

Shepherd

UNIVERSITY

Board of Governors



Meeting Agenda

June 13, 2019

Board Members

Eric Lewis, Chair

Gat Caperton, Vice Chair

Chad Robinson, Secretary

Ray Alvarez Ramona Kissel, Classified Staff

David Avella Bob Marggraf

Jim Cheny Tia McMillan

Henry Kayes, Jr. Danielle Stephenson, Student

J.B. Tuttle, Faculty

Mary J.C. Hendrix, President



Board of Governors Meeting

June 13, 2019

Lower Level Multipurpose Room

Robert C. Byrd Center for Congressional History and Education

Shepherdstown, WV

4:15 – 6:00 p.m.

AGENDA

- 4:15 p.m. 1. **Call to Order** (Chair Eric Lewis)
- 4:15 p.m. 2. **Public Comments**
- 4:16 p.m. 3. **Recognition of Emeritus Staff** (Dr. Marie DeWalt, Director of Human Resources)
- 4:18 p.m. 4. **Consent Agenda Items** (Chair Lewis)
 - a. Consent Agenda
 - b. Approval of the Minutes of April 18, 2019 Board Meeting
 - c. Approval of the FY2021 Capital Funding Priorities
 - d. Annual Approval of the Athletic Program Philosophy
 - e. Approval of the Amendment of Policy 26, Salary Policy
- 4:20 p.m. 5. **President's Report** (President Hendrix)
- 4:30 p.m. 6. **Report of the Academic Programs and Development Committee** (Ms. Tia McMillan)
 - a. University Development Update
- 4:40 p.m. 7. **Report of the Enrollment, Student and Community Affairs Committee** (Mr. Chad Robinson)
 - a. Enrollment Management Update
- 4:50 p.m. 8. **Report of the Finance and Facilities Committee** (Mr. Henry Kayes, Jr.)
 - a. Quarterly Financial Report: 3rd Quarter FY2019
 - b. Proposed FY2020 Annual Budget
 - c. FY2020 Capital Initiatives
- 5:15 p.m. 9. **Election of Officers for 2019-2020**
- 5:17 p.m. 10. **Election of Audit and Nominating Committees**
- 5:18 p.m. 11. **Proposed Meeting Schedule for 2019-2020** (Chair Lewis)
- 5:20 p.m. 12. **New Business** (Chair Lewis)
- 5:30 p.m. 13. **Executive Session**
 - a. Matters Effecting Individual Persons' Privacy
- 5:50 p.m. 14. **Matters Arising from Executive Session**
- 6:00 p.m. 15. **Adjournment**



Board of Governors Meeting

June 13, 2019

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**

- 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 202, Ikenberry Hall

- Enrollment Management Update

Mr. Chad Robinson, Chair

Mr. Gat Caperton

Dr. Jim Cherry

Ms. Danielle Stephenson

Ms. Holly Morgan-Frye, Staff

Mr. Bill Sommers, Staff

Shepherd University Board of Governors
June 13, 2019
Agenda Item No. 3

RECOGNITION OF EMERITUS STAFF

Dr. Marie DeWalt, Director of Human Resources, will present an additional individual for recognition to the *Emeritus* Staff named for 2018-2019. *Emeritus* titles may be conferred upon faculty or staff at the time of retirement. To be eligible for appointment to *Emeritus* status, retiring faculty or staff must have completed at least a total of ten years of service at Shepherd University.

Staff being awarded *Emeritus* status:

Mr. Robert Seeders, Campus Police Officer, *Emeritus*

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 9, 2019. 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 13 meeting.
- 2) 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 April 18, 2019;
- 2) The FY2021 Capital Funding Priorities;
- 3) The Athletic Program Philosophy; and
- 4) The Amendment of Policy 26, Salary Policy,
each as presented in the Agenda materials of June 13, 2019.

SHEPHERD UNIVERSITY BOARD OF GOVERNORS

MINUTES OF THE MEETING OF APRIL 18, 2019

The Shepherd University Board of Governors met on April 18, 2019 in a regular meeting. Members participating were: David Avella, Jim Cherry, Henry Kayes, Jr., Ramona Kissel (phone), Eric Lewis, Robert Marggraf, Tia McMillan, Danielle Stephenson and J.B. Tuttle (phone). Also present were Shepherd University President Mary J.C. Hendrix, members of the executive leadership team and others. Board members Ray Alvarez, Gat Caperton and Chad Robinson were absent from the meeting.

1. PUBLIC COMMENTS

Brief public comments were made by Ms. Christine Marshall relating to matters not included in the Board's agenda.

2. RECOGNITION OF EMERITUS FACULTY AND STAFF

Dr. Scott Beard, Provost, presented to the Board Dr. Roger Hamood and Dr. Georgiann Toole, as new faculty Emeriti. Dr. Marie DeWalt, Director of Human Resources, recognized Mr. Rick Brandfass and Mr. Steve Robinson, and presented to the Board Ms. Diane Shewbridge and Ms. Judith Soule, as new staff Emeriti.

3. CONSENT AGENDA ITEMS

M (Kayes), S (Marggraf), 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 February 14, 2019;
- 2) The Minutes of the Special Meeting of March 12, 2019;
- 3) The Approval of the Global Studies Minor;
- 4) The Approval of the Global Studies Emphasis in the Regents Bachelor of Arts Program;
- 5) The Approval of the Health Sciences Concentration;
- 6) The Approval of the Health Promotion Concentration;
- 7) The Authorization to Initiate Comment Period for Amendment of Policy 26, Salary Policy;
- 8) The Authorization to Initiate Comment Period for Amendment of Policy 19, Academic Freedom, Professional Responsibility, Promotion and Tenure;
- 9) The Approval of the Student Center Roof Replacement Project; and
- 10) The Approval of the 2018-2019 Academic Program Reviews, each as presented in the Agenda materials of April 18, 2019.

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. **FACULTY SENATE ANNUAL REPORT**

Dr. Christopher Lovelace, President of the Faculty Senate and Associate Professor of Psychology, presented to the Board the Faculty Senate Annual Report. Dr. Lovelace noted one of the first orders of business last Fall was to endorse the new faculty parental leave policy developed by the Gender and Women's Studies board that is now part of the Faculty Handbook. Last Fall, the Senate had a robust discussion of department chair compensation. Dr. Lovelace reported the President has agreed to raise the compensation by \$1,000 beginning FY2020. On March 4th the Faculty Senate passed a resolution opposing House Bill 2519 that would have allowed concealed carry of firearms on Shepherd's campus. Dr. Lovelace also noted that the Senate committees have been hard at work. He thanked President Hendrix for "...including faculty as cooperative partners in the shared governance of Shepherd University," and acknowledged the retirement of Professor Toole and Professor Hamood.

6. **REPORT OF THE ACADEMIC PROGRAMS AND DEVELOPMENT COMMITTEE**

On behalf of the Academic Programs and Development Committee, Ms. McMillan provided a brief update of the Committee's discussions which included recommendations for approval of several items on the consent agenda, as well as further review of implementation of academic restructuring and an update from University Development.

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

On behalf of the Enrollment, Student and Community Affairs Committee, Chair Lewis provided a brief update of the Committee's discussions which included the Campus Safety Annual Data Report and the Faculty Athletics Representative Report and an update on enrollment. Chair Lewis proposed a board member retreat regarding enrollment and recruitment.

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

On behalf of Finance and Facilities Committee, Mr. Kayes provided a brief update of the Committee's discussions which included the Financial Report: Interim Cash Flow Projection as of March 2019 and the Human Resources Annual Report. He noted that a Finance Committee meeting will take place during the months of May and June, prior to the next Board meeting.

9. **FOUNDATION STAFFING EFFORTS**

Mr. David Avella led a discussion with the Board regarding Shepherd University Foundation staffing efforts. Mr. Avella initiated a motion, withdrawn, relating to salary level and prospective use of a search firm in the search for the Major Gifts Officer vacancy. The Board members reached a consensus of desiring to maintain discretion with the University President as to management of the search, but were also in consensus that the FY2020 budget could appropriately be adjusted to accommodate compensation for the position comparable to vice president's positions at the University, as well as to be adjusted if necessary to support use of a search firm.

10. **NEW BUSINESS**

None.

Eric Lewis
Chair

Chad Robinson
Secretary

APPROVAL OF THE FY2021 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.

Shepherd University FY2021 Capital Funding Priorities

Priority	Project Name	Project Category	Estimated Cost	Notes
1	Shaw Hall and Thacher Hall Carpeting and LVT	G. Auxiliary	\$130,000	Replacement enhances mold control and flooring is at end of useful life
2	Knutti Hall Roof	A. Instructional Space	\$550,000	Both Roof and Foundation are essential to the integrity of the structure.
3	Knutti Hall Foundation Repairs/Moisture Control	A. Instructional Space	\$1,000,000	Comprehensive repair to foundation; moisture barrier; rain-water control. Project will span FY2020 and FY2021, approximately 50% each year
4	Miller Hall HVAC/Boiler	G. Auxiliary	\$235,000	System is inefficient and obsolete - energy savings anticipated
5	Student Center Roof	G. Auxiliary	\$500,000	Project will span FY2020/FY2021; \$200,000 will be apportioned to FY2020; Remaining \$300,000 will be apportioned to FY 2021; Roof is at end of useful life and replacement will protect internal renovations completed in FY2019
6	Snyder Hall & Byrd Science & Technology Center-Mechanical Improvements and system replacements	A. Academic Space	\$795,000	Mechanical systems require replacement for efficiency which will result in significant energy savings. HVAC, boilers and air handling equipment will be replaced.
7	Frank Center Theater General Upgrades	A. Instructional Space	\$200,000	Acoustical - Not related to lighting upgrades
8	Emergency backup equipment (i.e., Generators)	A. Instructional Space and G. Auxiliary	50,000	Generators (locations to be determined) will be procured to facilitate power outages and prevent interruption in essential services. These purchases will be phased over several fiscal years.
9	White Hall Roof	A. Instructional Space	\$500,000	
10	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
11	McMurrin Hall Roof	E. Administrative Support	\$600,000	
12	Butcher Center Roof	A. Academic Space	\$550,000	A smaller portion of roof was replaced in 2016.

Shepherd University FY2021 Capital Funding Priorities

Priority	Project Name	Project Category	Estimated Cost	Notes
13	Student Athletic Performance Center	G. Auxiliary, Athletics	\$5,000,000	Addition to Boone; Limited renovations to Butcher
14	Telephony Upgrade	B. Communications, computer	\$375,000	Conversion to VOIP
15	Burkhart Hall MEP	G. Auxiliary	\$1,000,000	Electrical Upgrades; Mechanical Upgrades
16	Burkhart/Moler/Yost HVAC	G. Auxiliary	\$75,000	PTAC unit replacements; completion of the replacements for all six buildings
17	Yost Hall MEP	G. Auxiliary	\$1,000,000	Electrical Upgrades; Mechanical Upgrades
18	Shaw Hall MEP and ADA Restrooms	G. Auxiliary	\$200,000	Electrical Upgrades; Mechanical Upgrades
19	Thacher MEP and ADA Restrooms	G. Auxiliary	\$200,000	Electrical Upgrades; Mechanical Upgrades
20	Butcher Center Arena light LED	A. Academic Space	\$250,000	LED replacement will enhance energy efficiency
21	White Hall Exterior Masonry	A. Instructional Space	\$100,000	
22	Stutzman-Slonaker Parapets	A. Instructional Space	\$500,000	Active Deterioration experienced
23	Butcher Center A/C Units	A. Instructional Space	\$1,100,000	Increase energy efficiency and operational effectiveness
24	Gardiner Hall MEP and ADA Restrooms	E. Administrative Support	\$2,500,000	
25	Frank Center Theater Lighting Upgrades	A. Instructional Space	\$50,000	
26	Frank Center Renovation and Performance Space	A. Instructional Space	\$16,000,000	Fundraising Campaign
27	Moler Hall MEP	G. Auxiliary	\$1,000,000	
28	Boteler Hall MEP	G. Auxiliary	\$1,000,000	
29	Lurry Hall MEP	G. Auxiliary	\$1,000,000	
30	Martin Hall MEP	G. Auxiliary	\$1,000,000	
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	Boilers complete; Need to assess other HVAC
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	

Shepherd University FY2021 Capital Funding Priorities

Priority	Project Name	Project Category	Estimated Cost	Notes
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	Renovate for specific purpose to be identified
47	Turner Hall Exterior Masonry	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	Renovate for specific purpose to be identified
50	Kenamond Hall Roof	A. Instructional Space and G. Auxiliary	\$450,000	
51	Parking Garage	G. Auxiliary	\$10,000,000	Location not identified
52	New Maintenance Facility	E. Administrative Support	\$4,600,000	Relocate Facilities Operations to perimeter, West Campus location
53	New Motor Pool Facility	E. Administrative Support	\$525,000	
54	Demo Existing Trailers	E. Administrative Support	\$525,000	
55	Facilities Building Renovations	C. Computer, communications	\$800,000	
56	King Street Conversion to Pedestrian Traffic only	E. Physical Plant Improvements	\$2,450,000	Eliminate safety hazard of heavy pedestrian traffic intersecting busy vehicle traffic patterns
57	Campus Entrances/Borders	E. Physical Plant Improvements	\$500,000	Signage and promotional / information systems
58	New Field Houses/Restrooms for Softball and Baseball	G. Auxiliary, Athletics	\$200,000	On-site restrooms for patrons and participants
59	Byrd Science and Tech Center Lighting Upgrade	A. Academic Space	\$100,000	
60	Byrd Science and Tech Center Lab Upgrades	A. Academic Space	\$500,000	
61	Dunlop Hall Chiller Replacement	G. Auxiliary Space	\$75,000	
62	Printz Hall Chiller Replacement	G. Auxiliary Space	\$75,000	
63	Popodicon Roof	E. Administrative Support	\$150,000	
64	Popodicon Exterior Masonry	E. Administrative Support	\$100,000	
65	Schindler House Exterior Masonry	A. Academic Space	\$100,000	
66	HR Building Roof	E. Administrative Support	\$150,000	

Shepherd University FY2021 Capital Funding Priorities

Priority	Project Name	Project Category	Estimated Cost	Notes
67	New Storage Bins	E. Administrative Support	\$265,000	
68	Entler-Weltzheimer House Interior Renovation	A. Instructional Space	\$500,000	New space in historic, long abandoned structure for Public History Programs
69	Facilities Building Roof	E. Administrative Support	\$175,000	
70	CCA 1 Gutters	A. Academic Space	\$10,000	
71	Snyder Hall Roof	A. Academic Space	\$310,000	
72	Equipment Screen Frank Center Roof	A. Instructional Space	\$200,000	
73	Street/Parking Lot Paving	G. Auxiliary, Parking	\$250,000	

Shepherd University Board of Governors
June 13, 2019
Consent Agenda Item No. 4-d

ANNUAL APPROVAL OF THE ATHLETIC PROGRAM PHILOSOPHY

National Collegiate Athletic Association (NCAA) regulations require the Shepherd University Board of Governors to review and approve the institutional Athletic Program Philosophy on an annual basis. The current Athletic Program Philosophy is contained on the following page, with a recommendation for a change this year consistent with our conference re-alignment.

SHEPHERD UNIVERSITY

Athletic Philosophy

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

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

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

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

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

APPROVAL OF THE AMENDMENT OF POLICY 26, SALARY POLICY

As authorized by the Board at the meeting of April 18, 2019, the President issued a notice under Policy 1 of the Board describing the intent to amend Policy 26, *Salary Policy*, on April 30, 2019. This followed consultations with both the Classified Employees Council and the Faculty Senate.

The Policy has not been updated for several years. Its language relating to classified staff is obsolete and the proposed changes establish a unified policy as to all staff which provides for merit pay allocations, closely associated to the University's Performance Management Evaluation System. Staff eligibility for merit pay would derive from the relative achievement as reflected in the annual evaluations.

The new subsections 2.1 and 2.2 describe the conceptual framework which has been the operational practice for many years in establishing initial salaries for new faculty and staff. Section 2 would continue the prior practice of presuming, absent cause, comparable raises, proportionally, for faculty and for staff. Also continued is the directive that legally mandatory salary increases, if any, are taken collectively from the institutional level of raises allocated, not subtracted from the salary increase pool of the applicable category of faculty or staff.

These changes include technical adjustments to the faculty merit pay policy, in Section 3, updating appropriate references to the Provost. These changes also establish the SAKAI on line system as the official methodology for faculty to apply for merit pay.

Section Four is a comprehensive revision of the staff institutional salary increase policy. Similar to the faculty policy and the prior policy for non-classified staff, the first ten percent of the staff increase pool funds are distributed under discretion of the President, to address issues of internal salary inequities. The President would also be granted discretionary authority to confer a COLA adjustment to all staff, up to but not more than the prior year inflation rate.

Merit Pay distributions would be based upon the results of annual performance reviews. Based upon the Performance Management Policy administratively developed in Fall 2018, evaluation results become numeric scores within an institution-wide framework, and the percentage of points earned from maximum points achievable to the employee becomes the core of the distributions of tiers of merit pay levels.

Section 5 reflects a new proposal to allow the President to make a budget proposal for one-time allocations to high-achieving employees, whether than be by lump sum salary payments or other forms of benefit. This provision is contemplated as an alternative reward for performance if budget conditions in future years make merit pay to base salary untenable.

The proposed revisions to Policy 26 are reflected in the pages following hereafter. The first copy of the policy shows changes with underlining and strikethroughs; the second copy of the policy is in a clean, final format.

As noted, the evolving development of these changes were discussed with faculty and staff prior to the finalization of the formal proposed revisions and the notice of the public comment period. A few responsive written comments were received in response to the formal comment period.

One commenter made suggestions for substantive changes/improvements in the faculty merit pay process and criteria:

A conscious decision was made to not incorporate any substantive changes to the existing faculty merit pay policy at this time. The faculty merit policy was developed in 2004 following extensive negotiations and direct policy drafting from subcommittees of the Faculty Senate. The final product approved by the Senate at that time was endorsed without modification by the administrative staff and ultimately the Board. It is generally accepted at this point that modifications to the faculty merit policy are desirable and needed, and the Associate Provost outlined a variety of conceptual goals for changes to the Senate in April. It is recommended that the internal deliberative process of review be encouraged and assisted during the Fall 2019 semester, and that further changes to this policy may be presented during the winter of 2019-20. Additional enhancement of the staff components of this policy may be identified by that time.

One commenter spoke directly to the proposed new salary policy for staff:

Concerns included a desire to maximize the cost of living component of raises, at least in the near term, because of current compensation levels. It was expressed that tighter budgets have led to compression of positions and that morale has suffered due to staff being required to expand their responsibilities with limited pay raises. Further comment focused on the Performance Evaluation Policy adopted administratively last Fall and the sense that as supervisors strive to rate employees within a bell curve, they will under-evaluate some staff, in an unfair manner. There is also a concern about complexity of the annual review process.

There is a consensus that compensation levels are still relatively low and that a COLA is therefore likely to be recommended, at such time as the President is satisfied that budget and enrollment information gives us a reasonable basis to make a compensation recommendation. The staff recommendation as to the policy language is based upon the premise that it is desirable to preserve management flexibility, from year to year, as to how much COLA to allocate.

The training conducted by HR staff for the new Performance Evaluation Policy has emphasized that supervisors are expected to be realistic in evaluating their staff. There are no artificial rules to required specific distribution outcomes, but we have charged supervisors with the responsibility of not scoring employees unrealistically high, also.

The annual evaluation tool is actually only modestly modified from its prior form. The added complexity comes from the additional steps established to allow the evaluation instruments to become the foundation from which merit pay is allocated. There is some limited extra effort for supervisors in this aspect.

**SHEPHERD UNIVERSITY
BOARD OF GOVERNORS
POLICY 26**

TITLE: SALARY POLICY

SECTION 1. GENERAL

- 1.1 SCOPE: These salary policies shall be in effect and shall govern the assignment of salaries for regular employees of Shepherd University. This Policy governs the periodic institutional decisions to provide institution-wide salary increases and does not regulate or restrict the President's authority to adjust the salary of an individual employee at the President's discretion.
- 1.1.1 Adjunct faculty, temporary, and student employees are not covered by this policy.
- 1.2 AUTHORITY: West Virginia Code § 18B-1-6; §18B-2A-4.
- 1.3 Effective Date: April 8, 2011, amending the April 8, 2011~~September 11, 2008~~ version of the Policy.

SECTION 2. SALARIES AT HIRE; GENERAL PROCEDURES FOR ESTABLISHING SALARY POOLS

- 2.1 Initial Salaries of Faculty and Non-Classified Staff: The President shall have the discretionary authority to set the salary of newly hired faculty and non-classified staff, to include the setting of new salaries for incumbent faculty or non-classified staff transitioning into a new position. The President may delegate these salary decisions to the Provost or other executive officers of the University, subject to the President's continuing oversight responsibility. The University shall establish one or more resources of regional and/or national salary data, such as but not limited to College and University Professional Association for Human Resources [CUPA] data, to establish market comparisons as a contributing guidance in making such determinations.
- 2.2 Initial Salaries of Classified Staff: Minimum salaries of classified employees shall be based primarily upon the most recent version of the West Virginia Higher Education Classified Salary Schedule, supplemented by data from CUPA. Initial placement of the salary for a new classified employee is by the Director of Human Resources, under the oversight of the President's authority, and will include consideration of the assigned pay grade of the position, prior experience, and education / training, as well as any other relevant factors.
- 2.2.3 Each year, or from time to time as deemed appropriate, the President ~~may~~shall present to the Board a plan for the distribution of general salary increases to employees of the University. This plan shall address increases for all employees other than the President.
- 2.2.4 The general salary increase plan shall be developed after accounting for state-wide salary mandated~~s have been accounted for. Statewide salary mandates shall include~~ salary increases for faculty promoted in rank ~~and required incremental funding of the classified employee 'entry rate', if applicable.~~
- 2.3.2.5 ~~After the cost of state-wide salary mandates has been separately accounted for, t~~The President's general salary increase budget plan shall be submitted to the Board for approval.
- 2.3.5.1 The plan shall reflect separately the total projected costs of aggregate salary increases for faculty; and for ~~non-classified employees, and for classified employees~~ staff.
- 2.5.2 The plan shall reflect the aggregate percentage increase in salary to be paid to faculty; ~~non-classified, and to staff~~ classified employees.

2.5.3 The percentage of aggregate increase in salary for faculty and for staff ~~each of the three groups of employees~~ shall be comparable, but not necessarily equivalent; provided, that the President may present in the plan a proposal for non-comparable percentage increases among between the ~~three~~ groups, for good cause shown.

2.6 The Board shall act, in response to the plan submitted, to establish the aggregate dollars to be allocated each year for general salary increases for ~~each of the three groups of employees~~ faculty and for staff. The aggregate increase in dollars shall be distributed in accordance with Sections ~~3, and 4 and 5~~ of this Policy.

~~2.3~~ ~~Temporary salary enhancements which were distributed in fall 2010 shall not expire on June 30, 2011. For classified and non-classified staff, the enhancements shall be in all respects a part of base salary. For faculty, the enhancements shall expire on September 30, 2011 and effective October 1, 2011 faculty salaries shall be adjusted as provided in Section 2.6.~~

~~2.4~~ ~~Effective only for October 1, 2011 salary increases, after the salary increase pool for the three categories of employees are established, the University shall integrate the faculty salary increases amounts that were distributed to faculty in October 2010 into the fall 2011 faculty salary pool, and the faculty salary increases shall be calculated from the September 30, 2010 salaries.~~

SECTION 3. FACULTY SALARY POLICY

The total dollars for this increase in aggregate faculty salaries shall be distributed among full-time faculty as follows:

3.1 The Distribution of Faculty New Pay Monies Each Fiscal Year

3.1.1 Salary Inequities Distributions: The ~~Vice President for Academic Affairs~~ Provost shall distribute Ten (10) per cent of the faculty salary increase pool at the discretion of the ~~Provost~~ VPA to address salary compression, market and experiential disparities.

3.1.2 Cost of Living Allocations: Of the remaining 90% of the salary increase pool after Section 3.1.1 is implemented, Forty (40) per cent of the remaining amount shall be distributed among all returning full-time faculty, in equal amounts per person.

3.1.3 Merit Pay Allocations: Of the remaining 90% of the salary increase pool after Section 3.1.1 is implemented, Sixty (60) per cent of the remaining amount shall be distributed on the basis of merit pay.

3.1.3A The Merit Evaluation Committee.

i. The merit evaluation committee will consist of 14 members.

ii. Three faculty members will be elected by their respective schools/departments, plus 1 coach and 1 librarian elected by the athletics department and the library faculty. The coach and the librarian will consult with each merit subcommittee as to how candidates in their departments fit into the merit award categories.

iii. New committee members will be elected before February 1st.

- iv. The Merit Evaluation Committee members serve a three year term and are not eligible for Merit Evaluation committee membership for one year following that term. The terms are staggered.
- v. Not later than February 15, the Merit Evaluation Committee will be convened for an initial meeting for the election of a Chair and Vice Chair. A candidate for the Vice Chair must have a minimum of one additional year, beyond the current year, remaining in the term. The initial meeting is convened by the former Chair, if still a committee member; otherwise, by the former Vice Chair. If both the former Chair and Vice Chair have left university employment or are otherwise unable to convene the meeting, the initial meeting shall be convened by the joint direction of the ~~Vice President for Academic Affairs~~Provost and the President of the Faculty Senate.

3.1.3B Description of Merit Awards.

- i. There will be three separate areas in which merit pay will be awarded, instructional performance, professional/institutional service, and professional development. The 14-member committee will break into three subcommittees to evaluate proposals in each of the aforementioned areas. The librarian and the coach will consult on the application of any member of their departments who applies for merit.
- ii. An applicant will not qualify for merit in one area unless he/she is deemed to be meeting expectations in the other two areas. In the process of the evaluation, if a subcommittee does not find that an individual has exceeded expectations in the award area and has met expectations in the non-award areas, the committee, with at least 2/3 membership present, will review the application and make the final recommendation.

3.1.3C Application for Merit Awards.

- i. Applying for a merit award is voluntary.
- ii. Any full-time faculty member including librarians and coaches can apply for merit.
- iii. To apply for merit, each candidate must comply with the following to be eligible for merit evaluation:
 - a. Submit a single-spaced letter of application, not to exceed one page.
 - b. The letter of application must expressly designate the merit award area (one of three) for which he or she is applying in a memo-style header at the top of the page.
 - c. Within the one-page limitation, the application letter may describe why the applicant deserves merit.
 - d. A full and true copy of the annual report must be submitted to the applicant's school dean. The annual report is the substantive basis for making the merit evaluation as to any applicant. Therefore, applicants for merit pay should be

very liberal in the quantity and quality of the information included in their annual report.

e. Other than an exact copy of the annual report, as submitted to the Dean, the applicant may only submit the one-page application letter. These two documents constitute the entire application for merit pay. No additional document of any type may be submitted to the Merit Evaluation Committee beyond the annual report and the one-page application letter.

iv. Merit award applications will be submitted to the Merit Evaluation Committee by uploading it into SAKAI, or any successor on-line learning system of the University, as directed by the Committee Chair, at the same time as the Annual Report as stated in the faculty handbook. The mandatory deadline for submission of merit applications is 4:30 p.m. on the date that Annual Reports are due. No amendment of an application may be made by an applicant after that deadline.

v. The committee may ask for additional materials, including student evaluations, to support a merit application.

vi. A candidate must apply for merit, meet all deadlines, and supply any supporting materials requested by the committee in order to be awarded merit pay.

3.1.3D Responsibilities of the Merit Evaluation Committee.

i. The Merit Evaluation Committee shall be responsible for evaluating and determining merit awards for faculty who apply and are deemed to be meritorious in the specified area.

ii. The Merit Evaluation Committee may propose amendments to the merit process.

3.1.3E Categories of items to be considered under each of the three separate categories of merit pay:

Instructional performance, professional/institutional service, and professional development are critical parts of faculty life. Meeting expectations in these areas is not the same as performing these tasks meritoriously. Those with faculty status have many alternatives in fulfilling these requirements. The following is a list of the types of items that should be considered by those for making merit decisions. Candidates may include these areas in support of their merit proposal, but should not limit themselves to these areas.

- i. Instructional Performance
 - student and other evaluations
 - course development and/or revision
 - course materials
 - assessment activities (course-related)
 - teaching strategies and techniques
 - advising
 - supervision of individualized study

- deemed to be meeting expectations in professional/institutional service
- deemed to be meeting expectations in professional development

- ii. Professional/Institutional Service
 - service to professional organizations
 - discipline-related community service
 - public service in support of the university mission
 - campus in-service presentations
 - program coordination/academic leadership
 - service to on campus committees
 - deemed to be meeting expectations in instructional/professional performance
 - deemed to be meeting expectations in professional development
- iii. Professional Development
 - publications (peer reviewed)
 - juried art/music and other creative activities
 - grant activity
 - presentations at learned forums
 - attendance at workshops, seminars, and learned forums
 - consulting and contracted research
 - on-going research
 - academic awards and honors
 - deemed to be meeting expectations in professional/institutional service
 - deemed to be meeting expectations in instructional/professional performance

3.1.3F Evaluation Procedures.

For those applications which meet the mandatory eligibility requirements, the primary principle guiding the performance evaluation of faculty for merit awards will be the quality of work produced as well as the quantity.

The following rubrics are meant to provide general guidelines, but do not provide all-inclusive descriptions of the three faculty performance areas. These descriptors should not be considered a checklist. They are intended to guide faculty in general terms about performance expectations of the University.

i. Instructional/Professional Performance Descriptors

Exceeds Expectations	Outstanding teaching ratings; very active in improving teaching effectiveness (such as submission of a teaching grant, workshop attendance, etc.); extensive contribution in curriculum review/revision; new course development, developing and teaching a web based course, and being a guest lecturer in another class, creative intellectual engagement outside the classroom.
Meets Expectations	Competent teaching; achieves course objectives; active efforts to improve teaching effectiveness; appropriate design and delivery of course materials; appropriate course content; upgrades individual courses as necessary; makes positive contributions to curricular review/revision as

necessary; maintains appropriate office hours (punctual and available), work in curriculum review/revision as necessary.

ii. Service Descriptors

Exceeds Expectations Active state, regional, or national professional service related to the profession, significant university service, significant community service related to the profession; service award recipient. Professional leadership in area of interest; strong community service related to the profession, or active participant in professional meetings.

Meets Expectations Active contributor in University/school/department committee work. Active in service to the profession and in the community.

iii. Professional Development Descriptors

Exceeds Expectations Publications in refereed national/international journals; publication of invited review papers in peer reviewed journals; published book or monograph; recipient of faculty, regional or national research award; designation as a scholar lecturer at regional level or above in a professional organization, invited symposium speaker at a regional or national professional meeting, or invited research seminar speaker at another department or University. State or National/international refereed publications and/or book chapter(s); award of external grant or active external grant. Presentations at the national level. A refereed publication plus or an award of an internal research grant, submission of an external research grant which was not awarded.

Meets Expectations Presenting a workshop on campus, Creative activities (juried art, music and other creative endeavors or attending professional conferences).

3.1.3G Awards.

- i. The Merit Evaluation Committee shall prepare a written evaluation of each application for merit pay which describes the specific meritorious accomplishments or deficiencies which prevent merit award and shall make a written recommendation of who will receive the merit awards.
- ii. For applicants recommended unfavorably, the evaluation and recommendation against merit pay shall be copied to the applicant when sent to the Vice President for Academic Affairs.
- iii. The entire files of the applications and the Committee's evaluations and recommendations shall be forwarded to the ~~Vice President for Academic Affairs~~Provost within 40 days of the application deadline. Applicants who are not recommended favorably by the committee may submit to the ~~Vice President for Academic Affairs~~Provost a one-page response to the committee recommendation within 10 days of receipt of the recommendation.

- iv. Within 30 business days of receipt of the files, the ~~Vice President~~Provost shall forward his recommendations together with the entire Committee files to the President for a final decision.
- v. All merit award recipients, regardless of category, will receive the same dollar amount per award.
- vi. In the event that there is no money in a given year for merit awards, the merit awards will roll over to the next year and they will split the money with the recipients from the next year.
- vii. The merit awards will be made public. A newsletter will be sent to all faculty members listing the award recipients in each category.
- viii. All of the timelines set forth in this subsection 3.1.3G are guidelines; when special circumstances occur these guidelines may not be achievable. These timeline guidelines do not extend any right to any applicant. No applicant becomes entitled to merit pay by default, nor does any applicant have any right to compel action by any particular date, due to any failure of either the Committee or an administrator to meet a timeline provided for in this subsection.

3.2 Salaries of faculty in phased retirement shall be set as provided for in the applicable policy. The adjustment of faculty returning from leave of absence and exigent cases in the interest of retaining current faculty shall be at the discretion of the Shepherd President.

3.3 The President may, by written designation, exempt up to five percent of all full-time faculty from the provisions of this policy. The purpose of this provision is to allow for special cases, such as faculty funded by external soft-money, whose increases might sometimes be smaller, or none at all, based upon the external support.

SECTION 4. ~~CLASSIFIED STAFF SALARY POLICY~~

~~4.1 Salaries of classified employees shall be set based upon years of experience and Mercer Classification System pay grade. The salary schedule set forth in Appendix A shall govern classified employees' salaries.~~

~~SECTION 5. NON-CLASSIFIED SALARY POLICY~~

The total dollars for the annual increase in aggregate ~~non-classified~~staff salaries shall be distributed among ~~non-classified~~ staff as follows:

~~54.1~~ Salary ~~Ine~~Equities Distributions: The President shall distribute Ten (10) per cent of the ~~non-classified staff~~ salary increase pool at the discretion of the President to address salary compression, market and experiential or other equity disparities.

~~54.2~~ Cost of Living Allocations: Of the remaining 90% of the salary increase pool after Section ~~45.1~~ is implemented, the President may initially establish a cost of living [COLA] percentage ~~Forty (40) per cent of the remaining amount shall to~~ be distributed among all continuing ~~full-time non-classified employees~~regular staff, in proportionately equal amounts. Unless otherwise approved by the Board, the President's COLA determination may not exceed the annual inflation rate of

the preceding calendar year as established by the US BLS, or successor agency. The President has discretionary authority under this subsection to establish a COLA at any amount less than the maximum amount provided for herein, or to apply no COLA, as may be deemed appropriate.

54.3 Merit Pay Eligibility – The Performance Management System~~Recipients: Non-Executive Staff~~

~~4.3.1~~ 45.3.1 The remaining ~~sixty (60) per cent of the non-classified funds available in the~~ staff salary pool, after distributions under subsections 5.1 and 5.2, shall be distributed on the basis of merit pay.

~~5.3.2~~ A merit pay pool shall be established by the President for the non-classified, non-executive staff employees.

~~5.3.3~~ 4.3.2 Each ~~non-classified~~ staff employee shall be evaluated at least once each year, to include the Annual Evaluation, using the official Performance Management tool. The Director of Human Resources, under the oversight of the President, may modify the administrative policies implementing the Performance Management system, following appropriate campus input, and shall maintain a copy of the administrative Performance Management Policy on the HR website. The Annual Evaluation will include, but need not be limited to, the institutional Employee Performance Evaluation Form.

~~5.3.4~~ No employee who receives one or more marks below the mid-point on the Annual Evaluation form will be eligible for merit pay.

~~5.3.5~~ On a scale of 1-5, with “poor” being 1 and “excellent” being 5, the average for all marks on the Annual Evaluation must be at least 4.0, with no rounding, or the employee is not eligible for merit pay.

~~5.3.6~~ Utilizing any other evaluative processes at their discretion, the executive officer overseeing the non-classified employee may eliminate any additional employee determined to have performed at a level that is not meritorious.

~~5.3.7~~ All other non-classified staff, non-executive staff employees not eliminated from candidacy by sections 5.3.3, 5.3.4, 5.3.5, or 5.3.6, shall be presented by the executive officer to the Executive Staff for merit pay candidacy.

4.3.3 Each Evaluation Competency shall be assigned a range of points as described in the Performance Management Policy, and the competency of each employee shall thereby be numerically scored as provided for in the administrative policy.

4.3.4 Each employee’s score shall be divided by the maximum points achievable for that position, and the resulting ratio shall be the employee’s Merit Score.

4.3.5 When the Merit Scores of all staff have been compiled by the HR Office, the President shall review the entire list of Merit Scores. It is the policy of the Board that :

a) No rigid formula of distribution shall be applied in finalizing Merit Scores;

b) The Merit Scores should reflect genuinely the varying levels of performance which inevitably occur across a scale of several hundred employees; and

c) It is the ultimate responsibility of the President and the executive officers of the University to review and finalize the Merit Scores for employees in a manner which is fair and reasonable and which to at least a reasonable degree distributes the scores of all employees, and each of them, to reflect actual relative performance effectiveness.

4.3.6 The President shall review the Merit Scores with the Finance and Facilities Committee, to provide independent oversight of the integrity of the results.

- 4.4 Merit Pay Distributions: When the Merit Scores have been finalized, the President shall establish a discretionary formula for the distributions of the merit pool to eligible staff with relation to the Merit Scores.
- 4.4.1 The Merit Pay Pool will be distributed by a formula in direct association to the descending progression of the finalized Merit Scores, but will be clustered into tiers within which all recipients will receive an equal proportional increase in salary, as determined by the President and subject only to the provisions of this Policy and with the sum of all scheduled distributions to tiers totaling the Merit Pay Pool.
- 4.4.2 A majority of the Merit Pay Pool will be distributed to employees in the 65th percentile and higher of all Merit Scores.
- 4.4.3 No employee is eligible for merit pay if their Merit Score falls at less than the 35th percentile. No employee is eligible for merit pay if their scores on any two individual evaluation criteria are below the mid-point.
- 4.4.4 The Merit Pay distributions under this policy will be added to the base pay of the employee.
- 4.5 Special Cases: The President or designee may make designations as to persons hired, promoted, or transferred into new positions, or for comparable cause, within the six-months timeframe for exclusion from merit pay, or from the COLA if any, or both as may be appropriate.

Section 5. Supplemental Merit Rewards.

- 5.1 In the preparation of the annual budget of the University, the President may propose the inclusion of budget funding for one or more categories of Merit Achievement Incentives. Any such proposed budget allocations shall be expressly delineated in the budget plan for clear evaluation by the Board. Merit Achievement Incentives shall be for a single fiscal year and do not become a permanent or recurring benefit.
- 5.2 If the Board has approved a budget amount for Merit Achievement Incentives for the fiscal year, the President may distribute Merit Achievement Incentives to employees who have been evaluated to be in the 76th percentile or higher of their employee group.
- 5.3 Unless otherwise authorized by the Board, distributions of Merit Achievement Incentives shall be by a formula in direct association to the descending progression of the finalized Merit Scores, but may be clustered into tiers within which all recipients will receive a substantially comparable Merit Achievement Incentive.

~~Following review by the Executive Staff, the President shall establish the list of non-classified employees who shall receive merit pay.~~

~~5.4 Merit Pay Recipients: Executive Staff~~

~~5.4.1 The President shall evaluate the executive officers of the University each year. In conjunction with the annual evaluations, the President shall determine which executive officers will receive merit pay.~~

~~5.5 Merit Pay Distributions for all non-classified employees.~~

~~The supervising executive officer, including as applicable the President, may choose among one of the following methodologies, or may apply an alternative methodology with a written account of the method to be provided to and approved by the President, for distribution of merit pay funds:~~

~~Salary Targets.~~

~~5.5.1A The President shall establish a nationally competitive salary target for the position based upon CUPA average salary data, when available, or alternative data if CUPA data is not available. The gaps between the target and current salary shall be established. Salaries of all non-classified employees shall be increased in equal proportions toward funding of all gaps.~~

~~5.5.1B In the event that there is no money in a given year for merit awards, the merit awards will roll over to the next year and they will split the money with the persons designated for merit pay in the next year.~~

~~Proportional Equivalency.~~

~~All merit pay recipients in the division shall receive the same percentage increase in base salary.~~

~~Graduated Rankings of Recipients.~~

~~Merit recipients will be ranked at low, medium or high merit. Those ranked Medium shall receive a percentage increase in base salary 50% higher than those rated Low. Those ranked High shall receive a percentage increase in base salary 100% higher than those rated Low.~~

SECTION 6. THE PRESIDENT'S SALARY

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

APPENDIX A

GRAD E	Entry	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	-15+
1	\$12,990	\$13,279	\$13,574	\$13,870	\$14,165	\$14,475	\$14,786	\$15,110	\$15,436	\$15,760	\$16,100	\$16,455	\$16,809	\$17,178	\$17,548	\$17,934	\$18,329
2	\$13,655	\$13,958	\$14,268	\$14,579	\$14,903	\$15,229	\$15,568	\$15,908	\$16,262	\$16,617	\$16,986	\$17,374	\$17,754	\$18,138	\$18,552	\$18,950	\$19,374
3	\$14,364	\$14,682	\$15,007	\$15,346	\$15,704	\$16,055	\$16,410	\$16,779	\$17,164	\$17,548	\$17,947	\$18,345	\$18,759	\$19,188	\$19,611	\$20,059	\$20,509
4	\$15,118	\$15,465	\$15,819	\$16,174	\$16,543	\$16,927	\$17,326	\$17,724	\$18,124	\$18,537	\$18,966	\$19,400	\$19,852	\$20,300	\$20,782	\$21,255	\$21,746
5	\$15,917	\$16,293	\$16,676	\$17,074	\$17,474	\$17,877	\$18,300	\$18,722	\$19,173	\$19,646	\$20,073	\$20,544	\$21,033	\$21,521	\$22,023	\$22,540	\$23,070
6	\$16,789	\$17,193	\$17,607	\$18,035	\$18,464	\$18,900	\$19,355	\$19,823	\$20,299	\$20,768	\$21,277	\$21,777	\$22,300	\$22,836	\$23,388	\$23,929	\$24,503
7	\$17,736	\$18,168	\$18,614	\$19,069	\$19,526	\$19,999	\$20,488	\$20,988	\$21,499	\$22,022	\$22,555	\$23,100	\$23,666	\$24,233	\$24,829	\$25,435	\$26,065
8	\$18,756	\$19,216	\$19,690	\$20,177	\$20,679	\$21,199	\$21,714	\$22,255	\$22,806	\$23,367	\$23,943	\$24,534	\$25,155	\$25,777	\$26,411	\$27,060	\$27,742
9	\$19,835	\$20,339	\$20,856	\$21,388	\$21,920	\$22,488	\$23,042	\$23,611	\$24,224	\$24,829	\$25,455	\$26,100	\$26,759	\$27,422	\$28,123	\$28,818	\$29,555
10	\$20,197	\$20,709	\$21,233	\$21,787	\$22,344	\$22,922	\$23,500	\$24,099	\$24,722	\$25,366	\$25,999	\$26,666	\$27,366	\$28,056	\$28,777	\$29,511	\$30,288
11	\$21,405	\$21,970	\$22,553	\$23,134	\$23,733	\$24,355	\$24,999	\$25,644	\$26,311	\$26,999	\$27,700	\$28,411	\$29,166	\$29,911	\$30,699	\$31,500	\$32,327
12	\$22,752	\$23,347	\$23,955	\$24,599	\$25,244	\$25,911	\$26,599	\$27,300	\$28,022	\$28,766	\$29,533	\$30,311	\$31,122	\$31,944	\$32,777	\$33,644	\$34,533
13	\$24,173	\$24,822	\$25,488	\$26,166	\$26,877	\$27,600	\$28,333	\$29,100	\$29,888	\$30,699	\$31,511	\$32,366	\$33,233	\$34,122	\$35,044	\$35,988	\$36,955
14	\$25,724	\$26,424	\$27,144	\$27,888	\$28,655	\$29,433	\$30,222	\$31,066	\$31,911	\$32,777	\$33,677	\$34,599	\$35,544	\$36,511	\$37,500	\$38,533	\$39,599
15	\$27,306	\$28,155	\$28,933	\$29,744	\$30,566	\$31,411	\$32,288	\$33,177	\$34,099	\$35,044	\$36,011	\$37,022	\$38,044	\$39,099	\$40,188	\$41,288	\$42,444
16	\$29,227	\$30,042	\$30,877	\$31,755	\$32,655	\$33,555	\$34,511	\$35,477	\$36,488	\$37,500	\$38,566	\$39,644	\$40,766	\$41,911	\$43,099	\$44,311	\$45,566
17	\$31,204	\$32,088	\$32,999	\$33,944	\$34,900	\$35,899	\$36,933	\$37,988	\$39,066	\$40,188	\$41,333	\$42,500	\$43,722	\$44,977	\$46,255	\$47,588	\$48,955
18	\$33,334	\$34,299	\$35,299	\$36,311	\$37,366	\$38,433	\$39,555	\$40,700	\$41,888	\$43,100	\$44,355	\$45,622	\$46,944	\$48,311	\$49,711	\$51,166	\$52,666

19	\$38,14 3	\$39,26 4	\$40,41 7	\$41,60 0	\$42,81 4	\$44,07 3	\$45,37 8	\$46,71 4	\$48,07 8	\$49,48 9	\$50,94 6	\$52,44 8	\$53,98 1	\$55,57 4	\$57,21 1	\$58,88 1	\$60,61 8
20	\$40,83 3	\$42,05 6	\$43,31 4	\$44,60 4	\$45,94 0	\$47,30 5	\$48,71 5	\$50,15 7	\$51,65 9	\$53,19 2	\$54,78 5	\$56,40 7	\$58,09 2	\$59,82 2	\$61,61 2	\$63,43 2	\$65,32 9
21	\$43,78 0	\$45,10 5	\$46,47 0	\$47,88 2	\$49,32 3	\$50,80 9	\$52,34 2	\$53,92 0	\$55,55 8	\$57,22 7	\$58,95 7	\$60,74 7	\$62,58 2	\$64,46 4	\$66,40 5	\$68,42 3	\$70,50 3
22	\$46,98 5	\$48,42 7	\$49,91 4	\$51,44 6	\$53,00 9	\$54,63 3	\$56,31 7	\$58,03 1	\$59,80 7	\$61,64 2	\$63,52 3	\$65,46 5	\$67,46 8	\$69,54 6	\$71,67 1	\$73,85 5	\$76,15 9
23	\$50,47 9	\$52,05 4	\$53,67 7	\$55,33 0	\$57,04 5	\$58,82 0	\$60,64 0	\$62,52 2	\$64,46 4	\$66,45 1	\$68,51 5	\$70,63 8	\$72,83 9	\$75,08 4	\$77,42 0	\$79,81 8	\$82,32 4
24	\$54,30 7	\$56,01 3	\$57,77 3	\$59,57 8	\$61,46 0	\$63,38 6	\$65,37 4	\$67,42 2	\$69,54 6	\$71,73 1	\$73,97 7	\$76,29 8	\$78,69 5	\$81,16 8	\$83,71 6	\$86,35 7	\$89,08 6
25	\$58,27 2	\$60,32 2	\$62,24 9	\$64,22 1	\$66,26 9	\$68,37 8	\$70,54 8	\$72,79 3	\$75,11 4	\$77,49 7	\$79,95 4	\$82,50 3	\$85,12 8	\$87,82 8	\$90,62 0	\$93,50 2	\$96,48 5

**SHEPHERD UNIVERSITY
BOARD OF GOVERNORS
POLICY 26**

TITLE: SALARY POLICY

SECTION 1. GENERAL

- 1.1 SCOPE: These salary policies shall be in effect and shall govern the assignment of salaries for regular employees of Shepherd University. This Policy governs the periodic institutional decisions to provide institution-wide salary increases and does not regulate or restrict the President's authority to adjust the salary of an individual employee at the President's discretion.
- 1.1.1 Adjunct faculty, temporary, and student employees are not covered by this policy.
- 1.2 AUTHORITY: West Virginia Code § 18B-1-6; §18B-2A-4.
- 1.3 Effective Date: , amending the April 8, 2011 version of the Policy.

SECTION 2. SALARIES AT HIRE; GENERAL PROCEDURES FOR ESTABLISHING SALARY POOLS

- 2.1 Initial Salaries of Faculty and Non-Classified Staff: The President shall have the discretionary authority to set the salary of newly hired faculty and non-classified staff, to include the setting of new salaries for incumbent faculty or non-classified staff transitioning into a new position. The President may delegate these salary decisions to the Provost or other executive officers of the University, subject to the President's continuing oversight responsibility. The University shall establish one or more resources of regional and/or national salary data, such as but not limited to College and University Professional Association for Human Resources [CUPA] data, to establish market comparisons as a contributing guidance in making such determinations.
- 2.2 Initial Salaries of Classified Staff: Minimum salaries of classified employees shall be based primarily upon the most recent version of the West Virginia Higher Education Classified Salary Schedule, supplemented by data from CUPA. Initial placement of the salary for a new classified employee is by the Director of Human Resources, under the oversight of the President's authority, and will include consideration of the assigned pay grade of the position, prior experience, and education / training, as well as any other relevant factors.
- 2.3 Each year, or from time to time as deemed appropriate, the President may present to the Board a plan for the distribution of general salary increases to employees of the University. This plan shall address increases for all employees other than the President.
- 2.4 The general salary increase plan shall be developed after accounting for mandated salary increases for faculty promoted in rank.
- 2.5 The President's general salary increase budget plan shall be submitted to the Board for approval.

- 2.5.1 The plan shall reflect separately the total projected costs of aggregate salary increases for faculty and for staff.
- 2.5.2 The plan shall reflect the aggregate percentage increase in salary to be paid to faculty and to staff.
- 2.5.3 The percentage of aggregate increase in salary for faculty and for staff shall be comparable, but not necessarily equivalent; provided, that the President may present in the plan a proposal for non-comparable percentage increases between the groups, for good cause shown.
- 2.6 The Board shall act, in response to the plan submitted, to establish the aggregate dollars to be allocated each year for general salary increases for faculty and for staff. The aggregate increase in dollars shall be distributed in accordance with Sections 3 and 4 of this Policy.

SECTION 3. FACULTY SALARY POLICY

The total dollars for this increase in aggregate faculty salaries shall be distributed among full-time faculty as follows:

- 3.1 The Distribution of Faculty New Pay Monies Each Fiscal Year
 - 3.1.1 Salary Inequities Distributions: The Provost shall distribute Ten (10) per cent of the faculty salary increase pool at the discretion of the Provost to address salary compression, market and experiential disparities.
 - 3.1.2 Cost of Living Allocations: Of the remaining 90% of the salary increase pool after Section 3.1.1 is implemented, Forty (40) per cent of the remaining amount shall be distributed among all returning full-time faculty, in equal amounts per person.
 - 3.1.3 Merit Pay Allocations: Of the remaining 90% of the salary increase pool after Section 3.1.1 is implemented, Sixty (60) per cent of the remaining amount shall be distributed on the basis of merit pay.
 - 3.1.3A The Merit Evaluation Committee.
 - i. The merit evaluation committee will consist of 14 members.
 - ii. Three faculty members will be elected by their respective schools/departments, plus 1 coach and 1 librarian elected by the athletics department and the library faculty. The coach and the librarian will consult with each merit subcommittee as to how candidates in their departments fit into the merit award categories.
 - iii. New committee members will be elected before February 1st.
 - iv. The Merit Evaluation Committee members serve a three year term and are not eligible for Merit Evaluation committee membership for one year following that term. The terms are staggered.

- v. Not later than February 15, the Merit Evaluation Committee will be convened for an initial meeting for the election of a Chair and Vice Chair. A candidate for the Vice Chair must have a minimum of one additional year, beyond the current year, remaining in the term. The initial meeting is convened by the former Chair, if still a committee member; otherwise, by the former Vice Chair. If both the former Chair and Vice Chair have left university employment or are otherwise unable to convene the meeting, the initial meeting shall be convened by the joint direction of the Provost and the President of the Faculty Senate.

3.1.3B Description of Merit Awards.

- i. There will be three separate areas in which merit pay will be awarded, instructional performance, professional/institutional service, and professional development. The 14-member committee will break into three subcommittees to evaluate proposals in each of the aforementioned areas. The librarian and the coach will consult on the application of any member of their departments who applies for merit.
- ii. An applicant will not qualify for merit in one area unless he/she is deemed to be meeting expectations in the other two areas. In the process of the evaluation, if a subcommittee does not find that an individual has exceeded expectations in the award area and has met expectations in the non-award areas, the committee, with at least 2/3 membership present, will review the application and make the final recommendation.

3.1.3C Application for Merit Awards.

- i. Applying for a merit award is voluntary.
- ii. Any full-time faculty member including librarians and coaches can apply for merit.
- iii. To apply for merit, each candidate must comply with the following to be eligible for merit evaluation:
 - a. Submit a single-spaced letter of application, not to exceed one page.
 - b. The letter of application must expressly designate the merit award area (one of three) for which he or she is applying in a memo-style header at the top of the page.
 - c. Within the one-page limitation, the application letter may describe why the applicant deserves merit.
 - d. A full and true copy of the annual report must be submitted to the applicant's school dean. The annual report is the substantive basis for making the merit evaluation as to any applicant. Therefore, applicants for merit pay should be very liberal in the quantity and quality of the information included in their annual report.

- e. Other than an exact copy of the annual report, as submitted to the Dean, the applicant may only submit the one-page application letter. These two documents constitute the entire application for merit pay. No additional document of any type may be submitted to the Merit Evaluation Committee beyond the annual report and the one-page application letter.
 - iv. Merit award applications will be submitted to the Merit Evaluation Committee by uploading it into SAKAI, or any successor on-line learning system of the University, as directed by the Committee Chair, at the same time as the Annual Report as stated in the faculty handbook. The mandatory deadline for submission of merit applications is 4:30 p.m. on the date that Annual Reports are due. No amendment of an application may be made by an applicant after that deadline.
 - v. The committee may ask for additional materials, including student evaluations, to support a merit application.
 - vi. A candidate must apply for merit, meet all deadlines, and supply any supporting materials requested by the committee in order to be awarded merit pay.
- 3.1.3D Responsibilities of the Merit Evaluation Committee.
- i. The Merit Evaluation Committee shall be responsible for evaluating and determining merit awards for faculty who apply and are deemed to be meritorious in the specified area.
 - ii. The Merit Evaluation Committee may propose amendments to the merit process.
- 3.1.3E Categories of items to be considered under each of the three separate categories of merit pay:
- Instructional performance, professional/institutional service, and professional development are critical parts of faculty life. Meeting expectations in these areas is not the same as performing these tasks meritoriously. Those with faculty status have many alternatives in fulfilling these requirements. The following is a list of the types of items that should be considered by those for making merit decisions. Candidates may include these areas in support of their merit proposal, but should not limit themselves to these areas.
- i. Instructional Performance
 - student and other evaluations
 - course development and/or revision
 - course materials

- assessment activities (course-related)
 - teaching strategies and techniques
 - advising
 - supervision of individualized study
 - deemed to be meeting expectations in professional/institutional service
 - deemed to be meeting expectations in professional development
- ii. Professional/Institutional Service
- service to professional organizations
 - discipline-related community service
 - public service in support of the university mission
 - campus in-service presentations
 - program coordination/academic leadership
 - service to on campus committees
 - deemed to be meeting expectations in instructional/professional performance
 - deemed to be meeting expectations in professional development
- iii. Professional Development
- publications (peer reviewed)
 - juried art/music and other creative activities
 - grant activity
 - presentations at learned forums
 - attendance at workshops, seminars, and learned forums
 - consulting and contracted research
 - on-going research
 - academic awards and honors
 - deemed to be meeting expectations in professional/institutional service
 - deemed to be meeting expectations in instructional/professional performance

3.1.3F Evaluation Procedures.

For those applications which meet the mandatory eligibility requirements, the primary principle guiding the performance evaluation of faculty for merit awards will be the quality of work produced as well as the quantity.

The following rubrics are meant to provide general guidelines, but do not provide all-inclusive descriptions of the three faculty performance areas. These descriptors should not be considered a checklist. They are intended to guide faculty in general terms about performance expectations of the University.

i. Instructional/Professional Performance Descriptors

Exceeds Expectations	Outstanding teaching ratings; very active in improving teaching effectiveness (such as submission of a teaching grant, workshop attendance, etc.); extensive contribution in curriculum
----------------------	---

review/revision; new course development, developing and teaching a web based course, and being a guest lecturer in another class, creative intellectual engagement outside the classroom.

Meets Expectations

Competent teaching; achieves course objectives; active efforts to improve teaching effectiveness; appropriate design and delivery of course materials; appropriate course content; upgrades individual courses as necessary; makes positive contributions to curricular review/revision as necessary; maintains appropriate office hours (punctual and available), work in curriculum review/revision as necessary.

ii.

Service Descriptors

Exceeds Expectations

Active state, regional, or national professional service related to the profession, significant university service, significant community service related to the profession; service award recipient. Professional leadership in area of interest; strong community service related to the profession, or active participant in professional meetings.

Meets Expectations

Active contributor in University/school/department committee work. Active in service to the profession and in the community.

iii.

Professional Development Descriptors

Exceeds Expectations

Publications in refereed national/international journals; publication of invited review papers in peer reviewed journals; published book or monograph; recipient of faculty, regional or national research award; designation as a scholar lecturer at regional level or above in a professional organization, invited symposium speaker at a regional or national professional meeting, or invited research seminar speaker at another department or University. State or National/international refereed publications and/or book chapter(s); award of external grant or active external grant. Presentations at the national level. A refereed publication plus or an award of an internal research grant, submission of an external research grant which was not awarded.

Meets Expectations

Presenting a workshop on campus, Creative activities (juried art, music and other creative endeavors or attending professional conferences).

3.1.3G

Awards.

i.

The Merit Evaluation Committee shall prepare a written evaluation of each application for merit pay which describes the specific meritorious

accomplishments or deficiencies which prevent merit award and shall make a written recommendation of who will receive the merit awards.

- ii. For applicants recommended unfavorably, the evaluation and recommendation against merit pay shall be copied to the applicant when sent to the Vice President for Academic Affairs.
 - iii. The entire files of the applications and the Committee's evaluations and recommendations shall be forwarded to the Provost within 40 days of the application deadline. Applicants who are not recommended favorably by the committee may submit to the Provost a one-page response to the committee recommendation within 10 days of receipt of the recommendation.
 - iv. Within 30 business days of receipt of the files, the Provost shall forward his recommendations together with the entire Committee files to the President for a final decision.
 - v. All merit award recipients, regardless of category, will receive the same dollar amount per award.
 - vi. In the event that there is no money in a given year for merit awards, the merit awards will roll over to the next year and they will split the money with the recipients from the next year.
 - vii. The merit awards will be made public. A newsletter will be sent to all faculty members listing the award recipients in each category.
 - viii. All of the timelines set forth in this subsection 3.1.3G are guidelines; when special circumstances occur these guidelines may not be achievable. These timeline guidelines do not extend any right to any applicant. No applicant becomes entitled to merit pay by default, nor does any applicant have any right to compel action by any particular date, due to any failure of either the Committee or an administrator to meet a timeline provided for in this subsection.
- 3.2 Salaries of faculty in phased retirement shall be set as provided for in the applicable policy. The adjustment of faculty returning from leave of absence and exigent cases in the interest of retaining current faculty shall be at the discretion of the Shepherd President.
- 3.3 The President may, by written designation, exempt up to five percent of all full-time faculty from the provisions of this policy. The purpose of this provision is to allow for special cases, such as faculty funded by external soft-money, whose increases might sometimes be smaller, or none at all, based upon the external support.

SECTION 4. STAFF SALARY POLICY

The total dollars for the annual increase in aggregate staff salaries shall be distributed among staff as follows:

- 4.1 Salary Equity Distributions: The President shall distribute Ten (10) per cent of the staff salary increase pool at the discretion of the President to address salary compression, market and experiential or other equity disparities.
- 4.2 Cost of Living Allocations: Of the remaining 90% of the salary increase pool after Section 4.1 is implemented, the President may initially establish a cost of living [COLA] percentage to be distributed among all continuing regular staff, in proportionately equal amounts. Unless otherwise approved by the Board, the President's COLA determination may not exceed the annual inflation rate of the preceding calendar year as established by the US BLS, or successor agency. The President has discretionary authority under this subsection to establish a COLA at any amount less than the maximum amount provided for herein, or to apply no COLA, as may be deemed appropriate.
- 4.3 Merit Pay Eligibility – The Performance Management System
 - 4.3.1 The remaining funds available in the staff salary pool, after distributions under subsections 5.1 and 5.2, shall be distributed on the basis of merit pay.
 - 4.3.2 Each staff employee shall be evaluated at least once each year, to include the Annual Evaluation, using the official Performance Management tool. The Director of Human Resources, under the oversight of the President, may modify the administrative policies implementing the Performance Management system, following appropriate campus input, and shall maintain a copy of the administrative Performance Management Policy on the HR website.
 - 4.3.3 Each Evaluation Competency shall be assigned a range of points as described in the Performance Management Policy, and the competency of each employee shall thereby be numerically scored as provided for in the administrative policy.
 - 4.3.4 Each employee's score shall be divided by the maximum points achievable for that position, and the resulting ratio shall be the employee's Merit Score.
 - 4.3.5 When the Merit Scores of all staff have been compiled by the HR Office, the President shall review the entire list of Merit Scores. It is the policy of the Board that:
 - a) No rigid formula of distribution shall be applied in finalizing Merit Scores;
 - b) The Merit Scores should reflect genuinely the varying levels of performance which inevitably occur across a scale of several hundred employees; and
 - c) It is the ultimate responsibility of the President and the executive officers of the University to review and finalize the Merit Scores for employees in a manner which is fair and reasonable and which to at least a reasonable degree distributes the scores of all employees, and each of them, to reflect actual relative performance effectiveness.
 - 4.3.6 The President shall review the Merit Scores with the Finance and Facilities Committee to provide independent oversight of the integrity of the results.

- 4.4 Merit Pay Distributions: When the Merit Scores have been finalized, the President shall establish a discretionary formula for the distributions of the merit pool to eligible staff with relation to the Merit Scores.
- 4.4.1 The Merit Pay Pool will be distributed by a formula in direct association to the descending progression of the finalized Merit Scores, but will be clustered into tiers within which all recipients will receive an equal proportional increase in salary, as determined by the President and subject only to the provisions of this Policy and with the sum of all scheduled distributions to tiers totaling the Merit Pay Pool.
- 4.4.2 A majority of the Merit Pay Pool will be distributed to employees in the 65th percentile and higher of all Merit Scores.
- 4.4.3 No employee is eligible for merit pay if their Merit Score falls at less than the 35th percentile. No employee is eligible for merit pay if their scores on any two individual evaluation criteria are below the mid-point.
- 4.4.4 The Merit Pay distributions under this policy will be added to the base pay of the employee.
- 4.5 Special Cases: The President or designee may make designations as to persons hired, promoted, or transferred into new positions, or for comparable cause, within the six-months timeframe for exclusion from merit pay, or from the COLA if any, or both as may be appropriate.

SECTION 5. SUPPLEMENTAL MERIT REWARDS.

- 5.1 In the preparation of the annual budget of the University, the President may propose the inclusion of budget funding for one or more categories of Merit Achievement Incentives. Any such proposed budget allocations shall be expressly delineated in the budget plan for clear evaluation by the Board. Merit Achievement Incentives shall be for a single fiscal year and do not become a permanent or recurring benefit.
- 5.2 If the Board has approved a budget amount for Merit Achievement Incentives for the fiscal year, the President may distribute Merit Achievement Incentives to employees who have been evaluated to be in the 76th percentile or higher of their employee group.
- 5.3 Unless otherwise authorized by the Board, distributions of Merit Achievement Incentives shall be by a formula in direct association to the descending progression of the finalized Merit Scores, but may be clustered into tiers within which all recipients will receive a substantially comparable Merit Achievement Incentive.

SECTION 6. THE PRESIDENT'S SALARY

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

PRESIDENT'S REPORT

Advancing Shepherd University

Photobiomodulation (PBM) Presentation on Capitol Hill: Dr. Kelly Watson Huffer, Assistant Professor of Nursing Education, and Scot Faulkner, Executive Director of the PBM Foundation, demonstrated PBM treatments for neck pain at the STEM on THE HILL kick-off event. The event, held in the Kennedy Caucus Room in the Russell Senate Office Building, attracted 25 national science organizations and 200+ Congressional staffers to celebrate 24 years of promoting STEM education and research and development.

West Virginia Academy of Science (WVAS): Four students brought home awards from the 94th annual meeting of the WVAS that took place March 30 in Wheeling. Aaron Robinson, Martinsburg, won best oral presentation in a session on botany for his work titled "The Effects of Roundup and its Chemical Constituents on Learning and Long-Term Memory Consolidation in *Lymnaea palustris*." Benjamin Lanham, Martinsburg, won best oral presentation in a session on microbiology for his work titled "Expression and purification of AtRALF1 from *Escherichia coli*." Anthony Ratledge, Grand Haven, Michigan, won best oral presentation in a session on computer science and engineering for his work titled "Biologically Inspired Optimization Solutions for Homeostatic Maintenance." Emily Foote, Shenandoah Junction, won best poster presentation in poster session II for her work titled "Migrating Data from Excel to the Web Using a LAMP Stack."

Foundation Scholarship Created by Susan Mills: The Foundation announced the creation of a scholarship award in support of students majoring in music. The Susan L. Mills Music Scholarship in Honor of Camille and James Mills was established by Susan Mills in memory of her parents. The deferred gift will be endowed through a bequest.

Dr. Jason Best Interviewed by Local TV Station: Dr. Best, Professor of Astronomy and Astrophysics, was interviewed by WDVM-TV in Hagerstown, Maryland, regarding his thoughts about the news that of a team of 200 international scientists and researchers had captured the first-ever image of a black hole. Best said in the interview, "This shows us what is possible when we work collaboratively and internationally."

2018 West Virginia Professor of the Year: Dr. Heidi Hanrahan, Professor of English, has been named the Faculty Merit Foundation of West Virginia 2018 Professor of the Year. The Foundation presented the award during a banquet held in the Great Hall of the Culture Center in Charleston. Hanrahan was nominated by the University based on her achievements in teaching and her involvement on campus and in the community.

Tourism is Focus of Recent Dinner with Strangers: Eight recreation/sports studies students participated in a Dinner with Strangers on March 25, hosted at the Bavarian Inn by Christian Asam, General Manager and President, and Annette Gavin Bates, CEO of the Jefferson County Convention and Visitors Bureau.

Touring Albert Einstein's House: Ed Herendeen and CATF designers received an exclusive tour of the Albert Einstein house in Princeton to help them prepare for CATF's production of *My Lord What a Night*. Einstein donated his home to Princeton University. The home is not open to the public, but CATF trustee Paul Kessler had arranged a tour of the home and the Einstein archives to see rare photos and papers.

Demonstration of Drones in Cyber Security Situations: Shepherd hosted a visit by Harry Wingo, Chair of the Cyber Security Department at the National Defense University, that included demonstrations of drone capabilities and the use of cyber-secure quadcopters to disrupt active shooters. Joining President Mary J.C. Hendrix and Shepherd academic and administrative leaders were Mark Pullen, Director of Cyber Security at George Mason University; Greg Cutlip, Department of Defense; Fred Turco, former CIA; and Jefferson County Sheriff Peter Dougherty and members of his department, as well as members of West Virginia Joint Forces Headquarters-West Virginia Adjutant General James Hoyer's staff. Preceding the cyber security presentation of Harry Wingo, a tour was given of the Tabler Farm and Shepherd's drone capabilities by Drs. Steven Shaffer, Sytil Murphy, Peter Vila and Jeff Groff.

Parker Family Establishes Foundation Scholarship: The Foundation announced the creation of a scholarship award in support of student athletes in Shepherd's men's and women's tennis programs. The Roger P. Parker Memorial Scholarship is an endowed fund established by the Parker family in memory of Roger Parker. Parker coached several sports during his 31-year career at Shepherd, including football, cross country, and track and field. But it is his establishment of the men's and women's tennis programs for which he is most well-known.

WISH Holds Anniversary Celebration: Women Investing in Shepherd (WISH) held a five-year anniversary celebration on April 28. The program included presentations by the 2018 community nonprofit recipients CASA and the Good Samaritan Clinic, and 2018 Shepherd learning project recipients Tabler Farm Initiative and the Catherine Wetzheimer House Restoration project. Rebecca Powers, who in 2003 founded the women's giving circle Impact Austin in Austin, Texas, presented the keynote address.

Transfer Agreement Signed with Carroll Community College: Shepherd and Carroll Community College in Maryland have signed a transfer agreement that will offer students who transfer to Shepherd directly from Carroll a 25 percent tuition discount provided they have earned an associate degree and possess a cumulative grade point average of 2.8.

Herendeen Inducted into College of Fellows of American Theatre: Ed Herendeen, founder and producing director of the Contemporary American Theater Festival, was inducted into the College of Fellows of the American Theatre at the John F. Kennedy Center Awards April 20. This membership is a result of Herendeen's lifetime contributions to American theater. Formed in 1965, the College of Fellows is "an honorary society of outstanding theatre educators and professional theatre practitioners." Herendeen is one of only seven theater artists to be inducted this year.

Transfer Agreement Signed with Harford Community College: Shepherd and Harford Community College in Maryland have signed a transfer agreement that will offer students who transfer to Shepherd directly from Harford a 25 percent tuition discount provided they have earned an associate degree and possess a cumulative grade point average of 2.8. Students who take advantage of the program are guaranteed on-campus housing at Shepherd, and the application fee will be waived. Students will have access to academic advising from Shepherd during their time at Harford, with anticipation of transfer.

Shepherd Telehealth to Offer Healthcare Services: Shepherd will offer new, expanded healthcare services in August through Shepherd Telehealth, which will provide 24-hour access to doctors via phone, tablet, or computer. Through an agreement with Teladoc, all undergraduate and graduate students will have access to the service as part of their student fees. Shepherd Telehealth will also be offered to faculty, staff, and those affiliated with Shepherd such as Lifelong Learning and Wellness Center members, alumni, and retirees for a fee of \$40 per year for unlimited access.

Tabler Farm Advisory Council: The Advisory Council met at Shepherd to hear an overview of current farm projects from Dr. Peter Vila and Dr. Jeff Groff and to learn about the academic degrees and certificates related to agricultural initiatives underway at the Tabler Farm. New initiatives discussed during the meeting included a farm-to-table event, funding opportunities, and networking with the community and local schools.

Student Leaders Attend State Conference: Student leaders from the state's public college and university campuses met to discuss the state of higher education in West Virginia. The conference, co-sponsored by the HEPC and Community and Technical College System of West Virginia, was coordinated by Shepherd, with Dr. Tom Segar, Vice President for Student Affairs and information technology, leading the effort.

Provost Beard Participates in Two Music Events in Washington, D.C.: Provost Scott Beard performed the premiere of an arrangement of the tune "Before the Parade Passes By", from the musical Hello Dolly by Jerry Herman, with the American Pops Orchestra at Arena Stage. As the artistic director of the Washington Opera Society, Beard narrated a performance of "Verdi's Aida" at the Embassy of Egypt.

McMurrin Society Welcomes New Members: The Foundation welcomed new members into the Joseph P. McMurrin Society at their annual dinner reception. The annual event brings together society members and their guests, along with Shepherd faculty and administrators, to honor those who have chosen to share their lifelong financial achievements with the University through estate and other planned gifts. Foundation President Christopher Colbert welcomed 12 new members into the Joseph P. McMurrin Society. They included Dennis Barron, Walter and Mary Jo Brown, Donald and Lynne Cosner, Lyndsey Matschat, Susan Mills, Dr. Joseph J. Renn III and Robin L. Renn, Cynthia Smailes-Rybak, and Raymond and Phyllis Smock. New members who were unable to attend the event include Chris and Sherri Janelle, Glenn and Barbara Patterson, and Paul and Pattie Wilmoth.

New Gift to Support Scarborough Library: The Foundation announced a new deferred gift that will provide perpetual funding for the University's library system. The Watson Family Endowment for the Scarborough Library was created by Dr. James Watson, former Shepherd student and employee, in tribute to his family.

English Department Co-hosted Celebration of Poet Walt Whitman's 200th Birthday: The Department of English and Modern Languages and Four Seasons Books celebrated Walt Whitman's 200th birthday with a series of readings around Shepherdstown and culminating in a birthday party at the bookstore. Featured readers included Dr. James Pate, Assistant Professor of English; Sadie Shorr-Parks, Adjunct Instructor of English; Ed Zahniser, Shepherdstown poet; and Katie Quinnelly, Shepherd alumna.

Shepherd Hosted Phi Beta Delta Conference: Shepherd hosted the Phi Beta Delta Honor Society for International Scholars 33rd annual International Conference. The conference was titled "Innovative Strategies in Promoting Global Learning" and offered sessions that touch on topics such as forming international partnerships, studying abroad, and incorporating international topics into the curriculum.

FY2019 Pending Grant Proposals to Date: (May 2019)

Submitted and awaiting decision on award.

Total current pending proposals to date: \$3,980,515

NIH West Virginia INBRE One Year Transitional Award Program, \$72,500 for one year: August 1, 2019 – July 31, 2020

Improving Cancer Management Involving Targeted Therapy and Radiotherapy via Modeling and Simulation

Proposal requests funding to support research to further develop modeling and computational tools to better understand the potential synergistic therapeutic benefit of radiotherapy and anti-CTLA antibody therapy for certain types of breast cancer, and ultimately produce tools that would improve clinical treatment outcomes for breast cancer patients. The proposed project will be led by Dr. Qing Wang, Professor of Mathematics.

NEH Summer Institutes for Teachers Program, \$158,306 for 1 year: October 1, 2019 – December 31, 2020

Voices of the Misty Mountains and the Power of Storytelling: Appalachian History and Culture

Proposal requests funding to support a summer program for 25 K-12 teachers from across the U.S. to attend a three-week immersive program hosted at Shepherd. The project brings several prominent humanities scholars to Shepherd to lead events, discussions and projects with participants that will influence and enhance the study and representation of Appalachian culture in K-12 curriculum. The proposed project will be led by Dr. Sylvia Shurbutt, Professor of English.

NSF Scholarships in Science, Technology, Engineering, and Mathematics (S-STEM) Program: \$999,986 for 5 years: July 1, 2019 – June 30, 2024

Advancing Academic Success and Career Development for Computer Science, Mathematics, and Engineering (CSME) Majors

Proposal requests funding to support a total of 85 scholarships for academically-talented students demonstrating financial need who are majoring in CSME. The proposed project also supports programs and resources to enhance their success and persistence in their degree programs at Shepherd. The proposed project will be led by Dr. Qing Wang, Professor of Mathematics.

NIH West Virginia INBRE Cancer Biology Grant Program, \$43,500 for 1 year: September 1, 2019 – August 31, 2020

Potential Synergistic Effect of Anti-Nodal Treatment of TNC Breast Cancers

Proposal requests funding to support research that will create 3D models of cell cultures to better represent tumor biology in order to assess potential immunotherapy/chemotherapy outcomes and prepare/culture genetic material for sequencing to determine if a potential shift in cell line genomics exists. Funding will support faculty and undergraduate student research activity as well as necessary supplies and materials and sequencing services from the WV INBRE Core Facility. The proposed project will be led by Dr. Robert Warburton, Dean and Professor of Biochemistry and Jason Rafe Miller, Assistant Professor of Computer Science.

HRSA Advanced Nursing Education Workforce (ANEW) Program, \$2,697,023 for 4 years: July 1, 2019 – June 30, 2023

Innovative Modalities for Rural Nurse Practitioner Education and Collaboration to Transcend Health Disparities (IMPACT) Program

Proposal requests funding to support 15 scholarships and stipends (totaling \$20,000 per student) per year for D.N.P. students, salary support for participating faculty, travel support and equipment purchases. If funded, this award will enable Shepherd to establish clinical training partnerships in the region that will provide longitudinal experiences delivering care to rural and underserved patient populations. The project will also include experiential training delivering alternative pain management through photobiomodulation and delivering/expanding patient access to care via cutting-edge telemedicine modalities. The proposed project will be led by Dr. Kelly Watson Huffer, Assistant Professor in the Department of Nursing Education.

Maryland Humanities Council Major Grants Program, \$9,200 for 1 year: September 1, 2019 – August 31, 2020

The Maryland Loyalism Project

Proposal requests funding to support creation of a digital archive of 82 loyalist women and men from Maryland who petitioned Parliament for financial compensation after the American Revolution. Funding would enable faculty and undergraduate students to digitize relevant volumes of the Loyalist Claims Commission records held in the Audit Office and Treasury Papers at the British National Archives and, for the first time, publish these sources alongside loyalist land confiscation sources housed in the Maryland State Archives. The proposed project will be led by Dr. Benjamin Bankhurst, Assistant Professor of History.

FY2019 Awarded Grant Proposals to Date: (May 2019)

Total awarded proposals to date for FY2018-2019: \$1,113,823

NASA West Virginia Space Grant Consortium: Three grants awarded totaling \$14,977 for 1 year: May 1, 2019 – April 30, 2020

Three proposals were awarded from NASA West Virginia Space Grant Consortium providing funding to support the following projects: (1) Course Development funding to support the development of a Genomics and Bioinformatics Lecture and Laboratory course led by Professor Sher Hendrickson (\$4,977); (2) Course Development funding to support the development of a Sensor Data Analytics course led by Professor Ralph Wojtowicz (\$5,000); and (3) Education and Public Outreach funding to support the Seeding Your Future annual conference hosted at Shepherd to engage and inspire middle school girls to pursue studies in STEM, led by Professor Sytil Murphy (\$5,000).

NSF EPSCoR Instrumentation Grant Program, \$20,000 for 1 year: December 1, 2018 – November 31, 2019

High-Accuracy Instrumentation for Unmanned Aerial Vehicle (UAV) Surveys

Proposal, submitted by Professor Steven Shaffer from the Institute of Environmental and Physical Sciences, received funding to purchase devices to enable the existing UAVs used by the Environmental Geomatics and Geographic Information Systems programs to dramatically increase the accuracy of UAV ground surveys enhancing research capabilities and educational impact for the department.

NSF EPSCoR Innovation Grant Program, \$40,000 for 1 year: January 1, 2019 – December 31, 2019
X-Ray Fluorescence (XRF) Analyzer for Teaching and Research Applications at Shepherd

Funding will be used to purchase a device and research materials for determining elemental composition of material samples from an arc melting system. Dr. Mohammadreza Ghahremani, Assistant Professor of Computer Science and Mathematics, proposes to use the device for both magnetic refrigeration technology research and instruction in materials science, electromagnetics and nanotechnology.

University of Oslo Collaboration Grant, \$35,000 for 3 years: June 1, 2018 – May 31, 2021; FY2019: \$11,667

The Role of Small RNAs in Genomic Imprinting and Hybrid Barriers

Shepherd entered into a collaborative research project with the University of Oslo that provides support for Jason Miller, Visiting Professor of Computer and Information Sciences, and students to perform bioinformatics analyses critical to the research.

WVU Research Corporation Subcontract from TaiRx, Inc., \$5,760 for 1 year: July 1, 2018 – June 30, 2019

Evaluation of Humanized 3D1 Anti-Nodal Antibodies

Funding supports direct costs related to Dr. Hendrix's role as Co-PI on this project, including proposal research and experiment design and interpretation.

West Virginia Bureau of Senior Services, \$2,500 for 1 year: July 1, 2018 – June 30, 2019

Aging Well Workshop at Shepherd

Funding supports program costs for the 2018 Aging Well Workshop led by Dr. Heidi Dobish, Associate Professor of Psychology.

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 in the Scarborough Library, and Dr. Jeff Groff, Associate Professor of Physics and Chair, Institute of Environmental and Physical Sciences.

USDA Natural Resource Conservation Service (NRCS) Conservation Technical Assistance Program, \$300,000 for 5 years: May 1, 2018 – April 30, 2023; FY2019: \$60,000

Veterans to Agriculture Program at Shepherd

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: Dr. Peter Vila, Associate Professor, Institute of Environmental and Physical Sciences.

West Virginia Idea Network of Biomedical Research Excellence (WV-INBRE), \$288,000 for 2 years: August 1, 2017 – July 30, 2019; FY2019: \$144,000

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.

Department of Education (DOE) Upward Bound Program, \$1,287,500 for 5 years: September 1, 2017 – August 31, 2022; FY2019: \$275,155 (4.25% increase to award for current year included)

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 enroll 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.

DOE Student Support Services Program, \$921,001 for 5 years: September 1, 2015 – August 31, 2020; FY2019: \$242,146 (4.25% increase to award for current year included)

Shepherd University's TRiO Student Support Services Program

Awarded funds support staff salaries and programmatic offerings for Shepherd students who meet criteria for need. The program offers mentoring, academic counseling and tutoring services for participating students, increasing student persistence and success in college. Lead Project Director: Cynthia Copney, M.A.

National Endowment for the Humanities (NEH): \$151,773 for one year: October 1, 2017 – December 31, 2018; FY2019: \$123,469

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

Funding supports another 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

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

Children's Literature Events

The Scarborough Library continues to celebrate a major overhaul of its children's collection with a series of events that are free and open to the public. The library received a \$30,000, three-year grant from the Scarborough Society to purchase new books for the children's section, which is located on the second floor.

Faculty

Five Shepherd professors received Outstanding Faculty Awards during the second annual Faculty Awards and Recognition Ceremony. Dr. DeWitt, Associate Professor of Sociology, received the Outstanding Faculty Award for Service; Dr. Ghahremani, Assistant Professor of Computer Engineering, received the Outstanding Faculty Award in Research; Dr. Kendig, Chair of the Department of Health, Physical Education, Recreation, and Sport, received the Outstanding Faculty Award for Advising; Dr. Mader, Associate Professor of Chemistry, received the Outstanding Faculty Award in Teaching; and Dr. Martz, Dean, College of Business, received the Douglas C. Smith Graduate Faculty Award. Recipients received a \$500 stipend and their names were added to plaques displayed on campus. In addition, 88 faculty were recognized for being included in the 2018-2019 Selection of Faculty Scholarly Works.

Research by a Shepherd professor and student was detailed in a paper that appeared in the March 1 issue of the *International Journal of Training Research*. Dr. Don Hillman, Adjunct Business Faculty and owner of Hillman Human Resources Solutions, LLC, and Courtney Knill, a business administration major from Charles Town, were co-authors of the paper “Rapidly increasing employment search self-confidence in unemployed clientele.” The paper outlines a study by Hillman that examined how participation in a one-week employment training program impacted a participant’s job search self-confidence. The study concluded that the training does help with self-confidence.

Ben Martz, Dean of the College of Business, and Holly Frye, Assistant Vice President for Student Success and Director of Community and Government Relations, recently published a book chapter, “Creating an Intuitive Awareness for Executives,” in *How Well Do Executives Trust Their Intuition*, (Eds. Liebowitz, J., Chan, Y., Jenkin, T., Spickler, D., Paliszkievicz, J., and Babilono, F.) CRC Press, Taylor and Francis, pp 135-148. This chapter deals with intuition and its impact on decision making for executives. Borrowing from a broad range of topics, the chapter posits that intuition necessarily contributes to the decision-making process and its sub-activities.

Enrollment Management

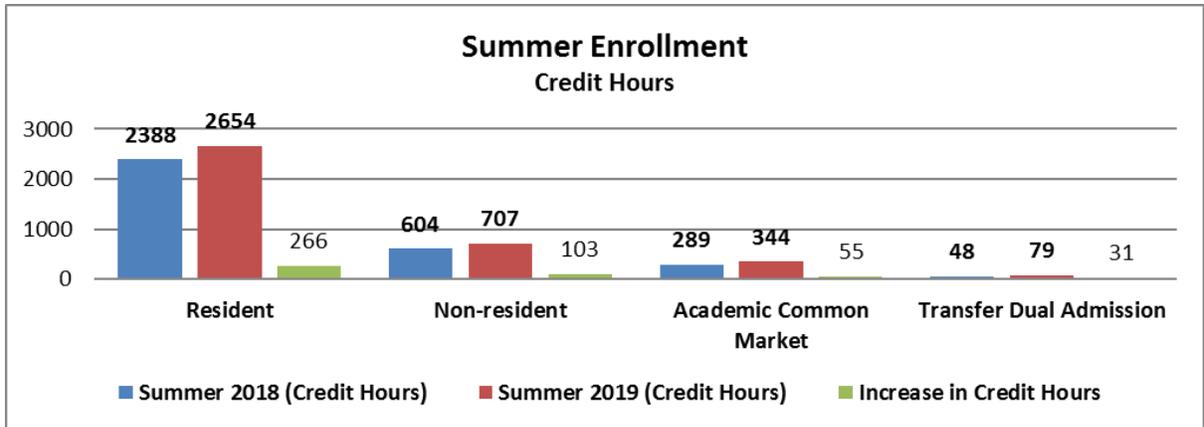
University Enrollment Build – Fall 2019

The enrollment build will continue throughout the summer months. Continuing undergraduate and graduate students who have not registered for Fall are receiving communications to encourage their registration or to contact the appropriate support office should they have any challenges. New First-time in College (Freshmen) and Transfer students will be registering for Fall classes during Orientation Step 1 (OS1) sessions in June. Five sessions are offered for Freshman and two sessions for Transfer students. OS1 is a valuable and critical next step for our new students as they begin the transition from high school to college.

Headcount by Student Type	Fall 2019 Build (5-21-19)	Fall 2019 Targets	% of Target
Continuing Undergraduate	1,815	1,793	101%
New Freshman	0	575	0.0%
Re-admit	10	40	25%
New Transfer	3	300	0.01%
Continuing Graduate	62	100	62%
New Graduate Student	16	50	32%
Total Degree Seeking Enrollment	1,906	2,858	66.6%
Non-degree Undergraduate	135	400	34%
Non-degree Graduate	0	100	0.0%
Total University Enrollment	2,041	3,358	61%

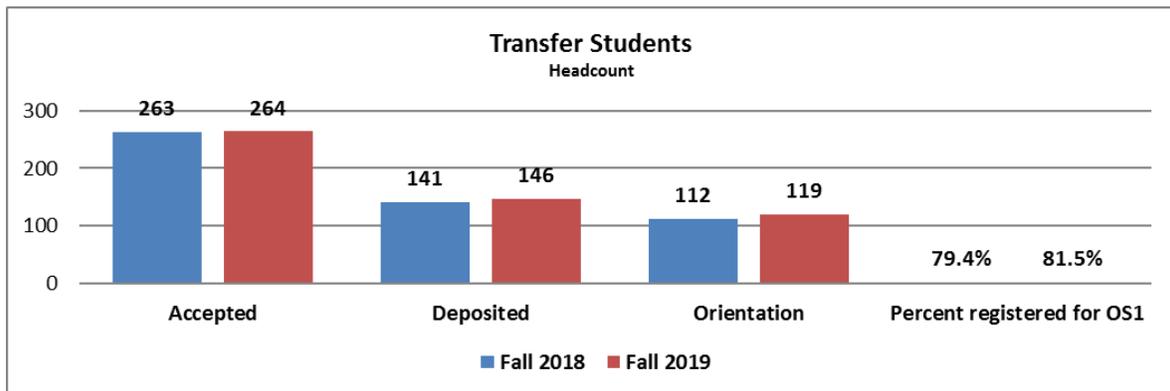
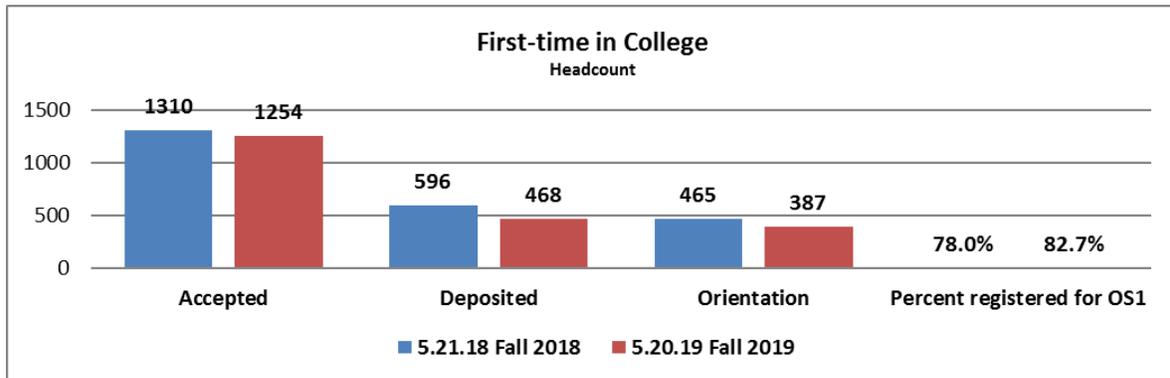
Student Semester 2019

Student enrollment during the summer semester is measured in credit hour production. The total number of undergraduate credit hours for summer 2019 has increased when compared to this time last year. Eighty percent of our summer enrollments are continuing, degree-seeking students. Two drivers influencing the increase include Pell grant funding for summer semester and focused communication and marketing to our current student population.



Admission Build – Fall 2019

At this time in the recruitment cycle, the admission build is primarily focused on the conversion of students from accepted to deposited and from deposited to registration for OS1. Currently, 82% of accepted Freshmen have registered for OS1. May through July is a peak period for Transfer students to apply for admission. On May 31, the Office of Admissions hosted a Transfer student preview day event. This new event currently has 46 prospective transfer students registered with 25 scheduled for individual appointments with an Admission Counselor.



Student Success Initiatives (Retention)

Shepherd Success Academy – Fall 2019 Cohort

Candidates for the Fall 2019 Shepherd Success Academy cohort are receiving invitations to join the Academy. The goal is a cohort of 40 students by the opening of the Fall 2019 semester. Currently, 30 students have registered to participate in the Academy. Engagement with these students begins at OS1 in June. Much like the Fall 2018 cohort, the composition of students will be distributed between regularly admitted students who meet Academy criteria and provisionally admitted students who will be required to join the Academy. The goal over in the next few years is to expand the Academy and number of students served.

Probation Recovery Initiative – Spring 2019

Crystal Smiles-Tharp served as the Probation Recovery success coach for a second consecutive semester. Crystal's final report includes the following excerpt - Overall, the academic probation recovery program generated successful results for students, predominantly from the Fall semester and reinforces the importance of early intervention. The results of the probation recovery program show a positive correlation between length of time in the program and academic progress. Students, who started the program in the Fall 2018 semester and continued to meet with the success coach in spring 2019, improved their GPA. Through tracking the qualitative data many of the students disclosed adversity, either during childhood or currently, that correlated to their academic progress. Acknowledging, discussing, and supporting student adversity is a critical component to their success in higher education and can be done more intentionally through providing students a resource such as the academic probation recovery program.

Student Affairs

Annual Drag Show Event

Shepherd's Program Board and ALLIES organization held the 16th Annual Drag Show Charity Fundraiser event on March 29. More than 350 students and community members gathered in the Student Center for a program which featured an evening of community, comedy, and entertainment by a host of illusionists performing a range of contemporary artists from Lady Gaga to Cher and Celine Dione. More than \$5,000 in donations was contributed to the non-profit community agency Hagerstown Hopes and the Eastern Panhandle Empowerment Center.

71st Annual Student Recognition Day

More than 150 certificates of achievement were presented to students at the 71st Annual Student Recognition Day. The award presenters included alumna Susan Mentzer Blair and her husband William Blair and Dr. Jane Ikenberry-Dorrier, daughter of Shepherd's 11th President Dr. Oliver Ikenberry, Lindsay Dorrier, III, grandson of Dr. Ikenberry. Dr. Tom Segar, Vice president for Student Affairs and Information Technology, served as the master of ceremonies and Rachael Meads, Assistant Director of Student Engagement, was the award presenter. Students were recognized for their leadership and contributions in co-curricular and extra-curricular activities.

Color for the Cure Event

The Wellness Center and the Student Program Board partnered once again to sponsor the Color for a Cure Fun Run and end of the semester celebration on April 26. Students and community members participated in a campus run through of various color stations that ended in the East Campus Amphitheater circle with a slip-n-slide, obstacle course, mechanical shark, dancing, and final color toss. While free to students, the funds raised benefit Shepherd's Relay for Life Team.

Greek Awards Banquet

On April 12, the Office of Fraternity and Sorority Life along with the Panhellenic and Interfraternity Councils sponsored the annual Greek Awards Banquet where chapters and students were recognized for their achievements during the 2018-19 academic year. Overall, Shepherd's social Greek chapters completed close to 3,000 hours of community service and raised nearly \$15,995 for charity over the year, an increase of \$6,000 compared to last year. Sigma Sigma Sigma Sorority was recognized as Chapter of the Year.

Midnight Breakfast

The Division of Student Affairs hosted the 39th Midnight Breakfast in the Student Center. This long-standing tradition brings together faculty, staff, and students for a lively meal the night before Final Exam Week. Students enjoyed a free deluxe breakfast served by faculty and staff. Shepherd Alumnus Andrew Potts, '17, served as the DJ for the event.

Finals Fastbreak

Program Board hosted "Finals Fastbreak" on the first day of finals, and distributed food and testing supplies to students. These supplies include green books, Scantron sheets, pencils, and note cards. This semester we also included peanut butter and jelly sandwiches. This event provides the Program Board with a chance to help relieve student stresses associated with finals week.

University Development

Comprehensive Fundraising Report: 7/1/18 through 3/31/19 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 Shepherd University Foundation, Shepherd Athletics and the Office of Sponsored Grants.

- During the first nine months of the fiscal year, a total of \$3,978,377 was pledged and/or paid in new gifts.
 - Private gifts designated to named endowments equaled \$1,113,897;
 - Gifts and pledges for annual giving programs yielded \$1,370,745; and
 - New competitive grants in the amount of \$1,429,235 were awarded to Shepherd programs.
- Across all constituencies, the number of donors increased by just under 4% over the same period in FY2018.

**SHEPHERD UNIVERSITY
COMPREHENSIVE FUNDRAISING SUMMARY**

Gift Category	7/1/2018 - 3/31/2019		7/1/2017 - 3/31/2018	
Annual Giving	\$1,370,745		\$1,004,951	
Endowments	\$1,113,897		\$657,156	
Grants	\$1,429,235		\$1,955,960	
Capital	\$64,500		\$139,450	
Total:	\$3,978,377		\$3,757,517	
Donor Category	# Donors	7/1/18-3/31/19	# Donors	7/1/17-3/31/18
Alumni	1,290	\$790,983	1,353	\$506,326
Friends	939	\$746,493	770	\$306,865
Corporations/Foundations	203	\$194,114	161	\$277,818
Others	67	\$817,552	121	\$710,549
Grants	17	\$1,429,235	19	\$1,955,960
Total:	2,516	\$3,978,377	2,424	\$3,757,517

Comprehensive Campaign Update:

Timeline for Campaign Planning and Early Leadership Phase is on schedule. Plans and actions are being completed to meet the July 1, 2019 quiet phase launch.

Power Point presentations have been made to the Shepherd University Board of Governors, Foundation Board and Executive Committee, Alumni Association Board, Byrd CHE staff reps, Shepherd University Athletic Club (SUAC) reps (full board presentation set for June 20) and CATF staff rep.

Initial Campus Survey was distributed on May 1 with 78% of the academic units responding by May 22. Results of the survey will be presented during the partner board retreat to inform initial decisions on campaign focus areas.

Partner board retreat is scheduled for Friday, June 21. Representatives from the Shepherd University Board of Governors, Foundation Board, Alumni Association Board, SUAC Board, Byrd CHE/Congressional Education Foundation Board and CATF Board will meet to strategize, plan and make certain decisions needed to advance the campaign.

Major gifts position search is moving forward as of the date of this report with three phone interviews scheduled for the week of May 20. An update will be available for the June 13 Board of Governor’s meeting.

Athletics

Baseball

The baseball program finished the spring season with a 36-16 overall record and 24-6 conference record. The program won the North division of the conference again and went into the conference tournament as the overall #1 seed. The team lost footing in the conference semi-finals tournament.

Golf

Owen Elliott made an historic run to the NCAA D2 National Championship as an individual player. Owen placed second at the NCAA D2 Atlantic/East regional tournament with a three-day total of 214. He finished the Championship event with a three-day total of 240 to finish in a tie for 101st place.

Softball

The softball program finished the spring season with a single season record in wins with a 42-18 overall record and 23-9 in the conference. The program made it to the semi-finals of the conference tournament and was selected as a #4 seed in the NCAA Regional Atlantic tournament. Our program won the NCAA Atlantic Region 1 Championship for the first time in school history with a victory. The team went on to fall short in the Super Regional Championship game against West Chester in a thrilling game 4-3.

SUAC

The SUAC is promoting two events this summer. They will host the annual golf tournament in support of Shepherd Football on Friday, June 14th at Cress Creek. SUAC is also planning a regional fundraising event in Virginia at the end of June.

Building Upgrades

The athletic department has committed to a \$45,000 renovation of the Butcher Center weight room and athletic training space. The renovation will include new flooring, equipment, paint and ceiling replacement in the weight room and new flooring in the training room. The project will be privately funded by the SUAC, Gridiron Club, Athletics and other private donors.

Capital Projects

Butcher Center

Elevator improvements will be performed beginning June 3. The improvements were postponed until after the commencement ceremonies. New cab flooring, including one of the Shepherd logos, will be installed as a part of the upgrade. Some electrical work has been upgraded in anticipation of full completion in June. Contractors will replace controls, perform maintenance on the mechanicals and upgrade any portion of the system needed to ensure safe and efficient operation. This work was approved and funded through the East Bond distributions issued to institutions in 2018. Prior to the 2020 commencement exercises, bids will be advertised to procure a new, more durable and aesthetic protective covering for the hardwood basketball floor.

Byrd Science

An RFP is in process to obtain an engineering consultant to confirm and design the proposed work associated with the mechanical systems upgrade, funded by the \$1.2 million Energy and Water Savings Revolving Loan from the HEPC. This design will be used to select and engage the mechanical contractor for the scope of work.

Frank Arts

As with Byrd Science, funds from the Energy Savings loan will be applied to the replacement of existing ductwork as well as a new heat pumps that will better condition the theater area and contribute to the reduction of Shepherd's utility costs.

Human Resources

A new heat pump and gas furnace is scheduled for installation to replace the existing system that serves the first floor.

Knutti Hall

Minor interior work has been completed (painting, interior upgrades). We are in discussions with building occupants regarding interior décor and furniture. Any work scheduled associated with interior upgrades or renovations will be approved beforehand. Finalizing the Request for Proposal (RFP) for envelope renovations (roof, foundation and drainage issues) to be issued for work to begin in FY2020.

Ram Stadium

The new turf has been installed. Prior to the installation, the contractor realigned the crown to crest at the line of the center of the goal posts, which previously was offset. New grooming and maintenance equipment was included with the purchase.

Shaw and Thacher Halls

The second Request for Bid (RFB) is in process for the remainder of flooring in Thacher and designated areas in Shaw. (Thacher flooring was partially replaced in FY2019). Installation is planned for completion prior to start of 2019 Fall semester. Funding will be split between FY2019 and FY2020.

Student Center

The Request for Proposal (RFP) for roof replacement is in process. The more critical portions of the work may occur before the end of FY2019, however the majority of the work will be scheduled for completion in FY2020.

Stutzman Slonaker

Some masonry work has been performed to replace a pre-cast section on the portico parapet. This will suffice until more substantial deferred maintenance can be conducted.

Upcoming Events

Sunday, June 30

Pay-What-You-Can Previews for the 2019 Contemporary American Theater Festival (CATF) begin. Information about these previews can be found at <https://catf.org/>.

Thursday, July 4

University Closed for Independence Day

Friday, July 5

Opening night of the 2019 CATF. Tickets can be purchased through <https://catf.org/>.

Monday, August 26

Classes begin for the 2019-2020 Academic Year.

Monday, September 2

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 13, 2019
Agenda Item No. 6-a

UNIVERSITY DEVELOPMENT UPDATE

Ms. Monica Lingenfelter, Executive Vice President for Shepherd University Foundation, will provide the Board with a brief update on University Development. Ms. Lingenfelter will then be available for any questions from members of the Board.

Shepherd University Board of Governors
Report to the Enrollment, Student and Community Affairs Committee
June 13, 2019
Agenda Item No. 7-a

ENROLLMENT MANAGEMENT UPDATE

Mr. Bill Sommers, Vice President for Enrollment Management, will provide the Board with a brief update on Enrollment Management. Mr. Sommers will then be available for any questions from members of the Board.

QUARTERLY FINANCIAL REPORT: 3RD QUARTER FY2019

Financial results are provided in the following three reports for the 3rd Quarter of FY2019:

- 1) Statement of Revenues, Expense and Other changes – FY2019 compared to FY2018
- 2) Budget to Actual Report
- 3) Statement of Net Position

Overview of Comparison: 3rd Quarter FY2019 compared to 3rd Quarter FY2018

- **2.5%, \$875,000**, decrease in Total Operating Revenues
- **2.9%, \$1.3 million**, decrease in Total Operating Expenses
- **16.83%, \$3.0 million**, decrease in Cash and Cash Equivalents
- **6.6%, \$5.5 million**, decrease in Net Position

STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES

Operating Revenues: \$33.6 million – Decreased

Tuition and Fee Revenue – \$27.2 million – 1% increase; \$231,000

The mix between In-State (lower) and Out-of-State (higher) students offsets the decrease in Full-time equivalent (FTE), which nets a small increase in Tuition and Fee Revenue. The increase in course fees further contributes to the increase when compared year-over-year.

Scholarship Allowance – \$11.6 million – 2.6% decrease; (\$306,000)

The 3rd Quarter FY2019 allowance is lower than the 3rd Quarter FY2018, a result of fewer institutional and financial aid resources awarded to students in accordance with the decline in the number of students.

Auxiliary Enterprises Revenue – \$12.5 million – 10.6% decrease; (\$1.48) million

The 3rd Quarter FY2019 Auxiliary Enterprises Revenue is lower than the 3rd Quarter FY2018, as a result of the outsourcing of both the bookstore and dining services. Auxiliary Enterprise expenses are, likewise, lower in this quarter of FY2019.

Operating Expenses: \$43.7 million – Decreased

The 3rd Quarter FY2019 Operating Expenses total **85.7%** of the FY2019 budget.

Auxiliary Enterprises Expense – \$8.5 million – 14.9% decrease; (\$1.5) million

Operating Expenses decreased **2.9%**; **\$1.3 million**, for 3rd Quarter FY2019 as compared to the same period in FY2018, with the most significant decrease in Auxiliary Expenses. As noted above in Auxiliary Enterprises Revenue, the outsourcing of dining services resulted in a change. Both amounts decreased by nearly \$1.5 million.

Non-Operating Revenues and Expenses: \$12.3 million – Increased

Total Non-Operating Revenues and Expenses for the 3rd Quarter FY2019 compared to 3rd Quarter FY2018 – **1%** increase; **\$119,000**.

Interest on capital asset related debt – 22.4% decrease; \$189,000 year-over-year. As principal debt balances are decreased, the related interest expense is decreasing each year.

Non-Operating Federal Revenue – 1% decrease; \$52,000, due to a decrease in PELL.

Gifts Revenue – 36.4% decrease; \$489,000, year-over-year. This revenue is generated by contributions from the Foundation. The majority is in the form of student scholarships. Not all funding was received at the end of this quarter. However, overall gifts are anticipated to be similar to FY2018 revenue amounts.

Other Revenues, Expenses, Gains or Losses: (\$356,000) – (Expenses) Decreased

Other Post-Employment Benefits (OPEB) – This is reported at year-end only upon receipt of actuarial information from the State Capitol, which is required in order to calculate the increase or reduction to the OPEB liability.

STATEMENT OF NET POSITION

Assets

Total Assets: \$131.7 million – 6.02% approximate decrease; \$8.44 million

The decrease in Total Assets results from decreases in Cash, Accounts Receivable, Inventories, and Capital Assets, net of accumulated depreciation. Cash and Accounts Receivable continue to decline with the enrollment decline, recognizing that the rate of decline has slowed. Inventories are significantly less due to the outsourcing of the bookstore and dining services. Capital Assets, net, continue to decline due to depreciation without adding significant new assets.

Cash and Cash Equivalents: \$14.9 million – 16.83% decrease; \$3.0 million

Days Cash on Hand at March 31, 2019: 104

At the end of the 3rd Quarter FY2019; the University had sufficient cash and other resources on hand to meet operating and capital requirements.

Accounts Receivable: \$784,000 – 17.21% decrease; \$163,000

The decrease in Accounts Receivable reflects an improvement in early collection of student accounts as well as in-house management of short-term payment contracts.

Grant and Contract Receivables: \$1,406 million – 116.6% increase; \$757,000

The increase for Grants and Contracts Receivable is the result of timely grant billings. Approximately \$600,000 in Promise and WV Grant spring funds were received in April of last year, however, spring 2019 awards were received in March of this year.

Inventories: \$2,000 – 99.17% decrease; \$240,000

Outsourcing of bookstore and dining services results in inventory declines.

Capital Assets Net: \$113.8 million – 4.97% decrease; \$5.9 million

Capital Assets are presented net of Accumulated Depreciation,

The FY2019 year-to-date Accumulated Depreciation at the end of the 3rd Quarter is **\$4.8 million**.

The University continues to defer major capital expenditures in the ongoing effort to preserve cash flow.

Liabilities

Total Liabilities: \$53.6 million – 6.64% decrease; \$3.8 million

The decrease in Bonds Notes and Leases Payable is offset by small increases in Accounts Payable, Accrued Liabilities and Deferred Revenue.

Summary:

Total Net Position: \$77.2 million – 6.6% decrease; \$5.5 million

The decline in State appropriation, enrollment, and significant capital investments explain this decrease as compared to **\$82.7 million** 3rd Quarter FY2018.

Table 1

Shepherd University
Statement of Net Position
As of March 31, 2019 and 2018
(Dollars in Thousands)

	3/31/19	3/31/18	% Change
ASSETS			
Current assets:			
Cash and cash equivalents	14,850	17,854	-16.83%
Accounts receivable net	784	947	-17.21%
Grants and contracts receivable, net	1,406	649	116.64%
Due from the Commission	-	-	n/a
Inventories	2	242	-99.17%
Loans Receivable	100	100	0.00%
Other assets	313	-	n/a
Total Current assets	17,455	19,792	-11.81%
Noncurrent assets:			
Restricted cash and cash equivalents	3	2	50.00%
Investments	-	-	n/a
Loans receivable, net	230	342	-32.75%
Capital assets net	113,791	119,738	-4.97%
Other Noncurrent assets	209	253	-17.4%
Total Noncurrent assets	114,233	120,335	-5.07%
TOTAL ASSETS	\$131,688	\$140,127	-6.02%
Total Deferred Outflows of Resources (GASB 68)	\$847	\$88	862.50%
TOTAL ASSETS & DEFERRED OUTFLOWS	\$132,535	\$140,215	-5.48%
LIABILITIES			
Current liabilities:			
Accounts payable	934	669	39.61%
Accrued liabilities	3,133	2,853	9.81%
Due to the Commission	-	-	n/a
Due to other State agencies	-	-	n/a
Deferred revenue	381	182	109.34%
Long-term liabilities - current portion	2,781	2,528	10.01%
Total Current liabilities	7,229	6,232	16.00%
Noncurrent liabilities:			
Advances from federal sponsors	404	499	-19.04%
Deposits	167	174	-4.02%
Other post employment benefits	9,007	11,486	-21.58%
Compensated absences	496	432	14.81%
Net pension liability	267	391	-31.71%
Debt obligation due Commission	225	525	n/a
Leases Payable	65	216	-69.91%
Bonds Payable	35,692	37,403	-4.57%
Total Noncurrent liabilities	46,323	51,126	-9.39%
TOTAL LIABILITIES	53,552	57,358	-6.64%
Total Deferred Inflows of Resources (GASB 68)	1,798	195	822.05%
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	55,350	57,553	-3.83%
NET POSITION	77,185	82,662	-6.63%
TOTAL LIABILITIES AND NET POSITION	\$132,535	\$140,215	-5.48%

Table 2

Shepherd University
Budget to Actual Report
For the Quarter Ending March 31, 2019
(Dollars in Thousands)

	Annual Budget	YTD Actual	\$ Variance	% Budget
OPERATING REVENUES				
Tuition and Fees	\$14,960	\$15,548	(\$588)	103.9%
Federal Grants and Contracts	1,716	790	926	46.0%
State and Local Grants and Contracts	3,868	4,258	(390)	110.1%
Private Grants and Contracts	38	-	38	0.0%
Sales and Services of Educational Activities	24	20	4	83.3%
Auxiliary Enterprises	11,005	12,503	(1,498)	113.6%
Other Operating Revenues	330	513	(183)	155.5%
TOTAL OPERATING REVENUES	31,941	33,632	(1,691)	105.3%
OPERATING EXPENSES				
Instruction	17,336	14,165	3,171	81.7%
Academic Support	3,082	2,417	665	78.4%
Student Services	3,394	2,568	826	75.7%
Scholarships & Fellowships	2,270	2,264	6	99.7%
Operations and Maintenance	4,118	3,414	704	82.9%
Institutional Support	5,962	5,169	793	86.7%
Research	200	210	(10)	105.0%
Public Service	138	174	(36)	126.1%
Auxiliary Expenses	7,820	8,529	(709)	109.1%
Depreciation Expense	6,500	4,809	1,691	74.0%
Transfers and Other (Additions) Subtractions	220	-	220	0.0%
TOTAL OPERATING EXPENSES	51,040	43,719	7,321	85.7%
NONOPERATING REVENUES AND EXPENSES				
State Appropriations	9,672	7,254	2,418	75.0%
Nonoperating federal revenue	5,000	4,917	83	98.3%
Investment Income	180	369	(189)	205.0%
Interest on capital asset related debt	(1,374)	(1,033)	(341)	75.2%
Loss on disposal of equipment	-	(1)	1	n/a
Gifts	1,600	853	747	53.3%
Payments on behalf of Shepherd University	-	-	-	n/a
Fees assessed by the Commission for interest and reserves	(38)	(19)	(19)	50.2%
TOTAL NONOPERATING REVENUES AND EXPENSES	15,040	12,340	2,700	82.0%
OTHER REVENUES, EXPENSES, GAINS OR LOSSES				
Other Post Employment Benefits (OPEB) expense	-	-	-	n/a
Increase (Decrease) in Net Position	(4,059)	2,253	(6,312)	-55.5%

Table 3

Shepherd University
Statement of Revenues, Expenses and Other Changes
For the Quarters Ending March 31, 2019 and 2018
(Dollars in Thousands)

	Budget FY19 Annual	YTD Actual 3/31/19	YTD Actual 3/31/18	% Change	\$ Change
OPERATING REVENUES					
Tuition and Fees	14,960	\$15,548	\$15,011	3.6%	\$537
Federal Grants and Contracts	1,716	790	934	-15.4%	(144)
State and Local Grants and Contracts	3,868	4,258	3,943	8.0%	315
Private Grants and Contracts	38	-	-	n/a	-
Sales and Services of Educational Activities	24	20	24	-16.7%	(4)
Auxiliary Enterprises	11,005	12,503	13,980	-10.6%	(1,477)
Other Operating Revenues	330	513	615	-16.6%	(102)
TOTAL OPERATING REVENUES	31,941	33,632	34,507	-2.5%	(875)
OPERATING EXPENSES					
Instruction	17,336	14,165	14,220	-0.4%	(55)
Academic Support	3,082	2,417	2,400	0.7%	17
Student Services	3,394	2,568	2,520	1.9%	48
Scholarships & Fellowships	2,270	2,264	2,113	7.1%	151
Operations and Maintenance	4,118	3,414	3,574	-4.5%	(160)
Institutional Support	5,962	5,169	4,660	10.9%	509
Research	200	210	147	42.9%	63
Public Service	138	174	162	7.4%	12
Auxiliary Expenses	7,820	8,529	10,022	-14.9%	(1,493)
Depreciation Expense	6,500	4,809	5,027	-4.3%	(218)
Transfers and Other (Additions) Subtractions	220	-	182	-100.0%	(182)
TOTAL OPERATING EXPENSES	51,040	43,719	45,027	-2.9%	(1,308)
NONOPERATING REVENUES AND EXPENSES					
State Appropriations	9,672	7,254	7,021	3.3%	233
Nonoperating federal revenue	5,000	4,917	4,969	-1.0%	(52)
Investment Income	180	369	131	181.7%	238
Interest on capital asset related debt	(1,374)	(1,033)	(844)	22.4%	(189)
Loss on disposal of equipment	0	(1)	(380)	-99.7%	379
Gifts	1,600	853	1,342	-36.4%	(489)
Payments on behalf of Shepherd University	0	-	-	n/a	-
Fees assessed by the Commission for interest and reserves	(38)	(19)	(18)	5.6%	(1)
TOTAL NONOPERATING REVENUES AND EXPENSES	15,040	12,340	12,221	1.0%	119
OTHER REVENUES, EXPENSES, GAINS OR LOSSES					
Other Post Employment Benefits (OPEB) expense	0	-	(356)	-100.0%	356
Increase (Decrease) in Net Position	(4,059)	2,253	1,345	-98.7%	\$908

PROPOSED FY2020 ANNUAL BUDGET

The FY2020 budget proposal requires a thorough examination of Shepherd’s operations as they align with the vision and mission of the University. We encountered another challenging year of enrollment, retention and recruitment. It is imperative that University leadership continue to guide the initiatives and day-to-day operations with the collaborative and focused approach of the previous year. The FY2020 landscape has changed and continues to evolve, as will all of higher education, in an effort to meet the challenges ahead. As we close FY2019, we have completed the outsourcing of the campus bookstore and dining services. These changes, as anticipated, result in a significant reduction in revenue accompanied by an equivalent reduction in related expenses, as noted in the financial schedule representing the proposed FY2020 budget.

The two financial reports that follow include the FY2020 Operating Scenario and Cash Flow Projection and the FY2019 and FY2020 Budget Comparison. The Budget Comparison provides three scenarios for the FY2020 Budget. When reading the narrative, the financial data compares potential pay increase rates (3% deferred to 10/1/19, and 3% or 3.5% payable 7/1/19). This comparative data provides a summary of the increase in expenses required to fund those potential pay increases.

The University continues to work creatively to stabilize undergraduate enrollment. Continuing undergraduate students are persisting at higher rates. This is the result of resources devoted to student success and persistence (retention) programs and initiatives. Ongoing focus on this population is critical as we move forward. Declining high school aged students will prove to be a challenge in the upcoming years. A new challenge for the University is the passage of legislation (WV and MD) to provide “free tuition” for students who attend community college. These free tuition programs will have a direct impact on new first-time in college enrollment. Enhancing Shepherd’s transfer student marketing and recruiting is already underway.

OVERVIEW

Total Operating Revenue:	Decreases \$362,000 or 1.04%
Total Operating Expenses:	Increase \$1.4 - \$1.8 million or 2.5% - 3.2%
State Appropriation:	Increase \$3.01 million or 31.1%

The significant increase to the State appropriation funding raises a potential for a pay increase, as well as restoring previous faculty positions that remained vacant or were filled by temporary instructors/lecturers. In addition, the adjunct staff and department chairs are scheduled for small increases, which have not been granted for many years. There is no increase in PEIA or OASIS this fiscal year. University leadership continues its commitment to the retention and well-being of its staff and faculty. As in FY2019, the Governor’s budget provided funding specifically for a pay raise, providing new funds in the amount of \$312,287. Additionally, \$2.7 million in funding was awarded to Shepherd to bring our funding more in line with the other four-year state universities.

To manage these additional funds with fiscal responsibility, University leadership will review and adjust spending, as appropriate. 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 (Compared to FY2019 Annual Projection):

Tuition and Fee Revenue:	Decreases \$1.5 million or 9.5%
Federal Grants and Contracts:	Increase \$216,000 or 21.4%
State and Local Grants and Contracts:	Increase \$331,000 or 7.7%
Auxiliary Enterprises Revenue:	Increases \$684,000, or 5.3%

The increase in auxiliary revenue reflects the increase in the board plan for dining services. This change is accompanied by a decrease in the auxiliary expenses, as noted below in "Operating Expenses" consisting of payments to Chartwells for board plans and catering services for campus activities.

Operating Expenses

Overall Operating Expenses:	Decrease \$1.4 - \$1.8 million or 2.5% - 3.2%
Auxiliary Enterprises Expenses:	Decrease \$56,000 - \$19,000 or .5% - .18%

Regarding the increase in University payroll, positions that had previously remained vacant are being filled in FY2020, which increases the overall operating expense budgets.

Operations and Maintenance: Decreases approximately \$355,000 through the elimination of contract labor and through energy savings resulting from capital projects for FY2020.

Telephone Expense: Decreased approximately \$65,000 in FY2019 with the elimination of unused phone lines and a contract agreement with Frontier. This savings continues into FY2020 with level pricing.

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 due to ongoing deferred maintenance across campus.

Non-Operating Revenues and Expenditures

State appropriations reflect an increase of \$3,312,287 or 31.1%. Interest on Capital Debt is budgeted at a decrease of \$34,000 or 2.5% from the FY2019 Budget.

- Contributions from the Foundation for Gifts, including student scholarships, College of Business and other support are budgeted to decrease \$57,000 or 3.7% from FY2019.

Summary

We will monitor capital spending and reduce Operating Expenses, where possible, to partially offset the continuing decline in student enrollment. The plan, reflected in the FY2019 and FY2020 Budget Comparison, includes all transactions impacting the cash scenario. It also reflects FY2020 capital projects consisting of those that are essential and necessary to enhancing the student experience and protecting building envelopes. Capital projects are partially funded by a zero percent loan from the Higher Education Policy Commission (HEPC) and a prospective lease agreement for the football turf replacement. These financing agreements will further preserve the cash balances.

Looking forward to FY2020 and FY2021, the ongoing deficit will continue to be addressed and reduced with the intention of reducing the deficit in FY2021 and eliminating the deficit by FY2022. As the recipient of additional funds from the State appropriation, Shepherd will strive to achieve this outcome, which should be attainable in the absence of unexpected extraordinary events. 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.

We had hoped that the increase in State appropriations would allow the University to reasonably implement a 4% pay raise initiative. In light of challenging budget conditions and uncertainty as to enrollment, it is recommended that the budget be approved, while restricting release of the pay-raise funds until the Board has an opportunity to make further review of revenues and enrollment and to take express action as to salary increases.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the FY2020 Annual Budget as presented in the agenda materials of June 13, 2019, provided, however, that the prospective 3% salary increase included in the budget shall not be implemented until further authorizing action by the Board.

FY2020 Operating Scenario and Cash Flow Projection
(Dollars in Thousands)

	Audited	Budget FY2019	Annual	Proposed	Proposed	Proposed
	Actual		Projection	3% raise; 10/1 implement	3% raise	3.5% raise
	FY2018		FY2019	FY2019	FY2020	FY2020
Tuition and Fees	\$ 16,263	\$ 14,960	\$ 16,048	\$ 14,519	\$ 14,519	\$ 14,519
Federal Grants and Contracts	1,808	1,716	1,011	1,227	1,227	1,227
State and Local Grants and Contracts	3,988	3,868	4,306	4,637	4,637	4,637
Private Grants and Contracts	61	38	75	151	151	151
Sales and Services of Educational Activities	50	24	30	31	31	31
Auxiliary Enterprises	14,260	11,005	12,953	13,637	13,637	13,637
Other Operating Revenues	853	330	533	392	392	392
TOTAL OPERATING REVENUES	37,283	31,941	34,956	34,594	34,594	34,594
Core Operating Expenses						
Primary Mission Costs						
Instruction	17,684	17,336	17,942	19,216	19,338	19,419
Academic Support	3,019	3,082	3,223	3,351	3,367	3,377
Student Services	3,389	3,394	3,424	3,895	3,917	3,931
Scholarships and Fellowships	2,237	2,270	2,464	2,825	2,825	2,825
Subtotal Primary Mission Costs	26,329	26,082	27,053	29,287	29,447	29,552
Other Core Operating Expenses						
Operations and Maintenance	5,303	4,118	4,552	4,183	4,197	4,205
Institutional Support	6,955	5,962	6,892	6,318	6,347	6,367
Research	252	200	263	257	258	259
Public Service	196	138	218	226	227	228
Subtotal Other Core Operating Expenses	12,706	10,418	11,925	10,984	11,029	11,059
Total Core Operating Expenses	39,035	36,500	38,978	40,271	40,476	40,611
Auxiliary Expenses	12,488	7,820	10,661	10,577	10,605	10,623
Depreciation Expense	6,629	6,500	6,500	6,700	6,700	6,700
Transfers and Other (Additions) Subtractions	242	220	-	-	-	-
TOTAL OPERATING EXPENSES	58,394	51,040	56,139	57,548	57,781	57,934
State Appropriations	9,361	9,672	10,172	12,684	12,684	12,684
GASB 68 and 75 payments on behalf University	628	-	-	-	-	-
Nonoperating federal revenue	5,109	5,000	5,067	5,200	5,200	5,200
Investment Income	198	180	414	219	219	219
Interest on capital asset related debt	(1,428)	(1,374)	(1,374)	(1,340)	(1,340)	(1,340)
Loss on disposal of equipment	(390)	-	(1)	-	-	-
Gifts	1,658	1,600	1,557	1,500	1,500	1,500
Fees assessed by the Commission for interest and reserves	(18)	(38)	(37)	(17)	(17)	(17)
TOTAL NONOPERATING REVENUES AND EXPENS	15,118	15,040	15,798	18,246	18,246	18,246
Decrease in Net Position	(5,993)	(4,059)	(5,385)	(4,708)	(4,941)	(5,094)
Depreciation	6,629	6,500	6,500	6,700	6,700	6,700
GASB 68	(81)	-	-	-	-	-
GASB 75	(344)	-	-	-	-	-
Capital Expenditures	(1,674)	(2,175)	(1,700)	(1,860)	(1,860)	(1,860)
Gain/Loss on asset disposals	390	-	1	-	-	-
Bond, Note and Lease Principal Payments & amortization	(1,922)	(1,828)	(1,978)	(2,016)	(2,016)	(2,016)
Changes in balance sheet accounts	(552)	(535)	647	465	465	465
Decrease in cash	\$ (3,547)	\$ (2,097)	\$ (1,915)	\$ (1,419)	\$ (1,652)	\$ (1,805)
Ending Cash	\$ 11,019	\$ 8,922	\$ 9,104	\$ 7,503	\$ 7,452	\$ 7,299
Days Cash	78	73	67	54	53	52

Shepherd University
FY2019 and FY2020 Budget Comparison
(Dollars in Thousands)

	Budget FY19	Proposed Budget FY20		Variance		Proposed Budget FY20		Variance		Proposed Budget FY20		Variance	
		Including 3% Pay Increase Starting 10/1	Amount	%	Including 3% Pay Increase	Amount	%	Including 3.5% Pay Increase	Amount	%	Including 3.5% Pay Increase	Amount	%
Tuition and Fees	\$ 14,960	\$ 14,519	\$ (441)	-2.95%	\$ 14,519	\$ (441)	-2.95%	\$ 14,519	\$ (441)	-2.95%	\$ (441)	-2.95%	
Federal Grants and Contracts	1,716	1,227	\$ (489)	-28.50%	1,227	(489)	-28.50%	1,227	(489)	-28.50%	(489)	-28.50%	
State and Local Grants and Contracts	3,868	4,637	\$ 769	19.88%	4,637	769	19.88%	4,637	769	19.88%	769	19.88%	
Private Grants and Contracts	38	151	\$ 113	297.37%	151	113	297.37%	151	113	297.37%	113	297.37%	
Sales and Services of Educational Activities	24	31	\$ 7	29.17%	31	7	29.17%	31	7	29.17%	7	29.17%	
Auxiliary Enterprises	11,005	13,637	\$ 2,632	23.92%	13,637	2,632	23.92%	13,637	2,632	23.92%	2,632	23.92%	
Other Operating Revenues	330	392	\$ 62	18.79%	392	62	18.79%	392	62	18.79%	62	18.79%	
TOTAL OPERATING REVENUES	31,941	34,594	2,653	8.31%	34,594	2,653	8.31%	34,594	2,653	8.31%	2,653	8.31%	
Core Operating Expenses													
Primary Mission Costs													
Instruction	17,336	19,216	\$ 1,880	10.84%	19,338	2,002	11.55%	19,419	2,083	12.02%	2,083	12.02%	
Academic Support	3,082	3,351	\$ 269	8.73%	3,367	285	9.25%	3,377	295	9.57%	295	9.57%	
Student Services	3,394	3,895	\$ 501	14.76%	3,917	523	15.41%	3,931	537	15.82%	537	15.82%	
Scholarships and Fellowships	2,270	2,825	\$ 555	24.45%	2,825	555	24.45%	2,825	555	24.45%	555	24.45%	
Subtotal Primary Mission Costs	26,082	29,287	3,205	12.29%	29,447	3,365	12.90%	29,552	3,470	13.30%	3,470	13.30%	
Other Core Operating Expenses													
Operations and Maintenance	4,118	4,183	\$ 65	1.58%	4,197	79	1.92%	4,205	87	2.11%	87	2.11%	
Institutional Support	5,962	6,318	\$ 356	5.97%	6,347	385	6.46%	6,367	405	6.79%	405	6.79%	
Research	200	257	\$ 57	28.50%	258	58	29.00%	259	59	29.50%	59	29.50%	
Public Service	138	226	\$ 88	63.77%	227	89	64.49%	228	90	65.22%	90	65.22%	
Subtotal Other Core Operating Expenses	10,418	10,984	566	5.43%	11,029	611	5.86%	11,059	641	6.15%	641	6.15%	
Total Core Operating Expenses	36,500	40,271	3,771	10.33%	40,476	3,976	10.89%	40,611	4,111	11.26%	4,111	11.26%	
Auxiliary Expenses	7,820	10,577	\$ 2,757	35.26%	10,605	2,785	35.61%	10,623	2,803	35.84%	2,803	35.84%	
Depreciation Expense	6,500	6,700	\$ 200	3.08%	6,700	200	3.08%	6,700	200	3.08%	200	3.08%	
Transfers and Other (Additions) Subtractions	220	-	\$ (220)	-100.00%	-	(220)	-100.00%	-	(220)	-100.00%	(220)	-100.00%	
TOTAL OPERATING EXPENSES	51,040	57,548	6,508	12.75%	57,781	6,741	13.21%	57,934	6,894	13.51%	6,894	13.51%	
State Appropriations	9,672	12,684	\$ 3,012	31.14%	12,684	3,012	31.14%	12,684	3,012	31.14%	3,012	31.14%	
Nonoperating federal revenue	5,000	5,200	\$ 200	4.00%	5,200	200	4.00%	5,200	200	4.00%	200	4.00%	
Investment Income	180	219	\$ 39	21.67%	219	39	21.67%	219	39	21.67%	39	21.67%	
Interest on capital asset related debt	(1,374)	(1,340)	\$ 34	-2.47%	(1,340)	34	-2.47%	(1,340)	34	-2.47%	34	-2.47%	
Gifts	1,600	1,500	\$ (100)	-6.25%	1,500	(100)	-6.25%	1,500	(100)	-6.25%	(100)	-6.25%	
Fees assessed by the Commission for interest and reserves	(38)	(17)	\$ 21	-55.26%	(17)	21	-55.26%	(17)	21	-55.26%	21	-55.26%	
TOTAL NONOPERATING REVENUES AND EXPENSES	15,040	18,246	3,206	21.32%	18,246	3,206	21.32%	18,246	3,206	21.32%	3,206	21.32%	
Decrease in Net Position *	(4,059)	(4,708)	(649)	15.99%	(4,941)	(882)	21.73%	(5,094)	(1,035)	25.50%	(1,035)	25.50%	

* Does not include OPEB expense for Budget FY2019 since amount cannot be determined for FY2020

FY2020 CAPITAL INITIATIVES

The Finance and Facilities representative will lead a discussion with the Board on the FY2020 Capital Initiatives, as presented by Ms. Pam Stevens, Vice President for Finance.

Building / Project Description	Class	Estimate	Comments
Shaw Hall and Thacher Hall Carpeting and LVT	AUX	130,000	Replacement enhances mold control and flooring is at end of useful life
Miller Hall HVAC/Boiler	AUX	235,000	System is inefficient and obsolete - energy savings anticipated
Student Center Roof	AUX	500,000	Project will span FY2020/FY2021; \$200,000 will be apportioned to FY2020; Remaining \$300,000 will be apportioned to FY 2021; Roof is at end of useful life and replacement will protect internal renovations completed in FY2019
Total AUX		865,000	
FY2020 Total - AUX		565,000	Excludes projected FY2021 expenditures
Knutti Roof Replacement	E&G	550,000	Both Knutti Roof and Foundation work are essential to the integrity of the structure; Roof will be completed in FY2020 with Foundation work to begin in FY2020 and completed in FY2021
Knutti Hall Foundation Repairs/Moisture Control	E&G	1,000,000	Comprehensive repair to foundation; moisture barrier; rain-water control. Project will span FY2020 and FY2021, approximately 50% each year
Snyder Hall Mechanical Improvements and system replacements	E&G	795,000	Mechanical systems require replacement for efficiency which will result in significant energy savings. HVAC, boilers and air handling equipment will be replaced.
Frank Center Theatre General Upgrades	E&G	200,000	Acoustical improvements. These upgrades exclude the lighting upgrade that is listed as a separate project.
Emergency backup equipment (i.e., Generators)	E&G	50,000	Generators (locations to be determined) will be procured to facilitate power outages and prevent interruption in essential services. These purchases will be phased over several fiscal years.
Total E&G		2,595,000	
FY2020 Total - E&G		2,095,000	Excludes projected FY2021 expenditures
TOTAL FY2020 PROJECTS*		2,660,000	\$1,249,000 zero percent funding from HEPC will cover Snyder Hall and Miller Hall projects; Funding was approved on March 12th by a special Board of Governors meeting

**\$1.4 million will be funded from Capital Funds*

ELECTION OF OFFICERS FOR 2019-2020

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.

The Nominating Committee, consisting of Tia McMillan, Ray Alvarez and Henry Kayes, met on May 30, 2019 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 Henry Kayes 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 Robert Marggraf.

PROPOSED MEETING SCHEDULE FOR 2019-2020

The following list of dates reflects recommended meeting dates for the 2019-2020 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 19, 2019 at 4:15 p.m.

October

Propose no meeting.

November

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

December

December 19, 2019 at 4:15 p.m.

January

Propose no meeting.

February

February 13, 2020 at 4:15 p.m.

March

Propose no meeting.

April

April 23, 2020 at 4:15 p.m.

May

Propose no meeting.

June

June 11, 2020 at 4:15 p.m.