0	0	1	
	2012	1	0	0	1	
	2011	0	0	0	0	
	2010	0	0	0	0	
	2009	0	0	0	0	
	2008	0	0	0	0	
Aggravated Assault	2014	0	0	0	0	
	2013	0	0	0	0	
	2012	0	0	0	0	
	2010	1	0	0	0	
	2009	0	0	0	0	
	2008	0	0	0	0	
Burglary	2014	0	0	0	0	
	2013	3	3	0	0	
	2012	3	3	0	0	
	2011	8	7	0	0	
	2010	9	6	0	0	
	2009	26	14	0	0	
	2008	12	12	0	0	
Motor Vehicle Theft	2014	0	0	0	0	
	2013	0	0	0	0	
	2012	0	0	0	0	
	2011	0	0	0	0	
	2010	0	0	0	0	
	2009	0	0	0	0	
	2008	0	0	0	0	

<b>Crimes Reported</b>		<b>Total (Campus)</b>	<b>In Residence Halls</b>	<b>Non Campus</b>	<b>Public Property</b>
Domestic Violence	2014	0	0	0	0
	2013	3	3	0	0
	2012	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a
	2010	n/a	n/a	n/a	n/a
	2009	n/a	n/a	n/a	n/a
	2008	n/a	n/a	n/a	n/a
Stalking	2014	0	0	0	0
	2013	0	0	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	n/a	n/a	n/a	n/a
	2009	n/a	n/a	n/a	n/a
	2008	n/a	n/a	n/a	n/a
Arson	2014	0	0	0	0
	2013	0	0	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	0	0	0	0
	2009	0	0	0	0
	2008	2	2	0	0
Larcenies	2014	10	4	0	1
	2013	11	6	11	0
	2012	15	6	0	0
	2011	21	0	0	0
	2010	15	1	1	6
	2009	31	2	0	0
	2008	n/a	n/a	n/a	n/a

<b>Crimes Reported</b>		<b>Total (Campus)</b>	<b>In Residence Halls</b>	<b>Non Campus</b>	<b>Public Property</b>
Liquor Violations	2014	19	9	0	10
	2013	7	3	0	4
	2012	20	9	0	0
	2011	13	5	0	0
	2010	18	3	2	13
	2009	14	12	0	0
	2008	20	14	0	0
Narcotic Violations	2014	5	3	0	2
	2013	9	3	4	1
	2012	12	5	0	7
	2011	6	5	0	0
	2010	1	5	0	6
	2009	11	6	0	0
	2008	6	5	0	0
Weapon Violations	2014	0	0	0	0
	2013	3	3	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	0	0	0	0
	2009	1	1	0	0
	2008	0	0	0	0

Referrals to the Student Affairs Office		Total (Campus)	In Residence Halls	Non Campus	Public Property
Liquor Violations	2014	244	234	0	10
	2013	87	82	0	5
	2012	164	163	0	1
	2011	215	208	0	7
	2010	230	208	0	22
	2009	183	161	0	22
	2008	206	191	0	15
Narcotic Violations	2014	10	10	0	0
	2013	3	3	0	0
	2012	31	31	0	0
	2011	1	1	0	0
	2010	0	0	0	0
	2009	8	8	0	0
	2008	14	11	0	3
Weapon Violations	2014	0	0	0	0
	2013	0	0	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	0	0	0	0
	2009	1	1	0	0
	2008	0	0	0	0
Dating Violence	2014	0	0	0	0
	2013	0	0	0	0
	2012	0	0	0	0
	2011	0	0	0	0
	2010	n/a	n/a	n/a	n/a
	2009	n/a	n/a	n/a	n/a
	2008	n/a	n/a	n/a	n/a

## **REVIEW OF THE QUARTERLY FINANCIAL REPORT**

Ms. Anna Barker, Vice President for Finance and Chief Financial Officer, will present the quarterly financial report.

Included are three reports for the third quarter of FY2015: 1) Statement of Net Assets, 2) Budget to Actual Report, and 3) State of Revenues Expenses and Other Changes which shows a year-to-year comparison with FY2014.

Highlights when comparing FY2015 with FY2014 include:

- 2.7 percent, \$1.148 million, decrease in Operating Revenues;
- 1.4 percent, \$620,000, decrease in Total Operating Expenses;
- 5.9 percent, \$697,000, increase in Total Non-Operating Revenues and Expenses; and
- decrease in Net Assets of \$1.247 million.

### STATEMENT OF NET ASSETS

#### Assets

Changes in assets from the prior year include decreases in Inventories and Capital Assets. These are offset by increases in Cash and Cash Equivalents, Accounts Receivable and Grants and Contracts Receivable.

*Inventories* – 20.89 percent decrease. Bookstore purchases are down and subsequently the level of inventory has been reduced accordingly.

*Capital Assets* – Decrease of \$3.69 million attributed to an increase in accumulated depreciation offset by any additions to fixed assets or disposal of assets. Depreciation has increased in FY2015 with the addition of the Route 480 Underpass and Center for Contemporary Arts II. The increase in Depreciation Expense can be seen on the Statement of Revenues, Expenses and Other Changes.

*Cash and Cash Equivalents* – At the end of the third quarter, the University had sufficient cash and other resources on hand to meet operating and capital requirements. Cash balances have increased from FY2014 to FY2015. One contributing factor is cash spent on capital projects. Cash reflects funds received from student fees to support capital projects; however, year-over-year expense comparisons show current year expenses down when compared to last year. Projects are planned and will begin in the fourth quarter and continue throughout the summer, thus reducing the cash accordingly.

*Accounts Receivable* – The majority of Accounts Receivable is associated with student balances. The change in Student Receivable of approximately \$77,000 takes into account the increase in both undergraduate and graduate tuition rates from FY2014 to FY2015 netted against an enrollment decline.



*Grants and Contracts Receivable* – Increase of approximately \$188,000. In FY2015, several substantial grants receivables were recorded at the end of the third quarter, including \$92,000 from the National Science Foundation and \$42,000 from the West Virginia Idea Network of Biomedical Research Excellence project.

### Liabilities

Total Liabilities include increases in Accrued Liabilities and Deferred Revenue with decreases in Accounts Payable and Leases and Bond Payables. This nets a 1.59 percent decrease in Total Liabilities.

*Accrued Liabilities* – Increase of \$441,000 is a reflection of the state-mandated conversion to arrears pay. The arrears pay will carry forward until an employee separates from service.

*Deferred Revenue* – Increase attributed to Lottery Funds received for the operation of the Civil War Center.

*Accounts Payable* – Cautious spending this year has resulted in a decrease in Accounts Payable of \$292,000.

*Leases Payable* – Decrease of \$218,000 resulting from continued payments for the turf fields for soccer and football. The football field turf lease purchase finance agreement was completed in February.

*Bonds Payable* – Decrease of \$1.4 million resulting from bond premium payments.

## STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES

### Operating Revenues

The University has generated 89.7 percent of the projected Operating Revenue for the fiscal year. Tuition and Fees are at 91.2 percent of projections with Summer I and a portion of Summer III still to be recorded in FY2015.

The year-over-year comparison of Federal Grants and Contracts shows a negative variance of \$423,000. As mentioned on the second quarter report, two substantial grants, HUD and Nursing, expired in FY2014, but the budget was not adjusted to reflect this.

State and local grants are at 99.5 percent of the budget. The majority of the revenue is generated through the receipt of state-provided scholarships, but also includes grant funding provided through West Virginia Higher Education Policy Commission (HEPC).

Revenue generated from the operation of Auxiliary Enterprises is \$17.7 million which is down from \$18 million last fiscal year. However, a decrease can also be seen in expenses. Overall, and as a result of exceptional fiscal management, Auxiliary Enterprises has netted a \$7.2 million surplus at the end of the third quarter compared to \$7 million last fiscal year.

### Operating Expenses

Overall, the University has expended 74.8 percent of budgeted Operating Expenses. All expenditure categories are currently under budget. While a year-over-year comparison shows Operations and Maintenance below FY2014, it is anticipated that by year end the budget will be exceeded primarily as a result of increased utility costs this winter.

Research is reflecting expenditures of \$109,000. This is all the result of grant activity the majority of which will be reclassified to Instruction, Academic Support and Student Services. The adjustment will realign actual expenditures with the budget.

#### Non-Operating Revenues and Expenses

Total Non-Operating Revenues and Expenses reflect actuals at 87.7 percent of the budget. Non-Operating federal revenue is at 99 percent. This line is for PELL so this is expected as very little activity will be posted beyond the spring semester.

Gifts, at \$1.089 million, are comparable to FY2014, but exceed the FY2015 budget by \$229,000. This revenue is generated by contributions from the Foundation. The majority is in the form of student scholarships, but this also includes contributions to support operations including the library and new initiatives such as internationalization.

#### Other Revenues, Expenses, Gains or Losses

Expenses for Other Post-Employment Benefits (OPEB) have exceeded the FY2015 budget. As previously mentioned, the Retirees Health Benefits Trust (RHBT) Independent Audit resulted in an increase in the rate after the budget was established. It is estimated that this expense will total approximately \$629,000 by year end.

Overall, at the end of the third quarter, the University shows total Net Assets of \$7.9 million compared to \$9.1 million last year. FY2014 included a \$1.1 million capital grant for construction associated with the Route 480 Underpass.

Table 1

**Shepherd University**  
**Statement of Net Assets**  
**As of March 31, 2015**  
(Dollars in Thousands)

	Actual 3/31/15	Actual 3/31/14	% Change
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	26,056	\$24,067	8.27%
Accounts receivable net	827	750	10.27%
Grants and contracts receivable, net	805	617	30.47%
Due from the Commission	-	-	n/a
Inventories	428	541	-20.89%
Loans Receivable	100	100	0.00%
Other assets	-	-	n/a
<b>Total Current assets</b>	<b>28,216</b>	<b>26,075</b>	<b>8.21%</b>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	1	-	n/a
Investments	-	-	n/a
Loans receivable, net	372	302	23.18%
Capital assets net	131,342	135,032	-2.73%
Other Noncurrent assets	-	-	n/a
<b>Total Noncurrent assets</b>	<b>131,715</b>	<b>135,334</b>	<b>-2.67%</b>
<b>TOTAL ASSETS</b>	<b>\$159,931</b>	<b>\$161,409</b>	<b>-0.92%</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	707	\$999	-29.23%
Accrued liabilities	2,508	2,255	11.22%
Due to the Commission	-	-	n/a
Due to other State agencies	-	-	n/a
Deferred revenue	225	147	53.06%
Long-term liabilities - current portion	2,341	2,237	4.65%
<b>Total Current liabilities</b>	<b>5,781</b>	<b>5,638</b>	<b>2.54%</b>
<b>Noncurrent liabilities:</b>			
Advances from federal sponsors	527	559	-5.72%
Deposits	189	180	5.00%
Other post employment benefits	10,138	9,605	5.55%
Compensated absences	472	468	0.85%
Debt obligation due Commission	-	-	n/a
Leases Payable	589	808	-27.10%
Bonds Payable	41,791	43,192	-3.24%
<b>Total Noncurrent liabilities</b>	<b>53,706</b>	<b>54,812</b>	<b>-2.02%</b>
<b>TOTAL LIABILITIES</b>	<b>\$59,487</b>	<b>\$60,450</b>	<b>-1.59%</b>
<b>NET ASSETS</b>	<b>100,444</b>	<b>100,959</b>	<b>-0.51%</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$159,931</b>	<b>\$161,409</b>	<b>-0.92%</b>

Table 2

**Shepherd University**  
**Budget to Actual Report**  
**For The Period From July 1, 2014 to March 31, 2015**  
(Dollars in Thousands)

	<b>FY15 Budget Annual</b>	<b>FY 15 Actual YTD</b>	<b>\$ Variance</b>	<b>% Budget</b>
<b>OPERATING REVENUES</b>				
Tuition and Fees	\$20,196	\$18,409	\$1,787	91.2%
Federal Grants and Contracts	1,105	292	813	26.4%
State and Local Grants and Contracts	4,151	4,129	22	99.5%
Private Grants and Contracts	90	-	90	0.0%
Sales and Services of Educational Activities	55	29	26	52.7%
Auxiliary Enterprises	19,342	17,696	1,646	91.5%
Other Operating Revenues	800	491	309	61.4%
<b>TOTAL OPERATING REVENUES</b>	<b>45,739</b>	<b>41,046</b>	<b>4,693</b>	<b>89.7%</b>
<b>OPERATING EXPENSES</b>				
<b>Core Operating Expenses</b>				
<b>Primary Mission Costs</b>				
Instruction	18,077	12,415	5,662	68.7%
Academic Support	3,363	2,529	834	75.2%
Student Services	4,311	2,836	1,475	65.8%
Scholarships & Fellowships	3,146	2,868	278	91.2%
<b>Subtotal Primary Mission Costs</b>	<b>28,897</b>	<b>20,648</b>	<b>8,249</b>	<b>71.5%</b>
<b>Other Core Operating Expenses</b>				
Operations and Maintenance	4,463	3,656	807	81.9%
Institutional Support	5,637	4,607	1,030	81.7%
Research	26	109	(83)	419.2%
Public Service	242	163	79	67.4%
<b>Subtotal Other Core Operating Expenses</b>	<b>10,368</b>	<b>8,535</b>	<b>1,833</b>	<b>82.3%</b>
<b>Total Core Operating Expenses</b>	<b>39,265</b>	<b>29,183</b>	<b>10,082</b>	<b>74.3%</b>
<b>Auxiliary Expenses</b>	<b>14,240</b>	<b>10,511</b>	<b>3,729</b>	<b>73.8%</b>
<b>Depreciation Expense</b>	<b>6,746</b>	<b>5,358</b>	<b>1,388</b>	<b>79.4%</b>
<b>Transfers and Other (Additions) Subtractions</b>	<b>302</b>	<b>220</b>	<b>82</b>	<b>72.8%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>60,553</b>	<b>45,272</b>	<b>15,281</b>	<b>74.8%</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>				
State Appropriations	9,941	7,456	2,485	75.0%
Nonoperating federal revenue	5,650	5,593	57	99.0%
Investment Income	-	15	(15)	n/a
Interest on capital asset related debt	(1,998)	(1,506)	(492)	75.4%
Loss on disposal of equipment	-	-	-	n/a
Gifts	860	1,089	(229)	126.6%
Payments on behalf of Shepherd University	-	-	-	n/a
Fees assessed by the Commission for interest and reserves	(70)	(38)	(32)	54.3%
<b>TOTAL NONOPERATING REVENUES AND EXPENSES</b>	<b>14,383</b>	<b>12,609</b>	<b>1,774</b>	<b>87.7%</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains or Losses</b>	<b>(431)</b>	<b>8,383</b>	<b>(8,814)</b>	<b>-194.0%</b>
<b>OTHER REVENUES, EXPENSES, GAINS OR LOSSES</b>				
Capital Grants and Gifts	-	-	-	n/a
CTC Net Assets Transfer	-	(4)	4	n/a
Other Post Employment Benefits (OPEB) expense	(284)	(478)	194	168.3%
<b>Increase (Decrease) in Net Assets</b>	<b>(715)</b>	<b>7,901</b>	<b>(8,616)</b>	<b>-110.0%</b>
<b>Investment in Martinsburg</b>	<b>(431)</b>	<b>88</b>	<b>(519)</b>	<b>-20.4%</b>

Table 3

**Shepherd University**  
**Statement of Revenues Expenses and Other Changes**  
**For The Period From July 1, 2014 to March 31, 2015**  
(Dollars in Thousands)

	Budget FY15 Annual	Nine Months Ended 3/31/15	Nine Months Ended 3/31/14	Percent Change Annual	Dollar Change Annual
<b>OPERATING REVENUES</b>					
Tuition and Fees	20,196	\$18,409	\$18,292	0.6%	\$117
Federal Grants and Contracts	1,105	292	715	-59.2%	(423)
State and Local Grants and Contracts	4,151	4,129	4,486	-8.0%	(357)
Private Grants and Contracts	90	-	-	n/a	-
Sales and Services of Educational Activities	55	29	34	-14.7%	(5)
Auxiliary Enterprises	19,342	17,696	18,069	-2.1%	(373)
Other Operating Revenues	800	491	598	-17.9%	(107)
<b>TOTAL OPERATING REVENUES</b>	<b>45,739</b>	<b>41,046</b>	<b>42,194</b>	<b>-2.7%</b>	<b>(1,148)</b>
<b>OPERATING EXPENSES</b>					
<b>Core Operating Expenses</b>					
<b>Primary Mission Costs</b>					
Instruction	18,077	12,415	12,472	-0.5%	(57)
Academic Support	3,363	2,529	2,599	-2.7%	(70)
Student Services	4,311	2,836	2,997	-5.4%	(161)
Scholarships & Fellowships	3,146	2,868	2,926	-2.0%	(58)
<b>Subtotal Primary Mission Costs</b>	<b>28,897</b>	<b>20,648</b>	<b>20,994</b>	<b>-1.6%</b>	<b>(346)</b>
<b>Other Core Operating Expenses</b>					
Operations and Maintenance	4,463	3,656	4,032	-9.3%	(376)
Institutional Support	5,637	4,607	4,150	11.0%	457
Research	26	109	69	58.0%	40
Public Service	242	163	188	-13.3%	(25)
<b>Subtotal Other Core Operating Expenses</b>	<b>10,368</b>	<b>8,535</b>	<b>8,439</b>	<b>1.1%</b>	<b>96</b>
<b>Total Core Operating Expenses</b>	<b>39,265</b>	<b>29,183</b>	<b>29,433</b>	<b>-0.8%</b>	<b>(250)</b>
<b>Auxiliary Expenses</b>	<b>14,240</b>	<b>10,511</b>	<b>11,070</b>	<b>-5.0%</b>	<b>(559)</b>
<b>Depreciation Expense</b>	<b>6,746</b>	<b>5,358</b>	<b>5,159</b>	<b>3.9%</b>	<b>199</b>
<b>Transfers and Other (Additions) Subtractions</b>	<b>302</b>	<b>220</b>	<b>230</b>	<b>-4.3%</b>	<b>(10)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>60,553</b>	<b>45,272</b>	<b>45,892</b>	<b>-1.4%</b>	<b>(620)</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>					
State Appropriations	9,941	7,456	6,850	8.8%	606
Nonoperating federal revenue	5,650	5,593	5,557	0.6%	36
Investment Income	0	15	23	-34.8%	(8)
Interest on capital asset related debt	(1,998)	(1,506)	(1,454)	3.6%	(52)
Loss on disposal of equipment	0	-	(42)	-100.0%	42
Gifts	860	1,089	1,016	7.2%	73
Payments on behalf of Shepherd University	0	-	-	n/a	-
Fees assessed by the Commission for interest and reserves	(70)	(38)	(38)	0.0%	-
<b>TOTAL NONOPERATING REVENUES AND EXPENSES</b>	<b>14,383</b>	<b>12,609</b>	<b>11,912</b>	<b>5.9%</b>	<b>697</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains or Losses</b>	<b>(431)</b>	<b>8,383</b>	<b>8,214</b>	<b>2.1%</b>	<b>169</b>
<b>OTHER REVENUES, EXPENSES, GAINS OR LOSSES</b>					
Capital Grants and Gifts	-	-	1,109	-100.0%	(1,109)
CTC Net Assets Transfer	-	(4)	(1)	300.0%	(3)
Other Post Employment Benefits (OPEB) expense	(284)	(478)	(174)	174.7%	(304)
<b>Increase (Decrease) in Net Assets</b>	<b>(715)</b>	<b>7,901</b>	<b>\$9,148</b>	<b>376.8%</b>	<b>(\$1,247)</b>
<b>Investment in Martinsburg</b>	<b>(431)</b>	<b>88</b>	<b>(686)</b>	<b>-112.8%</b>	<b>774</b>

## RECOMMENDATION FOR ADOPTION OF THE FY2016 ANNUAL BUDGET

The FY2016 budget reflects a decrease in operating revenue of \$1.2 million or 2.7 percent. Total operating expenses decrease \$224,000 or 0.4 percent. Overall, the FY2016 budget reflects a projected decrease in Net Assets of \$1.682 million.

### Enrollment

- Total undergraduate full-time headcount is projected to remain flat with FY2015 actual enrollment. Part-time credits are expected to decrease in total by 7.1 percent.
- Credits generated by graduate programs are anticipated to increase by 2.2 percent.

<b>FY15 to FY16 Enrollment Comparison</b>				
	FY15 Actual	FY16 Projection	Variance	% Change
<b>Undergraduate</b>				
Full-Time Headcount - Fall	3,090	3,090	0	0.0%
Full-Time Headcount - Spring	2,780	2,781	1	0.0%
Part-time Credits - Total	10,226	9,499	(727)	-7.1%
<b>Graduate</b>				
Part-Time Credits - Total	4,138	4,229	91	2.2%

- The new Doctor of Nursing Practice program is expected to enroll an initial cohort of 15 new students generating \$278,110 in new revenue. These enrollments are not reflected in the above table.

### Tuition and Fees

- Tuition and Fee revenue is expected to decline by 3.4 percent.
- The 2016 budget reflects a 3.96 percent increase for in-state undergraduate students or \$3,415 per semester. Tuition for out-of-state undergraduate students (\$8,314 per semester) was not increased as part of the marketing strategy to retain and attract students from this market.
- Graduate tuition was increased 4 percent to \$415 per credit.
- The graduation fee was increased from \$35 to \$50 to cover increasing costs associated with Commencement.
- Online course fees increased from \$25 to \$35 per credit and are expected to generate additional revenue of \$39,000.

### **Other Operating Revenues**

- Revenue generated by the operation of Auxiliary Enterprises is projected to decline 2.7 percent. Declining book sales, a national trend, is contributing to the overall decline. Challenges from past declining enrollment trends are also reflected in reduced income for residence life and dining services.
- Additional revenue will be generated from increased summer camp activity and daytime rental of some rooms in the Martinsburg Center.
- The implementation of a credit card convenience fee will generate approximately \$50,000 in additional revenue.
- Projected revenue assumes grant activity similar to that of FY2015.

### **Expenditures**

- Faculty promotions, effective July 1, are fully funded.
- Increases associated with incremental pay are included. Faculty and staff are eligible after three years of service.
- An allocation of \$100,000 has been made to address increased salary costs related to an adjustment to the minimum wage.
- An institutional software license for Adobe has been funded at \$65,000. This software can support students across multiple disciplines but primarily those in the School of Arts and Humanities. The license will also support administrative functions across campus.
- Depreciation is fully funded at \$7.4 million.
- Costs associated with the Doctor of Nursing Practice program are included.
- Spending trends have been reviewed and reductions have been made accordingly across all functional areas.
- Fixed costs associated with an increase in state-driven insurance costs have been funded. Premiums have increased by \$158,311 or 25 percent over the last two years.

### **Non-Operating Revenues and Expenditures**

- State appropriations reflect a decrease of \$110,000, or 1.1 percent.
- Interest on capital asset related debt will decrease 2.9 percent.
- Based on enrollment projections, non-operating federal revenue, PELL, is anticipated to remain constant.
- Contributions from the Foundation, included under Gifts, are expected to remain constant and include approximately \$900,000 in student scholarships.

The following resolution is recommended for adoption by the Board:

**RESOLVED**, That the Shepherd University Board of Governors approves the FY2016 Annual Budget as presented in the agenda materials of June 4, 2015, and authorizes the President to make amendments to the budget, as appropriate, in consultation with the Audit and Finance Committee.

**Shepherd University**  
**FY2016 and FY2015 Budget Comparison**

(Dollars in Thousands)

	FY16 Budget	% of Total	FY15 Approved Budget	FY15 Adjusted Budget	Variance FY16 Budget to FY15 Adjusted Budget	
					\$	%
<b>OPERATING REVENUES</b>						
Tuition and Fees	\$ 19,660	44.6%	\$ 20,196	\$ 20,362	\$ (702)	-3.4%
Federal Grants and Contracts	\$ 553	1.3%	\$ 1,105	\$ 553	\$ -	0.0%
State and Local Grants and Contracts	\$ 4,511	10.2%	\$ 4,151	\$ 4,511	\$ -	0.0%
Private Grants and Contracts	\$ 30	0.1%	\$ 90	\$ 30	\$ -	0.0%
Sales and Services of Educational Activities	\$ 10	0.0%	\$ 55	\$ 10	\$ -	0.0%
Auxiliary Enterprises	\$ 18,906	42.9%	\$ 19,342	\$ 19,435	\$ (530)	-2.7%
Other Operating Revenues	\$ 442	1.0%	\$ 800	\$ 432	\$ 10	2.3%
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 44,112</b>	<b>100.0%</b>	<b>\$ 45,739</b>	<b>\$ 45,333</b>	<b>\$ (1,221)</b>	<b>-2.7%</b>
<b>OPERATING EXPENSES</b>						
<b>Core Operating Expenses</b>						
<b>Primary Mission Costs</b>						
Instruction	\$ 17,599	29.6%	\$ 18,077	\$ 17,247	\$ 352	2.0%
Academic Support	\$ 3,571	6.0%	\$ 3,363	\$ 3,569	\$ 2	0.1%
Student Services	\$ 3,706	6.2%	\$ 4,311	\$ 4,001	\$ (294)	-7.4%
Scholarships & Fellowships	\$ 2,967	5.0%	\$ 3,146	\$ 2,967	\$ -	0.0%
<b>Subtotal Primary Mission Costs</b>	<b>\$ 27,843</b>	<b>46.8%</b>	<b>\$ 28,897</b>	<b>\$ 27,784</b>	<b>\$ 60</b>	<b>0.2%</b>
<b>Other Core Operating Expenses</b>						
Operations and Maintenance	\$ 4,454	7.5%	\$ 4,463	\$ 4,604	\$ (150)	-3.3%
Institutional Support	\$ 5,711	9.6%	\$ 5,637	\$ 5,722	\$ (11)	-0.2%
Research	\$ 156	0.3%	\$ 26	\$ 156	\$ -	0.0%
Public Service	\$ 291	0.5%	\$ 242	\$ 354	\$ (63)	-17.8%
<b>Subtotal Other Core Operating Expenses</b>	<b>\$ 10,611</b>	<b>17.8%</b>	<b>\$ 10,368</b>	<b>\$ 10,836</b>	<b>\$ (224)</b>	<b>-2.1%</b>
<b>Total Core Operating Expenses</b>	<b>\$ 38,455</b>	<b>64.6%</b>	<b>\$ 39,265</b>	<b>\$ 38,619</b>	<b>\$ (165)</b>	<b>-0.4%</b>
Auxiliary Expenses	\$ 13,378	22.5%	\$ 14,240	\$ 14,073	\$ (695)	-4.9%
Depreciation Expense	\$ 7,391	12.4%	\$ 6,746	\$ 6,746	\$ 645	9.6%
Transfers and Other (Additions) Subtractions	\$ 293	0.5%	\$ 302	\$ 303	\$ (10)	-3.2%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 59,516</b>	<b>100.0%</b>	<b>\$ 60,553</b>	<b>\$ 59,741</b>	<b>\$ (224)</b>	<b>-0.4%</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>						
State Appropriations	\$ 9,831	67.7%	\$ 9,941	\$ 9,941	\$ (110)	-1.1%
Nonoperating federal revenue	\$ 5,650	38.9%	\$ 5,650	\$ 5,650	\$ -	0.0%
Investment Income	\$ 17	0.1%	\$ -	\$ 12	\$ 5	43.0%
Interest on capital asset related debt	\$ (1,941)	-13.4%	\$ (1,998)	\$ (1,998)	\$ 57	-2.9%
Loss on disposal of equipment	\$ -	0.0%	\$ -	\$ -	\$ -	n/a
Gifts	\$ 1,004	6.9%	\$ 860	\$ 1,004	\$ -	0.0%
Payments of behalf of Shepherd University	\$ -	0.0%	\$ -	\$ -	\$ -	n/a
Fees assessed by the Commission for interest and reserves	\$ (38)	-0.3%	\$ (70)	\$ -	\$ (38)	n/a
<b>TOTAL NONOPERATING REVENUES AND EXPENSES</b>	<b>\$ 14,523</b>	<b>100.0%</b>	<b>\$ 14,383</b>	<b>\$ 14,609</b>	<b>\$ (85)</b>	<b>-0.6%</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains or Losses</b>	<b>\$ (881)</b>		<b>\$ (431)</b>	<b>\$ 201</b>	<b>\$ (450)</b>	<b>-223.7%</b>
<b>OTHER REVENUES, EXPENSES, GAINS OR LOSSES</b>						
Capital Grants and Gifts	\$ -		\$ -	\$ -	\$ -	n/a
CTC Net Asset Transfer	\$ -		\$ -	\$ -	\$ -	n/a
Other Post Employment Benefits (OPEB) Expense	\$ (801)		\$ (284)	\$ (340)	\$ (461)	135.6%
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (1,682)</b>		<b>\$ (715)</b>	<b>\$ (139)</b>	<b>\$ (967)</b>	<b>697.2%</b>



## **ELECTION OF OFFICERS FOR 2015-2016**

As provided by the Board of Governors' Bylaws, elections are to be held each June for the positions of Chairperson, Vice Chairperson, Secretary of the Board, and three members of the Audit and Finance Committee.

### Chairperson

In June of each year, the members shall elect a Chair from among the nine lay members. In the event of a vacancy in the office of chairperson, the vice chairperson shall succeed to the office of chairperson for the rest of that fiscal year, and shall remain eligible to serve as chairperson in the following four fiscal years. The chairperson shall perform such duties as may be prescribed by law or by the regulations and policies of the Board. No member may serve as chair for more than four consecutive years.

### Vice Chairperson

In June of each year, the members shall elect a Vice Chair from among the nine lay members immediately following election of a Chair. In the event of a vacancy in the office of Vice Chairperson, the members shall elect a Vice Chair at the next meeting following the occurrence of the vacancy. No limitation shall apply as to the consecutive years of service as Vice Chair. The Vice Chair shall perform such duties as may be prescribed by the Board and shall assume the duties of the chairperson during the latter's absence.

### Secretary of the Board

In June of each year, the members shall elect a Secretary from among the nine lay members immediately following election of a Chair and Vice Chair. In the event of a vacancy in the office of Secretary, the members shall elect a Secretary at the next meeting following the occurrence of the vacancy. No limitation shall apply as to the consecutive years of service as Secretary. The Secretary shall perform such duties as may be prescribed by the Board and shall preside at meetings in the absence of the Chair and the Vice Chair.

Following the election of these officers, the Audit and Finance Committee membership is established.

The Audit and Finance Committee shall consist of three members, all of whom shall have some experience in matters of finance and/or accounting, and shall include at least one member who possesses accounting or financial management expertise; provided, however, that no Board Member may serve on this Committee at any time that said Member is receiving any compensation, directly or indirectly, for consulting or any service provided to the University. The members of the Committee, and its Chair, shall be elected annually by the Board at the Annual Meeting, following an initial nomination by the newly elected Chair.

## **PROPOSED 2015-2016 MEETING DATES**

The following list of dates reflects recommended meeting dates for the 2015-2016 academic year based upon mandated and strategic decision-making processes during the course of the year. The Board must meet at least six times annually. This proposed schedule reflects a total of six meetings, five in-person meetings and one conference call meeting. The meetings of the full board will be preceded by committee meetings that will be generally scheduled for 2:00 p.m. The Chair will lead the discussion for setting a schedule of meetings for the coming year.

### **July**

Propose no meeting.

### **August**

Propose no meeting.

### **September**

September 24, 2015 at 3:50 p.m.

### **October**

Propose no meeting.

### **November**

November 5, 2015 at 3:50 p.m.

### **December**

Propose no meeting.

### **January**

Propose no meeting.

### **February**

February 25, 2016 at 3:50 p.m.

### **March**

March 10, 2016 (Conference Call) at 9:00 a.m.

### **April**

April 7, 2016 at 3:50 p.m.

### **May**

Propose no meeting.

### **June**

June 2, 2016 at 3:50 p.m.