

Shepherd

UNIVERSITY

Board of Governors



Meeting Agenda

September 27, 2016

Board Members

Marcia Brand, Chair

D. Scott Roach, Vice Chair

Tia McMillan, Secretary

Ray Alvarez Bridget Cohee

John Beatty Ramona Kissel

Jason Best, Faculty Eric Lewis

Gat Caperton Caitlin O'Connor, Student

Chad Robinson

Mary J.C. Hendrix, President

**SHEPHERD UNIVERSITY
BOARD OF GOVERNORS MEETING**

**4:15 p.m.
September 27, 2016
Shepherdstown, WV**

AGENDA

Regular Session

Lower Level Multipurpose Room
Robert C. Byrd Center for Congressional History and Education

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| 1. Call to Order | Chair Marcia Brand |
| 2. Public Comments | |
| 3. Oath of Office – New Members | Chair Brand |
| 4. Adoption of the Minutes from June 2, 2016 Board Meeting | Chair Brand |
| 5. Adoption of the Minutes from August 25, 2016 Special Board Meeting | Chair Brand |
| 6. President’s Report | President Mary J.C. Hendrix |
| 7. Quarterly Financial Report: FY2016 | Mr. Tony Major, Vice President for Finance |
| 8. Tuition and Fee Waiver Report: FY2016 | Mr. Bill Sommers, Vice President Enrollment Management |
| 9. Approval of Medical Facility Project | Mr. James Vigil, Vice President Administration and Mr. Alan Perdue, General Counsel |
| 10. Additional Authorization for Refinancing of Bonds | Mr. Perdue |
| 11. Institutional Accreditations Update 2015-2016 | Dr. Scott Beard, Associate Provost and Dean of Graduate Studies |
| 12. Intent to Plan for Bachelor of Science, Engineering Science | Dr. Chris Ames, Provost |
| 13. Adjustment of Administrative Organization – University Communications | Mr. Perdue |
| 14. Naming of the New West Campus Residence Hall Facility | Mr. Vigil |
| 15. Metro Scholarship Rate Presentation | Mr. Sommers and Mr. Jack Shaw, Assistant Vice President of Auxiliary Services |
| 16. New Business | Chair Brand |

Adjournment

Shepherd University Board of Governors

Minutes of the Meeting of June 2, 2016

The Shepherd University Board of Governors met on June 2, 2016 in the annual meeting. Members participating were: John Beatty, Jason Best, Marcia Brand, Hunter Cutlip [phone], Ramona Kissel, Tia McMillan, D. Scott Roach, Chad Robinson [phone], Chauncey Winbush, and John Younis. Also present were Shepherd University President Mary J.C. Hendrix, members of the executive staff and others. Board members Bridget Cohee and Eric Lewis were absent from the meeting.

1. **PUBLIC COMMENTS**

No public comments were made.

2. **MINUTES OF THE MEETING OF APRIL 27, 2016**

M (Best), S (Winbush), PASSED, all members participating by phone were polled, that the minutes of the April 27, 2016 meeting of the Board of Governors be adopted as presented in the agenda book.

3. **PRESIDENT'S REPORT: APPROACHING FIRST 100 DAYS ON JUNE 6TH**

Dr. Hendrix commented that her President's Report for the June 2nd meeting was a compilation of the undertakings throughout her first 100 days as President of Shepherd University. Dr. Hendrix stated that the Charleston Gazette will publish this list on June 6th. She noted that University Communications created a beautiful sign, which will appear in two different areas driving into Shepherdstown, to commemorate Professor Sonya Evanisko being named the 2015 West Virginia Professor of the Year. She also commented that University Communications framed a picture of the sign, and Dr. Hendrix will present it to Professor Evanisko tomorrow at a special event acknowledging her accomplishment. Members discussed the continuing concern as to Shepherd's low level of State funding.

4. **CAMPUS SAFETY ANNUAL DATA REPORT**

General Counsel Alan Perdue and University Police Chief John McAvoy presented to the Board the Campus Safety Annual Data Report.

5. **ANNUAL APPROVAL OF THE ATHLETIC PROGRAM PHILOSOPHY**

M (Best), S (Kissel), 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 Shepherd University Athletic Program Philosophy for the period July 1, 2016 – June 30, 2017 as presented in the agenda materials of June 2, 2016.

6. **APPROVAL OF BOND REFINANCING**

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

A RESOLUTION AUTHORIZING THE REFUNDING ("REFUNDING") OF ALL OR A PORTION OF THE SHEPHERD UNIVERSITY BOARD OF GOVERNORS REVENUE BONDS (SHEPHERD UNIVERSITY RESIDENCE FACILITIES PROJECTS), SERIES 2005 AND/OR THE SHEPHERD UNIVERSITY BOARD OF GOVERNORS REVENUE

BONDS (SHEPHERD UNIVERSITY WELLNESS CENTER PROJECT) SERIES 2007 AND THE ISSUANCE BY THE SHEPHERD UNIVERSITY BOARD OF GOVERNORS OF NOT TO EXCEED \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SHEPHERD UNIVERSITY BOARD OF GOVERNORS REFUNDING REVENUE BONDS, IN ONE OR MORE SERIES, TO EFFECTUATE SUCH REFUNDING (THE “BONDS”); AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL INDENTURE TO A BOND TRUST INDENTURE WITH RESPECT TO THE BONDS OR, IN THE ALTERNATIVE, A NEW BOND TRUST INDENTURE; AUTHORIZING THE SALE OF THE BONDS TO PIPER JAFFRAY & CO. PURSUANT TO A BOND PURCHASE AGREEMENT RELATING THERETO AND THE EXECUTION AND DELIVERY OF SUCH BOND PURCHASE AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF AN OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND AGREEMENTS IN CONNECTION WITH THE BONDS INCLUDING BUT NOT LIMITED TO ONE OR MORE ESCROW AGREEMENTS, A CONTINUING DISCLOSURE AGREEMENT AND A TAX REGULATORY AGREEMENT; DELEGATING TO THE PRESIDENT OF SHEPHERD UNIVERSITY AND THE CHAIRPERSON AND VICE-CHAIRPERSON OF SHEPHERD UNIVERSITY BOARD OF GOVERNORS CERTAIN RESPONSIBILITIES IN CONNECTION WITH THE SALE AND ISSUANCE OF THE BONDS; AND TAKING OTHER ACTIONS IN CONNECTION WITH THE SALE AND ISSUANCE OF THE BONDS AND THE REFUNDING.

WHEREAS, to improve the quality of student life and academic culture, enhance student services and respond to students’ needs, and to comply with its Master Plan, Shepherd University (the “University”) has previously undertaken certain capital projects and has financed all or a portion of the costs relating to those projects through the issuance of the following bonds: (a) The Shepherd University Board of Governors Revenue Bonds (Shepherd University Residence Facilities Projects), Series 2005, issued on May 24, 2005, in the original principal amount of \$22,925,000 (the “Series 2005 Bonds”), \$18,435,000 of which remains outstanding; and (b) The Shepherd University Board of Governors Revenue Bonds (Shepherd University Wellness Center Project), Series 2007, issued on October 30, 2007, in the original principal amount of \$20,090,000 (the “Series 2007 Bonds”), \$16,250,000 of which remains outstanding (collectively, the “Bonds to be Refunded”); and

WHEREAS, the University has been advised that debt service savings can be achieved by refunding all or a portion of the Bonds to be Refunded; and

WHEREAS, the University proposes to refund all or a portion of the Bonds to be Refunded and to pay issuance and related costs through the issuance of tax-exempt Refunding Revenue Bonds by The Shepherd University Board of Governors (the “Board”) in an aggregate principal amount of not more than \$40,000,000, in one or more series (the “Bonds”); and

WHEREAS, pursuant to the authority contained in Chapter 18B, Article 10, Chapter 18B, Article 19, Chapter 18, Article 23 and Chapter 13, Article 2G (collectively, the “Act”), the Board is authorized to issue the Bonds (as described herein) for the purposes of (i) refunding all or a portion of the Bonds to be Refunded, and (ii) paying the costs of issuance of the Bonds and related costs; and

WHEREAS, the Board has determined to issue the Bonds for the purposes set forth above; and

WHEREAS, the University will request that the West Virginia Higher Education Policy Commission approve the issuance of the Bonds and the refunding of all or a portion of the Bonds to be Refunded; and

WHEREAS, the Board previously issued the Series 2005 Bonds pursuant to that certain Bond Trust Indenture dated as of May 1, 2005, by and between the Board and WesBanco Bank, Inc., as Bond Trustee (the “Original Indenture”); and

WHEREAS, the Board also previously issued the Series 2007 Bonds pursuant to that certain First Supplemental Bond Trust Indenture dated as of October 1, 2007, by and between the Board and WesBanco Bank, Inc., as Bond Trustee (the “First Supplemental Indenture”) supplementing and amending the Original Indenture; and

WHEREAS, the Board also previously issued its Refunding Revenue Bonds, Series 2013, on December 2, 2013, in the original aggregate principal amount of \$6,730,000 (the “Series 2013 Bonds” and together with any of the Series 2005 Bonds and/or Series 2007 Bonds not refunded as part of the Refunding, the “Prior Bonds”) pursuant to that certain Second Supplemental Bond Indenture dated as of December 1, 2013, by and between the Board and WesBanco Bank, Inc., as Bond Trustee (the “Second Supplemental Indenture”) further supplementing and amending the Original Indenture, as previously supplemented and amended by the First Supplemental Indenture; and

WHEREAS, the Bonds will be issued pursuant to the terms of and secured under the Original Indenture, on parity with the Prior Bonds, pursuant to a Third Supplemental Indenture (the “Third Supplemental Indenture”) to the Original Indenture to be entered into by and between the Board and WesBanco Bank, Inc., as Bond Trustee (the “Trustee”), in connection with the issuance of the Bonds or, in the alternative, the Bonds will be issued pursuant to a new Bond Trust Indenture between the Board and WesBanco Bank, Inc., as Bond Trustee, as provided in Section 7 below, in which case the Bonds will be junior and subordinate to the Prior Bonds; and

WHEREAS, the principal of, premium, if any, and interest on the Bonds will be payable from the Auxiliary Fees and Auxiliary Capital Fees, as defined in the Act, collected by the University, including but not limited to the revenues of all dormitories, student housing facilities, food service facilities, student union facilities, athletic facilities, transportation facilities and motor vehicle parking facilities owned by the University, and the Required Educational and General Capital Fees, as defined in the Act, imposed on students of the University and collected under the Act for the purposes of supporting debt service, capital projects and campus maintenance and renewal for the University’s educational and general educational facilities, exclusive of that component part of the Required Educational and General Capital Fees of the University that constituted registration and tuition fees in effect as of March 21, 2004, and imposed and collected under the Act for the purpose of supporting debt service of systemwide bond issues, as further set forth in the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture (collectively, the “Indenture”) or, in the alternative, as further set forth in the New Bond Trust Indenture referenced in Section 7 below if the New Bond Trust Indenture is utilized; and

WHEREAS, the Bonds will be secured by a pledge of the Auxiliary Fees and Auxiliary Capital Fees, as defined in the Act, collected by the University, including but not limited to the revenues of all dormitories, student housing facilities, food service facilities, student union facilities, athletic facilities, transportation facilities and motor vehicle parking facilities owned by the University, and

the Required Educational and General Capital Fees, as defined in the Act, imposed on students of the University and collected under the Act for the purposes of supporting debt service, capital projects and campus maintenance and renewal for the University's educational and general educational facilities, exclusive of that component part of the Required Educational and General Capital Fees of the University that constituted registration and tuition fees in effect as of March 21, 2004, and imposed and collected under the Act for the purpose of supporting debt service of systemwide bond issues, the revenues pledged to secure the payment of the Bonds being more particularly described in the Indenture and other amounts held under the Indenture (the "Pledged Revenues"), provided that, the Board hereby authorizes the President of the University to exclude from the Pledged Revenues any revenues derived from Turner Hall, Gardiner Hall and/or Kenamond Hall effective after the Prior Bonds are no longer outstanding or, in the alternative, if the New Bond Trust Indenture referenced in Section 7 below is utilized, any revenues derived from Turner Hall, Gardiner Hall and/or Kenamond Hall may be excluded from the Pledged Revenues pledged by such New Bond Trust Indenture, all such pledges to be subject to all prior pledges thereof, if any, and otherwise in the manner and to the extent to be provided for in the Indenture or, in the alternative, in the New Bond Trust Indenture referenced in Section 7 below if the New Bond Trust Indenture is utilized, and the Bonds shall be special obligations of the State and shall not constitute debts of the State; and

WHEREAS, the pledge of the Pledged Revenues to secure the Bonds described in the immediately preceding recital shall be on parity with the Prior Bonds if the Bonds are issued pursuant to the Indenture and shall be junior and subordinate to the Prior Bonds if the Bonds are issued pursuant to the New Bond Trust Indenture described in Section 7 below; and

WHEREAS, the Bonds will contain on the faces thereof provisions as aforesaid, as required by the Act and as provided below; and

WHEREAS, it is in the best interest of the Board to grant to the President and Chief Financial Officer of the University and the Chairperson and Vice Chairperson of the Board (each, an "Authorized Officer") the power and authority to establish the final forms, terms and provisions of and to execute the Bonds, the Third Supplemental Indenture, the Bond Purchase Agreement, the Preliminary Official Statement and Official Statement, each as herein defined, and related closing documents and certificates, including without limitation a Certificate of Determination, one or more Escrow Agreements, a Continuing Disclosure Agreement and a Tax Regulatory Agreement; and

WHEREAS, the Board finds and represents that it has full power and authority to issue the Bonds and to make the pledges for the payment thereof as described herein and more particularly set forth in the Indenture and the Bonds, and to execute and deliver the Third Supplemental Indenture or, in the alternative, the New Bond Trust Indenture referenced in Section 7 below, if such New Bond Trust Indenture is utilized, and such other documents hereinafter described and, for the benefit of the owners of the Bonds, to grant a lien on and security interest in the Pledged Revenues, all pursuant to the Act, and to execute and deliver such other documents and to take the actions contemplated thereby;

NOW, THEREFORE, BE IT RESOLVED BY SHEPHERD UNIVERSITY BOARD OF GOVERNORS AS FOLLOWS:

Section 1. Findings and Determinations. The Board specifically adopts the findings and determinations in the Recitals and further finds and determines as follows:

- (a) It has full power and authority to issue the Bonds, to refund all or a portion of the Bonds to be Refunded, and to make the pledges for the payment thereof as described herein and in the Indenture, and to enter into the Third Supplemental Indenture and the other agreements relating to the Bonds and the refunding of all or a portion of the Bonds to be Refunded, and the Board has taken or will take by the adoption of this Resolution all actions necessary to authorize the Authorized Officers to sign, seal and deliver the Third Supplemental Indenture, the Bond Purchase Agreement, the Bonds and the other agreements relating thereto, including without limitation one or more Escrow Agreements, a Continuing Disclosure Agreement and a Tax Regulatory Agreement, and to authorize or ratify the distribution of the Preliminary Official Statement and authorize the distribution of an Official Statement relating to the Bonds.
- (b) This Resolution is adopted pursuant to and in accordance with the provisions of the Act, and the Bonds shall be issued pursuant to the Act.
- (c) The refunding of all or a portion of the Bonds to be Refunded is hereby approved, ratified and confirmed, the determination of which of the Bonds to be Refunded are to be ultimately refunded to be made by an Authorized Officer after consultation with the University's underwriter and/or financial advisors.
- (d) It is in the best interests of the Board and the University that an Authorized Officer have the power and authority to approve the forms of various documents and to execute and deliver one or more certificates of the Board (whether one or more, the "Certificate of Determination") setting forth the final terms and provisions of the Bonds, the Third Supplemental Indenture, the Bond Purchase Agreement and the other documents and agreements relating to the Bonds.

Section 2. Bonds Authorized. There is hereby authorized, subject to the provisions of this Resolution, the Certificate of Determination and the Indenture, the issuance by the Board of the Bonds for the purposes of (i) refunding all or a portion of the Bonds to be Refunded, the determination of which of the Bonds to be Refunded are to be ultimately refunded to be made by an Authorized Officer after consultation with the University's underwriter and/or financial advisors; and (ii) paying the costs of issuance of the Bonds and related costs.

Section 3. Details of the Bonds. (a) The Bonds shall contain a recital that they are issued pursuant to the Act and shall be designated as to be provided in the Third Supplemental Indenture as executed by an Authorized Officer.

- (b) The Bonds shall be in the aggregate principal amount not to exceed \$40,000,000 in the aggregate, issued in one or more series as tax-exempt bonds, bear interest at the rates, mature in the years and amounts, be subject to mandatory redemption, optional redemption and extraordinary redemption, and have such other terms as set forth in the Certificate of Determination relating to the Bonds, and as more particularly set forth in Section 8 hereof.
- (c) The form of the Bonds and other details with respect thereto shall be as set forth in the Third Supplemental Indenture as executed by an Authorized Officer.

Section 4. Sale of Bonds. The Bonds shall be sold by the Board to Piper Jaffray & Co. (the "Underwriter"), pursuant to the Bond Purchase Agreement to be executed and delivered by an Authorized Officer, in such form as the Authorized Officer executing the same may deem necessary or desirable, his or her execution of such document to be conclusive evidence of

approval of the form of such Bond Purchase Agreement, at the purchase price set forth in the Certificate of Determination, on the terms and conditions to be set forth in the Bond Purchase Agreement and upon the basis of the representations therein and herein set forth. Each Authorized Officer and the Secretary of the Board are hereby authorized and directed to carry out or cause to be carried out all obligations of the Board under said Bond Purchase Agreement, when executed, and the Chairperson of the Board is hereby authorized and directed to execute, and to request the Governor and the Secretary of State of West Virginia to execute, and to deliver the Bonds to the Trustee for authentication and to instruct the Trustee to deliver the Bonds to the Underwriter upon receipt of the purchase price thereof in accordance with the provisions of the Bond Purchase Agreement, and to execute and deliver all documents and instruments required in connection therewith.

Section 5. Official Statement. The preparation and distribution of a preliminary official statement with respect to the Bonds (the “Preliminary Official Statement”), in such form approved by an Authorized Officer, are hereby authorized and approved. Each Authorized Officer is hereby authorized and directed to execute and deliver a final official statement on behalf of the Board for the Bonds, which final official statement shall be in the form of the preliminary official statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Bonds and as such Authorized Officer executing the same may approve (the “Official Statement”). The execution of the Official Statement by an Authorized Officer shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Underwriter for distribution.

Section 6. Third Supplemental Indenture; Other Documents and Actions. Each Authorized Officer is authorized and directed to approve the form, terms and provisions of the Third Supplemental Indenture and each Authorized Officer is authorized and empowered for and on behalf of the Board to execute, acknowledge and deliver the Third Supplemental Indenture and any other document, certificate, instrument or agreement required by the Act, this Resolution, the Bond Purchase Agreement or the Indenture or otherwise necessary or convenient to carry out the transactions contemplated by this Resolution, the Bond Purchase Agreement or the Indenture, including without limitation one or more Escrow Agreements, a Continuing Disclosure Agreement and a Tax Regulatory Agreement, each of the foregoing to be in such form as may be approved by the Authorized Officer executing the applicable document, certificate, instrument or agreement, the execution thereof to be conclusive evidence of such approval. Each Authorized Officer, the Secretary and any other proper officers of the Board are further hereby authorized and directed to execute and deliver any and all papers, instruments, and certificates required in order to comply with state and federal securities and tax laws, regulations, practices and procedures upon distribution of the Official Statement or sale of the Bonds and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Bond Purchase Agreement or the Indenture.

Section 7. Substitution of New Bond Trust Indenture for Indenture. Notwithstanding any provision herein to the contrary, if an Authorized Officer determines in consultation with the University’s Counsel and Bond Counsel the same to be appropriate, a new Bond Trust Indenture between the Board and WesBanco Bank, Inc., or any alternative Trustee, as Bond Trustee (the “New Bond Trust Indenture”) may be substituted for the Indenture, including the Third Supplemental Indenture thereto, described herein and in such event such Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the Board the New Bond Trust Indenture in such form as the Authorized Officer executing the same may approve, the execution of such New Bond Trust Indenture by the Authorized Officer to be conclusive evidence of such approval, which New Bond Trust Indenture and the Bonds issued thereunder shall be subject to any

prior pledges of the Pledged Revenues, including without limitation any pledge thereof by the Indenture to secure the Prior Bonds. Such New Bond Trust Indenture shall pledge the Pledged Revenues referenced above to secure the Bonds and any additional bonds issued pursuant to such New Bond Trust Indenture, subject to the provisions of Section 9 hereof authorizing the President of the University to exclude from the Pledged Revenues any revenues derived from Turner Hall, Gardiner Hall and/or Kenamond Hall.

Section 8. Certificate of Determination for the Bonds. Each Authorized Officer shall have the power and authority to execute and deliver the Certificate of Determination for the Bonds, which may include, without limitation, provisions (i) fixing the aggregate principal amount of the Bonds to be issued, not to exceed \$40,000,000, (ii) fixing the maturity schedule for such Bonds, such maturity to be not later than June 1, 2037, (iii) fixing interest rates for such Bonds, such rates not to exceed 5.5% per annum, (iv) fixing the amounts and times of mandatory redemption for such Bonds, if any, (v) fixing optional redemption provisions for such Bonds, including times and redemption prices, (vi) fixing the purchase price for such Bonds, which may include underwriting and original issue discounts and premiums, or any thereof; (vii) determining the number of series of the Bonds to be issued and the series name and/or designation for each such series; (viii) designating which of the Bonds to be Refunded, or portions thereof, are to be refunded; and (ix) determining whether the Bonds are issued pursuant to the Indenture, including the Third Supplemental Indenture thereto, or pursuant to the New Bond Trust Indenture described in Section 7 above.

Section 9. Modification of Pledged Revenues. As set forth in the twelfth recital above, the President of the University is hereby granted the discretion and authority to exclude from the Pledged Revenues, as described above and in the Indenture, any revenues derived from Turner Hall, Gardiner Hall and/or Kenamond Hall effective after the Prior Bonds are no longer outstanding or, in the alternative, if the New Bond Trust Indenture referenced in Section 7 above is utilized, the President of the University is hereby granted the discretion and authority to exclude from the Pledged Revenues pledged by such New Bond Trust Indenture any revenues derived from Turner Hall, Gardiner Hall and/or Kenamond Hall, and in the event the President of the University determines to exclude any or all of such revenues from the Pledged Revenues, such determination shall be set forth in a certificate executed by the President of the University prior to or contemporaneously with the issuance of the Bonds.

Section 10. Bond Counsel. Bowles Rice LLP is hereby appointed as Bond Counsel for the Bonds.

Section 11. Application of Bond Proceeds. The proceeds of sale of the Bonds, including accrued interest, if any, shall be applied as provided in the Third Supplemental Indenture or, in the alternative, the New Bond Trust Indenture as executed by an Authorized Officer.

Section 12. Special Obligations. The Bonds shall be secured by the pledge effected by the Indenture and shall be payable and secured by a pledge of the Pledged Revenues (as such Pledged Revenues may be modified pursuant to Section 9 above) as described herein and as set forth in the Indenture and any other funds or assets described in the Indenture. The Bonds, together with the interest thereon, are special obligations of the State and shall not constitute a debt of the State, and the credit or taxing power of the State shall not be pledged therefor, but the Bonds shall be payable only from the revenues and funds pledged for their payment as provided in the Indenture. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon, on this Resolution or on any of the documents executed in connection therewith against any official, member, officer or employee of the Board or the State or any person executing the Bonds, and neither members of the Board nor any person executing the

Bonds shall be liable personally on the Bonds by reason of the issuance thereof. Notwithstanding the foregoing, if a New Bond Trust Indenture is used pursuant to Section 7 above, the references to “Indenture” above in this Section 12 shall be to the New Bond Trust Indenture.

Section 13. Delivery of Bonds. The Bonds shall be executed as provided herein and in accordance with the provisions of the Indenture (or the New Bond Trust Indenture if the New Bond Trust Indenture is utilized) and shall be delivered to the Underwriter in accordance with the provisions of the Bond Purchase Agreement.

Section 14. Executive Committee May Modify or Amend this Resolution. The Board hereby grants to the Executive Committee of the Board the power and authority to modify and amend this Resolution in any manner.

Section 15. Written Direction of the Governor. In accordance with the provisions of West Virginia Code Section 5-1-28, the Bonds may not be issued until such time as the express written direction of the Governor to issue the Bonds has been obtained. Each Authorized Officer together with the University’s General Counsel, Underwriter and Bond Counsel are authorized and directed to take all actions necessary to obtain the express written direction of the Governor to issue the Bonds and all prior actions taken by the foregoing in connection therewith are hereby ratified and approved.

Section 16. Effect. This Resolution shall go into effect immediately upon adoption.

Adopted this 2nd day of June, 2016.

7. **QUARTERLY FINANCIAL MANAGEMENT REPORT**

Mr. James Vigil, Vice President for Administration and Interim Vice President for Finance, presented to the Board the Quarterly Financial Management Report for the period ending March 31, 2016.

8. **PROPOSED FY2017 ANNUAL BUDGET**

M (Best), 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 FY2017 Annual Budget as presented in the agenda materials of June 2, 2016.

RESOLVED FURTHER, that the Shepherd University Board of Governors authorizes the President, following consultation with the Executive Committee, to make amendments to the budget, as appropriate and consistent with the alternative financial scenarios provided in the agenda materials of June 2, 2016.

BE IT FURTHER RESOLVED, that the Shepherd University Board of Governors authorizes the Executive Committee to act on behalf of the Board, on an emergency and interim basis, to approve and to take any actions necessary and in the best interests of the University, to address circumstances of appropriations reductions in excess of the 5% rescission model presented in the June 2, 2016 agenda materials or arising from fiscal and operational emergencies in the event that no FY2017 appropriations are provided for prior to July 1, 2016.

9. **FY2017 CAPITAL INITIATIVES**

Mr. James Vigil, Vice President for Administration and Interim Vice President for Finance, presented to the Board the Proposed FY2017 Capital Initiatives.

10. **FY2018 CAPITAL FUNDING PRIORITIES**

M (Best), S (Younis), 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 FY2018 Capital Funding Priorities as presented in the agenda book of June 2, 2016, and authorizes the President to submit the Capital Funding Priorities on its behalf to the West Virginia Higher Education Policy Commission.

11. **COMPOSITE FINANCIAL INDEX**

Mr. James Vigil, Vice President of Administration and Interim Vice President for Finance, presented to the Board Shepherd's Composite Financial Index and related data.

12. **ELECTION OF OFFICERS FOR 2016-2017**

Vice-Chair Younis nominated a slate of Dr. Marcia Brand as Chair, Mr. D. Scott Roach as Vice Chair, and Ms. Tia McMillan as Secretary. There were no other nominations. The slate of officers for 2016-2017 was accepted by acclamation.

Chair Brand then nominated Mr. D. Scott Roach as chair of the Audit and Finance Committee, and Mr. John Beatty and Mr. Eric Lewis for its membership, pursuant to the Bylaws. The Audit and Finance Committee members for 2016-2017 were accepted by acclamation.

13. **PROPOSED 2016-2017 MEETING DATES**

Chair Brand reviewed the meeting schedule for 2016-2017 with the Board.

14. **NEW BUSINESS**

Dr. Brand noted that she will convene a group over the summer to look over University data. Interested individuals should contact her.

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

**BOARD OF GOVERNORS RESOLUTION
HONORING
DR. JOHN YOUNIS**

WHEREAS, Dr. John Younis has served Shepherd University with distinction as a member of the Shepherd University Board of Governors from April 2009 to the end of his term in June 2016; and

WHEREAS, throughout his tenure on the Board, Dr. Younis has contributed the value of his wisdom and insight as a local resident and member of the business community to help the University build its future, and

WHEREAS, Dr. Younis has served on the Executive Committee and has ably served as Chair of the Audit and Finance Committee for the past two years, bringing great expertise and insight into the University's finances, business processes, and entrepreneurial approaches for increasing the University's revenues; and

WHEREAS, reflecting the spirit of every proud Ram parent, Dr. Younis has been an advocate and patron of Rams Athletics and a wide range of the excellent academic and cultural events of the campus; and

WHEREAS, Shepherd University has been enriched by the personal commitment of time and the leadership of Dr. Younis as a Board member, as an engaged community member, as a parent, and as a member of the Presidential Search Committee in 2015; and

THEREFORE, BE IT RESOLVED, THAT the Shepherd University Board of Governors honors Dr. John Younis for his record of strong leadership, expresses to him its sincere gratitude and admiration, and looks forward to his continued service to the University; and

FURTHER, BE IT RESOLVED, THAT this resolution be inscribed upon the minutes of the June 2, 2016 Board of Governors meeting and that a copy of the resolution be presented to Dr. Younis.

Marcia Brand
Chair

Tia McMillan
Secretary

Shepherd University Board of Governors

Minutes of the Meeting of August 25, 2016

The Shepherd University Board of Governors met on August 25, 2016 in a special meeting. The meeting convened in the President's Conference Room, Ikenberry Hall, 301 North King Street, Shepherdstown, West Virginia. Members participating were: John Beatty (phone), Jason Best, Marcia Brand, Bridget Cohee, Ramona Kissel (phone), Eric Lewis, D. Scott Roach (phone), Chad Robinson (phone), and John Younis (phone). Also present were Shepherd University President Mary J.C. Hendrix, members of the executive staff and others. Board members Tia McMillan and Caitlin O'Connor were absent from the meeting.

1. **SARA CREE HALL ENVIRONMENTAL MITIGATION, DEMOLITION AND FUNDING 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 application for and implementation of the loan from the West Virginia Higher Education Policy Commission Capital Project Emergency Revolving Loan Fund in an amount not to exceed \$750,000; proceeds to be used first for all expenses of environmental remediation at Sara Cree Hall and the remainder applied to expenses of the demolition project.

RESOLVED, That the Shepherd University Board of Governors approves the Sara Cree Demolition project and Project Budget of \$950,000 for demolition, independent of environmental remediation costs, as presented in the Agenda Book.

FURTHER RESOLVED, That the Shepherd University Board of Governors directs, pursuant to the provisions of Article Five of Chapter 18-B of the Code of West Virginia, as amended, and subject to the further approval of the necessary authorities at the State Capitol, that the President cause \$900,000 to be transferred from the Auxiliaries Fund to the E&G Capital Fund.

2. **NEW BUSINESS**
None.

Marcia Brand
Chair

Tia McMillan
Secretary

PRESIDENT'S REPORT

Advancing Shepherd University

During my first six months on the job, it has been a privilege to work with a talented leadership team and dedicated faculty, staff and students - - to address key issues, advance new initiatives, and seize important opportunities for Shepherd University. Highlights of noteworthy activities are provided below for your review:

- Welcomed Dr. Ben Martz (business administration and dean for business school development), in the department of business administration/family and consumer sciences; Mr. Tony Major (vice president for finance); and Mr. Chauncey Winbush (vice president for athletics) as new leaders at Shepherd.
- Signed a Transfer Student Enrollment Partnership to facilitate student transfers to Shepherd from Eastern West Virginia Community and Technical College.
- Celebrated the advancement of Shepherd University to the list of distinguished Liberal Arts institutions in U.S. News Report.
- Shared a transparent financial overview with all faculty and staff at the Fall Assembly, entitled "Striving for financial stability to provide a world-class liberal arts education."
- Deployed strategic investments, including: the critical structural maintenance of Popodicon; the construction of a multi-use pavilion at Ram Stadium; the hiring of an external evaluator (for one site visit) of Shepherd's IT infrastructure; the cost-sharing of expenses for students and faculty to engage in flood relief activities.
- Launched new banners across campus to showcase academic programs of prominence.
- Advanced an Army ROTC partnership, led by Bill Sommers, between Shepherd and Hood College.
- Worked closely with the Business 2020 Committee, led by Ray Alvarez, to advance the public-private partnership supporting the Business School initiative.
- Secured a \$750,000 interest-free loan from the HEPC to begin the demolition of the condemned Sara Cree building, and formed a Working Group to make recommendations about how we can continue to honor Dr. Cree's legacy.
- In collaboration with the American Bureau of Shipping (ABS) Group - - experts in the power industry, Eric Shuler (Director of Facilities), Dr. Colleen Nolan (Dean of the School of Natural Sciences and Mathematics), Holly Frye (Assistant Vice President for Student Affairs and Director of Community and Congressional Relations), and Jessica Kump (Director of Grant Support and Corporate/Foundation Relations) prepared a proposal for a Renewable Energy Feasibility Study for the application of advanced renewable energy systems on the Shepherd campus. We are working with congressional staff to prepare appropriate grant proposals for funding.
- To complement the highly successful Lifelong Learning Program at Shepherd, the President's Lecture Series was launched to present topics of timely interest, such as:
 - August 30, 2016 "How Safe is Your Recreational Water?" by Dr. Amy J. Horneman (Associate Professor at the University of Maryland School of Medicine and Microbiology Lab Director at the VA Maryland Health Care System)

- o September 16, 2016 “Reinventing West Michigan’s Economy: A Story of Focus and Collaboration and a Possible Model for West Virginia” by Dr. Jerry Callahan (Innovations and Collaborations Vice President for the Van Andel Institute (VAI) and Director of Hope River Ventures and Hopen Life Science Ventures Fund)
- o September 22, 2016 “Finding Your Money Mind” by Mr. Rob Hoxton (Managing Director of United Capital)
- o October 10, 2016 “Zika on Our Doorstep: Key Information for the Community” by Dr. Roberta DiBiasi (Chief of the Division of Pediatric Infectious Diseases at Children’s National Health System and Professor of Pediatric and Microbiology/Immunology/Tropical Medicine at The George Washington School of Medicine)
- o October 17, 2016 “Nobel Prizes” by Members of the Shepherd Faculty led by Provost Ames.
- Established a Center for Regional Innovation on campus where business, industry, community organizations, and Shepherd faculty, staff and students will be able to work collaboratively to develop new ideas that can lead to economic growth for the region. Three co-directors have been named to lead the center: Dr. Scott Beard (Associate Provost and Dean of Graduate Studies and Continuing Education), Dr. Colleen Nolan (Dean of the School of Natural Sciences and Mathematics), and Dr. Ben Martz (Dean of Business School Development and Chair of the Department of Business Administration).
- Leveraging Shepherd’s academic partners and faculty assets, plans are underway to create two new curricular majors: one in Art Theater and the other in Engineering Science.

Academic Affairs

New Hires at the Director Level and Above:

Ms. Yin Lin Star has been appointed director of study abroad. Ms. Star received a bachelor of arts degree in sociology and psychology (1985) from Ouachita Baptist University and a master of public and international affairs degree (1987) from The University of Pittsburgh. Prior to coming to Shepherd, Ms. Star was a community college outreach manager and educational advisor at American Public University System, Charles Town.

Academic Affairs Highlights

- The annual Scarborough Society Gala was held on August 18th and raised \$27,000 for the Scarborough Library.
- A new railing was installed around the Sustainability Site which is located behind Byrd Science. The project was student designed and used recycled materials, including the use of biodiesel fuel from used cooking oil from the dining hall.
- Dr. Jacqueline Cole (Chemistry) was appointed to a committee of the American Chemical Society charged with producing the 2018 General, Organic and Biochemistry Examination for the ACS Division of Chemical Education’s Examinations Institute.
- Dr. Mark Lesser (Biology) hosted the West Virginia Native Plants Society Summer Meeting at Shepherd University.
- Drs. Scott Beard (Associate Provost and Dean of Graduate Studies), Laura Renninger (Dean of Teaching and Learning) and Yu-Hsuan Liao (Music), following their successful piano six-hands recital at Shepherd in January, have been selected as presenters at the national conference of Music Teachers National Association in March 2017. Featured on the program will be selections from Dr. Beard’s publication featuring six-hand piano music.

- Dr. Mohammadreza Ghahremani (Computer Engineering) was the first author on a peer-reviewed article (Tuning the heat transfer medium and operating conditions in magnetic refrigeration) selected as an Editor's Pick in the August volume of AIP Advances. He was also first author on two articles selected to be highlighted by Cogent Physics (Cooling factor for magnetic refrigeration systems and Magnetic states stabilization in Ni₅₁Mn_{33.4}In₆ Heusler alloy) and second author on a third selected article (A novel synthesis of polymeric CO via useful hard X-ray photochemistry).
- Mr. Christian Benefiel (Art) had a One-Person Exhibition, Structural Tissue, at Blackrock Center for the Arts in Germantown, Maryland.
- Mr. Ed Herendeen (Theater) was Guest Director for the American premiere of *The Divine: A Play for Sarah Bernhardt* at Virginia Tech University.
- Dr. Jason McKahan (Communications) and Dr. Betty Ellzey (English), presented a film, Lewis Wager's *Life and Repentance of Marie Magdalene* at the International Society for Medieval Theater Conference in Durham, England.
- Dr. James Pate (English) received a fellowship from the Virginia Center for Creative Arts.
- Dr. Sylvia Shurbutt (English) organized and hosted the 2016 Appalachian Studies Association Conference as well as a highly successful NEH Summer Seminar on Appalachian Literature and Culture.
- Dr. Christy Wenger (English) published a book *Yoga Minds, Writing Bodies: Contemplative Writing Pedagogy*.
- Dr. Ben Bankhurst (History) received an Andrew Mellon Residential Fellowship at the Huntington Museum and Library, Los Angeles. He was recently named editor of the journal, West Virginia History.
- Dr. Jim Broomall (History) published a book he co-edited, *Rethinking American Emancipation*.
- Dr. Mark Cook (Music) released a cd, Mark Andrew Cook Jazz Group Live at St. Johns.
- Dr. Georgiann Toole (Education) has been named a winner in the worldwide composition competition held by the choral ensemble Dulciana, in Dublin, Ireland. Her work for women's voices, Bee Songs, with text from Emily Dickinson poems, was one of 6 chosen. The piece will be premiered by the group in spring 2017.
- Dr. Ann Marie Legreid (Dean of Business and Social Sciences) delivered a keynote address in June at the Annual Meeting of Phi Beta Delta, Honor Society for International Scholars, held in Denver. She was also elected to the national Executive Board of the honor society and is Vice President for the Southeastern Region.
- Dr. Chiquita Howard-Bostic (Sociology) was elected to the Board of the American Civil Liberties Union of West Virginia (ACLU-WV) in May 2016.
- New York State District 1 Legislator Barbara Miller-Williams offered a resolution to express recognition to Shepherd faculty member, Dr. Chiquita Howard-Bostic. Howard-Bostic was recognized for her research on transformational leadership and work with community-based youth programs and non-profit organizations that serve marginalized populations. Her service to homeless persons, low-income families, and battered women was also noted in the resolution. The Buffalo Chapter of the NAACP presented the resolution to Dr. Howard-Bostic in June at the 50th Annual Medgar Evers NAACP Dinner at the Buffalo Niagara Convention Center in Buffalo, New York
- Mr. Roger Hamood (Accounting) took a group of students to White Sulphur Springs to assist with flood relief. He will return to White Sulphur Springs, later this month, with a second group of students.

Enrollment Management

Enrollment Update

Re-admit student enrollments are up slightly when compared to Fall 2015 census (October). First-time in college (freshman) and Transfer student enrollment is lower than Fall 2015. Competition for students residing in Maryland and Virginia is at an all-time high and impacted our enrollment numbers to lag behind Fall 2015. Twenty new international students enrolled in Fall 2016 compared to six last year. Graduate student enrollment is up slightly compared to Fall 2015. We successfully started our second cohort of DNP students.

Student persistence and retention continues to be a challenge and high priority for the offices of Student Affairs, Academic Affairs, and Enrollment Management. The growing financial need of our current students coupled with academic preparedness continues to be the overarching barriers to persistence. The Retention Intervention Team (RIT) completed its work contacting current students who were eligible to register for Fall 2016, but did not take advantage of early registration in April. The outreach campaign was successful with 32% of students registering for Fall 2016, after receiving a call from an RIT member.

Key Initiatives

The Shepherd Brand

- Enhance and strengthen awareness of Shepherd University in our West Virginia and out-of-state markets.
 - Expanded recruitment print publications including scholarship and financial aid, student/residence life, academic majors, and international student pieces.
 - Enhancing content on the shepherd.edu website
 - Increasing our digital and social media marketing outreach
 - Aerial campus tour video-October 2016

Marketing and Recruiting

- Targeted and sustained approach to marketing, recruiting, and enrolling students.
 - Implemented annual marketing, recruiting, and communication plan for 2016-17
 - Enhancing student engagement events-high school visits, college fairs, application days, campus visit/tour, open houses, accepted student day
 - Targeted and time sensitive messaging and communications from prospect stage through enrollment.
 - More engagement between current and prospective Shepherd students
 - Alumni and friends engagement in recruiting-Legacies and Friends Referral Campaign
 - Faculty engagement, targeted by school, department, and major
 - Leverage financial aid and scholarship programs-addition of the Metro Scholarship for out-of-state students

Recruitment and Enrollment Technologies

- Leverage existing technologies that provide an exceptional end user experience.
 - Shepherd.edu website-enhanced home page with Request, Visit, and Apply call to action buttons, enhanced Future Students tab, and Utilize Home Page header sliders as promotional vehicle
 - Added online system for prospective students to register for a daily campus visit
 - Cappex.com partnership-prospective college search engine and database allows for targeted outreach generating prospective student inquiries

- o Hobson's Connect Customer Relations Management (CRM) system-communication system that automates communicating with prospective students throughout the life recruitment and enrollment process.

Student Affairs

Emerging Leaders in Service

The Emerging Leaders in Service (ELS) Program, a four-day, optional program designed specifically for new students, took place the week prior to the beginning of the academic year. This program provided students with an opportunity to engage with the community, peers, faculty and staff while developing an understanding of their leadership strengths. ELS students participate in Shepherd's Annual Day of Service and assist other first year students who are moving into the residence halls.

Orientation Step 2: New Student Welcome

New students attended Orientation Step 2, a critical component in the transition of being a successful student designed to educate students on how to access university resources that contribute to their successful transition to Shepherd University. The day began in Ram Stadium with a performance by the Ram Band and ended with Convocation. During the day, students received information about campus life, expectations of being a Shepherd student, community relations with Shepherdstown, and a celebration of Shepherd's diversity and culture of respect for each individual. Students met with their academic departments to establish connections with faculty and peers, and ended the day with a post-Convocation reception on the Butcher Center Plaza.

Pep Rally

On the eve of Shepherd's first home football game, a pep rally was held in the newly enhanced Dining Hall. Players, coaches and cheerleaders helped build the momentum for the season opener against West Virginia Wesleyan College where the Ram's went on to win 27-12.

Student Leadership Conference

For 31 years Shepherd students have participated in the Student Leadership Conference where they take part in a day of interactive leadership development and idea sharing. The Leadership Conference is scheduled for Saturday, September 24th and is free to all Shepherd students and employees.

Shepherd Dining Hall Enhancements

With the addition of new window treatments, fresh interior signage, a large screen television, a living wall of fresh herbs, and the creation of an intimate dining setting in the lower level, students, staff, faculty and the community are able to enjoy a positive, natural, and relaxed dining experience.

University Advancement

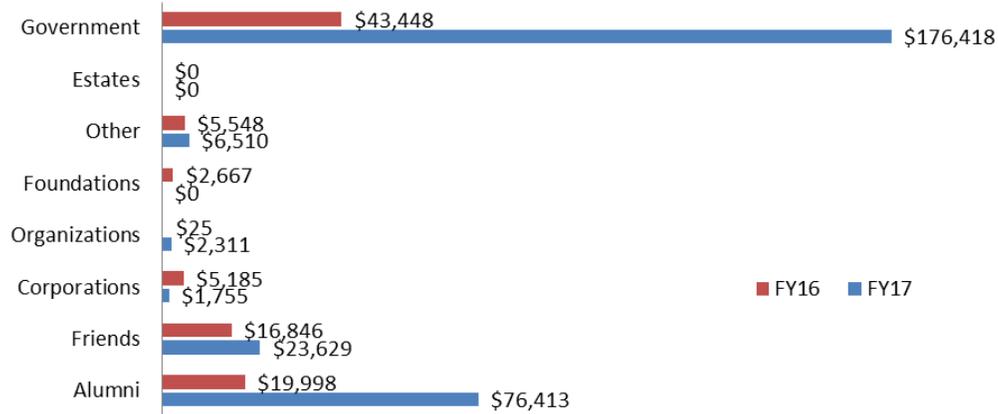
Fundraising Report: 7/1/16 through 7/31/16

Fundraising activities of the Office of University Advancement and the Shepherd University Foundation for the first month of FY2017 are presented below.

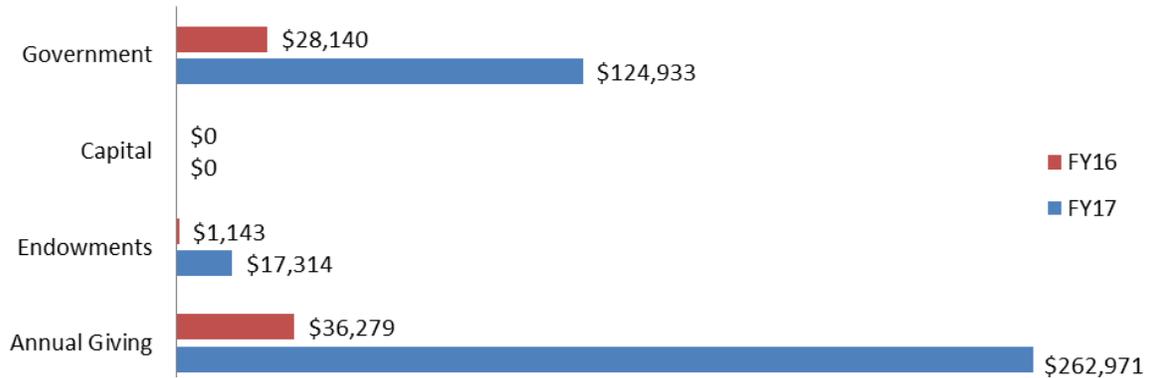
- In July 2016, \$287,036 was received in new gifts, including \$124,933 in deferred grants/gifts.
- Gifts are primarily comprised of \$17,314 in endowed funds, and \$92,971 in gifts to annual funds.

- A year-over-year comparison of donations by constituency and fund, through the first month of FY2017, are presented in the following graphs:

**Gifts by Constituency
Including Past Pledge Payments
Comparison of July FY2016 to July FY2017**



**New Gifts by Fund
Comparison of July FY2016 to July FY2017**



Additionally, gifts received to date have increased or decreased as follows:

- Awards from competitive grants increased by 344% over the total grants awarded in July 2015. Grant activity generated \$124,933 during July 2016 as compared to \$28,140 generated in July 2015.
- Overall, 291 gifts from 247 donors were received in July 2016. Both the number of gifts and number of donors increased during July 2016 over last year, with the average gift size increasing by 148%.
- Increased annual giving includes leadership gifts to the Shepherd Foundation's Business 2020 Campaign.

University Advancement Restructuring

During the summer months, University Advancement's three units have been restructured to strategically align with current institutional needs and to position Shepherd for future growth. These changes have created a dynamic, metrics-focused team that will serve Shepherd well as we address today's funding initiatives and build towards our next comprehensive campaign.

- In University Communications, Tim Haines was named Director of Marketing and Digital Strategy. Tim will work closely with the Enrollment Management team on branding, messaging and web strategies aimed at better attracting new students.
- In Alumni Affairs, through a position restructuring additional staff resources were dedicated to create an Alumni and Annual Giving Coordinator. This move supports the Integration, Engagement, Growth and Impact goals of the Alumni Association's recently-adopted Five-Year Strategic Plan.
- In Development, four new hires include Ms. Sherri Janelle (Director of Leadership Giving and Manager, Prospect Development), Ms. Stacy McFarland (Director of the President's Club and Special/Annual Giving), Ms. Jessica Kump (Director of Grant Support and Corporate/Foundation Relations) and Ms. Beverly Bennett (Advancement Operations and Research Associate). Additionally, an existing position has been revised to create needed focus as Director of Stewardship and Donor Relations.

New Initiatives

University Advancement recently initiated two important projects to assist in building Shepherd's base of support. The President's Brunch series, in conjunction with Shepherd's home football games, is designed to engage Shepherd's historically most generous donors, and introduce them to current leadership and funding priorities. To enhance both academic and advancement development, a network of Advisory Councils is being created in cooperation with the President, Provost and Vice President for University Advancement. These key affiliates will meet with academic leaders each semester to learn more about program initiatives and needed resources.

University Advancement staff played a leadership role in the recent search for a new Vice President of Athletics by engaging donors and supporters in both the public and private candidate interview sessions. In a related effort, Advancement leadership worked closely with Athletics staff to develop sponsorship packages that feature the new multi-use event pavilion adjacent to Ram Stadium. A cross-section of university leaders was brought together to create a campus-wide partnership program designed to engage businesses through multiple channels, including naming rights for the new multi-use pavilion. Commitments, pledges and anticipated sponsorships should completely off-set the \$230,000 construction cost over a 2-3 year period.

Significant Fundraising Projects Completed in Recent Months

In response to the devastating floods that affected so many of our students, University Advancement led a media-driven campaign that raised more than \$18,000 for a new Student Emergency Relief Fund. Donors included alumni, community members, friends, Shepherd faculty and staff, and a ten-year old girl from Boonsboro, Maryland who encouraged others to join her in supporting Shepherd students. Significantly, a Shepherd student from the flood emergency zone personally signed all gift acknowledgement letters.

Athletics

Home Football Experience Enhanced

Shepherd University unveiled the “Ram Corporate Partner Hospitality Pavilion” at Shepherd’s home football game on Saturday, September 3, 2016. The pavilion has ten spaces and holds upwards of 200 fans of the Shepherd Football program. The facility is multi-purpose and can be used for both internal and external events.

Remembering a Legend

The Shepherd Ram Gridiron Club worked with the Athletic Department to honor former head football coach Walter Barr at the first home football game on September 3, 2016. Coach Barr coached the Rams over an 18 year period, 1959-1961 and 1971-1985. There were 30 former players and coaches that returned to Shepherd to assist with the celebration.

Men’s Basketball Funding Campaigns

The Shepherd Rams Men’s Basketball program hosted a golf tournament on Monday, September 12th at Cress Creek Country Club. The event was conducted to raise funds in support of general operating expenses and scholarships for the program. The program is also in the process of starting a membership program called the “Ram Nation Hoops Club” to support scholarships and program enhancements.

Student-Athletes Use Muscle

In support of the Student Affairs office, several athletic programs assisted with student move-in day. This was a great opportunity for Shepherd athletes to assist new and returning students move into their residence halls. While I’m sure it was appreciated by our students, it is a great team bonding experience for our student-athletes and allowed them, after a long summer, to kick the semester off to a great start.

Popodicon Revitalization

The Shepherd baseball and softball teams are used to getting dirty on their perspective fields of play. Both programs used another avenue to get dirty, by assisting the Friends of Popodicon volunteers in a landscaping project around Popodicon. Both programs spent a few hours assisting volunteers in enhancing the curb appeal at this historic landmark.

Student-Athletes Represent Shepherd University

A few baseball student-athletes attended a recent Hagerstown Suns game to help spread the word about prostate cancer. The Suns hosted the Ed Randall Fan For the Cure annual prostate cancer awareness night on Friday, August 26th. Shepherd players were asked to greet fans and assist in handing out information to help bring light to this deadly disease.

Capital Projects

Enhanced Wi-Fi Across Campus

Additional access points and new switching equipment have been installed in Kenamond, Turner, Shaw and Thacher halls. Wi-Fi infrastructure improvements were made to the Scarborough Library, Ram Stadium and Dining Hall. Guest Wi-Fi was introduced in nine buildings including the Robert C. Byrd Science and Technology Center, Robert C. Byrd Center for Congressional History and Education, Frank Center, Scarborough Library, Student Center, and Erma Ora Byrd, Knutti, Snyder, and White Halls.

Residence Hall and Dining Hall Repairs

Shower areas in Shaw and Thacher Halls were refinished over the summer to improve the aesthetics and water containment. The kitchen floor in the Dining Hall was refinished utilizing the same method. Air-conditioning units in West Woods are being replaced with new units.

Civil War Center Building Repairs

This summer needed repairs were made to the roof, gutter, masonry and porches of The Civil War Center. The cost of the repairs was partially offset through a facilities improvement gift from Scott Electric.

Popodicon Repairs

The historic residence needed exterior repairs made to the slate roof and masonry to protect the building envelope, and exterior shutters were painted. Hardwood floors on the first floor were refinished and walls and ceilings were painted where necessary.

Human Resources Building Repairs

Exterior masonry repairs were made to correct water infiltration issues in the building.

Stutzman-Slonaker Building Renovations

In the spring of 2016, the University received permission to begin offering a major in Data Analytics. HVAC, electrical and furniture upgrades were need in Stutzman-Slonaker, room 113, to accommodate the new data analytics lab.

Ram Stadium Pavilion

This summer a group of Shepherd supporters and staff met to develop the Ram Nation site at Ram Stadium into a multi-use pavilion overlooking the playing field beginning at the 35 yard line at the north end of the stadium. The pavilion consists of twelve 10 x 20 spaces on a concrete slab covered with a pre-engineered steel post and truss metal roof. The pavilion has electrical outlets on 12 pavilion posts and is wired for optional installation of lights and fans. Two hundred and fifty feet of existing chain link fence was lowered along the east sideline of the playing field to enhance the view from the pavilion and seven hundred feet of new black chain link fence was installed with two gates to secure the facility. The University funded this construction and will be reimbursed from the facility rental and sponsorship proceeds. The opening of the pavilion was a great success, with all of the spaces in use and enjoyed by happy Rams fans.

New Residence Hall

Construction of the new residence hall on the west side of campus commenced in June. As of the end of August, preliminary site work at the building pad has been completed and vertical construction has begun with two stairwells, the elevator shaft and steel erection at the south wing of the building. Of the sub-contractors, 20% are local West Virginia companies and 50% of the workforce resides within a 50 mile radius including West Virginia, Maryland and Virginia. Overall, the project is progressing on budget and on schedule.

Upcoming Events

Monday, September 26 – Saturday, October 1

Twenty-First Annual Appalachian Heritage Week

Saturday, October 1

Freedom's Run Race, Expo and Event, Wellness Center and Midway Field, sponsored by Shepherd

Wednesday, October 5

Screening of "Crashing the Party," Robert C. Byrd Center for Congressional History and Education (CHE) Auditorium. Sponsored by the Robert C. Byrd Center for CHE and Lifelong Learning Program.

Thursday, October 6

"Role of Race in the American Prison and Justice System," featured speaker Anthony Ray Hinton, Frank Center Theater. Sponsored by Common Reading Program and Shepherd University Foundation.

Monday, October 10

Special President's Lecture, "Zika on our Doorstep: Key Information for the Community," Erma Ora Byrd Auditorium. Sponsored by the Shepherd University Foundation and Lifelong Learning Program.

Saturday, October 15

EPMTA Fall Festival, W.H. Shipley Recital Hall, McCoy Rehearsal Hall Foyer and All Practice Rooms

Monday, October 17

President's Lecture Series, "2016 Nobel Prizes," Robert C. Byrd Center for CHE Auditorium. Sponsored by the Shepherd University Foundation and Lifelong Learning Program.

Thursday, October 20

2016 Founders Day

Friday, October 21

Fall 2016 Choral Concert, Frank Center Theater. Sponsored by Department of Music.

Saturday, October 22

Homecoming Events

Thursday, October 27

Music Salon Series: An Exploration of American Poetry, performed by Baritones Robert Tudor and Bobb Robinson, and Pianist Yu-Hsuan Liao, Frank Center W.H. Shipley Recital Hall. Sponsored by Jefferson Security Bank and Department of Music.

Saturday, November 5

Fall 2016 Masterworks Concert

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

QUARTERLY FINANCIAL REPORT: FY2016

Mr. Tony Major, Vice President for Finance, will present the quarterly financial report.

Included are three reports for the fourth quarter of FY2016. 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 FY2015.

Highlights when comparing FY2016 with FY2015 include:

- A 3.4%, \$1.476 million, decrease in Total Operating Revenues
- A 0.9%, \$501,000, increase in Total Operating Expenses
- A 5.4%, \$800,000 decrease in Total Non-Operating Revenues and Expenses
- A decrease in Net Assets of \$4.354 million
- A 9.07%, \$1.62 million, decrease in Cash and Cash Equivalents

STATEMENT OF NET ASSETS

Assets

Total Assets decreased approximately 3.71% to \$145.8 million. Significant changes in assets from the prior year include a decrease in Cash and Inventories, an increase in Accounts Receivable and Grants and Contracts Receivable and a decrease in Capital Assets net of accumulated depreciation.

Cash and Cash Equivalents – At the end of the fourth quarter, the University had sufficient cash and other resources on hand to meet operating and capital requirements. Cash balances have decreased from FY2015 to FY2016 by 9.07% to \$16.2 million primarily due to an increase in Accounts Receivable and a decrease in Accounts Payable. The decline in enrollment resulted in reduced collection of Tuition and Fees and Auxiliary Enterprises revenue. A mid-year rescission in the University's state appropriation of \$393,000 was also a contributing factor. Two Accounts Payable check runs were processed in June compared to one last year.

Accounts Receivable – Accounts Receivable increased \$548,000. The majority of Accounts Receivable is associated with student balances. In addition to the challenges of collecting student accounts receivable, an increase of \$250,000 is due to the United Bank receivable for upfront costs associated with the new housing project.

Grants and Contracts Receivable – Grants and Contracts Receivable increase of \$161,000 is due to the increase in Contracts and Grants including the HRSA Nursing Grant, SnapEd Grant and NEH Summer Series Grant.

Capital Assets Net – Capital Assets are presented net of Accumulated Depreciation and decreased \$4.745 million to \$126.7 million. Additions to Capital Assets during FY2016 include:

- Student Center Improvements
- Campus Signage
- Exterior Door Access
- Butcher Center Improvements Including Fire Alarm and Roof
- HVAC Upgrades to Ikenberry
- Improvements to the Free School Building

This is offset by an increase in Accumulated Depreciation of \$6.9 million.

Liabilities

Total Liabilities decreased 2.05% to 60.2 million. Significant changes include increases in Accrued Liabilities with decreases in Accounts Payable and Deferred Revenue, and decreases in Leases and Bonds Payables.

Accounts Payable – Accounts Payable decreased from \$2.31 million to \$1.67 million. This is a result of more timely payment of expenses and a second check run in June and corresponds to the decline in Cash at year-end.

Accrued Liabilities – Accrued Liabilities increased 11.38%, \$290,000, due to an increase in Accrued Wages. Accrued Wages increased as a result of the 2% salary increase and additional days accrued as a result of the change from 24 to 26 pay periods.

Other Post-Employment Benefits, Non-Current – Other Post-Employment Benefits increased 5.79%, \$593,000, in accordance with an actuarial study conducted by the State.

Bonds Payable – Bonds Payable decreased 3.61%, \$1.41 million, resulting from bond premium payments consisting of more principal.

STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES

Operating Revenues

The University has generated 94.5%, \$41.7 million, of the projected Operating Revenue for the fiscal year. Tuition and Fees are 92.5% of budget totaling \$17.9 million. Total Operating Revenues are down 3.4%, \$1.476 million, from FY2015.

The year-over-year comparison of Federal Grants and Contracts Operating Revenues reflects an increase of \$680,000 primarily from a Nursing grant, as well as other increased grant activities.

State and Local Grants are at 93.3% of the budget. The majority of the revenue is generated through the receipt of State-provided scholarships.

Revenue generated from the operation of Auxiliary Enterprises is \$17.7 million, down slightly, \$177,000, from \$17.9 million last fiscal year and at 96.9% of budget.

Operating Expenses

The University expended 94.4% of budgeted Operating Expenses. Primary Mission Costs for Instruction Academic Support, Student Services and Scholarships, and Fellowships were within budget for the year and in alignment with the decrease in Revenues compared to budget.

Year-to-Year Operating Expenses are up 2.2%, \$590,000, with a 5.3%, \$876,000 increase in Instruction and an 8%, \$304,000, decrease in Student Services.

Other Core Operating Costs exceeded budget projections. Operations and Maintenance expenses were over budget by \$663,000. Contributable factors include increased Utility and Building Maintenance costs, the relocation of Campus Safety and costs attributable to the Blizzard of 2016.

Institutional Support costs also exceeded budget by \$248,000 due to the Presidential Search and other unbudgeted costs, including Bad Debt Expense.

Non-Operating Revenues and Expenses

Total Non-Operating Revenues and Expenses reflect actuals at 97.7% of budget. Non-operating federal revenue is at 90%. This line is for PELL, and the 5.8% decline from FY2015 corresponds to the decline in enrollment and a decline in eligibility.

Gifts, at \$1.26 million, are at 117.7% of budget and are 4.6%, \$60,000, below FY2015 actuals. This revenue is generated by contributions from the Foundation. The majority is in the form of student scholarships.

Other Revenues, Expenses, Gains or Losses

Expenses for Other Post-Employment Benefits (OPEB) are down slightly over last year, 3.8%, \$22,000.

Overall, at the end of the fourth quarter, total Net Assets are \$85.5 million compared to \$89.8 million last year, down 4.85%. The change is primarily driven by a decrease in the University's state appropriation, a decline in significant capital investments and declining enrollment.

Table 1

Shepherd University
Statement of Net Assets
As of June 30, 2016
(Dollars in Thousands)

	Actual 6/30/16	Actual 6/30/15	% Change
ASSETS			
Current assets:			
Cash and cash equivalents	16,242	17,862	-9.07%
Accounts receivable net	1,059	511	107.13%
Grants and contracts receivable, net	353	192	83.82%
Due from the Commission and other State Agencies	48	18	168.01%
Inventories	557	605	-7.91%
Loans Receivable	100	100	0.00%
Other assets	20	30	-32.80%
Total Current assets	18,379	19,318	-4.86%
Noncurrent assets:			
Loans receivable, net	402	334	20.34%
Capital assets net	126,716	131,461	-3.61%
Other Noncurrent assets	307	307	0.05%
Total Noncurrent assets	127,425	132,101	-3.54%
TOTAL ASSETS	\$145,804	\$151,419	-3.71%
Total Deferred Outflows of Resources (GASB 68)	43	43	0.00%
TOTAL ASSETS & Deferred Outflows (GASB 68)	145,847	151,462	-3.71%
LIABILITIES			
Current liabilities:			
Accounts payable	1,686	2,312	-27.09%
Accrued liabilities	2,836	2,546	11.38%
Due to other State agencies	21	19	9.40%
Deferred revenue	839	774	8.39%
Long-term liabilities - current portion	2,366	2,320	1.99%
Total Current liabilities	7,747	7,971	-2.81%
Noncurrent liabilities:			
Advances from federal sponsors	509	512	-0.43%
Deposits	169	189	-10.80%
Other Post Employment Benefits	10,824	10,231	5.79%
Net Pension Liability (GASB 68)	449	449	0.00%
Compensated absences	441	426	3.47%
Leases Payable	467	610	-23.37%
Bonds Payable	39,551	41,032	-3.61%
Total Noncurrent liabilities	52,410	53,449	-1.94%
TOTAL LIABILITIES	\$60,158	\$61,420	-2.05%
Total Deferred Inflows of Resources (GASB 68)	235	235	0.00%
TOTAL LIABILITIES & Deferred Inflows (GASB 68)	\$60,392	\$61,654	-2.05%
NET ASSETS	85,454	89,808	-4.85%
TOTAL LIABILITIES AND NET ASSETS	145,847	151,462	-3.71%

Table 2

Shepherd University
Budget to Actual Report
For The Year From July 1, 2015 to June 30, 2016
(Dollars in Thousands)

	FY16 Budget Annual	FY 16 Actual YTD	\$ Variance	% Budget
OPERATING REVENUES				
Tuition and Fees	\$19,304	\$17,850	\$1,453	92.5%
Federal Grants and Contracts	1,284	1,170	114	91.1%
State and Local Grants and Contracts	4,663	4,353	310	93.3%
Private Grants and Contracts	22	32	(9)	140.6%
Sales and Services of Educational Activities	32	39	(7)	121.2%
Auxiliary Enterprises	18,302	17,728	574	96.9%
Other Operating Revenues	500	525	(26)	105.2%
TOTAL OPERATING REVENUES	44,106	41,697	2,409	94.5%
OPERATING EXPENSES				
Core Operating Expenses				
Primary Mission Costs				
Instruction	17,844	17,312	531	97.0%
Academic Support	3,322	3,266	57	98.3%
Student Services	3,832	3,516	316	91.7%
Scholarships & Fellowships	3,448	2,750	698	79.8%
Subtotal Primary Mission Costs	28,446	26,844	1,602	94.4%
Other Core Operating Expenses				
Operations and Maintenance	4,765	5,428	(663)	113.9%
Institutional Support	6,090	6,348	(258)	104.2%
Research	290	275	14	95.0%
Public Service	229	240	(11)	104.6%
Subtotal Other Core Operating Expenses	11,373	12,291	(917)	108.1%
Total Core Operating Expenses	39,819	39,135	684	98.3%
Auxiliary Expenses	13,114	13,000	114	
Depreciation Expense	7,362	6,930	432	94.1%
Transfers and Other (Additions) Subtractions	293	276	17	94.1%
TOTAL OPERATING EXPENSES	60,589	59,341	1,248	97.9%
NONOPERATING REVENUES AND EXPENSES				
State Appropriations	9,438	9,438	-	100.0%
Nonoperating federal revenue	5,650	5,084	566	90.0%
Investment Income	31	76	(45)	243.5%
Interest on capital asset related debt	(1,941)	(1,935)	(5)	99.7%
Loss on disposal of equipment	-	-	-	n/a
Gifts	1,070	1,259	(189)	117.7%
Payments on behalf of Shepherd University	-	0	(0)	n/a
Fees assessed by the Commission for interest and reserves	(38)	(38)	-	100.0%
TOTAL NONOPERATING REVENUES AND EXPENSES	14,211	13,884	327	97.7%
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	(2,272)	(3,760)	1,488	165.5%
OTHER REVENUES, EXPENSES, GAINS OR LOSSES				
Capital Grants and Gifts	-	-	-	n/a
CTC Net Assets Transfer	-	(2)	2	n/a
Other Post Employment Benefits (OPEB) expense	(801)	(593)	(209)	74.0%
Increase (Decrease) in Net Assets	(3,073)	(4,354)	1,281	141.7%

Table 3

Shepherd University
Statement of Revenues Expenses and Other Changes
For The Year From July 1, 2015 to June 30, 2016
(Dollars in Thousands)

	Year Ended 6/30/16	Year Ended 6/30/15	Percent Change Annual	Dollar Change Annual
OPERATING REVENUES				
Tuition and Fees	\$17,850	\$19,524	-8.6%	(\$1,674)
Federal Grants and Contracts	1,170	490	138.8%	\$680
State and Local Grants and Contracts	4,353	4,601	-5.4%	(\$248)
Private Grants and Contracts	32	35	-10.9%	(\$4)
Sales and Services of Educational Activities	39	37	5.0%	\$2
Auxiliary Enterprises	17,728	17,905	-1.0%	(\$177)
Other Operating Revenues	525	581	-9.5%	(\$55)
TOTAL OPERATING REVENUES	41,697	43,174	-3.4%	(\$1,476)
OPERATING EXPENSES				
Core Operating Expenses				
Primary Mission Costs				
Instruction	17,312	16,437	5.3%	\$876
Academic Support	3,266	3,185	2.5%	\$80
Student Services	3,516	3,820	-8.0%	(\$304)
Scholarships & Fellowships	2,750	2,812	-2.2%	(\$62)
Subtotal Primary Mission Costs	26,844	26,254	2.2%	\$590
Other Core Operating Expenses				
Operations and Maintenance	5,428	5,244	3.5%	\$184
Institutional Support	6,348	6,289	0.9%	\$59
Research	275	164	68.3%	\$112
Public Service	240	273	-12.4%	(\$34)
Subtotal Other Core Operating Expenses	12,291	11,970	2.7%	\$321
Total Core Operating Expenses	39,135	38,224	2.4%	\$911
Auxiliary Expenses	13,000	13,300	-2.3%	(\$300)
Depreciation Expense	6,930	7,023	-1.3%	(\$93)
Transfers and Other (Additions) Subtractions	276	293	-5.9%	(\$17)
TOTAL OPERATING EXPENSES	59,341	58,840	0.9%	\$501
NONOPERATING REVENUES AND EXPENSES				
State Appropriations	9,438	9,941	-5.1%	(\$503)
Nonoperating federal revenue	5,084	5,399	-5.8%	(\$315)
Investment Income	76	21	254.6%	\$55
Interest on capital asset related debt	(1,935)	(1,993)	-2.9%	\$58
Loss on disposal of equipment	-	(25)	-100.0%	\$25
Gifts	1,259	1,320	-4.6%	(\$60)
Payments on behalf of Shepherd University	0	60	-100.0%	(\$60)
Fees assessed by the Commission for interest and reserves	(38)	(38)	0.0%	\$0
TOTAL NONOPERATING REVENUES AND EXPENSES	13,884	14,684	-5.4%	(\$800)
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	(3,760)	(982)	282.9%	(2,778)
OTHER REVENUES, EXPENSES, GAINS OR LOSSES				
Capital Grants and Gifts	-	1	-100.0%	(\$1)
CTC Net Assets Transfer	(2)	(1)	144.8%	(\$1)
Other Post Employment Benefits (OPEB) expense	(593)	(571)	3.8%	(\$22)
Increase (Decrease) in Net Assets	(4,354)	(1,553)		
Cummulative Effect of Change in Accounting Principle (GASB 68)	-	(695)		
Total Increase (Decrease) in Net Assets	(4,354)	(2,248)	331.5%	(\$2,801)

TUITION AND FEE WAIVER REPORT: FY2016

Annually, a report on the numbers and distribution of tuition and fee waivers is required by the West Virginia Higher Education Policy Commission (HEPC) to be reported to the Shepherd University Board of Governors. The report for tuition waivers for the 2015-2016 academic year is contained below.

Mr. Bill Sommers, Vice President for Enrollment Management, will be at the meeting to answer any questions members may have regarding this report.

2015-2016 Institutional Waivers and Scholarships

Undergraduate

Waivers	\$2,705,689
Institutional Scholarships	<u>\$1,955,530</u>
<i>Total</i>	\$4,661,219

Graduate

Waivers	\$137,167
Institutional Scholarships	<u>\$181,202</u>
<i>Total</i>	\$318,369

Undergraduate and Graduate Financial Aid

	2014-2015	2015-2016	Difference
Federal	\$26,993,802	\$25,527,282	(\$1,466,520)
State	\$4,198,095	\$4,148,392	(\$49,703)
Institutional			
Waivers	\$2,703,300	\$2,842,856	\$139,556
Scholarships	\$1,825,582	\$2,136,732	\$311,150
Private	\$2,745,140	\$3,139,508	\$394,368

2015-16 Undergraduate Waiver Breakdown

	# of Students	Total Dollars Waived
ACADEMIC		
Admissions Waivers		
Admissions Awards	45	\$76,190
Need Based Admissions Awards	0	\$0
Director's Award	49	\$65,850
Dean's Award	99	\$210,510
Executive's Award	39	\$131,250
President's Award	202	\$662,937
Subtotal	434	\$1,146,737
Special Departments		
Art	16	\$61,452
Honors	11	\$60,262
Music	35	\$229,643
Subtotal	62	\$351,357
Academic Department Waivers		
School of Arts & Humanities		
Art	1	\$2,952
English	5	\$9,534
Communications	0	\$0
History	3	\$6,720
School of Business & Social Sciences		
Accounting	5	\$8,650
Economics	5	\$6,750
Political Science	10	\$12,283
Social Work	7	\$15,196
School of Education & Professional Studies		
Education	15	\$26,449
Nursing Education	0	\$0
Recreation	11	\$25,178
School of Natural Sciences & Mathematics		
Biology	0	\$0
Chemistry	4	\$5,500
Computer Sciences, Math & Engineering	9	\$15,412
Institute of Environmental & Physical Sciences	7	\$6,000
Provost Waivers	2	\$10,700
Subtotal	84	\$151,324

2015-16 Undergraduate Waiver Breakdown (Cont.)

Athletic Waivers	# of Students	Total Dollars Waived
Baseball	9	\$38,400
Basketball, Men's	7	\$84,538
Basketball, Women's	9	\$100,352
Football	56	\$309,314
Soccer, Men's	9	\$19,400
Soccer, Women's	7	\$21,852
Softball	9	\$48,500
Tennis, Men's	3	\$3,120
Tennis, Women's	1	\$4,000
Volleyball	8	\$43,390
Subtotal	118	\$672,866
Other		
Multi-Cultural	27	\$135,836
RN to BSN	0	\$0
Valley Health	2	\$13,334
Orientation Leadership Waiver	0	\$0
Martinsburg RBA	5	\$14,400
Subtotal	34	\$163,570
TOTAL	732	\$2,485,854
Non-Cap		
Staff	17	\$49,007
Health, Science & Technology Academy	6	\$24,824
Yellow Ribbon	27	\$111,753
Dep/Spouse	17	\$25,396
Foster Care	2	\$8,856
Total Non-Cap	69	\$219,835
TOTAL INCLUDING NON-CAP	801	\$2,705,689

2015-2016 Undergraduate Waiver Statistics

	Count	%	Total	%
Gender				
Female	464	57.93%	1,517,358	56.08%
Male	337	42.07%	1,188,331	43.92%
	801	100.00%	\$2,705,689	100.00%
Residency				
Common Market	50	6.24%	196,344	7.26%
Dual Admission	8	1.00%	31,480	1.16%
In State	323	40.32%	547,869	20.25%
Out of State	420	52.43%	1,929,997	71.33%
	801	100.00%	\$2,705,689	100.00%
Student Type				
Continuing	371	46.32%	1,430,715	52.88%
New	418	52.18%	1,242,203	45.91%
Special (employees)	12	1.50%	32,772	1.21%
	801	100.00%	\$2,705,689	100.00%
TOTAL	801	100.00%	\$2,705,689	100.00%

2015-2016 Graduate Waiver Statistics

	Hours Waived	# of Students	Total Dollars Waived	%
Faculty/Staff Waivers, Shepherd	163.53	15	\$ 78,238	57.0%
Faculty/Staff Waivers, BRCTC	0.00	0	\$ -	0.0%
Regular Student Waivers	83.81	18	\$ 40,254	29.3%
Assistantship Waivers	45.00	4	\$ 18,675	13.6%
Yellow Ribbon Program Waivers				0.0%
TOTAL	292.33	37	\$ 137,167	100.0%

* Full waiver = 18 hours; therefore, 16.24 waivers were utilized

2015-2016 Graduate Waiver Breakdown

	Count	%	Total	%
Gender				
Male	12	32.4%	\$ 27,433	20.0%
Female	25	67.6%	\$ 109,734	80.0%
	37	100.0%	\$ 137,167	100.0%
Residency				
In State	24	64.9%	\$ 86,950	63.4%
Out of State	13	35.1%	\$ 50,217	36.6%
	37	100.0%	\$ 137,167	100.0%
Student Type				
Continuing	26	70.3%	\$ 89,750	65.4%
New	11	29.7%	\$ 47,417	34.6%
	37	100.0%	\$ 137,167	100.0%

APPROVAL OF MEDICAL FACILITY PROJECT

University staff has been engaged with West Virginia University Healthcare Physicians (WVUHP) to continue the exploration of a possible WVUHP urgent care and physician services facility located on the Shepherd campus. As discussed in the April 2016 Board meeting, the prospective facility would be located on the West Campus immediately south of the Softball Field.

The University's focus in this proposed arrangement would not be to use the relationship as a revenue enhancement. The goal is to establish an enhanced delivery of healthcare to the entire University community. The parameters of a prospective agreement are expected to include the following features:

- Shepherd would grant a ground lease of approximately 1/3 acre to WVUHP for a term of forty years;
- WVUHP would complete the design, in consultation with Shepherd for appropriate exterior coordination with the West Campus;
- WVUHP would construct a medical office facility of approximately 5,000 square feet entirely at its expense;
- Shepherd would construct a modest parking lot on the west side of University Drive at its expense;
- WVUHP would have complete operational responsibility for the medical facility;
- The medical facility would provide substantially the same scope of services to currently enrolled Shepherd students as are currently provided at the Health Center. The terms of the Ground Lease would establish the rental payments benchmarked to the fees for that set of services, invoiced to the University rather than the students and resulting in a net wash for WVUHP and Shepherd as to these student services and the Ground Lease Rent;
- The medical facility would provide broader urgent care and physician care services to students, employees and the Shepherdstown community, on a traditional basis;
- The medical facility would provide important clinical practice experiences for Shepherd's students enrolled in the undergraduate and graduate nursing programs;
- The Ground Lease will provide protective parameters for the University's interests if WVUHP chooses to terminate the operation of the medical facility during the life of the ground lease.

A variety of additional aspects of the Ground Lease terms would need to be negotiated during the coming weeks. Vice President James Vigil and General Counsel Alan Perdue will provide additional information and address questions during the Board meeting.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the proposal for the Medical Facility Project with WVU Healthcare Physicians and authorizes the President and/or the Vice President for Administration to execute a Pre-Development Agreement, consistent with the parameters described in the Agenda Book, on behalf of the University to advance the project;

FURTHER RESOLVED, That the Board delegates to the Executive Committee the authority to act on behalf of the Board in all respects in the further review and final approval of the terms of a Ground Lease and to authorize the President and/or the Vice President for Administration to execute a Ground Lease and any other documents necessary to complete the project.

ADDITIONAL AUTHORIZATION FOR REFINANCING OF BONDS

After receiving the Board's approval to proceed with the refinancing of the 2005 and 2007 series bonds at the June 2016 meeting, University staff began the process of compiling the financial and institutional data which would be needed for a preliminary offering statement and a bond rating. As that work proceeded, the University became aware that one or more banks might be willing to provide refinancing of the bonds on a twenty-year fixed rate and on aggregate terms which could increase the savings to the University beyond the levels achievable from issuance of refunding bonds.

It is recommended that the University should issue an RFP to solicit formal responses from banks, to include each of our local banks, for their interest and prospective terms for a direct bank loan, with security only on the limited "special and auxiliary revenue" basis of the existing bonds, for the refunding of the 2005 and 2007 series bonds. The following resolution would allow the University to explore the bank loan option fully and to ascertain which refunding methodology can provide the maximum savings for the University.

The following resolution is recommended for adoption by the Board:

A SUPPLEMENTAL RESOLUTION RELATING TO THE AUTHORIZATION TO REFUND ALL OR A PORTION OF THE SHEPHERD UNIVERSITY BOARD OF GOVERNORS REVENUE BONDS (SHEPHERD UNIVERSITY RESIDENCE FACILITIES PROJECTS), SERIES 2005 AND/OR THE SHEPHERD UNIVERSITY BOARD OF GOVERNORS REVENUE BONDS (SHEPHERD UNIVERSITY WELLNESS CENTER PROJECT) SERIES 2007, (TOGETHER, "THE BONDS") TO FURTHER AUTHORIZE THE UNIVERSITY TO REFUND THE BONDS BY ISSUING ONE OR MORE REFUNDING BONDS TO ONE OR MORE BANKS AS AN ALTERNATIVE TO THE ISSUANCE OF THE REFUNDING BONDS THROUGH AN UNDERWRITER.

WHEREAS, The Board authorized the refunding of the Bonds and the issuance of Refunding Revenue Bonds (the "Refunding Bonds") by resolution adopted June 2, 2016; and

WHEREAS, The Board desires to authorize the University to refund the Bonds by issuing one or more Refunding Bonds to one or more banks upon comparable terms as to security and term of the debt service as an alternative to issuing the Refunding Bonds through an underwriter to achieve a maximum debt service savings for the University; and

WHEREAS, The Board has determined that it has the authority to issue the Refunding Bonds directly to one or more banks to refund the Bonds and desires to solicit proposals publicly from banks to determine whether it would be more advantageous to the University to issue the Refunding Bonds directly to one or more banks or to issue the Refunding Bonds through an underwriter.

NOW, THEREFORE, BE IT RESOLVED BY SHEPHERD UNIVERSITY BOARD OF GOVERNORS AS FOLLOWS:

The Board specifically readopts the Resolution of June 2, 2016 relating to refunding of the Bonds; and

The Board specifically adopts the findings and determinations in the Recitals; and

The Board authorizes and directs the President and/or the Vice President for Finance (collectively or separately, the “Authorized Officers”) to issue a Request for Proposals soliciting proposed terms and conditions for the Refunding Bond(s) to be issued to effectuate the refunding of the Bonds; and

The Board authorizes the Authorized Officers to determine the method of refunding the Bonds that is in the best financial interests of the University and, following consultation with the Executive Committee, to proceed as originally authorized by the June 2, 2016 resolution or alternatively to proceed pursuant to this Supplemental Resolution and in connection therewith to execute a Third Supplemental Indenture and such other agreements and documents as necessary to effectuate the refunding of the Bonds, all subject to approval as to form by the University’s General Counsel and Bond Counsel; and

The Board hereby grants to the Executive Committee of the Board the power and authority to modify and amend this Resolution in any manner and to adopt one or more additional Resolutions on behalf of the Board with respect to the refunding of the Bonds and the issuance of the Refunding Bonds.

INSTITUTIONAL ACCREDITATIONS UPDATE 2015-2016

Higher Learning Commission (HLC)

Shepherd University hosted a team of peer reviewers March 7-8, 2016. The summary of the team report (as shared in the April 2016 Board of Governors (BoG) agenda book) contained many positive points of pride in relation to our students, faculty, staff, the community we serve and the institutional BoG.

The team was especially impressed with the ability of faculty, staff and students to “live” the institution’s mission and core values—learning, engaging, integrity, accessibility and community. “Every artifact of evidence indicates that the mission and core values permeate all facets of Shepherd’s operations and richly inform the sensibilities of Shepherd’s students, staff, faculty, and administration.”

Despite significant cuts in state funding, the institution has continued to sustain its place in the region and deliver high-quality programs while controlling costs and identifying innovative strategies to enhance recruitment and retention. The dedication and spirit of the faculty, staff and students and the recent hire of the 16th President, Dr. Mary J.C. Hendrix, makes Shepherd well positioned to improve its philanthropy and external partnerships.

The institution will submit two interim reports before its continuing accreditation visit in spring of 2022:

- Due 3/31/17: Interim report on assignment of credit hours and common student learning outcomes across instructional delivery models and sections (federal compliance).
- Due 10/31/17: Update on enrollment and institutional finances, specifically noting the four financial ratios reported to HLC: Primary Reserve, Net Operating Revenue, Viability, and Return on Net Assets.

Commission on Collegiate Nursing Education (CCNE)

The Department of Nursing Education recently underwent a site visit for the initial accreditation of the Doctor of Nursing Practice (DNP) program on September 7-9, 2016. While the outcome will be voted upon by the CCNE actions council, the team report noted that all standards and key elements were met with no concerns or follow-up required.

The undergraduate program was also evaluated by the CCNE during a site visit February 29-March 2, 2016, with the same outstanding result. Congratulations to the Director, Dr. Sharon Mailey, the nursing faculty and students.

West Virginia Board of Examiners for Registered Professional Nurses (WVBOERN)

The WVBOERN also conducted their site visit at the same time as the CCNE. All requirements were met, with a brief follow-up report requested clarifying administrative reporting structure and faculty evaluations. Dr. Mailey will present this report formally to the WVBOERN in October.

Council on Accreditation of Parks, Recreation, Tourism and Related Professions (COAPRT)

Following a site visit in March 2014 and the receipt of the site visit report, the Health, Physical Education and Recreation Science (HPERS) department prepared a response document in the summer of 2014 and received full accreditation in October 2014. The next site visit will take place in 2021.

Council for the Accreditation of Educator Preparation (CAEP)

Along with the annual reporting elements for this accrediting body, the department has been participating in continuing education in relation to the new standards associated with CAEP. The department is currently accredited by the previous iteration, National Council for Accreditation of Teacher Education (NCATE). The department will have a site visit by CAEP during the 2017-2018 academic year. As West Virginia is a “CAEP” state, requirements for CAEP have worked their way into state policy, such as the information regarding preparation of teacher education candidates in Policy 5100.

International Assembly for Collegiate Business Education (IACBE)

Both the undergraduate and graduate business programs are accredited through IACBE, with annual reports submitted in October of each year addressing enrollment and assessment. The next site visit will occur in 2020.

National Association of Schools of Music (NASM)

A three-day site visit was conducted in February 2015. The report of the visiting team was received in June 2015, with the Department of Music submitting a response to the actions board by October 2015. The October 2015 response was received, and commended the program and the institution on careful attention to many of the items in the visitor’s report and the status of the string program. They granted another year of deferral (not unusual for this organization) for an additional response in October addressing the following issues:

- Financial support;
- Release time for the director;
- Acoustical treatment of spaces;
- Curricular revisions surrounding the B.A. degree.

National Association of Schools of Art and Design (NASAD)

Following a site visit in 2014, the department has worked on submitting a response to NASAD regarding library holdings, credit hours for studio classes and staffing. The report was sent to NASAD in the spring 2015. In October 2015, the NASAD actions council voted to accept the response and granted membership/accreditation to Shepherd’s programs, the Bachelor of Fine Arts (B.F.A.) and the Bachelor of Arts (B.A.) in Art Education. The next site visit will take place in the 2020-2021 academic year.

Biology and Chemistry

Dean Nolan is working with faculty in biology and chemistry to pursue our first accreditations in the sciences. An application for initial accreditation was sent to the American Society for Biochemistry and Molecular Biology (ASBMB) in fall 2014, and they have requested a follow-up report, which was submitted in October 2015. Additionally, there have been initial meetings regarding pursuing accreditation through the American Chemistry Society (ACS).

INTENT TO PLAN FOR BACHELOR OF SCIENCE, ENGINEERING SCIENCE

Board of Governors approval is sought to develop a new Bachelor of Science in Engineering Science program. If approved by the Board, the University would submit an Intent to Plan to the Chancellor for approval. The draft Intent to Plan for the Policy Commission is included for a complete description of the rationale for the program. After approval of the Intent to Plan by the Chancellor, the University expects to complete the final program proposal quickly with the hope of implementing the new degree program in Fall 2017.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the development of a Bachelor of Science in Engineering Science and authorizes the President to file an Intent to Plan with the Chancellor of the Higher Education Policy Commission for approval.

Shepherd University

WV-HEPC Series 11 Intent to Plan

Date: September 2016
Category of Action: Implementation Plan (Section 5 of Series 11)
Title of Degree: Bachelor of Science, Engineering Science (B.S., ES)
Location: Shepherd University

Effective Date

of proposed action: Fall 2017

Submission of Full proposal

(Implementation Plan): January 2017

Shepherd University

Dr. Mary J.C. Hendrix, President

Dr. Christopher Ames, Provost

Dr. Colleen Nolan, Dean, School of Natural Sciences and Mathematics

Reza Mirdamadi, Chair, Department of Computer Science, Mathematics and Engineering

Dr. Scott Beard, Associate Provost

Shepherd University, B. S. Engineering Science

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5.2. A request to develop a plan should indicate the projected date of submission of the full proposal and the projected date of implementation.

This submission of the Intent to Plan (WV-HEPC Series 11) is a comprehensive proposal for the Bachelor of Science, Engineering Science degree at Shepherd University. The proposal was approved by the Shepherd University Board of Governors on September 27, 2016 and following approval of the intent to plan from the West Virginia Higher Education Policy Commission (HEPC), the University will submit a full proposal (section 6 of Series 11-Implementation Plan) and would be poised to begin offering this multi-disciplinary major in Fall 2017.

5.2.a. Educational Objectives

The proposed Engineering Science major is a 120-credit hour program designed to provide students with exposure to subjects that form the rudiments of engineering and the applied sciences. This interdisciplinary degree program includes subject areas in applied mathematics (i.e., differential equations), linear algebra, operations research and numerical analysis). An integral part of the program also includes core topics in engineering and physics: digital and analog electronics, thermodynamics, linear systems, electromagnetic fields, statics and dynamics, all of which are built on advanced mathematical concepts. The proposed program also encompasses computer engineering and computer sciences topics to provide students with the necessary knowledge and skills in embedded and control systems. These skills are highly desired and utilized in the field of robotics, both in hardware and software. Basic topics in management such as Economics and Principles of Management and courses in Computer Networking are also included to provide a well-rounded experience for students.

High-impact practices identified by AAC& U (American Association of Colleges and Universities) on teaching and learning are expected to play a prominent role in this program, specifically, entry-level and capstone courses, experiential learning, undergraduate research, and collaborative assignments. As with all courses at Shepherd, syllabi identify core competencies such as critical thinking, scientific inquiry, oral and written communication, life-long and integrative learning.

These practices include and will be augmented by the following means:

- Lab experiences to expose students to connections between abstract concepts and real-world applications through design oriented projects;
- Opportunity to specialize in a particular area in engineering and applied sciences in the Senior Capstone class, where faculty members will guide students on projects that could result in presentations/publications at professional conferences.

- Emphasis on undergraduate research and believes Engineering Science will serve as an excellent avenue for this high-impact practice.

The proposed Engineering Science Degree program will have two concentrations.

Environmental Engineering

The environmental engineering concentration prepares students for careers in applying engineering technology to environmental issues and problems. The need for trained environmental engineers is illustrated through the numerous employment opportunities available for individuals trained in this field, in industry or at state and federal agencies, and with environmental consulting firms. According to <https://collegegrad.com/>, prospects for employment should be favorable due to anticipated population growth, as well as a wave of retirements in that field. Furthermore, job growth in this area is expected to increase 12% over the next decade. There has been a great emphasis in recent years by state and local governments regarding environmental assessment, planning and design--in particular, concerns about water safety. This has led to efforts to increase the efficiency of water use and monitoring its quality, demonstrating an example of the need for environmental engineers. Current and future employment growth is projected to be in professional, scientific, and technical services, as municipalities draw on the expertise of environmental engineers to address these issues.

The program curriculum provides students with skills to achieve success in this challenging field, along with further field experience through a required internship. Instructional emphasis also prepares students with the knowledge and high-level skills necessary for future graduate study in environmental engineering.

Systems Engineering

Systems engineering prepares students, through an interdisciplinary approach, for understanding the technical aspects in engineering process and design. Systems engineering is a key component in systems implementation and management, as well as enabling the realization of successful engineering and technical systems. Improving business strategies of integrated systems requires a solid foundation of knowledge and skills in engineering, mathematics, computer modeling and networking, and operation research. According to the U.S. Department of Labor in the *Occupational Outlook Handbook, 2016-17 Edition*, employment of systems administrators is projected to grow 8% from 2014-2021, around the average rate for all occupations. Demand for information technology workers is high and should continue to increase as companies invest in newer, faster networks. For those students who move towards the area of systems analyst or systems engineering, the job outlook is expected to grow much faster than average, at over 21% during the same period.

As West Virginia strives to diversify its economy, the need for qualified employees in these disciplines represents a potential area of employment growth for the state. The U.S. Department of Labor notes in its demographic data that West Virginia ranks below the median rate in the number of engineers for the location.

Relationship of Objectives to the Mission of the Institution

“Shepherd University, a West Virginia public liberal arts university, is a diverse community of learners and a gateway to the world of opportunities and ideas. We are the regional center for academic, cultural, and economic opportunity. Our mission of service succeeds because we are dedicated to our core values: learning, engagement, integrity, accessibility, and community.”

The Engineering Science program will support the University mission as follows:

- **Fulfill our duty to serve the community:** Generate graduates with a well-rounded background in Engineering and Applied Sciences, thereby serving the workforce and the economy in West Virginia’s Eastern Panhandle and surrounding communities. There is a documented need for employees with a well-rounded exposure in Engineering and Applied Sciences.
- **Promote Core Values:** Because of the interdisciplinary nature of the program, students will have a diverse approach to their education, will be engaged through research, publishing and internship opportunities, and have access to this program enhanced by lower rates of tuition in West Virginia.
- **Enhance research and publishing capabilities:** Maintain resources and tools necessary to support research projects for faculty members and also involve undergraduate students. The results of this research will lead to publications in peer-reviewed journals and presentations at professional conferences. These professional scholarship outcomes also fulfill target metric areas in the WV-HEPC master plan for higher education, *Leading the Way*.

The Department of Computer Science, Mathematics and Engineering (CME) at Shepherd University currently offers an Industrial Mathematics Degree program that targets students with an aptitude towards research in Applied Mathematics and its connections to solving industrial problems. The CME department also offers degrees in both Computer Science and Computer Engineering. The proposed Engineering Science program will engage potential students who are more inclined towards Engineering, Sciences and the connections therein. This distinction is realized through the capstone course and/or co-op/internship opportunities where research projects will focus more on the application of intended student outcomes to solving problems that arise in the field of Engineering and Applied Sciences.

A degree in engineering science will also support Shepherd's vision statement:
"Shepherd – a premier liberal arts university. We will be a nationally respected community of learners where passion, purpose, and experience unite to inspire individuals to shape the world."

The proposed degree in engineering science will serve the regional workforce by providing a broad liberal arts education, hands-on course work through group and individual laboratory projects, and various experiential, collaborative arrangements with government, business, and industry where students apply knowledge and skills in a real world environment. As the program grows, it will support ever-increasing numbers of research projects, faculty development opportunities, academic exchanges, and scholarly/creative presentations by both faculty and students.

Special Features that Make the Institution a Desirable Place to Initiate a Program

The location of Shepherd University is central to a variety of Federal agencies and private industries that require employees with an exposure to critical thinking, data analysis, and advanced problem-solving skills associated with a background in the Engineering Sciences. These critical skills are associated with the strong foundation provided in the University's core curriculum, as well as advanced, specialized programs of study in the Arts and Humanities, Business and Social Sciences, Education and Professional Studies, and Natural Sciences and Mathematics. This is a solid foundation on which to build an integrative, interdisciplinary program in the area of engineering science.

(Reference: <http://www.shepherd.edu/gscweb/framework.pdf>)

The Department of CME has integrated multiple disciplines to include faculty in the areas of Computer Science, Mathematics and Engineering, making it easier to coordinate course offerings. The department's long history of emphasizing undergraduate research has led to a variety of presentations and publications by students and faculty in existing programs such as Traditional Mathematics, Computer Sciences, and Computer Engineering, as well as those with interdisciplinary features. We are confident students in the quad-state area with the desire and motivation to pursue engineering and/or mathematics, coupled with an aptitude towards research and making interdisciplinary connections, will benefit from Shepherd's proposed program in engineering science.

5.2.b. Brief Description of Program and Program Objectives

As stated in 5.2.a. under "educational objectives," the proposed Engineering Science major is a 120-credit hour program designed to provide students with exposure to subjects that form the rudiments of engineering and the applied sciences. Please refer to this section for a more detailed description of the program. The program features two concentrations: systems

engineering and environmental engineering. In addition to the required 42 credits of core curriculum courses, of which each concentration has some prescribed coursework, students in these concentrations take courses in mathematics, engineering, environmental science, computer information systems, and data analytics.

The B.S. in Engineering Science is intended to be a 120-credit comprehensive major with clearly defined program objectives:

- Provide students with an exposure to Engineering and Applied sciences through its curriculum building a strong foundation in Mathematics and Engineering, along with an emphasis on applications.
- Prepare students for industrial jobs either in manufacturing or research by exposing them to research-oriented projects during the Senior Capstone.
- Reveal to students the connections between concepts in Computer Science, Mathematics, Engineering, Business and Management.
- Prepare students with a comprehensive background in Engineering and Applied Sciences, giving students the flexibility to be trained for current and future industrial careers.
- Prepare students for graduate school by providing opportunities for undergraduate research and the presentation of their research results at professional conferences.
- Develop students' abilities to apply mathematics, science and engineering knowledge.
- Apply systems design, conduct experiments, analyze and interpret data.
- Utilize the techniques, skills, and modern engineering tools necessary for engineering practice.
- Identify, formulate, and solve real-world engineering problems.
- Promote an ability to engage in life-long learning.

The expected program outcomes are as follows:

- Graduates will be well rounded, with exposure to courses in both mathematics and engineering, coupled with their application to Engineering Sciences and infused with a strong liberal arts core.
- The program will prepare students to pursue their personal journeys as critical thinkers and problem solvers in their respective careers as engineers and/or applied scientists.
- The program will prepare students to attend graduate school through their experience in research projects.
- The program will prepare students with sound theoretical backgrounds and also relevant applications and practices that arise in engineering and applied sciences.

5.2.c. The Institution will assure high quality standards for the program and maintain a continuing assessment of quality.

Shepherd University has a solid reputation for strong, rigorous undergraduate education, and *The Princeton Review* has rated Shepherd “a best southeastern college.” Shepherd professors are dedicated to high quality teaching, small classes, with a tradition of face-to-face instruction and open door advising.

Ensuring and maintaining high standards has been a strong focus of the CME department. For example, the standards in calculus and engineering courses have evolved to provide students with a deeper insight into the concepts involved in the fields of mathematics, physics and engineering. The CME faculty hold doctoral degrees or have extensive professional experience in multiple disciplines and industries, and are qualified to handle the necessary requirements of offering a quality program. Some examples are listed below:

- The CME chair, Reza Mirdamadi has worked with NASA (National Aeronautics and Space Administration) on projects involving fluid mechanics and thermodynamics for many years and has been instrumental in supporting both faculty and students in funded research projects from NASA.
- Dr. Weidong Liao and Dr. Osman Guzide hold doctoral degrees in computer engineering and are actively involved in undergraduate research through many professional publications and presentations. A joint research project includes investigating a new mathematical algebraic model for improving algorithm performance on interconnection networks and core processors.
- Dr. Qing Wang specializes in stability theory of ordinary differential equations and its relationships with real-life systems. She has also received West Virginia IDeA Network of Biomedical Research Excellence predominantly undergraduate institutions (WV-INBRE PUI) Research Award.
- Dr. Mohammadreza Ghahremani has a Ph.D. in computer and electrical engineering and is an active researcher in magnetic refrigeration. As part of his ongoing research on magnetic cooling technology and in collaboration with Institute for magnetics research, he has made an experimental discovery on nanoparticles magnetic properties. His discovery has revealed that nanoparticles, as compared to their bulk counterpart, have a larger magneto caloric effect with less hysteresis. This is a critical advancement in the design of magnetic refrigeration systems and has an immediate application in the cooling of computer chips.
- Dr. Ralph Wojtowicz has comprehensive research interests that include (1) development and implementation of a logical reasoning system for the graphical knowledge representation system (sketches) that was presented at a conference at George Mason

University last year and at NASA in the Fall of 2014, (2) development and implementation of distributed (map-reduce) algorithms with applications to category theory and abstract algebra, (3) the potential use of quantum computers to solve logical inference problems more efficiently than classical computers, and (4) likelihood ratio based methods with applications to mathematical finance.

- Dr. Zhijun Wang's research includes numerical methods that solve differential equation based mathematical models, such as multiple-dimensional solution space search using parallel algorithms, numerical simulation techniques, genetic algorithms, and particle swarm optimization.

In essence, the department is a collection of experts, with proficiency in a variety of core disciplines in computer science, mathematics and engineering, committed to providing a high quality education. Hence, we have no doubt that standards will not only be maintained but also promoted through higher grading schemes and evaluations in the core courses.

Assessment

Shepherd University has a mature culture of assessment that is overseen by the Center for Teaching and Learning (CTL). Filing reports on a cyclical basis (1.5 year cycle), all academic programs are required to use both direct and indirect measures of assessment, with multiple intended student outcomes. The CME department is committed to continuous improvement and making data-driven decisions based on the results from the required assessment measures. In addition, we require current students to give a formal presentation to a panel of faculty members as part of the capstone project. In this presentation, the student's knowledge and abilities are assessed by asking a variety of questions related to their capstone project and field of study. Faculty members also interview selected graduates from our degree programs to gather additional assessment information for the different programs in the department. Answers from such exit interviews have served as a valuable checkpoint towards evaluating and assessing the quality of courses. The department plans to implement these important evaluative measures for the engineering science program.

Curricula will be assessed annually by the faculty to ensure program goals are met. Students will also have an opportunity to assess classes and faculty through the student evaluation process noted in Shepherd's faculty handbook (Reference link: <http://www.shepherd.edu/employees/senate/documents/handbook.pdf>). In addition, an annual exit survey will be completed to track the success of graduates and to maintain a viable connection with alumni. Professionals from the industry, acting in an advisory capacity, will also be invited to give feedback on the program and to suggest possible improvements based on the current need of potential employees. All these measures ensure program curricula objectives and goals and ever-changing student needs are met.

Meeting these goals will enable graduates of the proposed program to succeed in graduate schools and/or professional employment in the field.

In summary, the following set of methods will ensure achievements in all areas of assessment:

- As a new program, the department will assess its curriculum every year.
- Students will submit evaluations for each course within the major.
- The department will administer an annual exit survey to track the success of graduates and to maintain a viable connection with our alumni.
- Through the program review process, the department will evaluate the whole program every five years to ascertain currency of curricular offerings.
- The CME department already requires written and oral presentations in many courses in computer science, mathematics and engineering, as well as laboratory courses. The department will work to expand this measure to include the engineering science major.
- The courses in humanities, social sciences and management will ensure students have educational balance and possess the liberal learning outcomes desired by employers.
- The engineering capstone course will include analysis, design, technical computations, data acquisition, and scientific reasoning.
- The CME department requires students to utilize their knowledge in brain storming, problem solving, and teamwork, along with the background in Engineering Science to work on design projects which are part of our introductory engineering classes like Engineering static and dynamics.

Program Review

Shepherd University ensures the quality of its academic programs, its faculty, and curricula through regular assessment in cyclical program reviews. The Engineering Science major will be subject to the five-year programmatic review under the established requirements of the state and the institution. Assessment data is regularly collected and reported to the CTL as a part of the internal review process. The five-year review process requires both internal self-review (self-study document) and external review by a qualified professional; these documents, in turn, are reviewed by the campus Program Review Committee, Provost, and institutional Board of Governors.

The Engineering Science major will also be evaluated at intervals along with other university programs by Shepherd's regional accreditor, the Higher Learning Commission (HLC).

5.2.d. Other Institutions Offering Similar Programs

Currently there are no engineering science programs within a seventy-five mile radius of Shepherd University. Engineering Science is not a common program in major universities due to its interdisciplinary nature, and the lack of cohesiveness across the disciplines of computer science, mathematics and engineering. Because of our academic organization and structure, Shepherd University has a unique opportunity to provide a quality engineering program to potential students, as all three disciplines are housed in the same department (Reference link: <http://www.shepherd.edu/cmeweb/>).

Marshall University offers a B.S. in Engineering (BSE) housed in its College of Engineering and Information Technology. The BSE program at Marshall University has its focus on civil or mechanical engineering. As stated above, the three disciplines (Computer Science, Mathematics and Engineering) encountered in the Engineering Science degree program are not separate disciplines but are housed within a single department. Shepherd's proposed Engineering Science degree program offers two concentrations: Systems Engineering and Environmental Engineering.

West Virginia University does offer a variety of engineering opportunities; however, it does not have a stand-alone environmental engineering program. Their engineering concentration is civil and environmental. Shepherd's program would be the only stand-alone environmental engineering program in the state.

In the Washington-Baltimore area and beyond, there are a number of prestigious institutions that offer these concentrations at a much higher rate of tuition:

- Systems Engineering: Penn State University, Johns Hopkins University, Georgetown University, George Washington University, and George Mason University.
- Environmental Engineering: Johns Hopkins University, Morgan State University, University of Maryland, and Virginia Polytechnic Institute (VPI).

Shepherd's unique location in the Eastern Panhandle offers an outstanding opportunity for not only students from West Virginia, but also from the quad-state region (MD, PA, VA, DC) to be a part of this proposed new degree program in engineering science, offered at an affordable rate of tuition [Reference Link: <http://www.shepherd.edu/tuition-and-fees/>].

5.2.e. Statement of societal, occupational, research, or public service needs that will be met, as well as anticipated student demand for the program, societal, occupational, research, or public service needs

The proposed Engineering Science program provides opportunity to recruit and retain students who wish to pursue a career in Applied Sciences and Engineering and remain at Shepherd University. These students may desire to remain in the area due to financial, familial or other preferences such as local internships opportunities. This program would allow students to complete a degree in Engineering Science directly related to the workforce needs of the Eastern Panhandle. The program will also utilize existing faculty expertise in engineering and the applied sciences across multiple disciplines in Shepherd's School of Natural Sciences and Mathematics.

The applicant pools that will be specifically targeted by recruitment efforts for this program include, but are not limited to the following groups:

- Current Shepherd University students pursuing the engineering minor and core engineering requirements in the mathematics major would be the primary target population. Without this degree program, these students would need to transfer to other institutions to pursue a four-year degree in engineering. The proposed program would aid in retaining these students both at Shepherd and within the state.
- New students recruited to Shepherd University as mathematics majors with an interest in the engineering and applied sciences would also be a target audience. The program will be actively advertised to high schools to show prospective students that a variety of degree programs are available at Shepherd, which would allow them to remain in the region to complete the undergraduate degree.
- Students at local two-year institutions such as Hagerstown Community College and Blue Ridge Community and Technical College who wish to continue their studies to achieve a four-year degree also represent a potential pool of students. Working with the Office of Enrollment Management, faculty and administrators will develop articulation agreements (i.e., 2+2 programs) to coordinate curricula, allowing graduates of two-year institutions to easily transition into a four-year program at Shepherd.
- The Environmental Engineering concentration was eliminated in fall 2015 from the Institute of Environmental and Physical Sciences at Shepherd University. Currently there are over 20 students in that concentration. Offering this degree program with a concentration in Environmental Engineering provides a relevant baccalaureate degree from their academic area of interest.

Student Demand for the Program

Given the affordable tuition rates at Shepherd University, growth and expansion in the government and industrial sector in the quad-state area [noted in 5.2.a.], and the increasing student interest in the applied sciences and engineering, we anticipate a high demand for this program. As noted, Shepherd University is accessible to potential students both in the Eastern Panhandle of West Virginia and the surrounding region.

Shepherd University's location is ideal for initiating an Engineering Science program. According to a recent study by the West Virginia Bureau of Business and Economic Research (Reference link: <http://be.wvu.edu/bber/pdfs/BBER-2014-04.pdf>), the counties surrounding Shepherd University (Jefferson and Berkeley) are expected to sustain continued growth in the future, continuing progress that has taken place over the last two decades. This has led to an increasing number of educational and employment opportunities for West Virginia residents. Many of these jobs are in the field of engineering and applied sciences, and there has been a strong demand for engineers, engineering management personnel, as well as for applied scientists in the area of manufacture and information technology. Employment opportunities remain strong for this discipline, with specializations like environmental and systems engineering having potential job rates higher than the national average for the next decade (Source: The U. S. Bureau of Labor Statistics, 2012).

The continued integration of computer technology in a variety of manufacturing settings will require current and future employees to have a strong foundation in the scientific and engineering principles behind the applications. The introduction and implementation of this program will fulfill the recent call by various civic and private groups like the Chamber of Commerce and Gateway New Economic Council to increase the number of highly-skilled workers in the Eastern Panhandle of West Virginia and the region Shepherd University serves.

Shepherd University has the third highest economic impact among West Virginia's four- and two-year colleges according to a study commissioned by the West Virginia Higher Education Policy Commission. The study, titled "The Economic Impact of Public Institutions of Higher Education in West Virginia," shows that Shepherd's economic impact on Berkeley and Jefferson counties is \$91.1 million. Part of this study, which was conducted by the West Virginia University Bureau of Business and Economic Research, examined the economic impact of direct university expenditures like supplies and utilities, university payroll, and out-of-state student expenditures. The study showed that in fiscal year 2014, Shepherd had a total budget of \$60.8 million and spent about \$32.6 million on salaries and benefits for its 647 employees. (Reference Link: <http://wvutoday.wvu.edu/n/2016/08/04/west-virginia-s-public-higher-education-institutions-have-2-7-billion-impact-on-state>)

5.2.f. Additional Resources Needed to Offer the Program

Faculty

The department has recently added an Applied Mathematician and Computer Engineer to its faculty, in addition to the existing Engineers, Mathematicians and Computer Scientists. No additional faculty will be required to offer the Engineering Science program, as the courses in the proposed Engineering Science curriculum are currently part of existing programs. These courses are offered on a regular rotation to ensure students' progress towards degree completion. The faculty members in the Department of CME, housed in the School of Natural Sciences and Mathematics, have the necessary academic and professional qualifications to teach the upper-division courses that are listed as part of the curriculum for the B.S. in Engineering Science (see Appendix A).

Facilities Requirements

Courses for the proposed Engineering Science major will be taught in facilities available to the School of Natural Sciences and Mathematics and the Department of CME. These facilities are adequate for the academic and laboratory requirements for the proposed Engineering Science program. This includes both instructional and laboratory space in the Byrd Science Center and Stutzman-Slonaker Hall. Classrooms vary in capacity and all are technologically outfitted with computer projection systems and web access. The CME department recently acquired a 3-D printer and a PNC machine that would further support the proposed Engineering Science program. The recent report for the HLC in March 2016 notes that there are 28 teaching and research labs for the natural sciences housed within the facilities listed above.

The department has two engineering labs and one mathematics lab with access to MATLAB (engineering software) and MAPLE (technical computing software for engineers). The engineering laboratories are also used for the Analog and Digital Electronics course. The department also has three laboratories used for computer programming, computer organization, and networking and security. In addition, our students are able to use two labs for experimenting robotics-centric design and programming. The facilities feature state-of-the-art equipment and are easily adapted to teaching all the courses necessary for the proposed Engineering Science program.

Library

The Shepherd University library currently subscribes to select IEEE (Institute of Electrical and Electronics Engineers) and ACM (Association for Computing Machinery) periodicals along with the MAA (Mathematical Association of America) and AMS (American Mathematical Society) monthlies. There is no charge to the campus community for the use of these journals and also for online article searches. Public access computers in the library can be used to browse the

Internet or for literature searches. In addition, the library provides for interlibrary loan on articles that are not available online or through journals in the library holdings.

Library staff includes the following, many of whom hold specialized credentials:

- Dean (Faculty Librarian);
- Four additional Faculty Librarians;
- One Staff Librarian (Archives);
- One part-time Staff Reference Librarian;
- One professionally credentialed Librarian in a paraprofessional position;
One other FT paraprofessional;
- Two part-time PT paraprofessionals;
- One IT Assistant;
- Approximately 3.5 FTE of work-study student employees.

The online digital library is licensed for group membership so students and faculty have easy access to relevant publications while in the library, as well as remotely. Users have access to thousands of full-text journals from over 50 databases, including subscription databases such as LexisNexis and JSTOR. The library assesses no fees for online searches or for its interlibrary loan services. Librarians also teach a one-credit course titled “Research Methods and Information Retrieval” (LBSC 100).

Professional librarians are available to assist faculty and students for a total of about 56 hours a week. In addition to LBSC 100, there are regularly scheduled tours, workshops, and orientation sessions for those who need assistance in utilizing the library’s materials. Librarians offer tailored information literacy skills class sessions that focus on using the library’s databases for research assignments. These sessions are held in the library’s instruction lab enabling students to develop their online searching skills with the assistance of a librarian. The library is normally open 86 hours per week during the fall and spring semesters and has a computer-equipped workroom open 24 hours a day. The reference section of the library is typically open 56 hours weekly during the regular academic year. At present there are 33 reference lab computers and 8 public computers on the main floor of the library. The 24-hour room has 8 computers; the instruction lab 24, the third floor 10, and 38 are available for checkout.

5.2.g. Instructional Delivery Methodologies to Deliver the Program

For the proposed program, the intent is to use Shepherd University’s existing classroom facilities and laboratories for instructional delivery. The degrees of instructional technology will vary according to the needs of the courses in the curriculum listed in Appendix A. Faculty in the program will collaborate with local industry and graduate schools in the region to provide

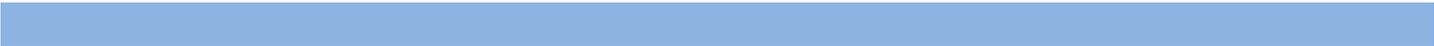


students opportunities such as internships, research projects, and REU (Research Experiences for Undergraduates) programs.

Courses in the proposed program will be delivered primarily in traditional face-to-face settings. Some hybrid and online formats for instructional delivery may be utilized as the program develops.

Summary

Shepherd University is poised to move forward with an interdisciplinary baccalaureate degree in engineering science; no additional facilities are needed at this time, and modest expenditures will be required for faculty and support services. Given its proximity to major metropolitan areas, Shepherd is an ideal location to build a program that will nurture students who recognize the growing importance of a broad-based and interdisciplinary engineering background. Because of its location, the University can leverage this advantage to obtain guest speakers, panelists, as well as internship and career opportunities. The proposed program will assist students in developing analytical and problem-solving skills that will lead to future professional careers in a variety of disciplines.



Appendix A: Curriculum



Shepherd University
Bachelor of Science, Engineering Science Degree
Proposed Curriculum

The proposed comprehensive major in Engineering Science requires a minimum of 120 credits, of which 42 credits must be earned in courses above the sophomore level. Students in this major will take fundamental as well as specialized courses in mathematics and engineering. In the first two years, the focus will be on building a strong foundation in those disciplines, along with the core curriculum courses required of all students. This is followed by specialized courses in mathematics and engineering in the junior and senior year. The proposed degree program will culminate with a capstone project in the senior year, which includes individual efforts along the guidelines of undergraduate research mentored by faculty members. The resulting outcome is expected to be a publication and/or presentation at a professional conference.

To graduate with a B.S. degree in Engineering Science, a cumulative GPA of 2.5 and a minimum grade of “C” in all core and elective courses are required.

Curriculum for Engineering Science – Environmental Engineering Concentration

Total hours required (including technical electives) 120

Core Curriculum Requirements..... 42 Hours

Specific Core Curriculum Requirements, 16 Hours

- ENGR 100 Freshman Seminar (1)
- ECON 205 Principle of Macroeconomics (3)
- MATH 207 Calculus I (4)
- ENVS 201 Foundations of Environmental Science I (3)
- ENVS 201L Foundations of Environmental Science I-LAB (1)
- ENVS 202 Foundations of Environmental Science II (3)
- ENVS 202L Foundations of Environmental Science II-LAB (1)

Environmental and Physical Science Requirements, 36 hours

- ENVS 341 Sustainable Energy and Lab (4)
- ENVS 390 Geographic Information Systems (4)
- ENVS 441 Hydrology and Lab (4)
- PHYS 221,221 L General Physics I (4)
- PHYS 221, 222 L General Physics II (4)
- PHYS 301 Energy (4)
- CHEM 207, 207 L General Chemistry I (4)
- CHEM 209, 209L General Chemistry II (4)
- CHEM 333, 333L Environmental Chemistry (4)

Mathematics and Engineering Requirements, 42 hours

- ENGR 101 Engineering I (3)
- ENGR 102 Engineering II (3)
- ENGR 221 Introduction to Electrical Engineering (3)
- ENGR 222 Electrical Engineering Laboratory (1)
- ENGR 241 Engineering Statics (3)
- ENGR 242 Engineering Dynamics (3)
- ENGR 243 Mechanics of Materials (3)
- ENGR 301 Engineering Thermodynamics⁺ (3)
- OR ENGR 351 Fluid Mechanics (3)
- MATH 208 Calculus II (3)
- MATH 307 Linear Algebra (3)
- MATH 310 Differential Equations (3)
- MATH 314 Statistics (3)
- MATH 329 Mathematical Modeling⁺ (3)
- OR CPE 492 Cooperative Work Experience in Computer Science and Engineering (3)
- ENGR 489 Capstone (1)
- ENGR 490 Capstone II (2)

Curriculum for Engineering Science – Systems Engineering Concentration

Total hours required (including technical electives) 120

Core Curriculum Requirements..... 42 Hours

Specific Core Curriculum Requirements, 22 Hours

- ENGR 100 Freshman Seminar (1)
- ECON 205 Principle of Macroeconomics (3)
- ECON 207 Principle of Microeconomics (3)
- MATH 207 Calculus I (4)
- PHYS 221 General Physics I (3)
- PHYS 221L General Physics I Laboratory (1)
- PHYS 222 General Physics II (3)
- PHYS 222L General Physics II Laboratory (1)
- CHEM 207 General Chemistry (3)

Mathematics Requirements.....30 Hours

- MATH 208 Calculus II (4)
- MATH 254 Discrete Mathematics (3)
- MATH 307 Linear Algebra (3)
- MATH 309 Calculus III (4)
- MATH 310 Differential Equations (4)
- MATH 318 Numerical Analysis (3)
- MATH 321 Probability and Statistics (3)
- MATH 329 Mathematical Modeling (3)
- MATH 354 Operations Research (3)

Engineering Requirements.....20 Hours

- ENGR 101 Engineering I (3)
- ENGR 102 Engineering II (3)
- ENGR 221 Introduction to Electrical Engineering (3)
- ENGR 222 Electrical Engineering Laboratory (1)
- ENGR 224 Electrical Circuits (3)
- ENGR 225 Electrical Circuits Laboratory (1)
- ENGR 300 Introduction to Robotics (3)
- ENGR 489 Engineering Capstone Project I (1)
- ENGR 490 Engineering Capstone Project II (2)

CIS Requirements.....21 Hours

- CIS 104 Introduction to CIS (3)
- CIS 211 Computer Language Concepts (3)
- CIS 287 System Analysis and Design (3)
- CIS 314 Advanced Computer Language Concepts (3)
- CIS 321 Data and File Structures (3)
- CIS 418 Management Information Systems (3)
- CIS 486 Software Engineering (3)

Elective Courses.....7 Hours

- ENGR 241 Engineering Statics (3)
- ENGR 242 Engineering Dynamics (3)
- ENGR 305 Digital Logic Circuits (4)
- ENGR 350 Robotics Seminar (Up to 4)
- ENGR 326 Linear Systems (3)
- CIS 310 Information Security (3)
- CIS 388 Database Management System (4)
- CIS 390 Operating System (3)
- CPE 234 Networking (3)
- CPE 386 Computer Organization (4)
- CPE 433 Microprocessor Design (3)
- CPE 482 Real Time and Embedded System Design (3)
- DATA 418 Big Data Analytics (3)

ADJUSTMENT OF ADMINISTRATIVE ORGANIZATION: UNIVERSITY COMMUNICATIONS

Communications and media positioning of the University are essential components in our efforts to enhance the effectiveness of our outreach to current and prospective students, as well as regional employers and other supporters who will engage with us in training the next generation of leaders and model citizens. Throughout the spring and summer the Executive Director of University Communications has participated in the Executive Leadership meetings of the University. While it is important for the Communications team to work closely with the Advancement Office, the work of Communications encompasses the entire campus and is essential to the initiatives of the President.

Repositioning the Office of University Communications as a direct report to the President will improve our effectiveness in our work, emphasizing the importance of the work on a university-wide basis and allowing the Advancement team to refine the focus of its work. This will facilitate the President's efforts to structure an administrative leadership organization which can be fully responsive to the needs of the University community.

For all of these reasons, it is recommended that the organizational structure be modified to align the Executive Director of University Communications as a direct report of the President. The Appendix to Policy Two of the Board, relating to Administrative Organization, would be modified as depicted in the following page. The President has provided notice of this proposed change to the Faculty Senate, the Classified Employee Council and the Student Government Association, and no significant concerns have been received.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the change in the administrative organization to re-align the Executive Director of University Communications as a direct-report of the University President, effective immediately.

APPENDIX A

BOG

PRESIDENT

Academic Affairs (Provost) [1]

- School of Arts and Humanities (Dean of) [1]
 - Department of Contemporary Art and Theater [1]
 - Department of English and Modern Languages [1]
 - Department of History [1]
 - Department of Mass Communications [1]
 - Department of Music [1]
- School of Business and Social Sciences (Dean of) [1]
 - Department of Accounting [1]
 - Department of Business Administration and FACS [1]
 - Department of Economics and Finance [1]
 - Department of Political Science [1]
 - Department of Psychology [1]
 - Department of Social Work [1]
 - Department of Sociology and Geography [1]
- School of Education and Professional Studies (Dean of) [1]
 - Department of Education [1]
 - Department of Health, Physical Education and Recreational Studies [1]
 - Department of Nursing Education [1]
- School of Natural Sciences and Mathematics (Dean of) [1]
 - Department of Biology [1]
 - Department of Chemistry [1]
 - Department of Computer Sciences, Mathematics and Engineering [1]
 - Institute for Environmental Studies [1]
- Academic Advisement [2]
- Graduate Education (Dean of) [1]
- Honors Program (Director of) [1]
- Libraries and Information Sciences (Dean of) [1]
- RBA Program [1]
- Teaching and Learning (Dean of) [1]
 - Academic Support [1]

Finance (Vice President of) [1]

- Director of Finance [2]
- Procurement (Executive Director of) [2]

Administration (Vice President of) [1]

Auxiliaries (Director of) [2]
Facilities (Director of) [2]
Information Technology (Director of) [2]
University Police Chief [2]

Advancement (Vice President of) [1]

~~University Communications (Executive Director of) [2]~~

Enrollment Management (Vice President of) [1]

Admissions (Director of) [2]
Financial Aid (Director of) [2]
Registrar [2]

General Counsel [1]

Human Resources (Director of) [2]

Student Affairs (Vice President of) [1]

Assistant VP Student Engagement [2]
Assistant VP Student Success [2]
Dean of Students [2]

Athletics (Vice President of) [1]

University Communications (Executive Director of) [2]~~1~~

NAMING OF THE NEW WEST CAMPUS RESIDENCE HALL FACILITY

The construction of the new West Campus residence hall facility is proceeding on time and on budget. The University will assess the opportunity for a permanent naming of the facility on an ongoing basis, but the establishment of a formal name which can be used in the marketing of the rooms for Fall 2017, as well as for all other institutional planning, is needed. Although the building is owned by the Shepherd University Foundation Support Organization, the Management Agreement between that 501c3 organization and the University calls for the University to fully manage the facility and to fully integrate its operation into the campus so that its independent ownership is seamless for the entire University community. Following a consultative process with the student body and the Student Government Association, it is recommended that the facility be named, Potomac Place.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the name Potomac Place for the new West Campus residence facility.

METRO SCHOLARSHIP RATE PRESENTATION

Mr. Bill Sommers, Vice President for Administration, and Mr. Jack Shaw, Assistant Vice President of Auxiliary Services, will present to the Board, Shepherd's Metro Scholarship Rate initiative. After consideration of the potential for establishing a Metro Fee rate for some out-of-state students, it is recommended that the University proceed with a Metro Scholarship program to be made available for new students living in the designated counties who also live on campus.

This scholarship-fee waiver program would be initiated as a marketing tool to increase enrollment and further incentivize the on campus residency experience for the out of state students. The authority to create a new scholarship-waiver initiative is delegated to the President under the Board's rules. This informational item is offered to help members fully understand the range of new efforts being made in the enrollment area.