

WV Council For Community & Technical College Education

MEETING AGENDA

July 7, 2004

Council Members

**Judi Almond
Robert "Bob" Brown
James Cole
Mary Clare Eros
Stanley Hopkins**

**David Lieving
Rebecca McClure
Fred Oelschlager
Clarence "Butch" Pennington
Nelson Robinson**

**James L. Skidmore, Chancellor
Community and Technical College Education**

**Meeting of the West Virginia Council
for Community and
Technical College Education**

JULY 7, 2004

**Conference Call
President's Conference Room
1018 Kanawha Boulevard East
Charleston, WV**

11:00 A.M.

Conference Call

Adjourn

Meeting of July 7, 2004

AGENDA

- I. Call to Order
- II. Oath of Office
- III. *Fee Schedule or Methodology to Determine Charges for
Administratively-Linked Community and Technical Collegespg.
- IV. Adjournment

*Action Item

**WV Council for Community and Technical College Education
Meeting of July 7, 2004**

ITEM: Approval of fee schedule or methodology to determine charges of services provided to administratively-linked community and technical colleges by the host baccalaureate institution for Fiscal Year 2005.

INSTITUTION(S): Fairmont State Community & Technical College
Marshall Community & Technical College
New River Community & Technical College
Community & Technical College at Shepherd
Community & Technical College at WVU Tech
WV State Community & Technical College

RECOMMENDED RESOLUTION: *Resolved*, That the West Virginia Council for Community and Technical College Education approves for Fiscal Year 2005 the fee schedule or methodology for charges of services rendered by host baccalaureate institutions to administratively-linked community and technical colleges as agreed upon by the two entities.

STAFF MEMBER: James Skidmore

BACKGROUND:

Senate Bill 448 stipulates the Council have a model in place by December 1, 2004 to formulate a fee schedule for charging of fees to administratively-linked community and technical colleges by the host baccalaureate institution for services rendered. The Auditor's Office is concerned about section 18B-3C-12 (b)(2) of West Virginia Code that states "the sponsoring institution may charge fees for administrative overhead costs subject to a schedule approved by the Council." Their interpretation of this section requires Council approval of such fees for Fiscal Year 2005 although the model is not required to be approved until December 1, 2004.

To alleviate this issue, the Council is requested to approve the attached methodologies and / or fee schedules as agreed upon by the respective administratively-linked community and technical colleges and host baccalaureate institutions. The model developed and approved by December 1, 2004 will be utilized for Fiscal Year 2006 to determine the fee schedule.

Fairmont State Community and Technical College
and
Fairmont State University

Chargeback Agreement For Fiscal Year 2005

Fairmont State University (FSU)
Fairmont State Community & Technical College (FSC&TC)

Accounting for both the FSU and FSC&TC will be on an independent profit model basis, and financial records will be maintained on a stand-alone basis. This document is intended to establish the contractual services which will be provided by both institutions. It is important to recognize that the FTE enrollment of FSC&TC is thirty eight (38%) percent of the total, for the academic year 2003/2004, and expected to increase over time. Chargeback services will occur from each institution to the other. This agreement is not limited to FSC&TC agreeing to pay FSU. Contracts services will also be provided by FSC&TC to FSU.

Revenues:

- R.1.0. All tuition revenues will be posted to the institution to which the student is enrolled.
- R.1.1. Required Auxiliary, Capital, and Student Activity Fee revenues will be recorded as revenues to the institution where the student is enrolled. Under this contract agreement all (100%) of these revenues will be transferred as an expense to the Capital, Auxiliary, and Student Activity Funds from which the Operating, Capital, and Debt Service Expenditures are paid. (Primarily FSU state funds). Most of these fees are pledged on revenue bonds and must be transferred to maintain compliance with bond covenants.
- R 1.2. User fees collected from students of either institution will be deposited directly to the appropriate auxiliary revenue account, and not recorded as revenues by separate institutions. Examples of this type of revenue are parking, books, meals, rent, etc...
- R 1.3. Grant revenues will be deposited in the institutions fund to which the grant was awarded.
- R 1.4. Student payments made via lockbox, web, etc. will be deposited to the four-year clearing fund and will be moved daily to the appropriate operating state fund for each institution.
- R. 1.5 Interest income will be allocated by HEPC to both institutions based on current allocation methods.

Expenditures:

- E. 1.0. Direct expenditures will be assigned directly to either FSU or FSC&TC.
- E. 1.1 Full and part-time faculty personnel services and fringe benefit expenditures will be paid from the institution where they are employed.
- E. 1.1a. Teaching service expenses will be charged back from one institution to the other based on the number of credit hours taught. This chargeback service has been automated for instructional salary and benefit costs. These programs look at the faculty member, their

salary and benefit costs, courses taught, the student being taught, and the number of student credit hours being taught. The outcome of the program reports out per faculty member (full or part-time) the charge and chargeback values allocated to each institution for the credit hours taught to both FSC&TC and FSU student. Teaching chargeback services will occur between FSC&TC and FSU and vice versa once each semester. If required by the State Auditor this teaching services chargeback report will be provided to substantiate the values being charged by both institutions to the other.

E. 1.2. Central support service charge backs.

Central support services are defined as service provided to students of both institutions employees hired by either. The central support areas are:

- Admissions
- Advising
- Assistant to the Presidents
- Business Office Operations (Accounts Payable, Procurement, Human Resources, Accounting, Budget and Payroll)
- Computing Services
- Office of web and Graphic Communications
- Library Services
- Registrar
- Operations and Maintenance of Plant
- Student Services (excluding student funded categories i.e. Health Services, Student Government, Masquers, Debate, etc.)

The chargeback services from each institution to the other will be based on the percentage of total credit hours (FTE enrollment) taken by the FSC&TC and FSU students. The percentages for the 2003/2004 academic year (fall and spring terms) are 38% two-year and 62% four-year. These percentages are relatively close to the FY 2005 budgeted unrestricted revenue. In the future, if it becomes advantageous to FSC&TC, it is our plan to use revenues (ability to pay) as a basis for the chargeback percentage, as opposed to FTE enrollment.

These central services chargeback IGT's will be performed each pay cycle and will be supported with detailed reports showing employee costs being charged by FSC&TC to FSU and vice versa. The Vice President for Administrative and Fiscal Affairs (having signature authority provided by both component presidents) will verify and sign these IGT's)

E. 1.3. Operating (Non-Labor) expenses for all central support offices listed in E. 1.2 are funded based on the same percentage listed in E.1.2. The organization manager of those offices has budget authority to expend against these budgets during the fiscal year. All unspent budgets at the end of each fiscal year are not carried forward to future fiscal years. Therefore, unspent budget increases the fund balance of both institutions. These fund balances are under the direct control of the respective President's of each institution.

E. 1.4. Academic support costs are funded directly by revenues received by each institution. In some academic schools the operating (non-labor) expense budgets are based on the percentage of total credit hours taken by FSC&TC and FSU students in that academic School. In cases where this exists the organization manager of those academic schools has

budget authority to spend against these budgets during the fiscal year. All unspent budgets at the end of each fiscal year are not carried forward to future fiscal years. Once again any unspent budget increases the fund balance of the appropriate institutions. These fund balances are under the direct control of the respective President's of each institution.

E. 1.5. Utility and the BRIM Insurance Premium costs charged to the current Unrestricted Fund.

The Utility and BRIM Insurance Premium Costs charged to the current Unrestricted Fund will be paid directly by both institutions based on the annual budget established for this purpose. This budget cost will be allocated to the institutions based on the same percentages defined in E.1.2.

E. 1.6. Purchasing equipment and services that will provide support to both institutions and is not incorporated in this chargeback agreement will be paid from either one or the other and thru an individual expense to expense transaction initiated by the attached formal agreement approved by the appropriate institutions budget authority (the payer).

E.1.7. All lease agreement costs not specific to a programs budget will be allocated to the institution's based on the percentage defined in E.1.2.


E.1.8. Capital lease payments entered into jointly will be charged back to the institution (who is not named in the lease agreement) based a specific separate agreement made between the two institutions for this specific lease agreement.


E.1.9. Central support staff actual liability costs.

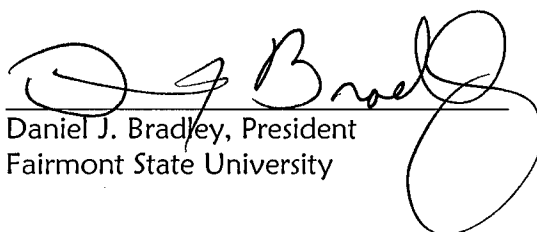
The liability costs incurred annually from employee benefits provided to central support staff, such as retiree health premiums, severance payable, etc. will be allocated to the institution's based on the percentage defined in E.1.2.

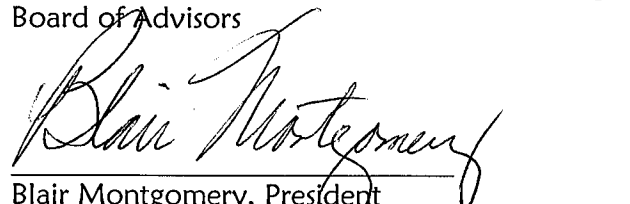
E.1.10. Central support staff accrued liabilities.

Accrued liabilities (sick leave, annual leave, severance payable, etc.) required to be recorded on the financial statements annually for all central support staff will be allocated to the institutions based on the percentage defined in E.1.2.


Jim Griffin, Chairperson
Fairmont State
Board of Governors


Dixie Copley, Chairperson
Fairmont State Community & Technical College
Board of Advisors


Daniel J. Bradley, President
Fairmont State University


Blair Montgomery, President
Fairmont State Community & Technical College

Marshall Community and Technical College
and
Marshall University

**Marshall University Board of Governors
Meeting of July 14, 2004**

ITEM: Marshall Community and Technical College contractual agreement and indirect cost model for a six month period.

COMMITTEE: Community & Technical College Committee

RECOMMENDED RESOLUTION: Resolved, that the Marshall University Board of Governors approves for 2004-05:
(1) *Expense Allocation Contract for Finance, Administrative and Support Services between Marshall University and Marshall Community and Technical College*, for a six month period of July 1, 2004 through December 31, 2004;
(2) *Statement of Budgeted Indirect Costs FY 2004-05*.

STAFF MEMBER: Dr. Vicki L. Riley, President
Marshall Community and Technical College

Herbert Karlet, Senior VP for Finance
Marshall University

BACKGROUND:

Marshall Community and Technical College (MCTC) and Marshall University (MU) have continued to refine the indirect cost allocation process for the purchase of services. As representative of ongoing discussion and negotiation, the documents cover a six month time frame and will be adjusted for the remainder of FY 2004-2005 and brought back to this Board for approval.

The university must have an approved agreement effective July 1, 2004 in order to receive timely reimbursement for services provided to MCTC. We believe that a six month agreement will allow us to meet this requirement but give the staff additional time to further refine our numbers based on the FY 2003-2004 audited data, further develop the service contracts, and obtain more involvement from the MCTC Advisory Board.

The documents are being recommended for approval by the MCTC Committee. The Finance and Audit Committee has also reviewed this agenda item and supports the adoption of the resolution.

Expense Allocation Contract
for Finance, Administrative and Support Services
between
Marshall University and Marshall Community and Technical College

This Expense Allocation Contract (the “Contract”) is made by Marshall University (the “University”), a West Virginia public institution of higher education and Marshall Community and Technical College (the “College”), an administratively linked component.

Senate Bill 653 was passed by the West Virginia Legislature in March, 2000, and established essential conditions for community and technical college programs and services. In addition SB 448 was passed by the Legislature in March, 2004, which further specified expectations regarding community and technical colleges which are administratively linked to other colleges and/or universities. Section 18B-3C-2(a) states that the general purpose of this article is:

- A. *To establish community and technical college education that is well articulated with the public schools and four-year colleges; that make maximum use of shared facilities, faculty, staff, equipment and other resources; that encourages traditional and nontraditional students and adult learners to pursue a life-time of learning; that serves as an instrument of economic development; and that has the independence and flexibility to respond quickly to changing needs.*

Section 18B-3C-3 Section (e) states that basic services may be obtained under contract with existing institutions in the region. These basic services shall include, but are not limited to, the following:

- (1) *Student services, including, but not limited to, advising, academic counseling, financial aid and provision of the first line of academic mentoring and mediation;*
- (2) *Instructional support services;*
- (3) *Access to information and library services;*
- (4) *Physical space in which courses can be offered;*
- (5) *Access to necessary technology for students, faculty and mentors;*
- (6) *Monitoring and assessment; and*
- (7) *Administrative services, including, but not limited to, registration, fee collection and bookstore and other services for the distribution of learning materials.*

WHEREAS, legislation mandates joint use of facilities and services by the component community colleges, and

WHEREAS, the University maintains facilities and provides services which are required by the College, and

WHEREAS, the Governor, the Legislature, the Higher Education Policy Commission and the University's Board of Governors have resolved that the most professional, thorough, effective and efficient method for offering community and technical college programs to the residents of this region would be through entering into an agreement for Finance, Administrative and Support Services.

NOW, THEREFORE, the University and the College do hereby mutually agree as follows:

A. Service Areas

The University agrees to provide services to the College that supports the mission, goals and needs of a comprehensive community college. Service categories shall include:

Academic Support Services

Student Services

Operation and Maintenance of Plant Services

General Institutional Support Services

Each allocation of major services should incorporate a service agreement between the components to reflect the type of service provided and any quality service agreements.

B. Student Activities

A portion of the Education and General Fee assessed to the College's students has been designated for student activities, which are provided by the University. The College agrees to assess these E&G Fees and transfer a portion to the University each month to be used to provide the student activities specified in Appendix A.

C. Auxiliary Funds

The College assesses its students an Auxiliary Fee each semester. This fee is designated for Intercollegiate Athletics and the Student Center. The College agrees to assess this Auxiliary Fee and transfer the total collections to the University each month. The university will use these funds to provide these auxiliary services to the College's students. See Appendix A.

D. Capital

The College assesses its students a Capital Fee each semester. This fee is designated for existing bond requirements, facilities repairs and alterations and grounds maintenance. The College agrees to assess this Capital Fee and transfer the total collections to the University each month. See Appendix A.

E. Term of Agreement

By mutual agreement between the University and the College this contract and a corresponding *Statement of Budgeted Indirect Costs* (see Appendix B) will be reviewed and negotiated on an annual fiscal year basis and reviewed in December after the prior fiscal year's audit is completed.

F. Financial

This agreement is entered into with the understanding that the College has sufficient operating funds from state appropriations, student fees, and other income to pay for the services specified in this contract.

The annual *Statement of Budgeted Indirect Costs* shall reflect an agreed upon cost allocation methodology for the designated service areas and a building and equipment use/depreciation rate. The *Statement of Budgeted Indirect Costs* shall be recommended by the College's Board of Advisors, approved by the institutional Board of Governors and submitted to the Higher Education Policy Commission by June 30 of each year for the upcoming fiscal year.

No allocations for services shall be assigned to the College for expenditures for which no service is performed.

The University will invoice the College monthly for 1/12th of the total amount as identified on the attached annual *Statement of Budgeted Indirect Costs* (Appendix B), for a six-month period (July through December). Invoices will be submitted for payment at the beginning of each month. Actual financial statement expenditures will be used to update the State of Budgeted Indirect Costs (Appendix B) and payments beginning January through June will be adjusted accordingly.

G. Record Keeping

The University and the College agree to obtain data from peer institutions in order to benchmark College revenues and expenditures. Such report will become part of the renegotiation process and will be provided and reviewed on an annual basis to confirm that indirect costs are fair and equitable.

The University agrees to maintain such records as may be required to permit the College to complete records required by the Legislature, the Governor, the Higher Education Policy Commission and the Marshall University Board of Governors.

H. Cooperation

Recognizing that this contract cannot deal with all the operational issues that may evolve and recognizing that both the administration of the University and the administration of the College should participate equally in the evaluation of services furnished by the University to the College, the appropriate administrators agree to meet annually and/or as needed to consider operating problems and/or programs and services furnished the College, costing methodologies, or other matters of mutual interest or concern to better serve the enrolled students and the citizens of West Virginia.

In witness thereof, the parties have caused this agreement to be created as of _____
_____.

Dan Angel, President
Marshall University

Vicki L. Riley, President
Marshall Community & Technical College

Marshall University

Student Activities

- Intramural Sports
- African – American Center
- Student Government
- Health Service
- Artist Series
- Programming Activities
- Band
- Legal Aid
- Music Organizations
- Theatre
- WMUL Radio
- Parthenon
- Disabled Students
- Academic Support Center (Univ. College)
- Career Planning
- Multicultural/International Activities
- Women/Returning Students
- Health Fitness Center
- Cheerleaders
- Childcare Center

The amount of E&G Fees collected by the College and transferred to the University for student activities will be a set rate of \$242,000. The transfers will be made at the beginning of each month in equal monthly installments.

Auxiliary

The estimated annual Auxiliary Fee collected from the College's students and transferred to the University for Intercollegiate Athletics is \$178,000 and for the Student Center is \$78,000. The transfers of actual receipts will be made monthly upon receipt of collections.

Capital

The estimated annual Capital Fee collected from the College's students and transferred to the University is \$635,000. The transfers of actual receipts will be made monthly upon receipt of collections.

Statement of Budgeted Indirect Costs

FY 2004-2005



Marshall Community and Technical College
Source and Use of Funds Budget
FY 2004-2005

	<u>CTC Funds</u>	<u>Other Funds</u>	<u>Total</u>
<u>Source of Funds</u>			
<i>Operating Revenues</i>			
Student Tuition and Fees	\$ 2,080,000	\$ 877,000	\$ 2,957,000
Federal Contracts and Grants	1,900,000		1,900,000
State Contracts and Grants	900,000		900,000
Private Contracts and Grants	180,000		180,000
Interest on Student Loans Receivable	12,000		12,000
Auxiliary Enterprise Revenue		256,000	256,000
Other Operating Revenue	936,000		936,000
<i>Total Operating Revenues</i>	<u>\$ 6,008,000</u>	<u>\$ 1,133,000</u>	<u>\$ 7,141,000</u>
<i>Non-Operating Revenues</i>			
State Appropriations	\$ 5,335,000	\$	\$ 5,335,000
Investment Income	100,000		100,000
<i>Total Non-Operating Revenues</i>	<u>\$ 5,435,000</u>	<u>\$ -</u>	<u>\$ 5,435,000</u>
<i>Total Sources/Revenues</i>	<u>\$ 11,443,000</u>	<u>\$ 1,133,000</u>	<u>\$ 12,576,000</u>

	<u>Direct</u>	<u>Indirect</u>	<u>Total</u>
<u>Use of Funds</u>			
Instruction	\$ 4,500,000	\$	\$ 4,500,000
Unallocated CTC Budget	310,000		310,000
Public Service	738,000		738,000
Academic Support	638,000	522,000	1,160,000
Student Services		492,000	492,000
Operation and Maintenance of Plant		896,000	896,000
General Institutional Support	265,000	1,104,000	1,369,000
Net		\$ 3,014,000	
Student Financial Aid	1,523,000		1,523,000
Depreciation/Building/Equipment Charges		450,000	450,000
Net impact of Cross-over classes		(65,000)	(65,000)
Unallocated			
Transfers:			
Capital Fees	635,000		635,000
Activity Fees	242,000		242,000
Net	\$ 877,000		
Athletic Fees	178,000		178,000
Student Center Fees	78,000		78,000
Net	\$ 256,000		
Fees retained by Commission	70,000		70,000
Miscellaneous	-	-	-
<i>Total Uses</i>	<u>\$ 9,177,000</u>	<u>\$ 3,399,000</u>	<u>\$ 12,576,000</u>

Budgeted Increase in Net Assets \$ -

**Marshall Community and Technical College
Statement of Budgeted Indirect Costs
FY 2004-2005**

Budgeted Indirect Costs

Orgn	Orgn Description	FY 02-03 Amount	FY 03-04 Est. Amount	FY 04-05 Est. Amount	Basis for Allocation	Estimated Costs FY 04-05
Academic Support						
2006	Multimedia Committee	19,895	19,895	20,492	0.1195 FTE	2,449
2060	Library	2,204,748	2,204,748	2,270,890	0.1195 FTE	271,371
2062	Library Books	275,254	275,254	283,511	0.1195 FTE	33,880
2063	Kiosk Program	19,676	19,676	20,266	0.1195 FTE	2,422
2075	Academic Support Center	86,761	86,761	89,364	0.1195 FTE	10,679
2090	Library Collection Development	481,483	481,483	495,927	0.1195 FTE	59,263
2140	Instructional TV	436,954	436,954	450,063	0.1195 FTE	53,783
5320	Computer Center	715,278	715,278	736,737	0.1195 FTE	88,154
		<u>4,240,049</u>	<u>4,240,049</u>	<u>4,367,251</u>		<u>522,000</u>

Services Provided:

Information Technology Administration and Infrastructure

Infrastructure management for voice data and video

Annual CTC IT surveys

CTC national reports for computing access, library collections, distributed education

Overall IT Planning and University Direction

Computing

Purchasing and Contract negotiations - software, CTC specialized products

Enterprise Banner applications (WEB/GUI) - Tech support, maintenance, hardware cost, reports

Web & Voice Registration, Online Library Catalog, email, portal labs, web pages

Standard Test Scoring/Survey computation

Portal Campus Pipeline (hardware, software, tech support)

Resource and Schedule 25 (tech support, ongoing maintenance for web and GUI applications)

Public Labs

MU/WVNET Off-Campus Internet & MUNet Dial-up V.90 56kbps Service

HelpDesk Support

Accounts and Major Services Creation (MUNet - Student, Faculty, Staff), MUNet Virtual Drive, MUINFO, etc.)

Email (Outlook, SMTP/IMAP/POP)

Telephone Services (Cell phones, Voice Mail, Local, Long Distance)

Libraries

Book and Reference Collection (Purchasing, Cataloging, etc.)

Journal (and other serial--e.g., newspaper) Collection (Purchasing, Cataloging, etc.)

Electronic Subscriptions (EBSCOHost, First Search (Applied Science and Technology)

Electronic Document Delivery and traditional interlibrary loan

User Training

Distributed Education

Video (Two way classroom, teleconferencing, Video Bridge, Satellite Broadcast, Higher Ed TV, Video Streaming)

Center for Instructional Technology (Faculty training - Application Programs/Online Applications)

Technical Support (Online Delivery/Administration)

Total technical support for Online delivery

Monthly and annual publications highlighting MU outreach activities

Interaction with community and state for economic technical activities

Organization of technical training

**Marshall Community and Technical College
Statement of Budgeted Indirect Costs
FY 2004-2005**

Budgeted Indirect Costs

<u>Orgn</u>	<u>Orgn Description</u>	<u>FY 02-03 Amount</u>	<u>FY 03-04 Est. Amount</u>	<u>FY 04-05 Est. Amount</u>	<u>Basis for Allocation</u>	<u>Estimated Costs FY 04-05</u>
Student Services						
2020	Office of Admissions	504,621	504,621	519,760	0.1195 FTE	62,111
2026	Adm. Recruiting and Marketing	478,642	478,642	493,002	0.1195 FTE	58,914
2030	Registrar	620,067	620,067	638,669	0.1195 FTE	76,321
2070	Enrollment Management	317,147	317,147	326,661	0.1195 FTE	39,036
2146	School of Extended Education	156,860	156,860	161,566	0.1195 FTE	19,307
2150	S.C.O.R.E.S	25,159	25,159	25,914	0.1195 FTE	3,097
3000	Dean - Student Affairs	200,259	200,259	206,267	0.1195 FTE	24,649
3020	Women/Returning Students	48,681	48,681	50,142	0.1195 FTE	5,992
3102	Career Planning & Placement	257,338	257,338	265,058	0.1195 FTE	31,674
3201	Judicial Affairs	67,693	67,693	69,724	0.1195 FTE	8,332
3300	Financial Aid	670,653	670,653	690,773	0.1195 FTE	82,547
3500	Student Development	174,164	174,164	179,389	0.1195 FTE	21,437
5320	Computer Center	617,697	617,697	636,228	0.1195 FTE	76,029
5480	Id Cards	65,125	65,125	67,078	0.1195 FTE	7,554
	<i>Deduction - Pending Service Agreements</i>					<u>(25,000)</u>
		<u>4,204,106</u>	<u>4,204,106</u>	<u>4,330,229</u>		<u>492,000</u>

Services Provided:

- Admission Services
 - Processing applications
 - Communication with applicants
 - Recruiting and Marketing
- Registration Services
- Student Affair Services
 - Career Planning and Placement
 - Judicial Affairs
 - Processing Financial Aid applications
 - Counseling students regarding Financial Aid
 - Awarding Financial Aid
 - Processing ID Cards

**Marshall Community and Technical College
Statement of Budgeted Indirect Costs
FY 2004-2005**

Budgeted Indirect Costs

<u>Orgn</u>	<u>Orgn Description</u>	<u>FY 02-03 Amount</u>	<u>FY 03-04 Est. Amount</u>	<u>FY 04-05 Est. Amount</u>	<u>Basis for Allocation</u>	<u>Estimated Costs FY 04-05</u>
Operation & Maintenance of Plant						
5010	Facilities/Land Use Master Plan	294,128	294,128	302,952	0.1195 FTE	36,203
5200	Plant Operations	4,323,439	4,323,439	4,453,143	0.1195 FTE	532,151
5206	Utilities	2,414,279	2,414,279	2,486,707	0.1195 FTE	297,161
5207	Municipal Service Fee	99,434	99,434	102,417	0.1195 FTE	12,239
5265	Administrative Support	144,590	144,590	148,928	0.1195 FTE	18,247
		<u>7,275,870</u>	<u>7,275,870</u>	<u>7,494,146</u>		<u>896,000</u>

Services Provided:

Plant Operations:

Maintenance of Buildings

Maintenance of Grounds

Housekeeping

Provide basic operational supplies

Utilities

Municipal Service Fee

Provide Administrative support for capital activities

Marshall Community and Technical College
Statement of Budgeted Indirect Costs
FY 2004-2005

Budgeted Indirect Costs

Orgn	Orgn Description	FY 02-03 Amount	FY 03-04 Est. Amount	FY 04-05 Est. Amount	Basis for Allocation	Estimated Costs FY 04-05
General Institutional Support						
1000	Legislative BOG Support	86,788	86,788	89,392	0.1195 FTE	10,682
1004	Staff Council	37,879	37,879	39,015	0.1195 FTE	4,662
1010	Office Of Equity Programs	68,256	68,256	70,303	0.1195 FTE	8,401
1060	Legal Counsel	201,854	201,854	207,910	0.1195 FTE	24,845
1065	Human Resources	393,338	393,338	405,138	0.1195 FTE	48,414
1090	VP for Communications	506,448	506,448	521,642	0.1195 FTE	62,336
1093	Photographic Services	3,927	3,927	4,045	0.1195 FTE	483
1094	MU Magazine	223,990	223,990	230,710	0.1195 FTE	27,570
1100	MU Board of Governors (MUBOG)	2,123	2,123	2,187	0.1195 FTE	261
2034	Commencement	63,918	63,918	65,836	0.1195 FTE	7,867
2040	Institutional Research	196,641	196,641	202,540	0.1195 FTE	24,204
2041	Course Evaluation	14,289	14,289	14,717	0.1195 FTE	1,759
2262	Auditorium Special Events	33,185	33,185	34,180	0.1195 FTE	4,085
2700	CTC President's Office	7,200	7,200	7,200	1.0000	7,200
300	Business Affairs	222,124	222,124	228,788	0.1195 FTE	27,340
4000	Senior VP Finance	199,749	199,749	205,741	0.1195 FTE	24,586
4002	Assoc VP Finance	157,423	157,423	162,146	0.1195 FTE	19,376
4008	Auxiliary Indirect Cost	49,412	49,412	50,895	0.1195 FTE	6,082
4011	Liability Insurance (Actual FY 04-05)	242,532	242,532	323,888	0.1195 FTE	38,705
4020	Interest Clearing	4,490	4,490	4,625	0.1195 FTE	553
4022	Audit	114,998	114,998	118,448	0.1195 FTE	14,155
4100	Purchasing & Material Management	667,045	667,045	687,056	0.1195 FTE	82,103
4200	Bursar's Office	858,737	858,737	884,499	0.1195 FTE	105,698
4215	Credit Card Costs	183,431	183,431	188,934	0.1195 FTE	22,578
4300	Office of Accounting	788,508	788,508	812,163	0.1195 FTE	97,053
4305	State Charges	54,424	54,424	56,057	0.1195 FTE	6,699
4310	Association Dues	37,049	37,049	38,160	0.1195 FTE	4,560
4400	Payroll Office	482,718	482,718	497,199	0.1195 FTE	59,415
4700	Internal Audit	137,433	137,433	141,556	0.1195 FTE	16,916
4800	Finance Information Technology	156,472	156,472	161,166	0.1195 FTE	19,259
5000	Senior VP for Operations	199,324	199,324	205,303	0.1195 FTE	24,534
5100	Facilities Planning & Management	95,960	95,960	98,839	0.1195 FTE	11,811
5300	Asst VP Operations	55,214	55,214	56,871	0.1195 FTE	6,796
5308	Telecommunications	6,014	6,014	6,194	0.1195 FTE	740
5310	Telephone	3,888	3,888	4,005	0.1195 FTE	479
5320	Computer Center	615,129	615,129	633,583	0.1195 FTE	75,713
5322	ATM Network	33,600	33,600	34,608	0.1195 FTE	4,136
5330	Mailroom	185,582	185,582	191,150	0.1195 FTE	22,842
5500	Public Safety	819,462	819,462	844,046	0.1195 FTE	100,863
6000	VP Alumni Development	670,172	670,172	690,277	0.1195 FTE	82,488
6002	Development	55,124	55,124	56,777	0.1195 FTE	6,785
6010	VP for Institutional Advancement	246,338	246,338	253,728	0.1195 FTE	30,321
6200	Alumni Relations	273,465	273,465	281,669	0.1195 FTE	33,644
	<i>Deduction - Pending Service Agreements</i>					(75,000)
		<u>9,455,651</u>	<u>9,455,651</u>	<u>9,813,185</u>		<u>1,104,000</u>

Services Provided:
 Legislative BOG Support
 Staff Council

**Marshall Community and Technical College
Statement of Budgeted Indirect Costs
FY 2004-2005**

Budgeted Indirect Costs

General Institutional Support (*Continued*)

Office of Equity Programs
Legal Counsel
Human Resources (Classifications, Grievances, Faculty/Staff Advertisements, Benefits Processing)
Communications/Public Relations
Photographic Services
Commencement
Institutional Research
Course Evaluation
Budgeting Services
Preparation of Expenditure Schedules
Processing requisitions and purchase orders
Maintaining inventory of all equipment
Processing payments to vendors
Preparing accounting reports
Preparing financial statements
Coordinating Audits:
 Financial, Single Audit, Legislative Audits, Federal Audits
Maintain general ledgers
Reconciling state accounts
Tuition and Fee assessments
Tuition and Fee collections
Financial Aid distribution
Processing Third Party Contracts
Collection of Third Party Contracts
Processing all Cash Receipts
Provide Payroll Services (Issue W2s)
Implement and maintain all Administrative Software Functions:
 Banner Student, Banner Finance, Banner HR/Payroll
Computer Center Support for Administrative functions
Mailroom Services
Public Safety

Building and Equipment Use Charge

Allocated to Marshall Community & Technical College

For FY 2002-2003, the use charge was calculated by taking 11% of the university's equipment depreciation. This resulted in a \$586,000 cost allocation. Based on benchmark data, it appears this should be reduced. By using the "stand-alone" colleges as a benchmark, the following calculation is made:

	FTE	FY 02-03 Depreciation	Cost per FTE
WV Northern CTC	1,621.87	\$ 471,944	\$ 291
Southern WV CTC	1,740.67	\$ 589,263	\$ 339
WVU @ Parkersburg	<u>2,300.40</u>	<u>\$ 705,000</u>	<u>\$ 306</u>
Total	<u><u>5,662.94</u></u>	<u><u>\$ 1,766,207</u></u>	<u><u>\$ 312</u></u>
 <i>Marshall CTC Calculation</i>			
2-Year Average MCTC FTE multiplied by Stand Alone Average FTE			
	(1501 * 312)		<u><u>\$ 468,312</u></u>
 Rounded to:			
			<u><u>\$ 450,000</u></u>

Community and Technical College at Shepherd
and
Shepherd University

Shepherd Community and Technical College

Finance & Accounting Policy

I. Designation of CTC Students versus Baccalaureate Students

- a. The general definition of a CTC student in a component unit is as follows:
 - i. The identification of community and technical college student enrollment will be determined by major and program. The location of a student's transcript or places of enrollment are not determining factors. Students enrolled per the following criteria will be designated as community and technical college enrollment:
 - 1. All students enrolled in certificate and degree programs below the baccalaureate level.
 - 2. All students, with the exception of those students admitted under the 5% waiver exemption, failing to meet the college admission requirements for baccalaureate programs as defined by Procedural Rule 23.
 - 3. Students without a declared major, enrolled exclusively in developmental courses.
 - 4. Students who are undeclared two-year majors.
- b. The Shepherd University governing board, with consultation from the CTC board of advisors, has the responsibility for finalizing the definition and assignment of CTC students for that institution

II. Basic Accounting and Reporting Guidelines

- a. Shepherd University will maintain separate charts of accounts for the University and Community and Technical College at a level of detail sufficient for the segregation of accounting and reporting for the components of the institution.
- b. Direct Revenues – To the extent practical, all unrestricted and restricted revenues generated by the operation of the CTC will be directly assigned to and reported by the component CTC. This will include but is not limited to student tuition and fees, state general revenue appropriations, state lottery appropriations, federal and local appropriations, contracts and grants, interest, sales and services of educational activities, and other operating revenue directly related to the operation of the CTC
 - i. Restricted fees collected from CTC students for the operation of auxiliary operations and for capital purposes will be reported as direct revenues of the CTC but will be simultaneously transferred as an expenditure to these separately maintained funds.

- ii. Restricted revenues generated by the CTC will be separately maintained and matched with the expenditures for those contracts or grants so that operations can be reported separately on a restricted and unrestricted basis
 - iii. Miscellaneous departmental revenues such as transcript fees and late fees will be offset against departmental expenses to determine the cost to be paid by the CTC for the University's services.

- c. Direct Expenditures - To the extent practical, all unrestricted and restricted expenditures required for the operation of the CTC will be directly assigned to and reported by the component CTC. This will include but is not limited to direct instructional expenditures (salaries and benefits), supplies and other operating expenditures directly related to the operation of the CTC
 - i. Expenditures for instructional faculty, instructional support staff, and administrative staff will be directly assigned to the CTC to the fullest extent practical.
 - 1. For instructional classes that include both CTC and baccalaureate students, costs will be allocated between the two components by determining the number of students taught by the instructors for these courses, and using the ratio of CTC students to University students to allocate the instructors' salaries between the components. The ratio of the instructors' salaries used to teach CTC students to the ratio of instructors' salaries used to teach University students will be applied to the total departmental expenses to determine the amount associated with each component.
 - ii. Financial aid in the form of waivers, institutional funds, or other grants and scholarships will be separately reported for the CTC
 - iii. Other direct expenditures for the operation of the CTC will be assigned to the CTC to the fullest extent practical.
 - iv. All expenditures will be maintained and reported on both a natural and functional classification basis
 - v. Expenditures under restricted revenue generated by the CTC will be separately maintained and matched with the revenues for those contracts or grants so that operations can be reported separately on a restricted and unrestricted basis

- d. Allocated Service Costs
 - i. Services provided for the CTC by the administratively linked institution will be allocated to the component institution in an appropriate manner to reflect the services provided
 - 1. No allocations for services shall be assigned to the CTC for expenditures for which no service is performed.

2. Each allocation of major services will incorporate a service agreement between the components to reflect the type of service provided for the allocation and any quality of service agreements
 3. The allocation methodology and budgeted service allocations will be approved by the institutional board of governors and submitted for approval to the Community College Council by June 30th of each year for the upcoming fiscal year
 4. Depreciation expense will be allocated by using the appropriate student FTE data. Capital expenditures will not be allocated
 5. An allocated share of debt service payments, including principal, for the 2003 bond issue will be transferred from the CTC capital fund to the University's capital fund.
- ii. Standards for the Allocation of Service Costs
1. Allocations will be accomplished through the determination of an allocated charge for the specific service
 2. Allocations for services to the CTC will be classified into at least the major categories of functional program expenditures, and into further detail by institutional department to the extent practical
 3. Appropriate cost accounting methodology will be employed for the allocation of services between the component units, which may result in the usage of differing basis for the allocation of various component costs. However, an accepted allocation methodology for all cost allocations is the usage of FTE students, as the difference between this methodology and other accepted allocation methodologies is normally insignificant.
 - a. Enrollment based allocations will exclude enrollment activity generated from third-party fee waivers, restricted grants for departments that do not incur any costs associated with these enrollments.
 - b. Enrollment based allocations may be based upon a two-year rolling average of enrollment to minimize the annual impact of spikes in enrollment
 4. Allocations will be adjusted no more frequently than annually to simplify budget planning within the components
- iii. Reporting Requirements
1. An annual budget for all component will be submitted for approval to the institutional governing boards and subsequently filed with the Community College Council.

2. On at least a quarterly basis, the institutional boards of governors will receive a budget update report on all component operations
3. The annual audited financial statements will include supplementary schedules on the financial operations of all component units.

Community and Technical College at WVU Tech
and
WVU Institute of Technology

COMMUNITY AND TECHNICAL COLLEGE ALLOCATION

Community & Technical College at WVU Tech And West Virginia University Institute of Technology

Revenues

State Appropriations allocated by the Legislature and State grant funds awarded to the CTC are maintained in accounts specifically identified as such in the State Treasury. Fee income (Tuition, Registration, Higher Education Resource, Faculty Improvement, Operations, College Fee and specific course/lab fees) is assessed based on the student's classification and/or course enrollment. With the exception of Tuition and Registration, fee revenues associated with the CTC are maintained by the CTC in accounts specifically identified as such. Revenues are used to meet the instructional and operational costs of the CTC as well as debt service on bonds, capital projects, and HEPC assessments.

Expenditures

Expenditures related to CTC students and operations are recorded in both functional and natural classifications of the CTC component.

Salary and benefit charges for the employees paid from state appropriations are charged directly to the appropriate account based upon an agreed upon rate (percentage of FTE, head count, enrollment or budget) for each department and/or area.

HERF and Operations expenditures are paid from the baccalaureate accounts. These accounts are then reimbursed (ideally on a quarterly basis) from the CTC HERF and Other Student Fee accounts based upon an agreed upon rate (percentage of FTE, head count, enrollment or budget) for each department and/or area.

Debt service payments are made from the Tuition and Registration accounts; however, the amount charged to each component is determined based upon percentage of FTE. The CTC HERF assessment is based on FTE and is charged directly to the CTC HERF account.

Note: The process will change effective July 1, 2004 due the SB 448 and HB 101; however, the methodology will most likely remain the same.

WV State Community and Technical College
and
West Virginia State University

**Cooperative Administrative Service Agreement
West Virginia State Community and Technical College
and
West Virginia State College**



**Dr. Ervin V. Griffin, Sr.
Provost & Chief Operating Officer
West Virginia State Community and Technical College**

**Dr. Hazo W. Carter, Jr.
President
West Virginia State College**

November 19, 2003

Introduction
Cooperative Administrative Service Agreement
West Virginia State Community and Technical College and
West Virginia State College

West Virginia State College began developing community college programs in Southern West Virginia during the early and mid-1950's. The land grant mission was an impetus for outreach to the heavily populated minority mining communities in southern West Virginia. The 1952-53 catalog listed the first Associate in Arts Degree in Commerce. The first associate degree students graduated were in 1957.

West Virginia State College continued to add Associate Degrees and certificates in response to the needs of business and industry. During this period (1950-1975) WVSC continued to add diverse programs, such as Law Enforcement (1963), Pre-Engineering (1954) and other degrees to meet area and state needs. By 1975, WVSC had associate degrees in eight (8) different areas including Chemical Technology, Print Technology, Electronics, and Engineering Technology, among others.

From these historical antecedents, the foundation of the emerging profile of West Virginia State Community and Technical College is being built. WVSCTC will be co-located on the campus with WVSC. This configuration will enable our service region to access a seamless educational system that will meet its present and future needs. Citizens will be able to complete Certificate, Associate, Baccalaureate, and Graduate education at one convenient location.

WVSCTC has experienced administrative and academic changes during this progression primarily because of WV legislative mandates, such as those outlined in Senate Bills 653 and 703, and House Bill 2224. To fulfill the mandates, WVSCTC conducted a comprehensive examination and assessment of its organizational and academic processes. The outcome of the assessment process resulted in the following changes:

- Meeting the Essential Conditions for Community and Technical Colleges as outlined by the North Central Association
- Governance Reorganization
- Created a Separate Mission Statement
- Curriculum analysis
- General Education Core Revisions
- Program Assessment Revision and Implementation
- New Articulation and Transfer Agreements (associate to baccalaureate degree programs)

- Implementation of Data Collection System and Institutional Effectiveness Plan
- Draft of a Cooperative Service Agreement (a model that outlines budgetary arrangements and administratively linked services with WVSC)
- Created an Distinct WVSCTC Institutional Advisory Board
- Created a Separate Operating Budget
- Reorganized the Workforce and Economic Development Division
- Reorganized the Academic Affairs Division and Personnel
- Approved Compact and Master Plan by the WVSC Board of Governors and Higher Education Policy Commission
- Revised the WVSCTC Strategic Plan
- Revised the Institutional Academic Plan
- Created an Institutional Effectiveness Model

Senate Bill 653, passed by the West Virginia Legislature during the 73rd session, changed the nature and function of community college education. The Legislation stated that all component community colleges would become independently regionally accredited institutions by 2006. Therefore, a team from the Higher Learning Commission of the North Central Association will visit April 18-20, 2004, to evaluate West Virginia State Community and Technical College for initial accreditation.

**Cooperative Administrative Service Agreement
West Virginia State Community and Technical College And
West Virginia State College**

West Virginia State Community and Technical College (herein referred to as “WVSCTC”) has been organized under authority of Article 3C, Chapter 18B of the West Virginia Code for the purpose of providing postsecondary educational opportunities for the people of Kanawha, Putnam, and Clay Counties.

The Institutional Board of Advisors of the WVSCTC will serve in an advisory capacity to the Provost, who provides educational services in conjunction with West Virginia State College. West Virginia State College is an educational institution of Institute, Kanawha County, West Virginia (herein referred to as “WVSC”).

WHEREAS WVSC presently owns and operates a four-year college as a “generally accredited public university or college”; and

WHEREAS a need has been demonstrated for the existence of a community and technical college, and

WHEREAS the West Virginia Higher Education Policy Commission, pursuant to Senate Bills 653 and 703 created a community college district comprising the whole territory of Kanawha, Putnam, and Clay Counties, and

WHEREAS a Institutional Board of Advisors has been lawfully organized to provide advice to the Provost of the WVSCTC, and

WHEREAS the President of WVSC and the Provost and Chief Operating Officer

of the WVSCTC have resolved that the most professional, thorough, and efficient method for offering a two-year community college credit and noncredit program to the residents of the District and the State of West Virginia would be through entering into an agreement for services provided by WVSC;

NOW, THEREFORE, WVSC President and WVSCTC Provost & Chief Operation Officer do hereby mutually agree as follows:

I. OPERATION OF WVSCTC

WVSC agrees to provide instruction in general education in an effective manner consistent with the requirements of the Higher Education Policy Commission, WVSC Board of Governors, and the compact and master plan. WVSCTC agrees to pay WVSC amounts to be determined in accordance with Section V (A) and (B) of this agreement.

II. ENROLLMENT

WVSC agrees to instruct all WVSCTC students, and will not discriminate on the basis of race, color, religion, sex, national origin, disability, or age.

III. PHYSICAL FACILITIES

WVSC will guarantee access to all physical facilities, including the right to reside in the residential facilities, owned and/or used by WVSC to the students, faculty, and staff of WVSCTC on the same basis that such facilities are available to the students, faculty, and staff of WVSC. All WVSCTC students shall follow all policies and procedures enforced by WVSC for its enrolled students, including the visitation policies for residential facilities. (See Appendix III for the visitation policy for residential facilities)

necessary for its administrative and faculty offices. No space charges will be made by WVSC for use of any administrative and faculty offices.

Capital improvements provided in whole or in part by state funds will be provided to WVSCTC. The construction of buildings must be on land owned or leased on a long-term basis to WVSCTC. WVSC agrees to give or lease to WVSCTC for One Dollar (\$1.00) for at least a fifteen-year period, with renewal for at least an additional fifteen years, the necessary land required for the construction of the buildings. Upon completion of any structures, WVSCTC agrees to lease back to WVSC for One Dollar (\$1.00) these structures for operation and maintenance to serve the student body of WVSC as well as WVSCTC.

WVSCTC may, by individual contracts with WVSC, provide funds over and above the Purchased Instructional Service Contract for purchasing such things as library books and special equipment and for major remodeling of buildings owned by or leased to WVSCTC for the use of the combined student bodies.

IV. PERSONNEL

- (A) Provost and Chief Operating Officer: One individual shall serve as provost who is the chief academic and administrative officer of the community and technical college. The provost shall report directly to the president of the WVSC and shall have appropriate direct contact with the institutional board of governors. The WVSC President delegates authority to the Provost to act as the Chief Administrative Officer for all aspects of the WVSCTC operation. It is the responsibility of the board of governors to provide sufficient time on its agenda for the provost to discuss issues relevant to the

mission of the component.

- (B) All searches for a new Provost and Chief Operating Officer of WVSCTC shall be conducted by the WVSCTC Institutional Board of Board of Advisors. As outlined in HB 2224, upon completion of the search, the Institutional Board of Advisors shall submit “at least three candidates to the president of the sponsoring institution for consideration and appointment.”
- (C) Pursuant to House Bill 2224 the President of WVSC shall appoint the Provost of the WVSCTC, and the Provost shall serve at the will and pleasure of the President of the employing institution, which is WVSC.

The Provost of the WVSCTC shall be evaluated by the President of the employing institution, which is WVSC.

(E) Fiscal Officer: The President of WVSC and the Provost and Chief Operating Officer of the WVSCTC will ensure that a Fiscal Officer is assigned to the WVSCTC to maintain separate financial records for WVSCTC that meet the requirements of the Board of Governors, the West Virginia Higher Education Policy Commission, the Higher Learning Commission of North Central Association, and the State Auditor’s Office. The Fiscal Officer and his//her staff will report directly to the Provost and Chief Operating Officer of the WVSCTC. (See Appendix II)

(F) Other Administrative Staff: WVSCTC may employ, on a temporary basis, additional personnel it may deem necessary to give appropriate emphasis to its mission. Additional personnel shall not result in a deficit budget and shall not be

employed in any year in which a deficit may occur. In the event such temporary personnel are employed, their duties shall be coordinated through the Provost and Chief Operating Officer of the WVSCTC to assure consistency and cooperation of efforts among temporary and existing personnel with similar duties.

V. FINANCIAL

This agreement is entered into with the understanding that WVSCTC will have sufficient operating monies made available through student fees, state subsidies and other public and private funding. If sufficient funds are not available from current funds, WVSCTC may reduce the contract amount based on never incurring a deficit greater than fifty thousand dollars (\$50,000) in any year, or seventy-five thousand dollars (\$75,000) in any two-year period. WVSCTC agrees that it will make no charges for instruction and general services beyond those fixed in this contract except as noted in this contract.

The Provost shall recommend fees to the WVSCTC Institutional Board of Advisors. The WVSCTC Institutional Board of Advisors shall establish the fees to be charged to all students, including all special fees for services performed for the benefit of enrolled students. The special fees shall encompass all charges for services assessed uniformly to all enrolled students. These services are defined in more detail in Section V, (A) and (B) of this contract.

(A) The Purchased Instructional Service Contract shall apply to instructional and general expenditures for the WVSCTC Fiscal Officer, his/her staff, and expenses of the WVSCTC Board of Advisors which shall be covered directly by the WVSCTC with the three and three-quarters (3-3/4) percent withheld from the total contract amount. (See Section IV -B). The WVSCTC may increase the withholding to a maximum of four and one-quarter (4-1/4) percent to employ, on a temporary basis such additional

personnel, as it may deem necessary to emphasize the mission of the WVSCTC. (See Section IV-C). “Instructional and General Expenditures,” as defined by the West Virginia Higher Education Policy Commission, includes and is limited to (1) instruction and departmental research; (2) academic support; (3) student services; (4) plant operation and maintenance; and (5) institutional support.

The total amount of money paid by the WVSCTC to WVSC under the Purchased Instructional Service Contract will be the product of the full-time-equivalent student enrollment and a stipulated amount per full-time-equivalent student plus or minus any funding incorporated into the formula by the Higher Education Policy Commission for performance or assessment purposes. Each of these factors including methods of counting enrollments, components of funding formulas, and performance expectations shall be determined by the current West Virginia Higher Education Policy Commission procedures for determining such factors for state-assisted institutions. (See Appendix I for the reporting procedure for the Allocation of Academic Faculty Costs).

For each year of the contract, the final full-time-equivalent student count shall be that calculated for the WVSCTC based on eligible students for whom subsidy shall be paid by the West Virginia Higher Education Policy Commission. The full-time-equivalent student count for contract purposes under the current system is based on the higher of the average of the previous two years or the previous five years, whichever yields the higher subsidy. Yearly averages or enrollments are adjusted to simulate annualized (fall, spring, plus summer) counting.

When five-years of all-term counts are available, presumable for the 2006-07¹ determination, the adjustment to simulate annualized counting will be dropped and all calculations will be based strictly on actual annualized enrollments. The cost per full-time equivalent student shall be the current year cost models, as determined by the West Virginia Higher Education Policy Commission, including subsidy or state share and assumed tuition fees used in the models.

WVSCTC will pay WVSC, by model level, the full cost for each student subsidized including any Higher Education buffered funding in the event of declining enrollments in a particular model and including any Higher Education hold harmless funding in the event of significant financial reduction as a result of changes in the funding formula. WVSCTC shall also pass through any budget cuts imposed by the State of West Virginia or the West Virginia Higher Education Policy Commission in the State Subsidy.

During the first six months of the contract year, the WVSCTC shall make payments based on the anticipated total Purchased Instructional Service Contract. During the last six months of the contract year, WVSCTC shall make payments as adjusted by the actual full-time-equivalent student count and cost models for the contract year. In the event the State of West Virginia changes its schedule of subsidy payments, the WVSCTC may change its scheduled payments to WVSC accordingly.

¹ This date coincides with the Compact and Master Plan, approved by the WV HEPC, which is effective through the 2006-2007 Academic Year.

(B) The Purchased Student Contract may cover Student Affairs and Student Activities services, such as Admissions and Recruitment, Career Services, Collegiate Support and Counseling Center, Health Center, Judicial Affairs/Special Programs, Retention Services, Student Financial Assistance, Food Services, New Student Programs, Residence Life and Services, and Student Activities/College Union.

The revenues to support the expenses of the Purchased Student Service Contract shall be all state funds, student fees, and other public fees collected from the WVSCTC students, plus any additional funds that the WVSCTC may agree to pay from receipts of its grants or contracts.

The student fees shall be at rates equal to those charged to the students of WVSC. Any proposed increase in general fees above the rates in existence at the time of the execution of the contract must be approved in advance by both the Board of Governors and the Institutional Board of Advisors. The proceeds from such fees shall be restricted in use to the activities or processes for which they are collected. A yearly budget shall be provided by the Provost and Chief Operating Officer, or designee, and be adopted by the WVSCTC Institutional Board of Advisors. An annual accounting of the use of these funds shall be made to the Provost and Chief Operating Officer of the WVSCTC and the President of WVSC. The general fees shall be collected by WVSC.

(C) Special-purpose fees, service charges, and fines for services or benefits furnished to individual students or specific categories of students that do not apply uniformly to all enrolled students may be assessed by WVSC. The rates for such fees must be equal to those charged students of WVSC and must receive advance approval of the WVSCTC Institutional Board of Advisors.

VI. STUDENT ACTIVITIES

Students enrolled in the WVSCTC program shall have available to them all activities available to students of WVSC, including the right to participate in athletics, clubs, dramatics, and other approved activities.

VII. STUDENT PERSONNEL SERVICES

WVSC shall make available to students of WVSCTC all student personnel services. WVSCTC reserves the right to promulgate and enforce regulations pertaining to student conduct; however, all students attending WVSCTC shall follow all policies and procedures enforced by WVSC for its enrolled students.

VIII. PURCHASED INSTITUTIONAL SUPPORT SERVICES

WVSCTC shall support the purchase of Administrative Affairs and Planning and Advancement services from WVSC. The services will include, but are not limited to, Computer Services, including telecommunications; Fiscal Affairs (book store, mail services, budget and accounting-including payroll, cashier and accounts receivable, disbursement, procurement, and accounts payable); Physical Facilities (building and grounds, campus services, and utilities); Human Resources; Public Safety (parking and campus police), services from the Research and Development Corporation; Title IIIB Coordination; Institutional Development; and Communication Services (including graphic communications, news services, printing services, and photographic services). Costs allocation for Purchased Institutional Support Services shall be based on headcount or full-time-equivalent student count. Payroll and accounting services shall be based upon the actual number of employees assigned to the WVSCTC.

IX. PUBLIC MONIES

WVSC agrees that it will use all funds from the WVSCTC for the uses and purposes intended.

X. RECORD KEEPING

WVSC agrees to maintain such records as may be required to permit WVSCTC to complete records required by the West Virginia Higher Education Policy Commission, the Higher Learning Commission of the North Central Association, and the State Auditor's Office. The Higher Education Policy Commission and the State Auditor's Office recognize that the established method of reporting must be modified to reflect the unique conditions created by this contractual agreement. WVSC recognizes that the provisions of State law give the State Auditor the authority to audit the WVSC books in the event he/she deems necessary. In addition, WVSC agrees to the Finance and Accounting Policy guidelines established by the West Virginia Higher Education Policy Commission. (See Appendix II)

XI. SPECIAL FUNDS

In the event that separate management of funds or property shall be required by the terms of any bequest, gift, endowment, or other grant to WVSCTC, WVSC agrees that it will not violate the conditions under which said funds have been received.

XII. ACCEPTABILITY OF CREDITS

Academic credit awarded to students attending WVSCTC shall be academic credit of WVSC, and shall be so reported in the academic record of each student and upon any degree or certificate awarded to any such student.

XIII. COOPERATION

Recognizing that this contract cannot deal with all the operational issues that may evolve and recognizing that both entities should participate equally in the evaluation of programs and services furnished by WVSC to WVSCTC, the President of WVSC and the Provost and Chief Operating Officer of WVSCTC agree to meet as often as necessary to consider operating issues and/or programs and services furnished to WVSCTC.

XIV. EVALUATION OF SHARED SERVICES

Both entities, WVSC and WVSCTC, will participate equally in the evaluation of shared services. The President of WVSC and the Provost and Chief Operating Officer of WVSCTC will jointly appoint a committee, consisting of administrators, faculty, and staff of both institutions, to evaluate the administratively linked services. Within the evaluation of the shared services, the committee will also review the chargeback procedures and payments. The committee will forward the evaluation results and recommendations to both the WVSC President and the WVSCTC Provost and Chief Operating Officer. Any revisions or addendums regarding shared services will be implemented only upon the approval and authorization of both the WVSC President and the WVSCTC Provost and Chief Operating Officer. The institutional assessment tools that may be utilized include, but are not limited to, the ACT Faces of the Future Survey, ACT Student Opinion Survey conducted by the Office of Student Affairs, and Graduate Exit Surveys conducted the WVSC Student Assessment Center. The evaluation procedure for the administratively linked shared services will be continuous and services adjusted according to the formative and summative data collected during each academic year.

XV. TERM

By mutual agreement between WVSC and WVSCTC, this contract is for the term beginning July 1, 2003, and shall remain in effect until a new contract is signed or until such contract is terminated as specified below. This agreement may be terminated by either party upon one (1) year's notice in writing. In no event shall the termination of this agreement affect in any manner any pledge or security given for the payment of indebtedness, should any such indebtedness be outstanding at the time of such termination.

XVI. AMENDMENT

This agreement may be amended only in writing after approval of the President of West Virginia State College and the Provost and Chief Operation Officer of the West Virginia State Community and Technical College.

President, WVSC

Provost and Chief Operating Officer, WVSCTC

Date:

Revised: 6/30/03
7/01/03
7/02/03
7/07/03
7/14/03

Second Draft:

8/7/03
9/3/03

Third Draft:

10/07/03
10/20/03

Fourth Draft:

10/23/03

Fifth Draft:

11/10/03

APPENDIX I

Procedure for the Allocation of Academic Faculty Costs

Section V-A: Purchased Instructional Service Contract

1. At the end of each semester, a spreadsheet that estimates the WVSCTC/baccalaureate costs for each faculty member will be generated. This spreadsheet will arrive at the estimates by calculating the WVSCTC student FTE and the baccalaureate student FTE generated by each faculty member in all the courses she/he taught. The faculty member's **instructional salary² will then be assigned in accordance with the proportion of FTE** generated by WVSCTC student FTE and the proportion of FTE generated by baccalaureate student FTE.

For example, assume an English professor taught four three-hour sections of English 101. Assume the professor's instructional salary (with fringe benefits) was \$40,000. For the semester, then, the professor's salary is \$20,000. Assume the professor taught 20.4 student FTE, the proportion of WVSCTC students in the professor's classes generated 6.8 FTE, and the cost per student FTE for this instructor was \$980. Then, the WVSCTC would be responsible for [6.8 WVSCTC student FTE] x [\$980/FTE] = \$6,664 of the professor's semester salary.

2. Since there are many exceptions and special conditions for the above describe allocation, the WVSC deans and the WVSCTC assistant provosts/deans will review the estimates. This review will include negotiating final costs for exceptions and special conditions. The WVSC deans and the WVSCTC assistant provosts/deans will forward their recommended negotiated faculty costs allocation to the WVSC Vice President of Academic Affairs and the WVSCTC Assistant Provost and Dean of Academic Affairs for their recommendations and approval.
3. Upon their recommendations and approval, the Provost and Chief Operating Officer of the WVSCTC and President of WVSC will review the recommended academic faculty costs allocations and forward the chargeback recommendations

² Instructional salary is the portion of the faculty member's salary that pays for instruction only. Thus, if a faculty member receives ¼ release time for administrative work, then only ¾ of the faculty member's total salary is considered as instructional salary.

to the Chief Financial Officer for implementation. Should either the Provost and Chief Operating Officer of the WVSCTC or President of WVSC not concur with the recommendations, the WVSC deans and the WVSCTC assistant provosts/deans will be informed and resume negotiations until concurrence is achieved.

The faculty costs allocation process will adhere to the following general principals:

- When calculating student FTE generated, all classes (even arranged classes with 1 or 2 students in them) will be included; however, these courses will not count toward teaching load. That will give the true cost of how much an instructor costs per student FTE. Since those classes generate FTE and FTE generates funds for both colleges, these classes cannot be ignored.
- All faculty salaries will be based on 9-month, base, instructional salary.
- Administrative release time for both institutions will be factored in so annual salaries will be reduced for chargeback purposes according to the amount of release time.
- Overload salary will be added to the instructional salary and included in the chargeback.
- Test-out sections will not be charged back. This includes typing, keyboarding, and some foreign language courses.

APPENDIX II

West Virginia Higher Education Policy Commission Finance and Accounting Policy Component Community and Technical Colleges

Record Keeping

- I. State Financial Requirements
 - i. State funding allocations are separately identified for each of the WVSCTC's and are transferred directly to the WVSCTC
 - ii. Tuition and fees shall be retained by the WVSCTC for use in carrying out its mission
 - iii. Administratively linked WVSCTC's will retain their fair share of institutional debt which was acquired while they were part of the baccalaureate institution
 - iv. The President/Provost of the WVSCTC has full budgetary authority for the entity, subject to accountability to the governing board
 - v. The sponsoring institution is required to perform certain administrative functions for the linked component WVSCTC
 - vi. The sponsoring institution may charge fees for administrative overhead costs subject to a schedule approved by the Commission.

- II. Board Reporting
 - i. Any statutory requirements for separate status reports

- III. Annual Auditors Review
 - i. A separate audit of component community colleges is not required
 - ii. Financial reports beginning in FY 2002 will include supplementary financial data that will report the operations of all component WVSCTC's separately from the baccalaureate institution.

- IV. Designation of WVSCTC Students versus Baccalaureate Students
 - a. The general definition of a WVSCTC student in a component unit is as follows:
 - i. The identification of community and technical college student enrollment will be determined by major and program. The location of a student's transcript or places of enrollment are not determining factors. Students enrolled per the following criteria will be designated as

community and technical college enrollment:

1. All students enrolled in certificate and degree programs below the baccalaureate level.
 2. All students, with the exception of those students admitted under the 5% waiver exemption, failing to meet the college admission requirements for baccalaureate programs as defined by Procedural Rule 23.
 3. Students who are undeclared two-year majors.
- b. The institutional governing board, with consultation from the WVSCTC Institutional Board of Advisors, has the responsibility for finalizing the definition and assignment of WVSCTC students for that institution.
- V. Basic Accounting and Reporting Guidelines
- a. All institutions will maintain a chart of accounts at a level of detail sufficient for the segregation of accounting and reporting for the various components of the institution. The chart of accounts will be maintained in general consistency between all institutions.
 - b. Direct Revenues – To the extent practical, all unrestricted and restricted revenues generated by the operation of the WVSCTC should be directly assigned to and reported by the component WVSCTC. This should include, but is not limited to, student tuition and fees, state general revenue appropriations, state lottery appropriations, federal and local appropriations, contracts and grants, interest, sales and services of educational activities, and other operating revenue directly related to the operation of the WVSCTC.
 - i. Restricted fees collected from WVSCTC students for the operation of auxiliary operations and for capital purposes should be reported as direct revenues of the WVSCTC but should be simultaneously transferred as an expenditure to these separately maintained funds
 - ii. Restricted revenues generated by the WVSCTC should be separately maintained and matched with the expenditures for those contracts or grants so that operations can be reported separately on a restricted and unrestricted basis

- c. Direct Expenditures – To the extent practical, all unrestricted and restricted expenditures required for the operation of the WVSCTC should be directly assigned to and reported by the component WVSCTC. This should include, but is not limited to, direct instructional expenditures (salaries and benefits), supplies, and other operating expenditures directly related to the operation of the WVSCTC, as follows:
 - i. Expenditures for instructional faculty, instructional support staff, and administrative staff should be directly assigned to the WVSCTC to the fullest extent practical. In many institutions this may account for up to 70% of the expenditures of the WVSCTC, and so the appropriate assignment of these staff costs is critical to the proper allocation of costs between components.
 - 1. For instructional classes that include both WVSCTC and baccalaureate students, an adjustment to the direct cost of instruction shall be made based upon the ratio of assigned students within each component sector
 - ii. Financial aid in the form of waivers, institutional funds, or other grants and scholarships should be separately reported for the WVSCTC
 - iii. Other direct expenditures for the operation of the WVSCTC should be assigned to the WVSCTC to the fullest extent practical.
 - iv. All expenditures should be maintained and reported on both a natural and functional classification basis
 - v. Expenditures under restricted revenue generated by the WVSCTC should be separately maintained and matched with the revenues for those contracts or grants so that operations can be reported separately on a restricted and unrestricted basis

- d. Allocated Service Costs
 - i. Services provided for the WVSCTC by the administratively linked institution should be allocated to the component institution in an appropriate manner to reflect the services provided
 - 1. No allocations for services shall be assigned to the WVSCTC for expenditures for which no service is performed. In particular, auxiliary enterprises shall

- be reported as self-sustaining enterprises separate from the component educational institutions.
2. Each allocation of major services should incorporate a service agreement between the components to reflect the type of service provided for the allocation and any quality of service agreements.
 3. The allocation methodology and budgeted service allocations should be approved by the institutional board of governors and submitted for approval to the Commission by June 30th of each year for the upcoming fiscal year
- ii. Standards for the Allocation of Service Costs
1. Allocations can be accomplished either through the direct assignment of a percentage of staff and other operating expenditures to the WVSCTC or through the determination of allocated charge for the specific service
 2. Regardless of the operational accounting methodology, allocations for services to the WVSCTC should be classified into at least the major categories of functional program expenditures, and into further detail by institutional department to the extent practical
 3. Appropriate cost accounting methodology should be employed for the allocation of services between the component units, which may result in the usage of differing basis for the allocation of various component costs. However, an accepted allocation methodology for all cost between this methodology and other accepted allocation methodologies is normally insignificant.
 - a. Enrollment based allocations should exclude enrollment activity generated from third-party fee waivers, restricted grants, or other programs not requiring the usage of campus service units.
 - b. Enrollment based allocations should be based upon a two-year rolling average of enrollment to minimize the annual impact of spikes in enrollment

4. Allocations should be adjusted no more frequently than annually to simplify budget planning within the components

iii. Reporting Requirements

1. An annual budget for all component units should be submitted for approval to the institutional governing boards and subsequently filed with the Commission
2. On at least a quarterly basis, the institutional boards of governors should receive a budget update report on all component operations
3. The annual audited financial statements should include supplementary schedules on the financial operations of all component units in the format attached (still to be developed)

VI. Pending Issues

- a. Several issues remain regarding the accounting and reporting of component institutions. This issues include the following:
 - i. Treatment of Depreciation Expenses and Capital Expenditures
 - ii. General Revenue Funding Splits Between Components
 - iii. Format of Financials for Inclusion with Audited Financials
- b. These issues will be addressed with any necessary changes to be implemented for reporting in FY 2003. As the issues are developed, WVSWSCTC will provide WVSC with the guidelines.

APPENDIX III

West Virginia State College Residence Hall Regulations

RESIDENCE HALL REGULATIONS

The College attempts to provide a wholesome environment for students who live on campus, to that end, the following residence hall regulations apply.

1. A basic rule for protecting students away from home is that each student is asked to notify the Residence Hall Director/Floor Resident Assistant whenever he/she leaves the campus for the weekend, holiday visits or for visits for a specified time period, such as home emergencies or death in family, etc. Students are expected to notify the head resident when they return.
2. Co-ed room visitation does not begin until the beginning of the 7th week of classes for the fall term. There is no delay in visitation privileges at the beginning of the spring term. Students of same gender may visit each other during regular visitation hours.
3. No co-ed visitation after visitation hours.
4. Students may not exit or enter side and back doors between the hours of 8:00 p.m. and 8:00 a.m. daily.

VISITATION HOURS (ROOM AND LOUNGE)

ROOM VISITATION HOURS AND LOUNGE HOURS:

Sunday	2:00 p.m.	10:00 p.m.
Monday - Thursday	6:00 p.m.	10:00 p.m.
Friday - Saturday	6:00 p.m.	12.00 midnight

Penalties and Sanctions for Visitation Violations:

First Offense - \$50.00 fine plus 20 disciplinary work hours

Third Offense - \$100.00 fine plus 40 disciplinary work hours

Third and/or Consecutive Offenses - \$ 100.00 fine per incident and/or immediate suspension for not less than one semester and not more than one academic year.

Decision is at the discretion of the Director of Residence Life.

VIOLATORS OF THESE REGULATIONS WILL FORFEIT THEIR RIGHT OF VISITATION UNTIL SUCH TIME ALL FINES ARE PAID AND DISCIPLINARY WORK HOURS COMPLETED.

Student Identification

Identification cards will be issued to all students (faculty and staff also) during registration and are the property of West Virginia State College. It must be returned to the Office of the Cashier upon termination of enrollment or employment. The ID card is valid only when it is signed by the person to whom it is issued and when properly validated by the college. When properly validated, the ID card is for use at the library, instructional materials center, athletic events, dining facilities, concerts, lectures and other college sponsored activities.

Your student ID is non-transferable and should be carried at all times and displayed when the occasion demands. Should a person attempt to misuse (unauthorized duplication, lending, borrowing, misrepresentation, etc.) thereof the card, it will be confiscated and action will be taken against the individual. Failure to provide proper identification by a student when requested to do so by a faculty or staff member of West Virginia State College can also result in disciplinary action against the individual/student.

Visitation and Room Guests

Residents and their guests are required to conform to the guidelines of the visitation hours established on the floor or hall they live in or are visiting. Residents are responsible for the behavior of their guests and must inform them of housing policies.

Overnight Guest (only of the same sex)

Students who wish to entertain in their rooms for either a short time or overnight are required to notify their head resident. Overnight guests may be housed in the residence hall, space permitting, providing the host or hostess makes arrangements with the head resident at least 24 hours in advance. Students staying in student's room will not be charged a fee, however, students requiring another room will pay for the room on a per night fee. Student/visitor must complete a Guest/Visitor Form. Failure to fill out form may result in a \$20.00 fine. A student who has been suspended or expelled from the College may not be entertained as a guest in a residence hall during the period of suspension/expulsion. Students are responsible for the cost of repairs to any damages that their guests cause and they are responsible for the conduct of their guests and any penalties associated with any college rules and regulations that their guests violate.

Visitation Policies:

1. All rules as listed in the Student Handbook The Buzz governing student conduct shall be observed. Each Participating student shall be held responsible for his/her conduct and the

conduct of his/her guests.

2. All residence halls shall observe proper dress decorum during visitation hours in common areas. Proper dress decorum will consist of acceptable classroom attire.
3. The days and times for visitation will be regulated.
4. All residence hall personnel supervising the open visitation program will come under the jurisdiction of the Director of Housing/Student Affairs.
5. Acceptable conduct as a student and representative of West Virginia State College will be warranted at all times. Open visitation is a privilege and is not mandatory. The Office of Student Affairs has established guidelines from suggestions and recommendations brought to it by students, faculty and staff.

Visitation Guidelines:

1. Visitation will be considered as a residence hall social/academic activity. It will be subject to the rules and regulations governing student activities and behavior as stated in the Student Handbook The Buzz and the Residence Hall Manual.
2. Students on disciplinary probation with the College may not participate in the Visitation Program.
3. Where there are two or more students living in the same room, all must be in agreements to a visitation.
4. Residence Hall personnel will be responsible for enforcing house rules and regulations of the West Virginia State College germane to student behavior.
5. The number of guests per person shall be limited to two additional guests permitted with approval of Head Resident.
6. All students are to enter and exit through the main entrance and lobby and are not to linger in the corridors or stairwells.
7. Opposite sex guests are to use only those public restrooms located on the 1st floor of the Residence Halls.
8. If a student is not a resident of a particular residence hall he/she is considered a guest of that hall and must adhere to visitation policies and guidelines.

Visitor Control Procedures

1. All visitors must leave a WVSC identification card, driver's license or another valid identification with the supervisor while visiting in the building. Visitors must sign in.
2. All visitors, male or female, must sign in and sign out when entering and leaving the building. The individual visited must also sign the In/Out Register Sheet and escort all guests to and from the resident rooms, bathrooms, etc.
3. Visitors without proper identification will be permitted only in the lounge area, and only when escorted by the resident being visited.
4. Visitors without a specific destination will be immediately escorted from the area by an officer of the Department of Public Safety.

5. Visitors shall not be permitted to enter or exit the residence halls other than by specified entrances and exits.
6. Visitors should use the visitors' restrooms on the first floor in Sullivan. There is no provision for guests in Gore hall.
7. All visitors are expected to identify their destination via room number, floor and remain at that destination until their exit from the Residence Hall. Visitors may not use exterior stairwells when moving from one floor to another floor. The following sanctions WILL be taken against the persons) violating visitation policies.
 - a. First violation - Violator(s) may be suspended or removed from the Residence Hall. Other disciplinary action may be taken, if appropriate.
 - b. Second violation: Violator(s) may be suspended from the College for the semester. Other disciplinary action may be taken, if appropriate. Unruly and disruptive behavior-visitor and/or resident-hall member visitation privilege in the residence hall may be suspended and other disciplinary action may be taken as appropriate.
8. The announcement that visiting hours are over will be made in each Residence Hall promptly at the end of the visitation period.

FAILURE TO ABIDE BY THE ABOVE REGULATION MAY RESULT IN TERMINATION OF YOUR HOUSING CONTRACT WITHOUT REFUND OF UNUSED HOUSING PORTION. WHEN OFFICIAL NOTICE HAS BEEN RECEIVED OF CONTRACT TERMINATION, VIOLATORS WILL HAVE 24 HOURS TO TURN IN KEYS AND VACATE THE PREMISES.

Visitation Procedures:

1. Upon entering the main entrance and lobby, each student must sign the register prior to being escorted to the floor by the host/hostess.
2. Current West Virginia State College identification cards of the visitor and resident will be Left at the desk when signing in prior to going to the room,
3. Guests from outside the college will leave appropriate identification (driver's license, ID card from another college/university) at the front desk when signing in prior to going to the room.
4. Students will escort their guest to and from their rooms and be in the company of their guests at all times.
5. Guests may visit only those persons indicated on the sign-in register.
6. Upon announcement, guests will be given 10 minutes to be accompanied to the sign-in desk by the host student for signing out
7. After checking and rechecking of the register by residence hall personnel to verify that all guests have been properly signed in and out the register will be handled confidentially by staff members of the housing office.
8. Registers will be provided in each residence hall by the Housing Office
9. Policies and Procedures stated herein are designed for the protection and

- safety of all student/staff residing in the residence halls.
10. Resident Assistant and/or Head Residents will monitor rooms being visited on periodical basis during the hours of visitation. This will include visibly checking the room.
 11. Outside guests may visit the college for a maximum of three (3) days, two times per semester, without extended permission from the office of Residence Life. Students must fill out Guest Registration Form,

Visitors – Identification of Persons on Campus

1. In order to protect the safety and welfare of students and employees of the college and to protect the property of the college, all persons on property under the jurisdiction of West Virginia State College shall identify themselves when requested to a college official who has identified himself/herself. A person identifies him/herself by giving their present and complete address and stating truthfully his/her relationship to the College. A person may be asked to present some form of identification if a college official feels that the safety/welfare of students, faculty and /or staff are questionable.
2. If any person refuses or fails upon request to present evidence of his/her identification and it reasonably appears that the person has no legitimate reason to be on the campus or facility, in addition to being a student, he/she may be subject to disciplinary action.
3. The announcement that visiting hours are over will be made in each Residence Hall promptly at the end of the visitation period.

FAILURE TO ABIDE BY THE ABOVE REGULATION MAY RESULT IN TERMINATION OF THE HOUSING CONTRACT WITHOUT REFUND OF UNUSED HOUSING PORTION. WHEN OFFICIAL NOTICE HAS BEEN RECEIVED OF CONTRACT TERMINATION, VIOLATORS WILL HAVE 24 HOURS TO TURN IN KEY AND VACATE THE PREMISES.

Children,

Children are not allowed to wander through or play in public areas of the residence halls at any time. All children must remain in the company of an adult.

Baby sitting services are not allowed in student's rooms.

Quiet Time

All residence halls at West Virginia State College honor "quiet hours" from 10:00 p.m. to 10:00 a.m. (the hours are different on the "academic floor".) Each resident is expected to cooperate in maintaining an environment conducive to rest and study. Quiet hours are defined as those times during which residents are prohibited from making any noise that can be heard in any room

other than their own. This refers primarily, but not exclusively, to loud noise from stereo equipment, radios, televisions, slamming doors, and verbal communications.

The hours from 10 a.m. to 10 p.m. (and the designated hours on the academic floor) will be designed as "courtesy hours"). Even during these hours, reasonable quiet should be maintained. Students involved in acts of inconsideration, by being excessively noisy either during quiet hours or courtesy hours, will result in disciplinary action and/or fines. A modification to these times may be made through an official vote by the Residence Hall Council and subsequent approval by the head Resident Director, the Director of Housing and/or Vice President for Student Affairs.

During the week prior to and the week of Final Examinations as well as the week of midterms, all residence halls will maintain quiet hours on a round-the-clock or 24-hour basis.

New River Community and Technical College
and
Bluefield State College

Bluefield State College and
New River Community and Technical College
Contract of Services
Fiscal Year 2004-2005

Bluefield State College (BSC) and New River Community and Technical College (NRCTC) have agreed to the following regarding services rendered between the two institutions as they relate to financial matters and continued support services for students, employees, and other constituencies in both or either institution. This agreement implements the intent of Senate Bill 448, BSC serving as the administrative link to and providing support for NRCTC. Memoranda of Understanding have previously been agreed to, and continue to be applicable until both colleges mutually agree to change or rescind them, which address specific support provided to NRCTC from BSC or visa versa. The following document relates to the financial matters of both institutions, and address areas of revenues and expenditures as they currently relate to the total financial affairs of both institutions. It is mutually agreed that items may be added throughout the fiscal year, with the amounts minimal and having no material effect upon either institution, unless outside the scope and authority of Bluefield State College, New River Community and Technical College, or their Board of Governors.

Based upon a calculation of enrollment in programs of study aligned in each institution, a three-year average of full-time equivalent enrollment was attained. Bluefield State College's annualized average percent of this total enrollment is 53.62% and New River Community and Technical College's annualized average percent is 46.38%. Many of the following calculations in this contract of services are based upon these percentages.

REVENUES

STATE APPROPRIATIONS AND LOTTERY FUNDS:

State Appropriations and Lottery Funds as allocated between the two institutions are in disproportionate amounts. Bluefield State College (BSC) is allocated \$ 3,205,566 state appropriations and \$ 19,621 in lottery funds for a total of \$ 3,225,187. New River Community and Technical College (NRCTC) is allocated \$ 5,315,219 state appropriations and \$ 58,594 in lottery funds for a total of \$ 5,373,813. Based upon the above percentages, the amounts initially are to be adjusted to \$ 4,610,784 (BSC) and \$3,988,216 (NRCTC). In addition, it is recognized that BSC has retained programs of study that are differentially high cost in nature. State funds support personnel costs and the cost of instruction for personnel in the Engineering Technology and Allied Health programs have been compared to the instructional costs of the other disciplines. Based upon these high-costs programs, it is agreed that an additional amount of \$772,550 will be also transferred to BSC. This additional amount has been adjusted for the amount funded from student fees; it also takes into account the differentially high operational costs associated with New River Community and Technical College being a four-campus entity, and is moderated by this factor.

Therefore, the total allocated to BSC is \$5,383,334 and to NRCTC is \$3,215,666. The adjustment of \$2,158,147 is to occur at the first of each quarter at an amount equal to the distribution of the state appropriated quarterly amounts from NRCTC to BSC as follows: First Quarter (20%) \$431,629; Second Quarter (22%) \$474,793; Third Quarter (25%) \$539,537; and Fourth Quarter (33%) \$712,188.

GRANTS AND CONTRACTS

Operations:

Grants and contracts for operations will continue to support each institution as is permissible under the grant policies, guidelines and procedures. It is understood that this is expected to change over time and each institution should be evaluating ways to provide for these services and funds without any interruption of services at either institution. It is understood that the funding level of the grants and contracts will change and adjustments will be made based upon the funding allocations. The funds currently identified, but not all inclusive, are: Title III; Educational Opportunity Center; Student Support Services; Veterans Upward Bound; Perkins Act Vocational; Appalachian Community Connections; Bluefield and Princeton Hospital Nursing funds; WVBRIN; Aquaculture; and No Child Left Behind.

Student Financial Aid:

Student financial aid will continue to be awarded and processed based upon the granting agency as it relates to federal, state, or private funds. The participation agreement with the Federal Department of Education will be adhered to by both institutions, as well as all other policies, guidelines, etc. Federal funds include: Pell Grant; Supplemental Education Opportunity Grant; Federal Work Study; and the Direct Loan program. State funds include: WV Higher Education Grant; Promise Scholarship; Higher Education Adult Population Grant; Engineering and Science and Technology Grant; Veterans Grant; WV Rehabilitation Services Award; WV Worker Compensation Award; WV National Guard; etc.

Private funds dedicated to scholarships are almost entirely awarded to Bluefield State College. In order to ensure that student needs and prior commitments are met, BSC will honor all privately funded scholarships to NRCTC students that are currently enrolled or enrolled for the Fall 04 semester. This commitment will continue for the length of time the student is continuously enrolled, as it relates to the original terms and conditions of the scholarships.

Book loans have previously been allocated to NRCTC from BSC emergency loan funds as allocated from previous donors. These funds will continue to be available for 2004-05FY to ensure that student's needs are met. During the year, NRCTC will seek funds for this purpose.

Institutional (formerly BOD) tuition waivers will be awarded and distributed based upon guidelines of the Higher Education Policy and/or WV Council for Community and Technical College Education. Adjustments may be considered for those students on the Bluefield State

campus as it relates to Athletics, and will be determined by separate agreement between the two institutional Presidents.

STUDENT FEES

Student Educational and General Fees:

Student educational and general fees will be collected and receipted into the institution of which the student is enrolled. NRCTC students on the Bluefield campus will be assessed the same amount for student activity fees as BSC students on the Bluefield campus and these students have the full access to the same services and activities as BSC students on the Bluefield campus. These funds will be deposited into NRCTC accounts and then regularly transferred to the appropriate BSC student activity accounts. BSC students on the Greenbrier Valley and Nicholas county campuses will be assessed the NRCTC student activity fees, deposited into Bluefield accounts, and then transferred to the appropriate NRCTC accounts.

System Capital Fees:

System capital fees will be collected and deposited into the institution of which the student is enrolled. NRCTC capital fees will then be transferred to the BSC capital fee account. This will ensure all previous bond covenants are maintained and is based upon guidelines as established by the Higher Education Policy Commission. This amount is estimated to be \$431,000.

Student Auxiliary Fees:

Student auxiliary fees will be assessed to those students on the Bluefield campus, whether BSC or NRCTC students. These fees include Student Union and Athletic fees. The fees collected from NRCTC students will be deposited into an NRCTC account and then regularly transferred to BSC auxiliary accounts. This amount is estimated to be \$ 66,200.

Special Fees and Charges:

Special fees and charges will be assessed to those students as approved for the specific purpose and deposited into the institution of the student. These revenue collections will be evaluated as they relate to the institution providing the service and related to the institution which the student is enrolled. Some adjustments may be necessary, such as lab fees, and if adjustments necessary, will be agreed upon by both institutional Presidents before such transfer occurs.

BOOKSTORE

The bookstore is an auxiliary enterprise of BSC, managed by BSC, and services provided at varying times on the Bluefield campus, Greenbrier Valley campus, Nicholas County campus, and Beckley campus. Revenue receipted at any location for bookstore operations will be deposited directly into the BSC Bookstore account.

OTHER COLLECTIONS

Other revenues collected will be receipted into the institution generating the funds.

Other unresolved items in the revenue generation process will be evaluated and agreed upon by both institutional Presidents or their designees. If unable to be resolved, the Chairman of the Board of Governors will be consulted.

EXPENDITURES

Educational and General:

Educational and General Funds include instructional, academic support, student services support, institutional support, operations and maintenance of plant, and public service. The amount contracted from NRCTC to BSC in this category is \$ 2,560,897. The state funded amounts of \$ 574,398 will be transferred quarterly per the state expenditure schedule is allotted (20% first quarter, 22% second quarter, 25% third quarter, and 33% fourth quarter, or if funds are not available and would create a cash flow issue, then as funds are available, but no more than the percentages outlined above). The amount of \$1,986,499 will be transferred from educational and general fees, beginning in September, and \$ 198,650 monthly. Should a cash flow issue evolve, monthly payments may be delayed, but all transactions must be complete no later than June 30, 2005. In addition, the amount contracted from BSC to NRCTC in the educational and general category is \$ 240,382, based upon the same percentage as indicated above. These funds will be transferred quarterly, in equal payments of \$60,096 from BSC to NRCTC.

The following is a brief summary of the basis for the educational and general costs:

Instructional costs are based upon the institution at which the student is enrolled. Faculty costs and instructional current expenses are based upon who the faculty taught in the previous academic year, and apportioned by percentage, to the two institutions. For adjunct faculty, an expense to expense document will be processed in the state FIMS system, based upon actual current year costs, and the institution at which the student is enrolled. For this document these costs are not included, and will be processed at the end of each fall and spring term.

Academic support, student services support, institutional support, public services, and operations and maintenance of plant are based upon the services provided to the students at the four different locations of NRCTC and BSC (campus locations at Bluefield, Lewisburg, Beckley, and Summersville). Each campus has a different makeup of NRCTC and BSC students and this factor at each location was considered in determining the contracted services for each institution, as well as overall administrative services which are primarily based upon the total student makeup of each institution (53.62% BSC and 46.38% NRCTC).

Grants and Contracts:

Expenditure of grants and contracts funds for operations and student financial aid will continue as indicated above.

Capital Fees:

Capital fees support the operations of the facilities at all locations, day to day maintenance repairs, as well as larger deferred maintenance costs. Funds collected from all students will continue to support bond indebtedness, and to offset maintenance costs at all locations. In addition, leasing costs for the Beckley campus and three months of Nicholas County campus will be paid from capital fees.

Bookstore Auxiliary Operations :

BSC will pay \$10,000 to NRCTC for co-ordination of book orders, graduation announcements, etc. This amount will be paid the first quarter and last quarter of FY05, equal installments of \$5,000.

AGREEMENT REGARDING CONTINUED FLEXIBILITY

The amounts above are intended to be a basis to continue operations at all locations for Bluefield State College and New River Community and Technical College of Bluefield State, and can be adjusted within a nonmaterial amount as agreed upon by both institutional Presidents. Also, should either institution experience a cash flow problem within the fiscal year, funds may be “borrowed” from either, if all efforts are exhausted at its own institution, but all funds must be reimbursed by the fiscal year end of June 30, 2005.