

SHEPHERD UNIVERSITY BOARD OF GOVERNORS

MINUTES OF THE MEETING OF SEPTEMBER 19, 2019

The Shepherd University Board of Governors met on September 19, 2019 in a regular meeting. Members participating were: Ray Alvarez, David Avella, Gat Caperton, Jim Cherry, Henry Kayes, Jr., Ramona Kissel, Eric Lewis, Allison Lott, Robert Marggraf, Tia McMillan, and Elizabeth Rini. Also present were Shepherd University President Mary J.C. Hendrix, members of the executive leadership team.

1. **PUBLIC COMMENTS**

No public comments were made.

2. **ADMINISTRATION OF OATH OF OFFICE FOR NEW BOARD MEMBERS**

The oaths of office were administered by Chair Eric Lewis to Allison Lott and Elizabeth Rini, new members to the Board.

3. **CONSENT AGENDA ITEMS**

M (Marggraf), S (Kissel), PASSED, 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 June 13, 2019
as presented in the Agenda materials of September 19, 2019.

4. **TASK FORCE UPDATE AND PROSPECTIVE PRELIMINARY ACTIONS**

Chair Lewis thanked members of the Task Force and Sub-Committees noting we want health, safety and wellbeing of students and sustainability of Shepherd University as an independent University. He emphasized that the outlook for Shepherd in the long term remains very good, but to achieve our goals we must work to take advantage of our opportunities. He expressed appreciation to the Board members for the extensive commitments of time involved in the Task Force process.

Revenue Committee Update – Sub-Committee Chair, David Avella, noted they are taking a holistic approach for bringing in revenue. They are looking at the marketing budget and getting more people to know about Shepherd, but commented that we've seen a decline in revenue and enrollment. The Sub-Committee will recommend no tuition increase, but is also looking at other revenue enhancements, including contributions and grants.

Expenses – Other Committee Update – Sub-Committee Chair, Bob Marggraf, noted they are reviewing ~\$15 million in expenses that are of a more discretionary nature, i.e. contractual services, utilities, travel, etc. Marggraf noted that the Sub-Committee has identified 10 initial targets at ~\$500,000 in potential savings.

Academic Programs Update – Sub-Committee Chair, Gat Caperton, noted that Shepherd has a fantastic academic program that is student focused, and we need to match academic offerings to changing populations. The work of this Sub-committee will be a broad review of Shepherd’s programs and will continue throughout the winter and spring.

Expenses – Personnel Committee Update – Sub-Committee Chair, Henry Kayes, noted that we need to maintain and right size the budget, and we won’t be able to avoid personnel cuts and changes in staffing going forward. The Sub-Committee looked at increased staff positions in areas while we’ve had student decline. They are looking at the potential of outsourcing specific areas if substantial financial benefit could be achieved for the University, but with a continuing commitment to the health, safety and education of our students. The Sub-Committee also reviewed faculty workload and, going forward, will place a stronger emphasis on improving equity in faculty workloads, and curtail the number of sabbaticals until the financial condition improves. The Sub-Committee recommended we make certain we are not overlapping responsibilities across administrative departments.

M (Kayes), S (McMillan), PASSED, that the following resolution be adopted by the Board:

RESOLVED, That the Shepherd University Board of Governors declares its commitment to maintaining the financial stability of the University and to the ongoing review of revenues and expenditures to achieve appropriate ratios.

To that end, the Board finds that:

1. Expenditures must be managed to not exceed reasonable projections for revenues;
2. Initiatives for enhancing revenues should be encouraged;
3. Reductions in expenditures must be achieved in a deliberate manner by which the quality of the student experience is not damaged; and
4. Long-term as well as short-term decisions must be implemented to achieve and maintain a more appropriate alignment of expenses to revenue levels.

The Board re-affirms its direction in the June 2019 meeting of the Board, establishing a maximum reduction of the ending cash balance of \$250,000 for FY2020.

The Board further directs that policy, personnel and budget planning must be adjusted during the current fiscal year, and on an ongoing basis, to ensure that the University will maintain levels of total expenses which will allow the University to replenish recently diminished cash reserves in an incremental manner while also increasing the University’s capital expenditures to address critically needed deferred maintenance.

The Board further directs the President and Provost to develop and maintain an oversight of faculty workload to insure that student credit hour production is utilized as a central measure of equalized faculty workload at levels determined to be sufficient to achieve financial effectiveness for the University and appropriate to Shepherd’s mission, with appropriate ratios of release time and other mitigating factors as determined necessary and proper. To that end, the Board directs that a Notice to the University community of amendment of Policy 19 and of the Faculty Handbook, to be prospectively implemented January 2, 2020, for the spring semester, relating to Faculty Workload, as follows:

Distribution of Workload

For a full-time teaching faculty member without administrative duties, the normal teaching load is twelve (12) credit hours per semester and twenty-four (24) credit hours per academic year (defined as fall and spring semesters), which is commensurate with the recommendations of the University's accrediting agencies and the Board of Governors. In determining semester-hour loads, consideration is given to laboratory assignments, applied music lessons, supervision of student teaching and coaching duties. It is also expected that a certain and reasonable student credit hour production will be maintained in addition to the established credit hour load. The Provost shall establish a uniform, statistical analysis of student credit hour production, taking into account official release time granted and other exigent circumstances, and establishing therein a reasonable per-semester benchmark. If a faculty member's student credit hour production fails to achieve 75% of the established faculty SCH production benchmark, then the Provost may direct the assignment of an additional course(s) in the following semester(s), as indicated, as may be necessary and proper to provide for a more-equalized student credit hour workload. If the faculty member achieves between 75% and 95% in successive semesters and cumulatively accrues a 25% deficiency over such successive semesters [two, or more successively], then the Provost may direct the assignment of an additional course in the following semester, as may be necessary and proper to provide for a more-equalized student credit hour workload.

The Board further directs that the University's "pre-quiet-phase" fundraising initiatives shall be extended for six months, and that this extension decision is to be revisited by the Board periodically during the remainder of this fiscal year.

The Board further directs that effective for FY2021, faculty sabbaticals shall not exceed two in any semester, subject to further action of the Board.

5. **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.

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 a University Development update. Ms. McMillan then introduced Dr. Scott Beard, Provost, who provided a brief update regarding upcoming accreditations.

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

Chair Lewis noted that Chad Robinson had resigned from the Shepherd University BOG due to his elected position in Charleston. On behalf of the Enrollment, Student and Community Affairs Committee, Dr. Cherry introduced Mr. Bill Sommers, Vice President for Enrollment Management and Student Success, who summarized the Enrollment Update. Mr. Sommers then introduced Mr. Jack Shaw, Vice President for Campus Services, who provided a brief update on

housing status. Mr. Sommers then provided a brief summary of the Tuition and Fee Waiver Report for FY2019.

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

On behalf of Finance and Facilities Committee, Mr. Kayes, introduced Ms. Pam Stevens, Vice President for Finance/CFO, who provided a brief update of the Committee's discussion which included the Quarterly Financial Report: 4th Quarter FY2019 (Pre-Audit) for the period ending June 30, 2019.

9. **CAPITAL IMPROVEMENTS UPDATE**


Ms. Stevens provided the Board with a brief update of the FY2020 and FY2019 Capital Projects.


10. **SELECT FUNDRAISING INITIATIVES**

Ms. Sherri Janelle, Executive Director of Development, and Ms. Stacy McFarland, Director of Annual Giving, provided the Board with a brief presentation on select fundraising initiatives, which included the Paul Saab Memorial Lab Fund, the Last Dollar Fund, and the Steinway Campaign.

11. **NEW BUSINESS**

None.


Eric Lewis
Chair


Henry Kayes, Jr.
Secretary