

Shepherd

UNIVERSITY

Board of Governors



Meeting Agenda

June 14, 2018

Board Members

Marcia Brand, Chair

Ta McMillan, Vice Chair

Gat Caperton, Secretary

Ray Alvarez Eric Lewis

David Avella Robert Marggraf

Henry Kayes, Jr. Sneha Reddy, Student

Ramona Kissel, Classified Staff Chad Robinson

J.B. Tuttle, Faculty

Mary J.C. Hendrix, President



Board of Governors Meeting

June 14, 2018

Lower Level Multipurpose Room

Robert C. Byrd Center for Congressional History and Education

Shepherdstown, WV

4:15 – 6:50 p.m.

AGENDA

- 4:15 p.m. 1. **Call to Order** (Chair Marcia Brand)
- 4:16 p.m. 2. **Public Comments**
- 4:18 p.m. 3. **Consent Agenda Items** (Chair Brand)
- a. Consent Agenda
 - b. Approval of the Minutes of May 17, 2018 Board Meeting
 - c. FY2020 Capital Funding Priorities
- 4:20 p.m. 4. **President's Report** (President Hendrix)
- 4:30 p.m. 5. **Report of the Academic Programs and Development Committee**
- a. Academic Restructuring Progress Report
 - b. University Development Update
- 4:45 p.m. 6. **Report of the Enrollment, Student and Community Affairs Committee** (Mr. Chad Robinson)
- a. Enrollment Management Update
 - b. Student Affairs Update
- 5:00 p.m. 7. **Report of the Finance and Facilities Committee** (Mr. Eric Lewis)
- a. Proposed FY2019 Annual Budget
 - b. Personnel Salary Increase: Implementation of Governor's Statewide Increase Initiative
 - c. FY2019 Capital Initiatives
- 5:45 p.m. 8. **Election of Officers for 2018-2019**
- 5:48 p.m. 9. **Election of Audit and Nominating Committees**
- 5:52 p.m. 10. **Proposed Meeting Schedule for 2018-2019** (Chair Brand)
- 5:57 p.m. 11. **New Business** (Chair Brand)
- 6:00 p.m. 12. **Executive Session**
- a. Legal Affairs Update
 - b. Personnel Matters – Employment / Retention / Terms
- 6:45 p.m. **Possible Actions Arising Out of Executive Session** (Chair Brand)
- 6:50 p.m. **Adjournment**



Board of Governors Meeting

June 14, 2018

Lower Level Multipurpose Room

Robert C. Byrd Center for Congressional History and Education

Shepherdstown, WV

3:00 – 4:00 p.m.

COMMITTEE AGENDAS

Academic Programs and Development Committee

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

- Academic Restructuring Progress Report
- University Development Update

Ms. Tia McMillan, Chair

Mr. Ray Alvarez

Mr. David Avella

Ms. Mona Kissel

Dr. Scott Beard, Staff

Ms. Monica Lingenfelter, Staff

Enrollment, Student and Community Affairs Committee

**Room 164, Robert Byrd Center Congressional History and
Education**

- Enrollment Update
- Student Affairs Update

Mr. Chad Robinson, Chair

Mr. Gat Caperton

Ms. Sneha Reddy

Mrs. Holly Morgan-Frye, Staff

Dr. Tom Segar, Staff

Mr. Bill Sommers, Staff

CONSENT AGENDA

Per the Board's Consent Agenda protocols:

- 1) Any member may email the Board Chair and the President to request extraction of one or more items from the Consent Agenda and inclusion in the Discussion Agenda. Any such request should be emailed before end of day Sunday, June 10, 2018. The Agenda Book would not be re-formatted, but the formal Agenda for the meeting would be adjusted to accommodate such requests, and modified draft resolutions would be completed and distributed prior to the June 14 meeting.
- 2) The Finance Committee is the only Committee with a Consent Agenda item included in its Committee Agenda. If the Committee votes to extract this item to the Discussion Agenda, the Committee will report that at the outset of the Board Meeting for adjustment of the Agenda.
- 3) During the Board meeting, as the Consent Agenda is initiated, any member may move the extraction of one or more items to the Discussion Agenda. Upon a majority vote of the Board, the agenda would be so modified.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves:

- 1) The Minutes of the Meeting of May 17, 2018; as presented in the Agenda materials of June 14, 2018.
- 2) The FY2020 Capital Funding Priorities; as presented in the Agenda materials of June 14, 2018, and authorizes the President to submit the Capital Funding Priorities on its behalf to the West Virginia Higher Education Policy Commission.

SHEPHERD UNIVERSITY BOARD OF GOVERNORS

MINUTES OF THE MEETING OF MAY 17, 2018

The Shepherd University Board of Governors met on May 17, 2018 in a regular meeting. Members participating were: Gat Caperton, Ramona Kissel, Eric Lewis, Robert Marggraf, Tia McMillan, Sneha Reddy, Chad Robinson [phone] and J.B. Tuttle. Also present were Shepherd University President Mary J.C. Hendrix, members of the executive leadership team and others. Board members Ray Alvarez, David Avella, Marcia Brand and Henry Kayes, Jr. were absent from the meeting.

1. PUBLIC COMMENTS

No public comments were made.

2. RECOGNITION OF EMERITUS FACULTY

Dr. Scott Beard, Acting Provost, recognized Dr. Gordon DeMeritt, as new faculty *Emeritus*.

3. CONSENT AGENDA ITEMS

M (Kissel), S (Lewis), 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:

- 1) The Minutes of the Meeting of April 5, 2018;
- 2) The Athletic Program Philosophy; and
- 3) The Concentration in Risk Management and Insurance,
each as presented in the Agenda materials of May 17, 2018.

4. PRESIDENT'S REPORT

President Hendrix reviewed highlights of the ongoing initiatives for advancing Shepherd from among the comprehensive list provided in the President's Report.

5. REPORT OF THE ACADEMIC PROGRAMS AND DEVELOPMENT COMMITTEE

On behalf of the Academic Programs and Development Committee, Ms. McMillan, introduced Dr. Scott Beard, Acting Provost, to provide an update on academic restructuring models. Ms. McMillan then introduced Ms. Monica Lingenfelter, Executive Vice President Shepherd University Foundation, to provide a brief update on University Development. Ms. McMillan noted that the Concentration was approved and will be housed under the College of Business.

6. **REPORT OF THE ENROLLMENT, STUDENT AND COMMUNITY AFFAIRS COMMITTEE**

On behalf of the Enrollment, Student and Community Affairs Committee, Ms. McMillan introduced Mr. John McAvoy, University Police Chief, to provide the Campus Safety Annual Data Report. On behalf of the Committee, Mr. Gat Caperton introduced Mr. Bill Sommers, to provide a brief update on the Enrollment Management update.

7. **REPORT OF THE FINANCE AND FACILITIES COMMITTEE**

On behalf of Finance and Facilities Committee, Mr. Lewis provided a brief update of the Committee's discussions which included a review of the Quarterly Financial Report for the period ending March 31, 2018. Mr. Lewis then introduced Mr. Alan Perdue, General Counsel, to provide the Human Resources Annual Report.

8. **NEW BUSINESS**

Ms. McMillan noted that the final report for the President's Triennial Review will be provided at the June meeting. She also noted that a meeting of the nominating committee for FY2019 BoG officers will be held on May 24, 2018. Ms. McMillan noted the need for diversity amongst the BoG members. Dr. Hendrix noted that she will be on the search committee for the new chancellor and that Sara Maene will be presenting two lists for streamlining reports to the HEPC at a meeting next week. Mr. Lewis asked that we request the HEPC keep someone from the Eastern Panhandle on the Commission.

9. **MOTION TO EXECUTIVE SESSION**

M (Kissel), S (Caperton), PASSED, all members participating by phone were polled, that pursuant to Section 4 of Article 9A of Chapter 6 of the WV Code, it was moved that the Board enter into executive session for the purpose of discussion of matters relating to confidential legal and personnel matters.

At the conclusion of the executive session, the Board adjourned.

Marcia Brand
Chair

Gat Caperton
Secretary

FY2020 CAPITAL FUNDING PRIORITIES

West Virginia Higher Education Policy Commission (HEPC) Series 12 requires each higher education institution to file its capital funding priorities with the Commission each year.

The purpose of the annual capital projects list is to identify to the Commission the capital projects which the University would wish to pursue during the next two years, if funding were available. The Commission may receive direct appropriations from the Legislature to fund capital priorities, or the Commission may receive authorization to issue additional capital bonds. In either event, the University's list will be integrated by the Commission with lists from all other institutions and the Commission will establish its statewide priorities for funding projects.

The following list of capital priorities reflects the projects, which would allow the University to begin to implement the objectives of the Facilities Master Plan and the University's strategic objectives.

Priority	Project Name	Project Category	Estimated Cost	Notes
1	Knutti Hall Foundation Repairs/Moisture Control	A. Instructional Space	\$550,000	Repair of all Foundation mortar, establish moisture barriers and enhanced control of casual water, including additional roof gutters
2	Miller Hall HVAC	G. Auxiliary	\$125,000	Chiller is extremely aged and not sustainable
3	Student Center Roof	G. Auxiliary	\$350,000	
4	Telephony Upgrade	B. Communications, computer	\$375,000	Conversion to VOIP
5	Football Field Artificial Turf	G. Auxiliary	\$550,000	Existing turf is showing wear and is overdue for replacement
6	Burkhart/Moler/Yost HVAC	G. Auxiliary	\$75,000	PTAC unit replacements; completion of the replacements for all six buildings
7	Snyder Hall Heating	A. Academic Space	\$300,000	
8	White Hall Roof	A. Instructional Space	\$375,000	
9	Knutti Hall Roof	A. Instructional Space	\$325,000	
10	Athletics Weight Room	G. Auxiliary, Athletics	\$1,750,000	Relocation of most Athletics Weightlifting and Conditioning program to new structure.
11	Burkhart Hall MEP	G. Auxiliary	\$350,000	Humidity control, upgrade electric, convert to LED lighting, and upgrade bathrooms
12	Yost Hall MEP	G. Auxiliary	\$350,000	Humidity control, upgrade electric, convert to LED lighting, and upgrade bathrooms
13	Shaw Hall MEP and ADA Restrooms	G. Auxiliary	\$200,000	
14	Emergency Power Systems - 2 Residence Halls [Shaw and Thacher]	E. Administrative Support	\$580,000	Emergency-Response System. Back-up power for 2 residence halls in case of catastrophic winter weather; no alternative system currently in place to protect lives of resident students during winter storm if loss of power
15	McMurrin Hall Roof	E. Administrative Support	\$400,000	
16	Thacher MEP and ADA Restrooms	G. Auxiliary	\$200,000	
17	Butcher Center Arena light LED	A. Academic Space	\$100,000	
18	White Hall Exterior Masonry	A. Instructional Space	\$100,000	
19	Stutzman-Slonaker Parapets	A. Instructional Space	\$500,000	Active Deterioration experienced
20	Butcher Center A/C Units	A. Instructional Space	\$1,100,000	
21	Butcher Center Roof	A. Academic Space	\$550,000	A smaller portion of roof was replaced in 2016.

Priority	Project Name	Project Category	Estimated Cost	Notes
22	Gardiner Hall MEP and ADA Restrooms	E. Administrative Support	\$2,500,000	
23	Frank Center Theater Lighting Upgrades	A. Instructional Space	\$20,000	
24	Frank Center Renovation and Performance Space	A. Instructional Space	\$16,000,000	
25	Frank Center Theater General Upgrades	A. Instructional Space	\$200,000	
26	Moler Hall MEP	G. Auxiliary	\$350,000	
27	Yost Hall MEP	G. Auxiliary	\$350,000	
28	Boteler Hall MEP	G. Auxiliary	\$350,000	
29	Lurry Hall MEP	G. Auxiliary	\$350,000	
30	Martin Hall MEP	G. Auxiliary	\$350,000	
31	Miller Hall Exterior Masonry	G. Auxiliary	\$125,000	
32	Miller Hall Roof	G. Auxiliary	\$250,000	
33	Reynolds Hall Roof	E. Administrative Support	\$290,000	
34	Student Center HVAC	G. Auxiliary	\$400,000	
35	Student Center Ext Masonry	G. Auxiliary	\$75,000	
36	Security Cameras System	E. Administrative Support	\$250,000	New Cameras and Operating System to replace obsolete equipment
37	Interior/Exterior Door Locks Upgrades	A, B, and E	\$250,000	
38	New Student Center/ Dining Facility	G. Auxiliary	\$31,000,000	
39	Gardiner Hall Window Replacements	E. Administrative Support	\$50,000	
40	Gardiner Hall Exterior Door Replacements	E. Administrative Support	\$7,500	
41	Gardiner Hall Roof	E. Administrative Support	\$450,000	
42	Ram Stadium East Side Seating Replacement	G. Auxiliary, Athletics	\$900,000	
43	Dining Hall Plumbing Upgrade	G. Auxiliary	\$100,000	
44	Dining Hall Boiler Replacement	G. Auxiliary	\$200,000	
45	Dining Hall Electric Upgrade	G. Auxiliary	\$180,000	
46	Turner Hall Renovation and Infrastructure Upgrades	A. Instructional Space	\$6,000,000	New Home of College of Business and the Center for Regional Innovation
47	Turner Hall Exterior	A. Instructional Space	\$100,000	
48	Turner Hall Roof	A. Instructional Space	\$450,000	
49	Kenamond Hall Renovation and Infrastructure Upgrades	A. Instructional Space and G. Auxiliary	\$4,000,000	For Honors and Living Learning Center programs

Priority	Project Name	Project Category	Estimated Cost	Notes
50	Parking Garage	G. Auxiliary	\$10,000,000	500 parking spaces
51	New Maintenance Facility	E. Administrative Support	\$4,600,000	Relocate Facilities Operations to perimeter, West Campus location
52	New Motor Pool Facility	E. Administrative Support	\$525,000	
53	Demo Existing Trailers	E. Administrative Support	\$525,000	
54	Facilities Building Renovations	C. Computer, communications	\$800,000	
55	King Street Pedestrianization	E. Physical Plant Improvements	\$2,450,000	Eliminate safety hazard of heavy pedestrian traffic intersecting busy vehicle traffic patterns
56	Campus Entrances/Borders	E. Physical Plant Improvements	\$500,000	Signage and promotional / information systems
57	New Field Houses/Restrooms for Softball and Baseball	G. Auxiliary, Athletics	\$200,000	On-site restrooms for patrons and participants
58	Kenamond Hall Roof	A. Instructional Space and G. Auxiliary	\$450,000	
59	Byrd Science and Tech Center Lighting Upgrade	A. Academic Space	\$100,000	
60	Byrd Science and Tech Center Boiler Replacement	A. Academic Space	\$250,000	
61	Byrd Science and Tech Center Lab Upgrades	A. Academic Space	\$500,000	
62	Dunlop Hall Chiller Replacement	G. Auxiliary Space	\$75,000	
63	Printz Hall Chiller Replacement	G. Auxiliary Space	\$75,000	
64	Schindler House Exterior Masonry	A. Academic Space	\$100,000	
65	HR Building Roof	E. Administrative Support	\$150,000	
66	New Storage Bins	E. Administrative Support	\$265,000	
67	Entler-Weltzheimer House Interior Renovation	A. Instructional Space	\$500,000	New space in historic, long abandoned structure for Public History Programs
68	Popodicon Roof	E. Administrative Support	\$150,000	
69	Popodicon Exterior Masonry	E. Administrative Support	\$100,000	
70	Facilities Building Roof	E. Administrative Support	\$175,000	
71	CCA 1 Gutters	A. Academic Space	\$10,000	
72	Snyder Hall Roof	A. Academic Space	\$310,000	
73	Equipment Screen Frank Center Roof	A. Instructional Space	\$200,000	
74	Street/Parking Lot Paving	G. Auxiliary, Parking	\$250,000	

PRESIDENT'S REPORT

Advancing Shepherd University

New Program Matches Students with Community Members: The Inaugural Dinner with Strangers, a new initiative at Shepherd, took place at the Shepherdstown home of Sue and David Kemnitzer. The idea for Dinner with Strangers came from Sue Kemnitzer, who started a similar program in 1968 at her alma mater, UCLA. Students invited to eat at the Kemnitzers' house were Keerthana Mesineni, Falling Waters, a biology major, and student representative to the Strategic Planning Committee; Savannah Blades, Sykesville, MD, a computer science, mathematics, and engineering major; Kimberly Lukasik, Hagerstown, MD, a biology major; and Sneha Reddy, Glen Allen, VA, a biology major, Student Government Association president, and student representative on Shepherd's Board of Governors.

Outstanding Faculty Members Honored at Recognition Ceremony: Members of Shepherd faculty were recognized during the first annual Faculty Awards and Recognition Ceremony on April 30th. Ninety faculty members received certificates for scholarly work. Individual awards went to Dr. Heidi Hanrahan, Associate Professor of English, Outstanding Service Award; Christian Benefiel, Associate Professor of Art, Outstanding Scholar Award; Dr. Laura Robertson, Assistant Professor of Biology, Outstanding Advisor Award; Dr. Jonathan Gilkerson, Assistant Professor of Biology, Outstanding Teacher Award; and Dr. Michael Groves, Associate Professor of Nursing Education, Douglas C. Smith Distinguished Graduate Faculty Award.

Transfer Agreement Signed: Shepherd and Blue Ridge Community and Technical College have signed a 2+2 transfer agreement for social work. The agreement will help students with a seamless transition from Blue Ridge to Shepherd. This is the 18th transfer agreement Shepherd and Blue Ridge have signed.

Federal Funding to Support Agriculture Program for Veterans: Shepherd has entered into a \$600,000 five-year cost-sharing agreement with the U.S. Department of Agriculture Natural Resources Conservation Service to provide opportunities for veterans to become agricultural entrepreneurs. The funding will be used to develop conservation systems on the Tabler Farm and assist with the development of a new program aimed at training veteran and civilian students to be farmers. Shepherd's Institute of Environmental and Physical Sciences is partnering with the College of Business to offer both production and business classes. The production component will focus on the practical aspects of small-scale farming. The business component will cover topics such as marketing, accounting, and developing business plans.

President Hendrix Named to Search Committee: President Hendrix has been named to the search committee for the chancellor for the HEPC. The Committee was increased to include geographic representatives from the eastern, central, and northern regions of WV. President Hendrix is representing the Council of Presidents for the WV public colleges and universities.

New Foundation Scholarship Created: A new scholarship in support of students studying nursing has been created with the Foundation. The Noah Jayce Washington Scholarship is an annually funded scholarship established by Shepherd alumna Alysson Orndorff Washington and her mother, Brenda Orndorff, in memory of Allyson's infant son, Noah Jayce Washington. The first award was made during the 2017-2018 academic year to Shepherd senior Ashley Jodoin, Huntingtown, MD.

Annual State Student Leadership Conference: Four incoming Student Government Association executive board members, two graduate students, one recent master's graduate, and Dr. Tom Segar attended the Student Leadership Conference May 14-16 in Jackson's Mill. Shepherd has coordinated the conference on behalf of West Virginia's public four- and two-year institutions for the past 13 years. Segar has chaired the conference, sponsored by the HEPC and Community and Technical College System, since 2011.

Shepherd and Hagerstown Community College (HCC) Partner on Transfer Agreements: Shepherd and HCC have signed eight 2+2 transfer articulation agreements that will allow students who earn certain two-year degrees at HCC to easily transfer to Shepherd. President Hendrix and Dr. Carol Rothstein, HCC Acting Chief Academic Officer, signed the agreements during a ceremony at Shepherd on May 14th.

Women for Shepherd Raised Funds for Friends of Popodicon: More than 50 alumnae, community members, faculty, and staff attended the Little Black Dress Party: Popping for Popodicon on Wednesday, May 9th, at Popodicon. The event, sponsored by the Women for Shepherd University and the Shepherd University Foundation, raised more than \$2,000 to support Friends of Popodicon.

Shepherd University Foundation Launches Redesigned Website: The Foundation has launched a redesigned website (<http://shepherduniversityfoundation.org>), created by graphic designer and alumnus Adam Leviton. The site features an updated content management system, streamlined navigation, enhanced security, and an optimized user interface.

FY2018 Pending Grant Proposals to Date: (June 2018)

Submitted and awaiting decision on award.

Total current pending proposals to date: \$775,854

Mid-Atlantic Arts Foundation (MAAF) ArtsCONNECT, \$4,200 for March 2019

Requested funding supports travel and expenses to bring the Danny Green Trio with Strings to Shepherd for Music Entrepreneurship and Jazz Improvisation Workshops, as well as a jazz concert that will be open to the public in March 2019. Lead Project Director: Kurtis Adams, Associate Professor of Music

National Endowment for the Humanities (NEH) *Summer Institutes for Teachers*, \$154,636 for October 1, 2018 – December 31, 2019

Proposal requests support for the annual NEH-sponsored summer Institute providing lectures, workshops, events and regional travel for 25 teachers selected from a pool of applicants from across the nation. The three-week program, hosted at Shepherd, engages nationally-prominent authors, artists and humanities scholars to delve into the diversity and richness of Appalachian literature and culture, emphasizing the power of the authentic Appalachian voice for 2019. Lead Project Director: Sylvia Shurbutt, Ph.D., Professor, English and Modern Languages

National Institutes of Health (NIH) R15, \$459,518 for 2 years: April 1, 2018 – March 31, 2020 ***A Computational Study of Synergistic Therapeutic Benefit of Combinatorial Cancer Therapies Involving 4-1BB and IL-12***

Proposal requests funding to support research to develop mathematical modeling and computational tools to optimize therapeutic dosage and timing for certain combined treatments for cancer aimed at reducing tumor growth. Principal Investigator: Qing Wang, Ph.D., Associate Professor, Computer Science and Mathematics

Women Investing in Shepherd (WISH), \$57,500 (2 projects, \$28,750 each)

Project 1: Summer 2019 Training Teachers to Use “Writing to Learn, Learning to Write” Across Campus

Proposal requests funding to support a summer seminar for 25 Shepherd faculty from disciplines across campus that focuses on nationally-recognized curricular innovations for improving students’ writing and learning across disciplines. Project Director: Christy Wenger, Ph.D., Associate Professor, English

Project 2: October 1, 2018 – December 31, 2021 From Unthinkable to Reality: Enabling Study Abroad for First-Generation and Financially Disadvantaged Students

Proposal requests funding to support travel grants for first-generation and financially-disadvantaged Shepherd Students, enabling them to participate in transformative study abroad experiences. Project Co-Directors: Yin Star, Director, Study Abroad and Elizabeth Perego, Ph.D., Assistant Professor, History

EBSCO Solar Grant, \$100,000 for June 2018: Scarborough Library Solar Project: Advancing Sustainability on Campus and in Our Community

Proposal seeks one of three \$100,000 awards offered to libraries with EBSCO subscriptions. Awards support acquisition and installation costs for solar systems that will offset utility costs and enhance educational opportunities for libraries selected for an award. Project Directors: Rachel Hally, Coordinator of Collections, Scarborough Library and Jeff Groff, Ph.D., Associate Professor of Physics and Chair, Institute of Environmental and Physical Sciences

FY2018 Awarded Grant Proposals to Date: (June 2018)

Total awarded proposals to date for FY2017-2018: \$2,347,171

National Institute of Standards and Technology (NIST) Summer Undergraduate Research Fellowship (SURF) \$8,695 for 1 Fellowship: Summer 2018, May 21, 2018 – August 10, 2018

One fellowship was awarded to Christian Burns, an undergraduate student in the College of Natural Sciences and Mathematics to assist with research in a NIST laboratory at the Gaithersburg campus. Fellowships provide housing and a \$5,500 stipend for eleven weeks during the summer while selected participants from across the nation work closely with NIST mentors on research projects in their field of interest.

USDA, \$168,685 for 1 year: October 1, 2017 – September 30, 2018

Supplemental Nutrition Assistance Program – Education (SNAP-Ed) at Shepherd University

Awarded funds support outreach activities in designated regional schools to teach students about nutrition and healthy food choices. Lead Project Director: Julia Tracy, Adjunct Instructor, Health, Physical Education and Recreational Studies

USDA Natural Resource Conservation Service (NRCS) Conservation Technical Assistance Program, \$300,000 for 5 years: May 1, 2018 – April 30, 2023

Veterans to Agriculture Program at Shepherd University

Proposal requests funding for equipment, supplies and salary support to launch an agricultural training program at Tabler Farm. Training programs in development include courses in agricultural sciences and techniques as well as marketing and business management courses to complement existing degree programs and potentially create certification programs. Programs will target veterans in the region in need of retraining opportunities, but will be available to the general public as well as existing and potential Shepherd students. Project Director: Peter Vila, Ph.D., Associate Professor, Institute of Environmental and Physical Sciences

National Science Foundation (NSF) West Virginia EPSCOR Instrumentation Grants Program, 2 Proposals Submitted, \$40,000 total requested for February 2018

Vacuum Arc Melting Furnace for Teaching and Research Applications at Shepherd University and Multi-spectral Sensing Unmanned Aerial Vehicle for Environmental Monitoring

Proposals request funding to purchase instruments that will enhance teaching and research in the departments of Computer Science, Mathematics and Engineering (Proposal 1, Assistant Professor Mohammadreza Ghahremani, PI) and Environmental and Physical Sciences (Proposal 2, Assistant Professor Sytil Murphy, PI). The vacuum arc melting furnace supports nanotechnology coursework and research and the unmanned aerial vehicle supports coursework and research in environmental geomatics and geographic information systems (GIS).

West Virginia Idea Network of Biomedical Research Excellence (WV-INBRE), \$288,000 for 2 years: August 1, 2017 – July 30, 2019

Effects of an Anti-Nodal Antibody in Metastatic Melanoma by Modeling and Simulation

Funding supports continuing research to develop a mathematical model to help predict and enhance understanding of how a certain gene influences metastatic melanoma tumor growth and response to chemotherapy. Lead Principal Investigator: Qing Wang, Ph.D., Associate Professor, Computer Science and Mathematics

West Virginia Idea Network of Biomedical Research Excellence (WV-INBRE), \$28,369 for 1 year: August 1, 2017 – July 31, 2018

Distributed File System B-Trees for Large-Scale Genomics Research

Funding supports the development of new computer algorithms and software that will enable efficient use of large bioinformatics and medical datasets. Research will support major discoveries in medical research that rely on massive dataset analysis including genome-wide association studies. Lead Principal Investigator: Ralph Wojtowicz, Ph.D., Associate Professor, Computer Science, Mathematics and Engineering

National Endowment for the Humanities (NEH): \$151,773 for one year: October 1, 2017 – December 31, 2018

2018 NEH Summer Institute for School Teachers: Voices from the Misty Mountains

Funding supports the annual NEH-sponsored Institute providing lectures, workshops, events and regional travel for 25 teachers selected from a pool of applicants from across the nation. The three-week program, hosted at Shepherd, delves into the diversity and richness of Appalachian literature and culture. Lead Project Director: Sylvia Shurbutt, Ph.D., Professor, English and Modern Languages

DOE, \$1,287,500 for 5 years: September 1, 2017 – August 31, 2022

Shepherd University Application for the 2017 TRiO Upward Bound Program

Awarded funds expand efforts by the existing federally-funded TRiO Student Support Services staff to create a pipeline to Shepherd for high school students in the region through a summer residential program on campus and weekend programs throughout the academic year. Nationally, Upward Bound programs demonstrate success in creating a path to college attendance for first-generation college students, and typically more than half of Upward Bound participants wind up enrolling at their host campus after graduating from high school. This proposed program extends the purview of TRiO staff from just retention efforts to outreach and recruitment of future Shepherd students. Lead Project Director: Cynthia Copney, M.A., Director, TRiO Student Support Services

NASA West Virginia EPSCoR Research Seed Grant, \$10,000 for 1 year: May 16, 2018 – May 15, 2019

Cooling System for Aerospace Applications and Detectors

Funding provides support for research investigating properties of nanoparticle magnetic materials for potential use in cryogenic refrigerators for specialized use in aerospace applications. Principal Investigator, Mohammadreza Ghahremani, Ph.D., Assistant Professor, Computer Information Systems

National Park Service (NPS), C&O Canal National Historical Park Historic Structures Report, \$56,749 for 1 year: August 1, 2018 – July 31, 2019

Documenting the History of the African American Experience at Ferry Hill, The Blackford House and the Bridgeport Community

Shepherd recently became a member of the Chesapeake Watershed Association (CHWA) regional segment of a Cooperative Ecosystem Studies Unit (CESU) under the NPS, which made Shepherd eligible for this opportunity that was only available to CESU members. Funding provides support for Shepherd faculty and students to conduct research leading to a historic structures report and a historic resource study focused on African American History as it relates to Ferry Hill. Principal Investigator, James Broomall, Ph.D., Assistant Professor of History and Director of the Civil War Center, Co-PIs Keith Alexander, Associate Professor of History and Benjamin Bankhurst, Ph.D., Assistant Professor of History

Eastern West Virginia Community Foundation Helen Parker Willard Jefferson County Historic Cemetery Grant, \$4,400 to be utilized between March 10, 2018 -December 1, 2018

Historic Cemetery Preservation and Service Learning

Funding supports supplies and equipment enabling expansion of cemetery preservation and documentation activities that are central to the service-learning aspect of Shepherd's Historic Preservation concentration offered by the Department of History. Project Director, Keith Alexander, Associate Professor of History

Jefferson County Historical Society Community Grant Program, \$3,000 to be utilized between April 1, 2018 - December 31, 2018

Window Restoration for the Weltzheimer House

Funding supports continuing work and associated educational opportunities focused on the restoration and preservation of Shepherd's Weltzheimer House. Project Director, Keith Alexander, Associate Professor of History

Academic Affairs

Dual Enrollment

Current students and alumni presented to 10th graders at Spring Mills High School on May 16th. Sponsored by the Office of Academic Community Outreach, students shared their path to college, what they majored in, future plans and why they selected Shepherd, outlining the challenges and successes they've had.

Nursing Donation

The WVU Medicine Healthcare Foundation recently donated \$10,000 to the Shepherd University Foundation. The University Healthcare Foundation's donation will be matched by the Success Fund for a total gift of \$20,000 to support Shepherd's nursing department. The funds will be used to purchase an abdominal simulation trainer, and a ventilator as well as fund special departmental projects.

Enrollment Management

Summer is a very busy time of year in Enrollment Management. The Office of the Registrar, Financial Aid, and Admissions are working with continuing and new students as they complete the enrollment process leading to the Fall semester 2018. Orientation Step 1 includes staff from all three offices, as well as others from across the campus. There are many moving parts to the two-day experience requiring a lot of coordination and collaboration.

At the same time, planning for the 2018-2019 enrollment cycle is ongoing. The Office of Admissions welcomed two new admissions counselors to the team. Andrew Robertson recently graduated from Radford University with a Bachelor in Business Administration in Marketing and Allison Davenport attended Shepherd University graduating in May 2017 with a Bachelor of Science in Sociology. Both counselors are digging into their training manual, going on prospective student tours, and will be involved in summer orientation.

Student Affairs

Orientation Step One

The Division of Student Affairs, in collaboration with Enrollment Management and Academic Affairs, will host four two-day orientation sessions for all new first-year students and two one-day sessions for transfer students in June and July. The sessions provide both students and their families the opportunity to acclimate themselves to the campus, meet personnel from all offices on campus including Financial Aid, Disability Support Services, Residence Life, Dining Services, Rambler Card Office, Community Services, Counseling Services, Health Center, and many more, and to register for classes. Special breakout sessions are held for parents and family members while students meet with faculty advisors. Upper-class student peer leaders serve as guides for the new students by explaining processes, sharing their experiences, and providing support during the anticipated beginning of their college careers.

University Development

Comprehensive Fundraising Report: 7/1/17 through 4/30/18 - New Gifts and Pledges

The comprehensive fundraising report provides analysis of cumulative data from the beginning of the fiscal year through the end of the reporting period. The report includes data from external fundraising programs managed through the University Foundation, Shepherd Athletics and the Office of Sponsored Grants.

- During the first ten months of the fiscal year, a total of \$3,901,235 was pledged and/or paid in new, direct gifts which is a 3.1% increase over the same period in FY2017.
 - Private gifts designated to named endowments equaled \$675,594.
 - Gifts and pledges for annual giving programs yielded \$1,113,404.
 - New competitive grants in amount of \$1,972,626 were awarded to Shepherd programs.
- Across all constituencies, the number of donors increased by 5.1% over the same period in FY2017.
- Faculty/Staff giving for the period ending 4/30/18 totaled \$207,516. The three-year average for the 2017, 2016 and 2015 fiscal years totals \$65,707.

During the 2017-2018 academic year, the Foundation has welcomed fifteen new members into the Joseph P. McMurrin Society. This society recognizes donors who have included Shepherd in their estate and financial planning with deferred gifts.

**SHEPHERD UNIVERSITY
COMPREHENSIVE FUNDRAISING SUMMARY**

Gift Category	7/1/2017 - 4/30/2018		7/1/2016 - 4/30/2017	
Annual Giving	\$1,113,404		\$1,967,094	
Endowments	\$675,594		\$827,659	
Grants	\$1,972,626		\$988,923	
Capital	\$139,610		\$0	
Total:	\$3,901,235		\$3,783,676	
Donor Category	# Donors	7/1/17 - 4/30/18	# Donors	7/1/16 - 4/30/17
Alumni	1,443	\$530,999	1,401	\$935,128
Friends	860	\$350,922	718	\$437,895
Corporations/Foundations	173	\$326,805	114	\$485,417
Others	127	\$719,882	247	\$936,313
Grants	20	\$1,972,626	15	\$988,923
Total:	2,623	\$3,901,235	2,495	\$3,783,676

Athletics

Spring Sports

The baseball and softball programs had outstanding spring seasons. The baseball team won the North division with an overall record of 38-17. The program was rewarded with a regional tournament invitation in Reading, PA where the team went (0-2). The softball program finished the season with a 34-20 overall record and earned a trip to the regional tournament in Lock Haven, PA. Owen Elliott of the Men’s Golf team advanced to the regional tournament as an individual and ended a few strokes from a berth in the National Championship tournament. This year Shepherd had several members of the baseball, softball, women’s lacrosse and men’s tennis teams make all-conference and –all region teams.

Athletics Academic Progress

The Shepherd athletic department had another great year academically. The average cumulative GPA for the department was a 3.26. There were 36 students that carried a 4.0 GPA in the Fall and 39 students with a perfect GPA in the spring. Of our 12 programs, 10 received a cumulative team GPA of a 3.0 or above. We also had 113 and 105 students make the Dean’s List in the Fall and spring semesters, respectively.

Football Golf Tournament

The Shepherd Football program will be hosting their annual golf tournament fundraiser on Saturday, June 23rd at Cress Creek. The program expects to have thirty teams compete with a post-round dinner scheduled for the clubhouse.

Shepherd University Athletic Club

The Shepherd University Athletic Club (SUAC) is a new entity with a mission of formulating and advancing the fundraising efforts of the athletic department under one umbrella. SUAC is made up of 17 alumni with ties to Shepherd athletics. SUAC was able to raise \$12,000 in an initial campaign to raise seed money for the Club.

Summer Camps

Shepherd will begin the summer camp season on June 3rd. We look forward to hosting campers in the following sports: football, baseball, boys' and girls' basketball, women's lacrosse, volleyball, and boys' and girls' soccer.

Capital Projects

Knutti Hall

Engineering associated with the necessary foundation repairs, moisture barrier and rain-water control for Knutti Hall continues. A phased approach while maintaining occupancy appears viable and would span two years, with most work occurring during summer months. The University anticipates presenting a formal prospectus for the project to the Board in September 2019.

Potomac Place

The University is continuing efforts to actively engage the developer, EdR for corrective action measures related to recurring building issues in Potomac Place. EdR has met with University stakeholders and assembled a team to perform corrective actions. The University and EdR met on May 29th to review steps taken and witness testing and confirmation with engineers and contractors. It is believed that all errors associated with the hot and cold water plumbing have been corrected. It is also believed that the systemic problems with the HVAC have been improved to permit better reliability of the HVAC in each student room. Review of some specific issues continues.

Shaw Hall Roof

Work has begun and is currently ahead of schedule. Barring any adverse weather conditions anticipated completion is July 1st.

Upcoming Events

Sunday, July 1

Pay-What-You-Can Previews for the 2018 Contemporary American Theater Festival begin. Information about these previews can be found at <http://catf.org>.

Wednesday, July 4

University Closed for Independence Day

Friday, July 6

Opening night of the 2018 Contemporary American Theater Festival. Tickets can be purchased through www.catf.org.

Tuesday, July 10

Speak Story Series: Dovie Thomason, Reynolds Hall. Sponsored by the Shepherd University Appalachian Studies Program.

Monday, July 23

An Evening with Congressional Historians Fundraiser, Robert C. Byrd Center for Congressional History and Education Auditorium (CHE), reception and dinner to follow. Cost: \$100/person with all proceeds benefitting the student internship program at the Center. Sponsored by CHE, Friends of the Byrd Center and the Shepherd University Lifelong Learning Program.

Tuesday, August 14

Speak Story Series: Corinne Stavish, Reynolds Hall. Sponsored by the Shepherd University Appalachian Studies Program.

Monday, August 27

Classes begin for the 2018-2019 Academic Year.

Friday, August 31

Screening of *What's Eating Gilbert Grape*, Reynolds Hall, followed by post-film discussion led by Rebecca Ayraud. Preceded by opening reception at the War Memorial Building. Sponsored by Shepherd University Scarborough Society and Shepherdstown Film Society.

Monday, September 3

University Closed for Labor Day

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

Shepherd University Board of Governors
Report to the Academic Programs and Development Committee
June 14, 2018
Agenda Item No. 5-a

ACADEMIC RESTRUCTURING PROGRESS REPORT

Dr. Scott Beard, Acting Provost, will provide the Committee with an update on progress and next steps related to academic restructuring.

Shepherd University Board of Governors
Report to the Academic Programs and Development Committee
June 14, 2018
Agenda Item No. 5-b

UNIVERSITY DEVELOPMENT UPDATE

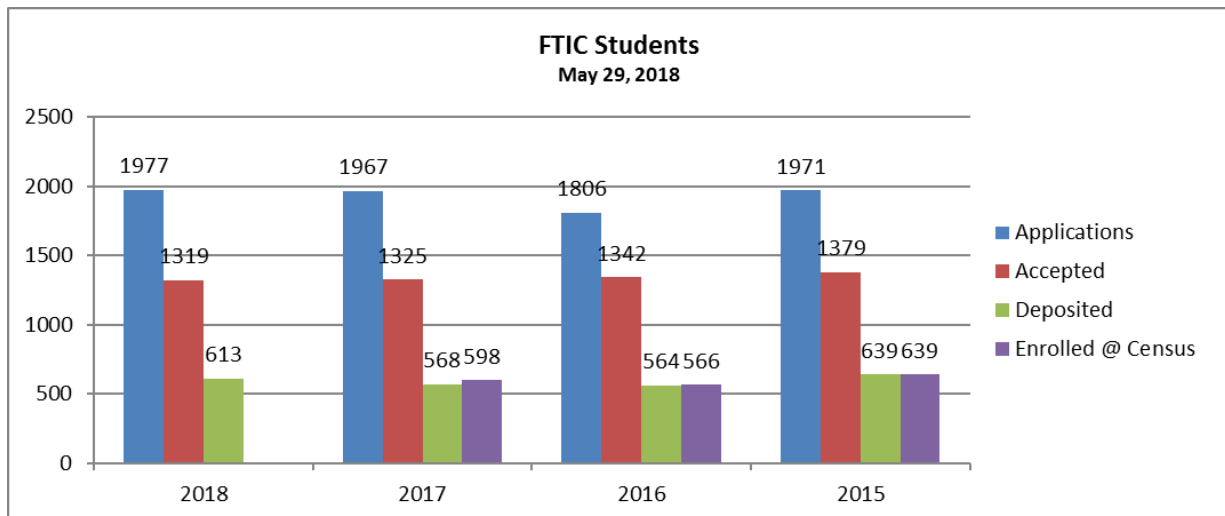
Ms. Monica Lingenfelter, Executive Vice President Shepherd University Foundation, will provide the Committee with a University Development update.

ENROLLMENT MANAGEMENT UPDATE

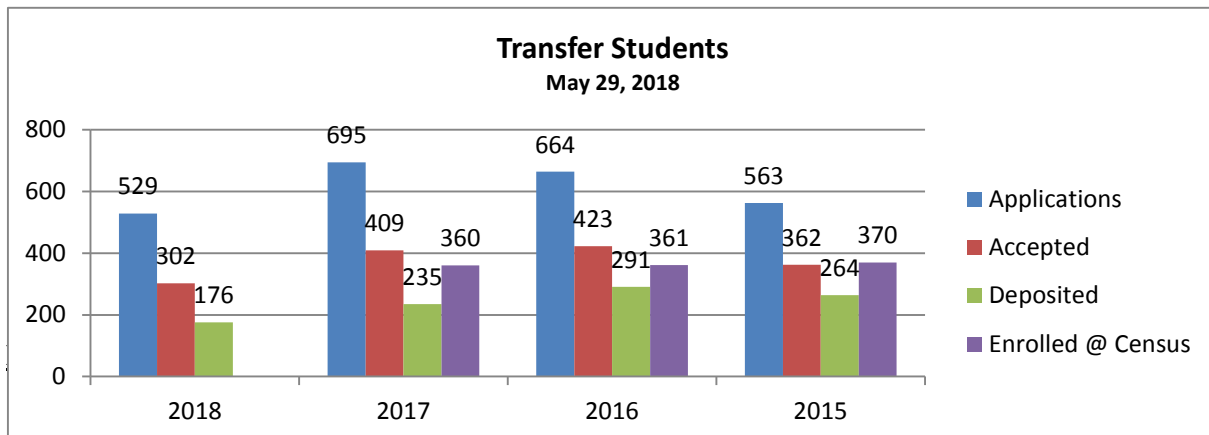
Fall 2018 Admission Build

- Freshman (FTIC) students who have submitted their enrollment deposit continues to run ahead of last year while the Transfer Student Admission Build continues to lag when compared to last year.
- Orientation Step 1 for new freshman is scheduled for June 4-5, 11-12, 18-19, and 26-27.
 - 81.5% of all deposited freshman have registered for an orientation session.
- Transfer student orientations are scheduled for June 22 and July 20
 - 67.4% of all deposited transfer students have registered for an orientation session.

Freshman (FTIC) Admission Build



Transfer Student Admission Build



- Continuing undergraduate student registrations are currently at 97.9% of target for Fall 2018. Eighty-one percent of all undergraduate degree-seeking students enrolled in spring 2018 have registered for Fall 2018.
- Registration for continuing and new master's degree students opened on March 19th and will remain open throughout the summer months.

<i>Enrollment Build as of date 5-21-18</i>			
Headcount by Student Type	Fall 2018 Build	Fall 2018 Targets	% of Target
Continuing Undergraduate	1,865	1,905	97.9%
New Freshman	1	590	0.2%
Re-admit	9	40	22.5%
New Transfer	15	330	4.5%
Continuing Master's	70	100	70.0%
New Master's	16	80	20.0%
New and Continuing Master's	82	180	45.6%
Total Degree Seeking Enrollment	1,972	3,045	64.8%

Shepherd University Board of Governors
Report to the Enrollment, Student and Community Affairs Committee
June 14, 2018
Agenda Item No. 6-b

STUDENT AFFAIRS UPDATE

Dr. Tom Segar, Vice President for Student Affairs, will provide the Committee with a Student Affairs update.

PROPOSED FY2019 ANNUAL BUDGET

The FY2019 budget proposal brings significant changes with a collaborative and rigorous effort to reduce the deficit and more accurately predict revenue. As previously stated, the landscape over FY2018 has changed and continues to change moving into FY2019. Major changes in our operations include the outsourcing of our campus Bookstore and the outsourcing of our Dining Services that is currently in process. Both of these changes bring a significant reduction in revenue accompanied by an equivalent reduction in related expenses, as further detailed in this narrative.

The two financial reports that follow include the FY2019 Operating Scenario and Cash Flow Projection and the FY2018 and FY2019 Budget Comparison. The Budget Comparison provides three scenarios for the FY2019 Budget. When reading the narrative, the financial statistics refer to the “Baseline” version, the “Moderate” version and the “Stretch” version. The comparative statistics will utilize the “Moderate” budget to compare to the FY2018 Budget data. Each version is further described below:

- The Baseline version is the most conservative approach and predicts the lowest calculated Tuition and Fee revenue. Operating expenses are reduced in many areas and constrained as much as is deemed advisable while maintaining an atmosphere in which the University can continue to grow and improve its financial condition over time. The result presented in this version produces a decrease in Net Position of \$4.059 million. This version uses a calculated, conservative baseline persistence of full-time degree-seeking undergraduate students; it uses our established new student (Freshman, Transfer, Readmit) targets for Fall, which suggest a modest increase in new and continuing graduate students.
- The Moderate version demonstrates a realistic level of projected Tuition and Fee revenue. Operating expenses are maintained at the same level as the Baseline version. This produces a decrease in Net Position of \$3.703 million as compared to the Baseline version (\$4.059 million). It further results in a smaller decrease for FY2019 than the Stretch version (\$3.024 million). The moderate version uses the same new undergraduate and graduate student targets, but projects a slightly increased persistence of full-time degree-seeking undergraduate students from spring 2018 to Fall 2018 and from fall 2018 to spring 2019.
 - The Moderate version is the recommended revenue model for approval by the Board of Governors.
- The Stretch version provides a scenario that exceeds the predicted Tuition and Fee revenue for FY2018. As in the Baseline and Moderate versions, Operating Expenses are maintained at the Baseline version amounts. The stretch version uses the same new undergraduate and graduate student targets and a more aggressive increase in persistence of full-time degree-seeking undergraduate students from spring 2018 to fall 2018 and from fall 2018 to spring 2019.

University enrollment decline has started to slow and is showing signs of stability when comparing the year-over-year variance from fall 2015 to the estimates for fall 2018. The catastrophically low retention rates from the fall 2015 new students continues to negatively impact our continuing student enrollment level. Stability is being achieved through new freshman enrollments of 590-600 students’ fall 2017 and projected for fall 2018. In concert with new student enrollments are focused student success and

persistence (retention) programs and initiatives. Further stability and modest growth must come from a combined effort of recruiting new students and retaining current students. In addition, as the size of the graduating classes (outputs) becomes closer aligned with the number of incoming undergraduates, the rate of decreasing enrollment will yield further improvement.

OVERVIEW

Total Operating Revenue:	Decreases \$6.1 million or 15.9%
Total Operating Expenses:	Decrease \$7.3 million or 12.6%
State Appropriation:	Increases \$311,000 or 3.3%
Decrease in Net Position:	FY2019 - \$3.7 million; Less than FY2018 by \$1.5 million or 28%

The marginal increase to the University's State appropriation funding provides for less than 30% of the total required to fund the pay increase for all full-time and regular part-time faculty and staff. A small portion of the increase is further allocated to offset a portion of the increase for PEIA and OASIS expenses. University leadership is committed to the retention and well-being of its staff and faculty. This is demonstrated in the request, included in this budget, to provide a pay increase that aligns with the Governor's pronouncement to provide all State employees with a pay raise calculated in the amount of \$2,160 for full-time employees.

To address these financial challenges, significant cuts to Shepherd's Operating Budgets are included in the FY2019 budget proposal. The FY2019 budget restricts discretionary spending while providing for unavoidable increases. This budget proposal recognizes the value of and investment in Shepherd faculty and staff while striving to provide stability for the University's future.

Operating Revenues

Tuition and Fee Revenue:	Decreases \$1.65 million or 10%
Federal Grants and Contracts:	Increase \$216,000 or 14.4%
State and Local Grants and Contracts:	Decrease \$297,000 or 7.1%
Auxiliary Enterprises Revenue:	Decreases \$4.2 million or 27.5%

The decline in auxiliary revenue reflects the outsourcing of the Bookstore and Dining Services. This change is accompanied by a decline in the auxiliary expenses, as noted below in "Operating Expenses" consisting of goods purchased for resale, payroll and benefits, as well as other operational expenses.

Operating Expenses

Overall Operating Expenses:	Decrease \$7.346 million or 12.6%
Auxiliary Enterprises Expenses:	Decrease \$4.74 million or 37.7%
	consisting of goods purchased for resale, payroll and benefits, as well as other operational expenses

Position Vacancy Savings are not budgeted this fiscal year. Any savings will be used to offset undetermined expense increases; such as rate increases in utilities.

Faculty Vacancies are being filled to assist in the reduction of adjunct faculty. Further personnel reductions will be made in most categories, including student labor, graduate assistants and stipends.

Operations and Maintenance

Decreases approximately \$250,000 through the elimination of contract custodial and grounds expense. Shepherd custodial staff will be realigned to perform these duties while maintaining the same quality of service.

Telephone Expense

Decreases approximately \$50,000 with the elimination of unused phone lines and a contract agreement with Frontier.

Other Operating Expenses

Decreases in travel, office expenses, computer supplies, rental machines, supplies (clothing, janitorial, research, and educational), and hospitality.

Routine maintenance of buildings and grounds are included in the reductions, but may require adjustment as a result of ongoing deferred maintenance across campus.

Non-Operating Revenues and Expenditures

- State Appropriations reflect an increase of \$311,000 or 3.3%. This increase is designated to fund faculty and staff pay increases, PEIA and OASIS increases. The basis for this amount is the full-time equivalent staff supported by the Appropriation. Due to the low level of funding, this amount funds approximately 30% of the total required for the pay increases.
- Interest on Capital Debt is budgeted at a decrease of \$61,000 or 4.3% from the FY2018 budget. This is significantly less than the change in FY2018 due to the refinancing of bond issues during the prior fiscal year.
- Contributions from the Foundation for gifts, including student scholarships, College of Business and other support are budgeted to increase \$100,000 or 6.7% from FY2018.

Summary

It is our intention to sustain the University's cash position through another challenging year as we continue to follow the FY2018 plan to preserve cash in FY2019. This will be accomplished by responsibly monitoring capital spending and reducing Operating Expenses as required to align with the continuing decline in student enrollments. The plan, reflected in the FY2018 and FY2019 Budget Comparison, includes all transactions impacting the cash scenario. It also reflects a FY2019 capital projects list which consists of projects that are essential and necessary to enhancing the student experience and protecting building envelopes.

Looking forward into FY2020 and FY2021, the ongoing deficit will continue to be addressed and reduced with the intention of eliminating the deficit by FY2021. Should we be the recipient of additional funds from the State appropriation, the elimination of the deficit could occur earlier. Any increase in revenue from Tuition and Fees, or other sources, will be directed at containing and reducing existing spending to further achieve this goal.

The following resolutions are recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the FY2019 Annual Budget as presented in the agenda materials of June 14, 2018.

Shepherd University
FY2019 Operating Scenario and Cash Flow Projection
(Dollars in Thousands)

	Audited Actual FY2017	Revised Budget FY2018	Annual Projection FY2018	Budget A	Budget B	Budget C
				Proposed Baseline FY2019	Proposed Moderate FY2019	Proposed Stretch FY2019
Tuition and Fees	\$ 17,574	\$ 16,915	\$ 15,881	\$ 14,960	\$ 15,268	\$ 15,871
Federal Grants and Contracts	1,739	1,500	1,145	1,716	1,716	1,716
State and Local Grants and Contracts	3,919	4,165	4,025	3,868	3,868	3,868
Private Grants and Contracts	27	20	27	38	38	38
Sales and Services of Educational Activities	50	20	24	24	24	24
Auxiliary Enterprises	15,211	15,250	14,130	11,005	11,053	11,129
Other Operating Revenues	653	529	930	330	330	330
TOTAL OPERATING REVENUES	39,173	38,399	36,162	31,941	32,297	32,976
Core Operating Expenses						
Primary Mission Costs						
Instruction	17,873	18,023	17,836	17,336	17,336	17,336
Academic Support	3,227	3,340	3,227	3,082	3,082	3,082
Student Services	3,487	3,715	3,480	3,394	3,394	3,394
Scholarships and Fellowships	2,164	2,500	2,213	2,270	2,270	2,270
Subtotal Primary Mission Costs	26,751	27,578	26,756	26,082	26,082	26,082
Other Core Operating Expenses						
Operations and Maintenance	4,852	4,410	4,452	4,118	4,118	4,118
Institutional Support	6,668	6,150	6,379	5,962	5,962	5,962
Research	228	245	228	200	200	200
Public Service	244	240	244	138	138	138
Subtotal Other Core Operating Expenses	11,992	11,045	11,303	10,418	10,418	10,418
Total Core Operating Expenses	38,743	38,623	38,059	36,500	36,500	36,500
Auxiliary Expenses	12,712	12,721	12,050	7,820	7,820	7,820
Depreciation Expense	6,718	7,250	6,703	6,500	6,500	6,500
Transfers and Other (Additions) Subtractions	259	437	242	220	220	220
TOTAL OPERATING EXPENSES	58,432	59,031	57,054	51,040	51,040	51,040
State Appropriations	9,361	9,361	9,361	9,672	9,672	9,672
GASB 68 Payments on Behalf University	70	-	70	-	-	-
Nonoperating Federal Revenue	4,786	5,400	5,069	5,000	5,000	5,000
Investment Income	136	35	175	180	180	180
Interest on Capital Asset Related Debt	(2,192)	(1,435)	(1,536)	(1,374)	(1,374)	(1,374)
Loss on Disposal of Equipment	(5)	-	(380)	-	-	-
Gifts	1,512	1,500	1,442	1,600	1,600	1,600
Fees Assessed by the Commission for Interest and Reserves	(19)	(38)	(37)	(38)	(38)	(38)
TOTAL NONOPERATING REVENUES AND EXPENSES	13,649	14,823	14,164	15,040	15,040	15,040
Decrease in Net Position	(5,610)	(5,809)	(6,728)	(4,059)	(3,703)	(3,024)
Depreciation	6,718	7,250	6,703	6,500	6,500	6,500
GASB 68	(62)	-	(62)	(62)	(62)	(62)
OPEB	306	645	475	-	-	-
Capital Expenditures	(2,714)	(1,300)	(2,064)	(2,175)	(2,175)	(2,175)
Gain/Loss on Asset Disposals	5	-	380	-	-	-
Bond, Note and Lease Principal Payments and Amortization	(639)	(1,920)	(1,956)	(1,828)	(1,828)	(1,828)
Changes in Balance Sheet Accounts	302	(1,250)	93	(535)	(535)	(535)
Decrease in Cash	\$ (1,694)	\$ (2,384)	\$ (3,159)	\$ (2,159)	\$ (1,803)	\$ (1,124)
Ending Cash	\$ 14,566	\$ 12,182	\$ 11,407	\$ 9,248	\$ 9,604	\$ 10,283
Days Cash	103	86	83	76	79	84

Shepherd University
FY2018 and FY2019 Budget Comparison
(Dollars in Thousands)

	Budget A			Budget B			Budget C		
	Revised Budget FY2018	Proposed Baseline FY2019	Variance	Revised Budget FY2018	Proposed Moderate FY2019	Variance	Revised Budget FY2018	Proposed Stretch FY2019	Variance
Tuition and Fees	\$16,915	\$ 14,960	\$ (1,955)	\$16,915	\$ 15,268	\$ (1,647)	\$16,915	\$ 15,871	\$ (1,044)
Federal Grants and Contracts	1,500	1,716	216	1,500	1,716	216	1,500	1,716	216
State and Local Grants and Contracts	4,165	3,868	(297)	4,165	3,868	(297)	4,165	3,868	(297)
Private Grants and Contracts	20	38	18	20	38	18	20	38	18
Sales and Services of Educational Activities	20	24	4	20	24	4	20	24	4
Auxiliary Enterprises	15,250	11,005	(4,245)	15,250	11,053	(4,197)	15,250	11,129	(4,121)
Other Operating Revenues	529	330	(199)	529	330	(199)	529	330	(199)
TOTAL OPERATING REVENUES	38,399	31,941	(6,458)	38,399	32,297	(6,102)	38,399	32,976	(5,423)
Core Operating Expenses									
Primary Mission Costs									
Instruction	17,700	17,336	(364)	17,700	17,336	(364)	17,700	17,336	(364)
Academic Support	3,340	3,082	(258)	3,340	3,082	(258)	3,340	3,082	(258)
Student Services	3,715	3,394	(321)	3,715	3,394	(321)	3,715	3,394	(321)
Scholarships and Fellowships	2,500	2,270	(230)	2,500	2,270	(230)	2,500	2,270	(230)
Subtotal Primary Mission Costs	27,255	26,082	(1,173)	27,255	26,082	(1,173)	27,255	26,082	(1,173)
Other Core Operating Expenses									
Operations and Maintenance	4,410	4,118	(292)	4,410	4,118	(292)	4,410	4,118	(292)
Institutional Support	5,989	5,962	(27)	5,989	5,962	(27)	5,989	5,962	(27)
Research	245	200	(45)	245	200	(45)	245	200	(45)
Public Service	240	138	(102)	240	138	(102)	240	138	(102)
Subtotal Other Core Operating Expenses	10,884	10,418	(466)	10,884	10,418	(466)	10,884	10,418	(466)
Total Core Operating Expenses	38,139	36,500	(1,639)	38,139	36,500	(1,639)	38,139	36,500	(1,639)
Auxiliary Expenses	12,560	7,820	(4,740)	12,560	7,820	(4,740)	12,560	7,820	(4,740)
Depreciation Expense	7,250	6,500	(750)	7,250	6,500	(750)	7,250	6,500	(750)
Transfers and Other (Additions) Subtractions	437	220	(217)	437	220	(217)	437	220	(217)
TOTAL OPERATING EXPENSES	58,386	51,040	(7,346)	58,386	51,040	(7,346)	58,386	51,040	(7,346)
State Appropriations	9,361	9,672	311	9,361	9,672	311	9,361	9,672	311
Nonoperating Federal Revenue	5,400	5,000	(400)	5,400	5,000	(400)	5,400	5,000	(400)
Investment Income	35	180	145	35	180	145	35	180	145
Interest on Capital Asset Related Debt	(1,435)	(1,374)	61	(1,435)	(1,374)	61	(1,435)	(1,374)	61
Gifts	1,500	1,600	100	1,500	1,600	100	1,500	1,600	100
Fees Assessed by the Commission for Interest and Reserves	(38)	(38)	-	(38)	(38)	-	(38)	(38)	-
TOTAL NONOPERATING REVENUES AND EXPENSES	14,823	15,040	217	14,823	15,040	217	14,823	15,040	217
Decrease in Net Position *	(5,164)	(4,059)	1,105	(5,164)	(3,703)	1,461	(5,164)	(3,024)	2,140

* Does not include OPEB expense for Budget FY2018 since amount cannot be determined for FY2019

PERSONNEL SALARY INCREASE: IMPLEMENTATION OF GOVERNOR'S STATEWIDE INCREASE INITIATIVE

The Human Resources annual update provided to the Board at the May meeting, demonstrated the degree to which the University is struggling to maintain salary competitiveness for our workforce. The impact of our compensation challenges includes:

- It is becoming harder to effectively recruit for faculty, professional and all staff positions;
- Ongoing high turnover in faculty and professional positions damages the academic quality in the faculty and the productivity and effectiveness of the staff in providing student support and administrative services; and
- Morale among faculty and staff is not strong. This issue is reflected in many ways and is a serious threat to the University.

Last year's salary equity increases focused primarily on employees whose salaries were especially low in comparison to market conditions. However, no staff whose salaries exceeded \$50,000 were included in the initiative and half of the faculty only received a 1% increase.

During this year's Legislative Session, the Governor initiated a State Employee salary increase as a component of the Budget Bill. Although casually discussed in the media as a 5% increase, the specific calculations are complex, and the decision of how to handle the issue within higher education is left to the discretion of each governing board. Most State agencies are awarding the per capita increase of \$2,160 provided for in the Governor's program.

Shepherd University was allocated \$226,726 in increased appropriations in support of salary increases. The additional costs associated with raises for all employees would come from institutional resources. It is recommended that the University implement salary increases in the following manner:

- For all full-time faculty \$2,160 per capita;
- For all full-time, exempt staff (benefits eligible, full-time equivalent [FTE] greater than .53, and FLSA exempt status) \$2,160 pro-rated to the budgeted FTE;
- For all non-exempt full time or regular part-time staff, \$1.10 per hour [this increase in the hourly rate is established by dividing the \$2,160 annualized amount by the standard 1950 work hours in a one year period];
- Employees whose base salaries are funded by grants would be excluded from this initiative, but eligible to receive grant-funded increases;
- Employment in a category covered by the salary increase initiative must have begun prior to June 1, 2018;
- The President should be authorized to exclude from this salary increase any employee whose salary was adjusted after February 1, 2018 with an express contemplation of incorporating any subsequent institutional increases in 2018.

It is recommended that these salary increases be implemented July 7, 2018.

The expense of this recommended slate of salary increases is incorporated into the recommended FY2019 Budget. The additional institutional expense beyond the appropriations increase is calculated at \$750,000.

It is also recommended that the Board authorize miscellaneous additional adjustments in salaries of classified employees to permit full institutional funding of the Minimum Salary levels for each pay grade in the HEPC Compensation chart adopted by the Commission in summer 2017. This adjustment, coupled with the foregoing salary increase initiative, will cost approximately \$5,000 in FY2019 and will allow the University to proceed with full adherence to the minimum funding provisions in the new compensation system.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the adoption of the institutional salary increases initiative as described in the agenda book of June 14, 2018, to be effective July 7, 2018 or as soon thereafter as may be effectively administered in the State payroll systems.

FY2019 CAPITAL INITIATIVES

The Finance and Facilities representative will lead a discussion with the Board on the FY2019 Capital Initiatives, as presented by Mr. Jack Shaw, Interim Vice President for Campus Services.

Building / Project Description	Class	Estimate	Comments
Miller Hall HVAC	AUX	125,000	Chiller is failing
Student Center Abatement and Renovation	AUX	400,000	Ceilings and floors
Student Center Roof	AUX	350,000	Summer 2019 project; work is likely to split almost 50% to each fiscal year
Burkhart/Moler/Yost HVAC	AUX	75,000	Completion of new PTAC HVAC for the six buildings
Total AUX		950,000	
FY2019 Total		775,000	Excludes projected FY2020 expenditures
Knutti Hall Foundation Repairs/Moisture Control	E&G	550,000	Comprehensive repair to foundation; moisture barrier; rain-water control. Project will span FY2019 and FY2020, approximately 50% each
VOIP	E&G	375,000	Project continues under evaluation for internal or external hosting
Snyder Hall Heating	E&G	300,000	Radiator heat system must be upgraded to maintain reliability
White Hall Roof	E&G	375,000	
Citrix Infrastructure Upgrade	E&G	75,000	Project not completed in FY2018
Total E&G		1,675,000	
FY2019 Total		1,400,000	
Football Field Artificial Turf	AUX	\$550,000	Lease purchase financing is contemplated

ELECTION OF OFFICERS FOR 2018-2019

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

Chairperson

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

Vice Chairperson

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

Secretary of the Board

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

This year, the Board has established a Nominating Committee, with the Bylaws amendment adopted this spring. The Nominating Committee, consisting of Tia McMillan, Ray Alvarez and Eric Lewis, met on May 24, 2018 and completed its duties.

At the Board Meeting, the Nominating Committee will recommend a slate of Eric Lewis to be Chair, Gat Caperton to be Vice Chair, and Chad Robinson to be Secretary.

ELECTION OF AUDIT AND NOMINATING COMMITTEES

As provided by the Board of Governors' Bylaws, elections are to be held each June for membership of the Audit Committee, upon a nomination by the newly elected Chair.

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

ELECTION OF NOMINATING COMMITTEE

As provided in the Bylaws amendment adopted this spring, the Nominating Committee also establishes a slate of nominees for election to the Nominating Committee for the following year. The Nominating Committee will nominate the slate of Tia McMillan, Ray Alvarez, and Henry Kayes.

PROPOSED MEETING SCHEDULE FOR 2018-2019

The following list of dates reflects recommended meeting dates for the 2018-2019 academic year based upon mandated and strategic decision-making processes during the course of the year. The Board must meet at least six times annually. This proposed schedule reflects a total of six in-person meetings. The meetings of the full board will be preceded by committee meetings that will be generally scheduled for 3:00 p.m. The Chair will lead the discussion for setting a schedule of meetings for the coming year.

July

Propose no meeting.

August

Propose no meeting.

September

September 20, 2018 at 4:15 p.m.

October

Propose no meeting.

November

November 8, 2018 at 4:15 p.m.

December

December 13, 2018 at 4:15 p.m.

January

Propose no meeting.

February

February 14, 2019 at 4:15 p.m.

March

Propose no meeting.

April

April 18, 2019 at 4:15 p.m.

May

Propose no meeting.

June

June 13, 2019 at 4:15 p.m.