West Virginia Council for Community & Technical College Education

AGENDA

January 25, 2018
9:30 am

Members

Robert Brown, Chair
Clarence Pennington, Vice Chair
William Baker
Kenneth Boggs
Christina Cameron
Kathy D'Antoni
Michael Farrell

Tracy Miller
Charles Parker
Steve Roberts
John Sorrenti
Woody Thrasher
Harry Keith White

Sarah Armstrong Tucker, Chancellor
Directions to the Advanced Technology Center of South Central West Virginia
1201 Science Park Dr. South Charleston, WV 25303

**Arriving from the EAST on I-64**
(after leaving Charleston)
1. At I-64 exit 55, take Ramp (RIGHT) toward Kanawha Turnpike
2. Stay on Kanawha Turnpike [CR-12]
3. After about 0.5 mile, turn LEFT into the West Virginia Regional Technology Park (3300 Kanawha Turnpike)

**Arriving from the WEST on I-64**
(approaching Charleston):
1. At I-64 exit 54, turn RIGHT onto Ramp towards US-60 / MacCorkle Ave / South Charleston
2. Keep RIGHT to stay on Ramp towards US-60
3. Bear RIGHT (East) onto US-60 [MacCorkle Ave SW], then immediately turn RIGHT (South-East) onto SR-601 [Jefferson Rd]
4. After 0.5 mile, bear left at the traffic light onto Kanawha Turnpike [CR-12]
5. Continue straight (0.1 mile) through the next traffic light on Kanawha Turnpike
6. After about 0.5 mile, turn RIGHT into the West Virginia Regional Technology Park (3300 Kanawha Turnpike)
I. Call to Order

II. Approval of Minutes
   A. *Approval of December 7, 2017 and December 29, 2017 Meeting Minutes.....................................pg 6

III. Advisory Council of Faculty Briefing

IV. Academic Affairs
   A. *Post Audit Reviews.................................................................pg 13

V. Finance and Facilities
   A. *Revisions to Legislative Rule, Series 12, Capital Project Management, and Submission to Secretary of State and the Legislative Oversight Commission on Education Accountability as Agency Approved.................................................................pg 18

VI. General
   A. *Technical Program Development Grant Awards at Blue Ridge Community and Technical College........................................................................................................pg 56

   B. Review of Comments Received for Legislative Rule, Series 55, Human Resources Administration...............................................................................................................................pg 57

VII. Information
   A. Partnership between Blue Ridge Community and Technical College and Proctor & Gamble
B. Higher Education Report Card Presentation ................................................................. pg 85

C. Comprehensive Financial Aid Report ................................................................................ pg 86

D. Legislative Update

VIII. Additional Board Action and Comments

IX. Upcoming Meeting

Location: Advanced Technology Center, South Central West Virginia
South Charleston, WV
Date: April 19, 2018
Time: 9:30 a.m.

X. Adjournment
A meeting of the West Virginia Council for Community and Technical College Education was held on December 7, 2017, beginning at 9:30 a.m. at the Advanced Technology Center, South Central West Virginia, located in South Charleston, West Virginia. Council members present were: Bill Baker, Kenneth Boggs, Robert Brown, Tracy Miller, Charles Parker, Steve Roberts, John Sorrenti, and Harry Keith White. Council members absent were: Christina Cameron, Kathy D’Antoni, Mike Ferrell, Clarence Pennington, and Woody Thrasher. Also in attendance were Council staff, community and technical college presidents, faculty, staff, students, and guests.

Call to Order

Chairman Brown called the meeting to order and noted that a quorum was present.

1. Approval of Minutes

Mr. Parker moved the adoption of minutes from the October 12, 2017, October 23, 2017, and October 30, 2017, meetings of the West Virginia Council for Community and Technical College Education.

Mr. Boggs seconded the motion. Motion carried.

2. Advisory Council of Students Annual Presentation

Julia Fournier, Advisory Council of Students Vice Chairman, provided an overview of the Advisory Council. Ms. Fournier highlighted goals of the Council to improve particular areas in today’s changing education. These goals include:

- Technology
- Recruitment
- Retention
- Student Life

3. Advisory Council of Classified Employees Annual Presentation

Amy Pitzer, Advisory Council of Classified Employees (ACCE) Chairman, provided an overview of the Advisory Council and highlighted issues and concerns that include:

- Public Employee Insurance Agency (PEIA) Coverage
Rising premiums and deductibles
- Decreasing medical and prescription coverage

- Proposed Series 55, *Human Resources Administration*
  - ACCE feels it wasn’t given adequate time to review changes in the personnel policy prior to submission to the West Virginia Council for Community and Technical College Education for 30-day public comment period. Ms. Pitzer stated that comments from the ACCE will be provided during the public comment period. Chairman Brown stated those comments would be carefully considered before the rule is moved forward to the Legislative Oversight Committee on Education Accountability for consideration.

- Unified Agenda
  - There is a consensus among employees on the ACCE (which includes both four- and two-year employees) that there should be a unified agenda going into the upcoming legislative session.

**Finance and Facilities**

4. **Fiscal Year 2017 Consolidated Audit Presentation**

   Mr. Roberts moved the adoption of the following resolution:

   RESOLVED, That the West Virginia Council for Community and Technical College Education accepts the audit of the Council’s Combined Financial Statements for the Fiscal Year ended June 30, 2017.

   Mr. Baker seconded the motion. Motion carried.

5. **Revisions to Legislative Rule, Series 12, *Capital Project Management*, for 30-Day Public Comment Period**

   Mr. Sorrenti moved the adoption of the following resolution:

   RESOLVED, The West Virginia Council for Community and Technical College Education approves the proposed revisions to Legislative Rule, Series 12, Capital Project Management, for submission to the Secretary of State for a thirty-day public comment.

   FURTHER RESOLVED, That staff is instructed to file the Legislative Rule with the Legislative Oversight Commission on Education Accountability for approval and further legislative action if no substantive comments are received.

   Ms. Miller seconded the motion. Motion carried.
6. **Capital Project Priorities Fiscal Year 2019**

Mr. Roberts moved the adoption of the following resolution:

RESOLVED, That the West Virginia Council for Community and Technical College Education approves the prioritized capital project list in for Fiscal Year 2019 and directs staff to report the capital project priorities to the Legislative Oversight Commission on Education Accountability in January 2018, as required by state law.

Ms. Miller seconded the motion. Motion carried.

General

7. **Approval of New Legislative Rule, Series 55, Human Resources Administration, for 30-Day Public Comment Period**

Mr. Sorrenti moved the adoption of the following resolution:

RESOLVED, That the West Virginia Council for Community and Technical College Education approves Series 55, Legislative Rule, Human Resources Administration, to be filed with the Secretary of State for a thirty-day public comment period.

FURTHER RESOLVED, That staff is instructed to forward the legislative rule to the Legislative Oversight Commission on Education Accountability for approval and further legislative action at the conclusion of the comment period if no substantive comments are received.

Mr. Boggs seconded the motion. Motion carried.

Information Items

8. **Tech Hire Grant Update from BridgeValley Community and Technical College**

Carol Perry, Program Director for BridgeValley Community and Technical College’s Tech Hire grant program, provided the Council with an update on the grant’s progress, specifically, with workforce development.

9. **Academic Readiness Report**

Chris Treadway, Senior Director of Research and Policy, detailed for the Council the results of this year’s Academic Readiness Report. The report focuses specifically, on student preparation and college success indicators concerning the critical transition period from high school to college. It provides information for the 2016 cohort of West Virginia freshmen at each postsecondary institution. The report also details the percent of students meeting the ACT college readiness
benchmarks, and the average composite ACT score, and percent of students requiring developmental education in different subjects from each West Virginia county and high school.

Executive Session

Mr. Parker moved that the Council go into Executive Session in accordance with West Virginia Code §6-9A-4 to discuss a presidential contract and compensation at Southern West Virginia Community and Technical College and possible litigation.

Mr. Roberts seconded the motion. Motion carried.

Following Executive Session, the Council reconvened in open session and the following action was taken:

10. Presidential Contract and Compensation at Southern West Virginia Community and Technical College

Mr. Sorrenti moved that the proposed presidential contract be rejected as presented and that the Chancellor be given authority to collaborate with the representative from SWVCTC to review and revise the contract in accordance with discussion held in Executive Session and bring the revised contract back to the Council for consideration.

Mr. Boggs seconded the motion. Motion carried.

Other Comments

Councilman Sorrenti requested that a letter signed by Chancellor Tucker and Chairman Brown be sent to West Virginia State Superintendent of Schools Steve Paine, declaring support for his “Gold Collar Jobs” project which challenges the state’s educators to achieve an equal balance between college preparation courses and career and technical courses “as half of the jobs needed in the future will require technical training and not advanced college degrees”.

Adjournment

There being no further business the meeting was adjourned.

Upcoming Meetings

Location: Advanced Technology Center, South Central West Virginia
South Charleston, WV
Date: January 25, 2018
Time: 9:30 a.m.
Robert Brown, Chairman

William Baker, Secretary
A conference call meeting of the West Virginia Council for Community and Technical College Education was held on December 29, 2017, beginning at 9:30 am and originating from the Council’s Central Office in Charleston, West Virginia. Council members present were: William Baker, Kenneth Boggs, Robert Brown, Christina Cameron, Michael Farrell, Tracy Miller, Clarence Pennington, Steve Roberts, and John Sorrenti. Absent were: Kathy D’Antoni, Charles Parker, Woody Thrasher, and Harry Keith White. Also in attendance were Chancellor Sarah Tucker, Dr. Bob Gunter, President of Southern West Virginia Community and Technical College and Howard Seufer, Chairman, Board of Governors at Southern West Virginia Community and Technical College.

Call to Order

Chairman Brown called the meeting to order and noted that a quorum was present.

Executive Session

It was noted for the record that the Council elected to remain in open session for the following item:

1. Presidential Contract and Compensation at Southern West Virginia Community and Technical College

Mr. Baker moved the adoption of the following resolution:

RESOLVED, That the West Virginia Council for Community and Technical College Education approves compensation and contract changes for Dr. Robert Gunter as President of Southern West Virginia Community and Technical College as proposed by the institutional board of governors.

Mr. Roberts seconded the motion. Motion carried.

Adjournment

There being no further business the meeting was adjourned.
Next Meeting

Location: Advanced Technology Center, South Central West Virginia
          South Charleston, WV
Date: Thursday, January 25, 2018
Time: 9:30 am

___________________________________
Robert Brown, Chairman

___________________________________
William Baker, Secretary
ITEM: Post Audit Reviews

INSTITUTIONS: Eastern West Virginia Community and Technical College, New River Community and Technical College, West Virginia Northern Community College, and West Virginia University at Parkersburg

RECOMMENDED RESOLUTION: Resolved, That the West Virginia Council for Community and Technical College Education receives the post-audit report for the occupational program at West Virginia Northern Community College and follow-up reports from Eastern West Virginia Community and Technical College, New River Community and Technical College, and West Virginia University at Parkersburg, and recommends that the programs be subject to the recommended actions as noted.

STAFF MEMBER: Mark Stotler

BACKGROUND:

Series 11 of the Council for Community and Technical College Education rules, Degree Designation, General Education Requirements, New Program Approval, and Discontinuance of Existing Programs, includes the following provisions:

- New occupational programs at community and technical colleges may be implemented without approval by the Council.
- Three years after the date of implementation of the occupational program, the Council will conduct a post-audit review of the program.
- After completion of the post-audit review, should there be a recommendation for discontinuance of the program, the Chancellor shall make such recommendation to the Council for action.

One full post-audit was submitted for review and is recommended for continuation with a follow-up report. The summary that follows provides the rationale for the follow-up request. In addition, four follow-up reports were submitted including one for the Physician Assistant program at New River Community and Technical College that is under the threat of losing its accreditation.
The post-audit reports are designed to discern if programs are academically sound, viable, and addressing documented needs. The post-audit and follow-up reports with accompanying recommendations are summarized on the following pages.
Goals/Objectives: The program was designed to prepare health science students for an independent career as a nationally certified Patient Care Technician or as a basic step toward a 2-year degree in the health sciences programs offered at West Virginia Northern.

Curriculum/Mode of Delivery: The curriculum includes two primary courses. One course prepares students for the Nursing Assistant-Direct Care Worker role in the health care setting. A second course prepares students for the phlebotomist and EKG technician role in a health care situation. All students complete an extensive preceptor externship in a healthcare facility under the indirect supervision of faculty. All courses are offered on campus or in a clinical setting. The program is 30 credit hours in length and includes three hours of English and three hours of math.

Enrollment/Graduates: The program has produced 98 graduates and has an average annual enrollment of 262 students. Specific placement information regarding certificate graduates was not provided. The program is working on enhancing its assessment efforts by developing a graduate survey and graduate employment survey. Graduates are eligible to take the following exams: 1) Direct Care Worker Certification (Pennsylvania) with separate certifications in Phlebotomy and EKG and 2) Patient Care Technician Certification Exam.

Assessment: Program assessment is currently based on graduation rates and certification exam pass rates. The audit does not provide evidence of an assessment plan. The program has had an average graduation rate of 68 percent. The passage rate on the national exam has averaged 85 percent.

Faculty: The program is served by a full-time temporary coordinator and two adjuncts. All faculty have nursing degrees and the coordinator has a Master’s degree in Community Health Education.

Advisory committee: The audit states that the advisory committee consists of the program coordinator and the two adjuncts. It further acknowledges that this is an area that needs to be addressed and improved.

Financial: Annual expenditures are offset by the student purchase of a “PCT Bag” in the bookstore. This is an expensive purchase but allows the students to have practice requirements that is approved by financial aid. An additional “Phlebotomy Bag” is being discussed. Department resources are still needed to assist with instruction and individual practice. An option to share equipment and other costs with the Nursing program is being explored.
Accreditation: No accreditation is available; however, the program and curriculum is approved by the National Healthcare Association.

Recommendation/comments: The program is recommended for continuation; however, a follow-up report is requested by August 15, 2018 that addresses the following items:

- An enhanced program assessment plan that includes a graduate survey, information on graduate employment, and an employer satisfaction survey. The follow-up should indicate how assessment results are used for program improvement.

- Provide information on job placement or admission into associate degree programs.

- Provide evidence that the advisory committee has been expanded to include external constituents and indicate how the committee has been utilized.

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POST-AUDIT FOLLOW-UP REPORTS

Eastern West Virginia Community and Technical College

CAS Allied Health

Council request: Address the outcome of students not accepted into the Nursing program and what allied health jobs the CAS graduates are prepared for.

College response: Seventy-five percent of the 24 graduates are either continuing their education in nursing or in a health related program. The program has improved skills of students as they prepare for the nursing program. Students are being employed as CNAs, residential care workers, and medical office support positions.

Recommendation: Accept

New River Community and Technical College

AAS Physical Therapist Assistant

Council request: Information on the licensure pass rate of the current student cohort.

College response: The passage rate of the most recent cohort is 80 percent (the accrediting body requires 85 percent). In this cohort, three students failed and three graduates did not sit for the exam. It is anticipated that the required passing rate will be achieved once these six students sit for the exam in January 2018.
In late October 2017, action was taken by the accrediting body to withdraw accreditation with an effective date of December 9, 2017; however, the action has not yet been finalized. The college is taking necessary steps to address this action and is seeking a reversal of the decision. Should the decision not be reversed, the college will consider an appeal. A reconsideration by the accrediting body to either reverse or maintain the accreditation action will take place in late spring 2018.

**Recommendation:** New River must notify the Council of the accrediting body’s decision in late spring 2018 of its action to reverse or maintain the decision to withdraw program accreditation.

- **AAS Social Services**

  **Council request:** Provide evidence of how assessment results are used.

  **College response:** Students are expected to complete classroom skills in independent practice, which is accomplished in a 100-hour internship in a community agency. This experience provides evidence that classroom learning is relevant. Feedback is collected from student review forms on a semester basis as well as from community service agency supervisors that host the internships.

  **Recommendation:** Accept

- **West Virginia University at Parkersburg**

  - **CAS Criminal Justice**

    **Council request:** Indicate: 1) how computational skills are addressed in the curriculum; 2) provide evidence of the existence and utilization of a program advisory committee, and 3) provide evidence of the value of the CAS degree for employment.

    **College response:** As part of an institutional realignment of curriculum, the Criminal Justice program submitted and received approval to require a math course in the first semester of the CAS degree beginning with the fall 2017 semester. The program requires the completion of MATH 120 Quantitative Literacy or a higher level math course.

    An advisory committee serves all three levels of the Criminal Justice program (CAS, AAS, and BAS). The committee consists of 13 members from the local criminal justice community. The committee meets annually in December.

    The CAS degree is the first level college credential of the career ladder approach. While few students who earn only the CAS enter the workforce immediately, a majority of students continue on in the AAS and BAS degree programs.

    **Recommendation:** Accept
ITEM: Revisions to Legislative Rule Series 12, Capital Project Management

INSTITUTIONS: All

RECOMMENDED RESOLUTION: Resolved, That the West Virginia Council for Community and Technical College Education approves Series 12, Capital Project Management, as revised and directs staff to submit it to the Secretary of State and to the Legislative Oversight Commission for Education Accountability as agency approved.

STAFF MEMBER: Rich Donovan

BACKGROUND:

Series 12, Capital Project Management, is the legislative rule that establishes the West Virginia Higher Education Policy Commission’s (“Commission”) and the West Virginia Council for Community and Technical College Education’s (“Council”) policy for development of a state-level facilities plan and a funding mechanism for the public institutions of higher education, except for those institutions defined by West Virginia Code as “exempted schools.” The exempted schools are West Virginia University, including Potomac State College of West Virginia University and West Virginia University Institute of Technology; Marshall University; and the West Virginia School of Osteopathic Medicine.

Series 12 was revised and updated as the result of changes made in West Virginia Code §18B-19 by House Bill 2815 that was adopted during the 2017 legislative session. The Council approved the revised rule at its December 7, 2017 meeting and filed it with the Secretary of State for public comment as required by state law. The Commission also approved the same updates and revisions to Series 12 and filed its rule with the Secretary of State for public comment. The Commission subsequently received a comment during its comment period. There were no public comments received by the Council.

In response to the comment received by the Commission, Section 8.3 has been added to Series 12. This section exempts Commission institutions that meet the following requirements from the project management provisions of Sections 8.5 and 8.6:

1. The institution employs at least one Leadership in Energy and Environmental Design (LEED) certified administrator; and
2. The institution employs at least one Certified Facilities Manager (CFM) as credentialed by the International Facility Management Association, or employs at least one Project Management Professional (PMP) as certified by the Project Management Institute.

With respect to the comment concerning the Higher Education Facilities Information System ("HEFIS"), staff could not identify any proposed amendment to Series 12, which in any manner is contrary to legislative intent to develop and maintain HEFIS. The code is fairly detailed in describing what is expected of the Commission and Council in this regard and it specifically states that “Each governing board and any institution under its jurisdiction shall participate and cooperate with the commission and council in all respects in the development and maintenance of the higher education facilities information system.”

Staff believes that Series 12 as it is currently drafted in §133-12-10, complies with West Virginia Code which requires the Commission and Council to jointly develop and maintain a higher education facilities information system to serve as a vehicle for carrying out the following functions:

- Acquisition of statewide data;
- Analysis of space use and classification based on nationally recognized standards and measurements to facilitate comparisons among postsecondary education institutions within the state, the region and the nation; and
- Other purposes as determined by the Commission and Council consistent with facilitating policy analysis without burdening or interfering unnecessarily with the governing boards responsibilities which are placed upon the governing boards.

The commenter may be referring to using HEFIS for “other purposes” as described in the last bullet above when he comments that:

Section 9 relating to the information system was amended expressly to provide that the HEPC should operate its information system “… without burdening or interfering unnecessarily with the governance responsibilities which are placed upon the governing boards.”

Commission and Council staff have no plans to use HEFIS for any other purpose other than the purpose required by Code.

In fact, HEFIS was developed in cooperation with the institutions that volunteered to participate in this effort and opportunities were identified to reduce the burden related to institution reporting requirements for the system's data. As a result, the following features, among others, were incorporated into the system:

1. The system uses property information extracted from the West Virginia Board of Risk and Insurance Management’s data system rather than requiring the institutions to submit the information. Most of the HEFIS data is included in this
2. The system uses data already residing in the institution’s Banner student systems. Commission and Council staff created an application for the institutions to extract the data.

3. The requirement to provide a vehicle for institutions to submit capital appropriation requests to the Commission and Council was satisfied by utilizing the OASIS appropriation request module. OASIS is the state’s financial system and the appropriation request module is used by all state agencies to submit their annual appropriation requests to the State Budget Office.

4. Major capital project information is found and extracted from the institutions’ annual audited financial statement footnotes.

Staff believes that a good-faith effort was made to design HEFIS to minimize the institutions’ reporting burden and to not interfere unnecessarily with the governance responsibilities that are placed upon the governing boards.

Staff recommends approval of the revised Legislative Rule, Series 12, Capital Project Management, so that it may be filed with the Secretary of State as agency approved and presented to the Legislative Oversight Commission for Education Accountability.
§135-12-1.  General.

1.1.  Scope.  This rule establishes the policy for the strategic planning, financing, development, and maintenance of public higher education capital assets.

1.2.  Authority.  West Virginia Code §18B-1-6 and §18B-19-17.

1.3.  Filing Date.  March 31, 2015.

1.4.  Effective Date.  April 30, 2015.

1.5.  Repeal of Former Rule.  Repeals and replaces Title 135 Series 12, Capital Project Management, filed November 20, 2001 and effective December 25, 2001.  Sunset Date.  This rule shall terminate and have no further force or effect upon the expiration of five years from its effective date.

§135-12-2.  Purpose.

2.1.  The purpose of this rule is to provide the West Virginia Council for Community and Technical College Education (Council) and the West Virginia Higher Education Policy Commission (Commission) authority to establish policies and procedures to meet the legislative objective stated in West Virginia Code §18B-1D-3 for the development of a state-level facilities plan and funding mechanism except for the exempt institutions that are not subject to this rule.  The plan and funding mechanism must reduce the obligation of students and parents to bear the cost of higher education capital projects and facilities maintenance.  The implementation of the plan must result in the following outcomes:

   2.1.a.  Development by the Council and Commission of a compact with elected state officials to fund a significant portion of higher education capital project needs from dedicated state revenues;
   
   2.1.b.  Development by the Council and Commission of a system to establish priorities for institution capital projects in a manner that is consistent with state public policy goals for higher education;
   
   2.1.c.  Implementation of facilities maintenance plans by institutions to ensure that maintenance needs are not deferred inappropriately;
   
   2.1.d.  Efficient use of existing classroom and other space by institutions;
   
   2.1.e.  New capital funding is applied effectively to projects that have a demonstrated need for new facilities or major renovations;
   
   2.1.f.  The cost of operating and maintaining the facilities and physical plants of institutions are appropriate for the size and mission of the institution; and
2.1.g. Capital and facilities maintenance planning that gives careful consideration to the
recommendations arising from the committee established by the Joint Committee on Government and
Finance for the purpose of making a specific and detailed analysis of higher education capital project and
facilities maintenance needs.

§135-12-3. Definitions.


3.2. Alteration. Projects addressing changing use of space.

3.3. Asset preservation. Projects that preserve or enhance the integrity of building systems or building
structure, or campus infrastructure.

3.4. Auxiliary enterprise. An entity that exists to furnish goods or services to students, faculty, staff
or others; charges a fee directly related to, although not necessarily equal to, the cost of the goods or
services; and is managed as essentially self-supporting.

3.5. Auxiliary facility. A building or structure that is used for an auxiliary enterprise including, but
not limited to, residence halls, food services, parking, intercollegiate athletics, faculty and staff housing,
student unions, bookstores and other service centers.

3.6. Auxiliary fees. Funds derived from, but not limited to, the following sources:

3.6.a. Parking fees received from any source;

3.6.b. Revenues received from athletic events, including ticket sales, television revenues and
skybox fees;

3.6.c. Bookstore revenues except revenues from bookstore commissions from a private entity,
which must be set aside for non-athletic scholarship funds;

3.6.d. Student union vendor and user fees;

3.6.e. Donations or grants from any external source;

3.6.f. Facility rental fees; and

3.6.g. Fees assessed to students to support auxiliary enterprises.

3.7. Board of Governors. The board of governors of public higher education institutions not defined
as “exempt schools” as defined in this rule.

3.78. Building envelope. Any work done to the exterior of an individual building, including windows,
brick repointing, exterior doors and other exterior components.

3.89. Building systems. Any work done on the mechanical, HVAC, electrical, plumbing, and other
building systems within individual buildings.
3.910. Capital planning. A purposeful activity that focuses attention on long term physical plant objectives which should be accomplished in a logical sequence over time as opportunities arise and resources become available.

3.101. Capital project management. Planning, designing, bidding and providing construction administration and oversight of architectural, engineering and construction contracts and projects.

3.142. Capital projects. The construction or renovation of a fixed asset, including buildings, fixed equipment and infrastructure.

3.13. Confirmation. When used in reference to action by the Commission, means action in which substantial deference is allocated to the governing authority of a governing board under its jurisdiction and the action of the Commission is to review whether the proposed institutional action is consistent with law and established policy.

3.124. Cost. The total dollar amount of a capital improvement including real property acquisition, legal fees, construction and labor, whether consisting of state dollars or alternative third party financing.


3.146. Deferred maintenance. Repair, maintenance and renewal of capital facilities which should be part of normal maintenance management, but which have been postponed to a future budget cycle or until funds become available.

3.157. Economic operations. Projects that result in a reduction of annual operating costs or capital savings.

3.168. Educational and general capital fees. The fees collected from students to pay debt service for capital improvement bonds issued by the Commission and governing boards for educational and general facilities, for the maintenance of those facilities and to fund capital improvements in those facilities on a cash basis.

3.129. Educational and general facility. A building or structure used for instruction and instructional support purposes, and includes classroom, laboratory, library, computer laboratory, faculty and administrative office and other academic support spaces.

3.20. Exempted Schools. West Virginia University, including West Virginia University Potomac State College and West Virginia University Institute of Technology; Marshall University; and the West Virginia School of Osteopathic Medicine.

3.4821. Extraordinary circumstance. A situation involving life-safety issues, issues that would result in extensive damage to a facility if not addressed immediately, any unforeseen opportunity to use external funds, or any other situation the Council or Commission determines should warrant special consideration.

3.4922. Facilities maintenance expenditures. The expenditures for activities related to routine repair and maintenance of buildings and other structures, including normally recurring repairs and preventive maintenance.
Facilities maintenance to capital expenditure ratios. The annual facilities maintenance expenditures divided by the capital expenditures reported in the institution’s annual financial statements capital assets footnote.

Grounds infrastructure. Any work done to the hardscape and softscape on campus. Examples include signage, sidewalks, roads and flower beds.

Governing board, state institution of higher education, and institution under the jurisdiction of the Council or Commission. All state institutions of higher education including Marshall University and West Virginia University and their respective governing boards.

Life-safety. A condition existing on a campus that, if not corrected immediately, would jeopardize the safety and property of students, faculty, staff and the visiting public.

Life/Safety/Code. Code compliance issues and institutional safety priorities or items that are not in conformance with current codes, even though the system is “grandfathered” and exempt from current code.

Maintenance. The work necessary within a budget cycle to realize the originally anticipated life of a fixed asset, including buildings, fixed equipment and infrastructure.

Modernization. The replacement of components before the end of their life expectancy.

New construction. The creation of new stand-alone facilities or the creation of an addition to an existing facility.

Physical plant age ratio. The annual financial statement’s accumulated depreciation divided by depreciation expense. The ratio estimates institutional deferred maintenance as well as the operating efficiency of the existing plant facilities.

Physical plant package. The type of renovation or improvement.

Program improvement. Projects that improve the functionality of space, primarily driven by academic, student life and athletic programs or departments. These projects are also issues of campus image and impact.

Project backlog. The list of capital projects that have not been funded.

Reliability. Issues of imminent failure or compromise to the system that may result in interruption to program or use of space.

Repair/Maintenance. The replacement of components that have failed or are failing, or planned replacement at the end of a component’s life expectancy.

Replacement value. The cost to replace an item on the present market.

Renovation. Enhancements made to restore or renew a building or building component.

Space renewal. Any work done on interior spaces that does not impact any of the building’s core systems. This would include painting, carpet replacement, fixture replacement and furniture renewal.
3.3740. Staffing ratios. The facilities management staffing ratios defined by the American Association of Physical Plant Administrators to calculate facilities performance indicator.

3.3841. State capital funding. Financial resources provided from state government revenues or debt financing exclusive of funds from higher education sources.

3.3942. Synthetic financial products. Financial products that are primarily used to manage interest rate risk or asset/liability balance.

3.403. Transitional. Physical facilities that require a full renovation, adaptive reuse or demolition.

3.414. Utility infrastructure. Projects completed on components of the energy distribution systems outside of the building. This would include steam lines, central plant, water lines and electrical lines and other utility components.

§135-12-4. System Capital Development Planning.

4.1. By December 31, 2014, the Council and Commission shall, jointly or separately, develop a system capital development plan oversight policy for approval by the Legislative Oversight Commission on Education Accountability. This plan oversight policy must include the following constraints:

4.1.a. State capital funding will focus on educational and general capital improvements, not capital projects.

4.1.b. Renovations of existing buildings will generally receive greater consideration for state funding than new construction.

4.1.c. Institutions will fund maintenance and deferred maintenance needs as the Legislature increases funding for new education and general capital improvements and major renovations and supplants existing educational and general debt.

4.1.d. The effect of additional debt loads on students and the financial health of institutions will be considered.

4.1.e. State capital funding and institutional capital fees will be used primarily for maintenance and deferred maintenance needs.

4.1.f. Institutions will not be rewarded with state capital funding if they neglect to address facilities maintenance needs or do not prudently manage their capital resources.

4.2. At a minimum, the system capital development plan oversight policy will include the following:

4.2.a. System goals for capital development.

4.2.b. An explanation of how system capital development goals align with established state goals, objectives and priorities and with system master plans.

4.2.c. A process description of how the Council and Commission will prioritize their recommendations for prioritizing capital projects for state funding based on their ability to further state goals, objectives and priorities and system capital development goals. The following data elements will be used for this process:
4.2.c.1. Physical plant needs segregated by the following asset groups:

4.2.c.1.A. Education and general.
4.2.c.1.B. Auxiliary.
4.2.c.1.C. Transitional.

4.2.c.2. Physical plant needs by project category:

4.2.c.2.A. Repair/ Maintenance.
4.2.c.2.B. Modernization.
4.2.c.2.C. Alteration.
4.2.c.2.D. New Construction.

4.2.c.3. Physical plant investment needs segregated by the following categories:

4.2.c.3.A. Reliability.
4.2.c.3.B. Asset Preservation.
4.2.c.3.C. Program Improvement.
4.2.c.3.D. Economic Operations.
4.2.c.3.E. Life/Safety/Code.
4.2.c.3.F. New Construction.

4.2.c.4. Physical plant package needs segregated by the following categories:

4.2.c.4.A. Building Envelope.
4.2.c.4.B. Building Systems.
4.2.c.4.C. Life/Safety/Code.
4.2.c.4.D. Space Renewal.
4.2.c.4.E. Utility Infrastructure.
4.2.c.4.F. Existing Grounds Infrastructure.
4.2.c.4.G. New Construction.

4.2.d. A building renewal formula to calculate a dollar benchmark that shall be collected annually and invested in facilities to minimize deferred maintenance and to provide the Council and Commission
objective information to determine if the investments in maintenance are occurring. The following components will be included in the formula:

4.2.d.1. A net asset value for each building determined by using the following formula:

$$NAV = \frac{ReplacementValue - ProjectBacklog}{ReplacementValue}$$

4.2.d.2. Space utilization percentage.

4.2.d.3. Square feet.

4.2.d.4. Needs segregated by:

4.2.d.4.A. Asset Group.

4.2.d.4.B. Project Category.

4.2.d.4.C. Investment Needs.

4.2.d.4.D. Physical Plant Package.

4.2.d.5. Funding will be prioritized for each institution in accordance with approved institutional plans.

4.2.d.6. Facility utilization rates will be used to prioritize capital projects across the systems.

4.2.d.7. Institutions with overall net asset values and capacity utilization rates that exceed or equal thresholds set annually by the Council and Commission may request funds for new facilities. If these projects do not replace an existing facility, they would be included in the Program Improvement category.

4.2.d.8. Capital project funds will be distributed to institutions for capital projects in the following investment category order:

4.2.d.8.A. Reliability.


4.2.d.8.C. Asset Preservation.

4.2.d.8.D. Program Improvement.

4.2.d.8.E. Economic Operations.

4.2.d.8.F. New Construction.

4.2.d.9. Institutions may request funding for new facilities that replace aged and obsolete structures. The investment categories will be used to analyze the cost of the improvements resulting from the new construction.
4.2.d.10. An aggregate net asset value percentage change resulting from the proposed funding will be calculated for each institution.

4.2.e. A process for governing boards to follow in developing and submitting campus development plans to the Commission and Council for approval and confirmation by the Commission; and

4.2.f. A process for governing boards to follow to ensure that sufficient revenue is generated for and applied toward facilities maintenance. This process will incorporate the following benchmark comparisons:

4.2.f.1. Facilities maintenance expenditures.
4.2.f.2. Facilities maintenance to capital expenditure ratios.
4.2.f.3. Net Asset Value.
4.2.f.4. Facility staffing ratios.
4.2.f.5. Physical plant age ratios.

4.3. The system capital development plan shall be created in consultation with governing boards and appropriate institution staff. Before approving the system capital development plan, the Council and Commission shall afford interested parties an opportunity to comment on the plan through a notice-and-comment period of at least thirty days. The Commission will approve capital development plans for Council institutions only after the Council has approved these plans.

4.4. The Council and Commission shall update its system capital development plan at least once in each ten-year period.

§135-12-5. Campus Development Plan.

5.1. Each governing board shall update its current campus development plan and submit the updated plan to the Commission or Council for approval or the Commission for confirmation by June 30, 2015. A campus development plan shall be developed for a ten-year period and shall align with criteria specified in the following sources:

5.1.a. The system capital development plan oversight policy;
5.1.b. The institution's approved master plan and compact; and
5.1.c. The current campus development plan objectives.

5.2. Campus development plans are intended to be aspirational; however, an institution's plan shall be appropriate to its size, mission, and enrollment and to the fiscal constraints within which the institution operates. At a minimum the campus development plan shall include the following:

5.2.a. The governing board's development strategy;
5.2.b. An assessment of the general condition and suitability of buildings and facilities using the following data elements:
5.2.b.1. Physical plant needs segregated by the following asset groups:
   5.2.b.1.A. Educational and general.
   5.2.b.1.B. Auxiliary.
   5.2.b.1.C. Transitional.

5.2.b.2. Physical plant package needs segregated by the following by project categories:
   5.2.b.2.A. Repair/Maintenance.
   5.2.b.2.B. Modernization.
   5.2.b.2.C. Alteration.
   5.2.b.2.D. New Construction.

5.2.b.3. Physical plant package investment needs segregated by the following categories:
   5.2.b.3.A. Reliability.
   5.2.b.3.B. Asset Preservation.
   5.2.b.3.C. Program Improvement.
   5.2.b.3.D. Economic Operations.
   5.2.b.3.E. Life Safety/Code.
   5.2.b.3.F. New Construction.

5.2.c.3. Physical plant package needs segregated by the following categories:
   5.2.b.4.A. Building Envelope.
   5.2.b.4.B. Building Systems.
   5.2.b.4.C. Life/Safety/Code.
   5.2.b.4.D. Space Renewal.
   5.2.b.4.E. Utility Infrastructure.
   5.2.b.4.F. Grounds Infrastructure.

5.2.c. An assessment of the impact of projected enrollment and demographic changes on building and facility needs;
5.2.d. A comprehensive list of deferred maintenance projects individually exceeding $75,000 that need to be addressed for each campus by building or facility including an estimated cost for each;

5.2.e. An list analysis as to all of existing buildings and facilities in as to the need of for renovations, additions, demolition or any combination thereof;

5.2.f. A list of major site improvements that are needed, including vehicular and pedestrian circulation, parking and landscaping;

5.2.g. An list analysis of telecommunications, utilities and other infrastructure improvements that are needed;

5.2.h. A delineation of clear property acquisition boundaries that are reasonably appropriate for campus expansion;

5.2.i. A list of proposed new facilities and building sites;

5.2.j. A list of capital projects in priority order;

5.2.k. Estimates of the timing, phasing and projected costs associated with individual projects;

5.2.l. If an institution has multiple campuses within 50 miles of each other, a delineation of how the campuses should interact and support each other to minimize duplication of facilities, improve efficiency and be aesthetically compatible;

5.2.m. A statement of the impact of the plan upon the local community and the input afforded local and regional government entities and the public with respect to its implementation;

5.2.n. An estimate of the plans’ impact on the institution’s capacity utilization, operating costs including depreciation, and projected financial status; and

5.2.o. Any other requirement established by the Council and Commission in these rules.

5.3. Campus development plans shall incorporate all current and proposed facilities, including educational and general and auxiliary facilities.

5.4. At Not later than the next regularly scheduled meeting of the Council or Commission following the fifth anniversary date after the Commission confirms and or the Council approves, as appropriate, the development plan of a governing board, the governing board shall report on the progress made in the first five years to implement the campus development plan for each campus under its jurisdiction. In addition, the governing board shall report on its plans to implement the remaining five-year period of its campus development plan.

5.5. Each governing board shall update its campus development plan at least once during each ten-year period and any update is subject to the approval confirmation of the Commission and or approval by the Council.

5.6. A governing board may not implement a campus development plan or plan update that has not been approved by the Council and Commission, as appropriate. The purchase or acquisition of any property for the construction of a facility that is not included in the campus development plan creates an update to
the campus development plan that must be approved by the Council or Commission prior to its purchase or acquisition.

5.7. Campus development plans that are in progress as of the effective date of this rule are subject to the provisions of the previous capital rule.

§135-12-6. Capital Appropriation Requests.

6.1. The Council and Commission each shall submit a prioritized capital appropriation request annually to the state budget office in accordance with state law consisting of major capital projects and maintenance projects. The dollar value threshold distinguishing major projects from other projects will be set annually by the Council and Commission for their respective institutions.

6.2. The Council and Commission, and governing boards shall use the following process in reviewing and submitting a list of major educational and general capital projects so that a prioritized major capital project list, approved prepared by the Commission in conjunction with the Council may be submitted to the state budget office by the applicable deadline:

6.2.a. The governing board's major capital project list shall be submitted in accordance with timelines established by the Council and Commission and include the following items:

6.2.a.1. Projects identified in the governing board's approved campus development plan or plans. A project may not be included which is not contained in the approved plan, except when extraordinary circumstances otherwise warrant;

6.2.a.2. A current estimate of each project's estimated cost accounting for inflation since completion of the campus development plan and the estimated cost of operation and maintenance and if an existing facility, the estimated cost of repair and renovation, if applicable, of the facility. The size and scope of the project may not change unless the campus development plan has been updated and confirmed or approved as provided in accordance with West Virginia Code §18B-19-4 and section four of this rule; and

6.2.a.3. Any additional information required to be provided by the Council and Commission, or state budget office.

6.2.b. The Council and Commission each shall rank the major capital projects submitted by the governing boards according to priority consistent with the criteria outlined in the system capital development plan. Such criteria shall include but not be limited to the cost of the project, its conformity to the mission of the institution, the future maintenance and operational costs, the cost of any renovation or repair if an existing facility, and other criteria as determined by the Council and Commission.

6.3. The Council and Commission, and governing boards shall adhere to the following process in submitting a list of maintenance projects so that a prioritized maintenance project list, approved by the Council and Commission may be submitted to the state budget office by the applicable deadline.

6.3.a. The Council and Commission shall provide each governing board annually a recommended building renewal calculation that identifies the funds that should be collected and invested in its buildings and facilities during the next fiscal year to maintain them and minimize deferred maintenance.

6.3.b. As soon as the governing board receives the building renewal calculation, each governing board shall make realistic revenue estimates of the funds available for maintenance projects from educational and general capital fees, from auxiliary and auxiliary capital fees and from any other revenue
that may be used for maintenance projects, as well as any anticipated reserves. The governing boards then shall identify and submit to the Council or Commission, proposed major maintenance projects, consistent with its campus development plan or plans, to be funded from these revenues for projects more than $43 million, or $15 million for Marshall University and West Virginia University for institutions subject to oversight by the Commission and $500,000 for those subject to oversight by the Council.

6.3.c. The Council and Commission each shall report to the Legislative Oversight Commission on Education Accountability on the revenue available to governing boards for educational and general and auxiliary maintenance projects, as well as any shortfalls based on building renewal formula calculation, and major maintenance projects that institutions propose to undertake during the upcoming fiscal year.

6.3.d. The Council and Commission shall work with institutions under their respective jurisdiction to ensure that adequate funds are generated to fund maintenance and build adequate reserves from educational and general and auxiliary capital fees and other revenue consistent with the building renewal formula.

§135-12-7. Capital Project Financing.

7.1. The Commission and governing boards, jointly or singly, may issue revenue bonds for capital project financing in accordance with West Virginia Code §18B-10-8.

7.2. A governing board may seek funding for and initiate construction or renovation work in excess of $1 million only for projects contained in a confirmed or approved campus development plan.

7.3. A governing board may fund capital improvements on a cash basis, through bonding or through another financing method that is approved by the Council or Commission.

7.3.a. If the cost of an improvement project for any institution, except Marshall University or West Virginia University, exceeds $1 million, the governing board first shall obtain the approval of the Commission or Council, as appropriate. If the cost of an improvement project for Marshall University or West Virginia University exceeds $15 million, the governing board shall first obtain the approval of the Commission. In determining cost, all dollars associated with the project, whether state or private funds, will be calculated. Subject to the provisions of this section, the governing board will submit a completed Financial Feasibility Study in the format required by the Council or Commission sixty days in advance of the deadline for submitting agenda items to the Council or Commission (Appendix A).

7.3.b. Each institution will establish a Debt Policy to ensure that debt is prudently used to meet the goals of institutional strategic and capital plans. The policy will include the following components:

7.3.b.1. Debt Structure.

7.2.b.2. Debt Ratios.

7.2.b.3. Synthetic Financial Products.

7.3.c. Prior to approving bonding or any alternative financing method, the Council or Commission, as appropriate, shall evaluate the following issues:
7.3.c.1. The institution's debt capacity and ability to meet the debt service payments for the full term of the financing;

7.3.c.2. Compliance with the institution’s debt policy;

7.3.c.3. The institution's capacity to generate revenue sufficient to complete the project;

7.3.c.4. The institution's ability to fund ongoing operations and maintenance;

7.3.c.5. The impact of the financing arrangement on students; and

7.3.c.6. Any other factor considered appropriate.

7.4. A governing board shall notify the Joint Committee on Government and Finance at least thirty days before beginning construction or renovation work on any capital project in excess of $1 million.

7.5. The Council and Commission may pledge all or part of the fees of any or all state institutions of higher education as part of a system bond issue.

7.6. Any fee or revenue source pledged prior to the effective date of this section for payment of any outstanding debt remains in effect until the debt is fully repaid or refunded.


8.1. The Council and Commission, and governing boards shall ensure that capital funds are spent appropriately and that capital projects are managed effectively. Project management shall be conducted in all respects according to sound business practices and applicable laws, and rules.

8.2. The Commission shall employ a sufficient number of competent facilities staff experienced in capital project development and management that is suitable for the number, size and complexity of the capital projects being managed. By December 31, 2013, and continuing thereafter, at least one employee shall be Leadership in Energy and Environmental Design (LEED) certified.

8.3. A governing board under the jurisdiction of the commission is exempt from the provisions of subsections 8.5 and 8.6 of this rule, and its capital projects management shall be governed by the provisions of subsection 8.4 of this section regardless of the rolling five year construction expenditures, if it meets each of the following criteria:

8.3.a. Employs at least one Leadership in Energy and Environmental Design (LEED) certified administrator; and

8.3.b. Employs at least one Certified Facilities Manager (CFM) as credentialed by the International Facility Management Association or employs at least one Project Management Professional (PMP) as certified by the Project Management Institute.

8.4. An institution that has entered into construction contracts averaging more than $50 million over the most recent rolling five-year period is responsible for capital project management at that institution if it meets the following additional conditions:

8.4.a. The governing board shall employ a facilities staff experienced in capital project development and management that is suitable for the number, size and complexity of the capital projects
being managed and, by December 31, 2013, and continuing thereafter, at least one of these employees shall be Leadership in Energy and Environmental Design (LEED) certified;

8.34.b. The governing board shall promulgate and adopt a capital project management rule in accordance with West Virginia Code §18B-1-6 which is consistent with the capital management rules of the Commission and Council. The capital project management rule shall include at least the following items:

8.34.b.1. Delineation of the governing board's responsibilities with respect to capital project management and the responsibilities delegated to the institution's president;

8.34.b.2. A requirement for the use of the state's standard contract documents for architectural, engineering, construction, construction management and design-build services as appropriate to a particular project;

8.34.b.3. The governing board's requirements for the following procedures:

8.34.b.3.A. Monitoring and approving project designs to ensure conformance with the state and system goals, objectives and priorities and the governing board's master plan, compact and campus development plan;

8.34.b.3.B. Approving project budgets, including a reasonable contingency reserve for unknown or unexpected expenses and for bidding;

8.34.b.3.C. Approving architectural, engineering and construction contracts exceeding an amount to be determined by the governing board;

8.34.b.3.D. Approving contract modifications and construction change orders; and

8.34.b.3.E. Providing a method for project closeout and final acceptance of the project by the governing board.

8.34.c. The institutional capital project management rule shall be filed with the Commission no later than one hundred eighty days following the effective date of this rule required of the Commission and Council in West Virginia Code §18B-19-17.

8.34.d. The Commission may review or audit projects greater than $5 million periodically to ascertain that appropriate capital project management practices are being employed.

8.45. For institutions that have entered into construction contracts averaging at least $20 million, but not more than $50 million, over the most recent rolling five-year period:

8.45.a. The governing board, with assistance as requested from the Commission, shall manage all capital projects if the governing board meets the following conditions:

8.45.a.1. Employs at least one individual experienced in capital project development and management; and

8.45.a.2. Promulgates and adopts a capital project management rule in accordance with West Virginia Code §18B-1-6 that is approved by the Commission. The capital project management rule
may be amended at the discretion of the governing board, but amendments shall be submitted to the Commission for review and approval before becoming effective.

8.45.b. The capital project management rule of the governing board shall include at least the following items:

8.45.b.1. Delineation of the governing board's responsibilities with respect to capital project management and the responsibilities delegated to the institution's president;

8.45.b.2. A requirement for the use of the state's standard contract documents for architectural, engineering, construction, construction management and design-build services as appropriate to a particular project; and

8.45.b.3. The governing board's requirements for the following procedures:

8.45.b.3.A. Monitoring and approving project designs to ensure conformance with the state and system goals, objectives and priorities and the governing board's master plan, compact and campus development plan;

8.45.b.3.B. Approving project budgets, including a reasonable contingency reserve for unknown or unexpected expenses and for bidding;

8.45.b.3.C. Approving architectural, engineering, construction and other capital contracts exceeding an amount to be determined by the governing board;

8.45.b.3.D. Approving contract modifications and construction change orders; and

8.45.b.3.E. Providing a method for project closeout and final acceptance of the project by the governing board.

8.45.c. If an institution does not meet the provisions of this subsection, the Commission shall manage all capital projects exceeding $1 million.

8.45.d. The Commission staff shall review and audit periodically all projects greater than $1 million to ascertain that appropriate project management practices are being employed. If serious deficiencies are identified and not addressed sufficiently within ninety days, Commission staff may assume management of all projects. Institutions must inform the Commission of any decisions to undertake a capital project in excess of $1 million.

8.56. For institutions that have entered into construction contracts averaging less than $20 million over the most recent rolling five-year period and for all community and technical colleges, the Council and Commission shall manage capital projects exceeding $1 million. The following procedures shall be utilized in the planning, development and execution of capital projects:

8.56.a. After review and recommendation by the governing board, the Council and Commission shall monitor and if acceptable, approve project designs to ensure conformance with the state and system goals, objectives and priorities and the governing board's master plan, compact and campus development plan;
8.56.b. After review and recommendation by the governing board, the Council and Commission shall, if acceptable, approve project budgets, including a reasonable contingency reserve for unknown or unexpected expenses and for bidding;

8.56.c. After review and recommendation by the governing board, the Council and Commission shall, if acceptable, approve architectural, engineering, construction and other capital contracts;

8.56.d. After review and recommendation by the governing board, the Council and Commission shall, if acceptable, approve contract modifications and construction change orders; and

8.56.e. After review and recommendation by the governing board, the Council and Commission shall, if acceptable, provide a method for project closeout and final acceptance of the project by the governing board.


9.1. Each governing board shall ensure that facilities under its jurisdiction are maintained and that a listing of any major deferred maintenance projects is provided annually to the Council and Commission.

9.2. Each governing board shall strive to invest annually an amount for maintenance that is consistent with the building renewal formula developed and approved by the Council and Commission and to generate a reserve sufficient to address unexpected maintenance needs.

9.3. The Council and Commission shall determine whether a governing board is devoting sufficient resources for maintenance based on the following criteria:

9.3.a. The amount of maintenance expenditures compared to building renewal formula estimates of appropriate expenditures; and

9.3.b. Periodic evaluations of the conditions of facilities at the institution and its performance and effectiveness in maintaining its facilities.


10.1. The Council and Commission shall develop and maintain a higher education facilities information system. The higher education facilities information system shall serve as a vehicle for carrying out the following functions:

10.1.a. Acquisition of statewide data;

10.1.b. Statewide standardization analysis of space use and classification based on nationally recognized standards and measurements to facilitate comparisons among postsecondary education institutions within the state and in the region and nation; and

10.1.c. Other purposes as determined by the Council and Commission without burdening or interfering unnecessarily with the governance responsibilities which are placed upon the governing boards.

10.2. At a minimum, the higher education facilities information system shall serve the following purposes:
10.2.a. Develop and maintain a statewide inventory of higher education facilities, including those acquired by long-term lease, lease-purchase or other arrangement whereby the institution has long-term beneficial use. The inventory shall include, but is not limited to, the institution and campus location of the facility, the construction date, the original cost, square footage, floor plans, type of construction, ownership status, the purposes for which it is used, the current replacement cost and any other data the Council and Commission considers appropriate;

10.2.b. Develop and maintain an inventory of all rooms within each facility, which includes, but is not limited to, the room number, the square footage, room usage, number of student stations and any other data the Council and Commission considers appropriate;

10.2.c. Provide a vehicle for institutions to submit capital appropriation requests to the Council and Commission;

10.2.d. Provide a vehicle to track the status and cost of institution capital projects from inception to completion, including major maintenance and deferred maintenance projects; and

10.2.e. Provide information on facilities needed to calculate the building renewal formula.

10.3. The Council or Commission, as appropriate, shall establish benchmarks for space use including an analysis of utilization for the fall of each academic year. The benchmarks will calculate density by measuring the number of occupants per 100,000 gross square feet. This calculation will include faculty, staff, students and visitors. Separate calculations will be made for education and general and auxiliary facilities.

10.4. Each governing board and any institution under its jurisdiction shall participate and cooperate with the Council and Commission in all respects in the development and maintenance of the higher education facilities information system.

10.5. The higher education facilities information system may be used for other purposes set forth by the Council and Commission as specified by these rules.

§135-12-11. Authorization to Sell Property; Use of Proceeds.

11.1. The Council, Commission and governing boards each may sell all or part of any real property that it owns, either by contract or at public auction, and retain the proceeds of the transaction provided the following steps are taken:

11.1.a. Providing for property appraisal by two independent licensed appraisers. The property may not be sold for less than the average of the two appraisals;

11.1.b. Providing notice to the public in the county in which the real property is located by a Class II legal advertisement pursuant to West Virginia Code §59-3-2;

11.1.c. Holding a public hearing on the issue in the county in which the real property is located; and

11.1.d. For real property with a proposed sale price of $50,000 or greater, ten days prior to the placement of the Class II legal advertisement, providing written notice to the county commission and municipalities in the county in which the real estate property is located and all members of the legislature; and
11.1.e. In case of the Commission, notifying the Joint Committee on Government and Finance.

11.2. The Council, Commission or a governing board may not lease real property for an annual amount of greater than $50,000 without satisfying the obligations of 11.1.b. through 11.1.e.

11.23. The Council, Commission or a governing board shall deposit the net proceeds from the sale, lease, conveyance or other disposal of real property into a special revenue account in the State Treasury to be appropriated by the Legislature in the annual budget bill for the purchase of additional real property, equipment or technology, or for capital improvements or maintenance at the institution that sold the surplus real property.

11.34. For purposes that further the state goals, objectives and priorities for higher education set out in State code, the Council, Commission and each governing board may lease, as lessor, any real property that it owns, either by contract or at public auction, and retain the proceeds of the lease. The Council, Commission and each governing board may convey, transfer or exchange any real property it owns to any other public body.

§135-12-12. Authorization to Lease-Purchase.

12.1. The Council and Commission may enter into lease-purchase agreements for capital improvements, including equipment, on behalf of, or for the benefit of, a state institution of higher education or the Council or Commission.

12.2. After the Council or Commission has granted approval for a lease-purchase agreement, which is $1.5 million or higher for institutions subject to oversight by the Commission and $500,000 or higher for those subject to oversight by the Council, to a governing board, the board may enter into a lease-purchase agreement for capital improvements, including equipment.

12.3. The governing boards of Marshall University and West Virginia University may enter into lease-purchase agreements without seeking the approval of the Commission.

12.43. A lease-purchase agreement constitutes a special obligation of the State of West Virginia. The obligation may be met from any funds legally available to the Council, Commission or the institution and shall be cancelable at the option of the Commission, Council, or governing board at the end of any fiscal year. The obligation, or any assignment or securitization of the obligation, never constitutes an indebtedness of the State of West Virginia or any department, agency or political subdivision of the state, within the meaning of any constitutional provision or statutory limitation, and may not be a charge against the general credit or taxing powers of the state or any political subdivision of the state. The facts shall be plainly stated in any lease-purchase agreement.

12.54. A lease-purchase agreement shall prohibit assignment or securitization without consent of the lessee and the approval of the agreement as to form by the Attorney General. Proposals for any agreement shall be requested in accordance with the requirements of this section and rules of the Commission. In addition, any lease-purchase agreement that exceeds $100,000 total shall be approved as to form by the Attorney General.

12.65. The interest component of any lease-purchase obligation is exempt from all taxation of the State of West Virginia, except inheritance, estate and transfer taxes. It is the intent of the Legislature that if the requirements set forth in the Internal Revenue Code of 1986, as amended, and any regulations promulgated pursuant thereto are met, the interest component of any lease-purchase obligation also is exempt from the
gross income of the recipient for purposes of federal income taxation and may be designated by the
governing board or the president of the institution as a bank-qualified obligation.


13.1. The Council, Commission and governing boards may lease, or offer to lease, as lessee, any
grounds, buildings, office or other space in the name of the state.

13.2. The Council, Commission and governing boards have sole authority to select and to acquire by
contract or lease all grounds, buildings, office space or other space, the rental of which is required
necessarily by the Council, Commission or institutions.

13.3. Before executing any rental contract or lease, the Council, Commission or a governing board
shall determine the fair market value for the rental of the requested grounds, buildings, office space or other
space, in the condition in which they exist, and shall contract for or lease the premises at a price not to
exceed the fair market value.

13.4. The Council, Commission and each governing board may enter into long-term agreements for
buildings land and space for periods longer than one fiscal year but not to exceed forty years.

13.5. Any lease shall contain, in substance, all the following provisions:

   13.5.a. The Council, Commission or governing board, as lessee, has the right to cancel the lease
           without further obligation on the part of the lessee upon giving thirty days' written notice to the lessor at
           least thirty days prior to the last day of the succeeding month;

   13.5.b. The lease is considered canceled without further obligation on the part of the lessee if the
           Legislature or the federal government fails to appropriate sufficient funds for the lease or otherwise acts to
           impair the lease or cause it to be canceled; and

   13.5.c. The lease is considered renewed for each ensuing fiscal year during the term of the lease
           unless it is canceled by the Council, Commission, or governing board before the end of the then current
           fiscal year.

13.6. The Council, Commission or institution that is granted any grounds, buildings, office space or
other space leased in accordance with this section may not order or make permanent changes of any type
thereto, unless the Council, Commission or governing board has first determined that the change is
necessary for the proper, efficient and economically sound operation of the institution. For purposes of this
section, a "permanent change" means any addition, alteration, improvement, remodeling, repair or other
change involving the expenditure of state funds for the installation of any tangible thing that cannot be
economically removed from the grounds, buildings, office space or other space when vacated by the
institution.

13.7. Leases and other instruments for grounds, buildings, office or other space, once approved by the
Council, Commission or governing board, may be signed by the chief executive officer, or designee, of the
Council, Commission or institution.

13.8. Any lease or instrument exceeding $100,000 annually shall be approved as to form by the
Attorney General. A lease or other instrument for grounds, buildings, office or other space that contains a
term, including any options, of more than six months for its fulfillment shall be filed with the State Auditor.
§135-12-14. Real Property Contracts and Agreements.

14.1. Except as provided elsewhere in the capital projects law, any purchase of real estate, any lease-purchase agreement and any construction of new buildings or other acquisition of buildings, office space or grounds resulting from these transactions, shall be approved by the Council or Commission, and provided to the Joint Committee on Government and Finance for prior review, if the transaction exceeds $1 million.

14.2. Notwithstanding any provision of this rule to the contrary, any acquisition, bequest, donation or construction of new buildings, office space or grounds exceeding $1 million in appraised value or requiring $1 million in repairs and renovation or lease payments over the life of the lease, made or accepted by an institution’s research corporation established by §18B-12 of the West Virginia Code or an affiliated foundation of an institution under the jurisdiction of the Council, shall receive prior approval by the Council.

14.23. The Council, Commission and each governing board shall provide the following to the Joint Committee on Government and Finance:

14.23.a. A copy of any contract or agreement to which it is a party for real property if the contract or agreement exceeds $1 million; and

14.23.b. A report setting forth a detailed summary of the terms of the contract or agreement, including the name of the property owner and the agent involved in the sale.

14.24. The copy and report required by 14.23.b. of this section shall be provided at least thirty days before any sale, exchange, transfer, purchase, lease-purchase, lease or rental of real property, refundings of lease-purchases, leases or rental agreements, construction of new buildings, and any other acquisition or lease of buildings, office space or grounds.

14.25. A contract or agreement that is for the lease purchase, lease or rental of real property, where the costs of real property acquisition and improvements are to be financed, in whole or in part, with bond proceeds, may contain a preliminary schedule of rents and leases for purposes of review by the committee.

14.26. For renewals of contracts or agreements required by this section to be reported, the Council, Commission, or governing board shall provide a report to the Joint Committee on Government and Finance setting forth a detailed summary of the terms of the contract or agreement, including the name of the property owner.

14.27. The Joint Committee on Government and Finance shall meet and review any contract, agreement or report within thirty days of receipt.

14.28. Each governing board shall provide to the Commission or Council a copy of any contract or agreement submitted to the Joint Committee on Government and Finance pursuant to this section.


15.1. A governing board may sell any building that is on unencumbered real property to which the board holds title and may lease back the same building if the governing board obtains approval of the Council or confirmation of the Commission before incurring any obligation. The board shall deposit the net proceeds of the transaction into a special revenue account in the State Treasury to be appropriated by the Legislature for the use of the institution at which the real property is located. Prior to such action, the board shall take the following steps:
15.1.a. Provide for the property to be appraised by two licensed appraisers. The board may not sell the property for less than the average of the two appraisals; and

15.1.b. Providing notice to the public in the county in which the real property is located by a Class II legal advertisement pursuant to section two, article three, chapter fifty-nine of this code;

15.1.c. Holding a public hearing on the issue in the county in which the real property is located;

15.1.d. For real property with a proposed sale price of $50,000 or greater, ten days prior to the placement of the Class II legal advertisement, providing written notice to the county commission and municipalities in the county in which the real estate property is located and all members of the legislature, and

15.1.e. Retain independent financial and legal services to examine fully all aspects of the transaction.

15.2. The sale may be made only to a special purpose entity that exists primarily for the purpose of supporting the institution at which the building is located.

§135-12-16. Construction and Operation of Auxiliary Facilities; Fees for Auxiliary Enterprises.

16.1. A governing board may provide, construct, erect, improve, equip, maintain and operate auxiliary facilities, as defined in section three of this rule for students, employees and visitors on land it owns or leases.

16.2. The cost of construction, erection, improvement or equipment may be paid with the proceeds of revenue bonds authorized by this code or by any other financing method provided in law and approved by the Council or Commission. The issuance of revenue bonds is subject to the approval of the Council or Commission.

16.3. A governing board may engage experts in engineering, architecture and construction and other experts as it considers necessary and may specify the payment and contract terms which are included in the cost of the project.

16.4. A governing board may promulgate and adopt rules and charge fees for use of its facilities. The fees and other amounts charged shall be structured so as to generate funds sufficient for the following purposes:

16.4.a. To maintain payment of the principal of and interest on any revenue bonds, and for reserves for the revenue bonds;

16.4.b. To operate the auxiliary enterprise;

16.4.c. To satisfy annual building renewal formula requirements; and

16.4.d. To build a reserve for major renovation or replacement.

16.4.e. All moneys collected for the use of auxiliary facilities shall be paid to the credit of and expended by the governing board of that institution in accordance with West Virginia Code §18B-10-13.
§135-12-17. Condemnation Generally.

17.1. The Council, Commission, and governing boards each may acquire land or buildings by condemnation for the use and benefit of any state institution under its jurisdiction. A condemnation proceeding conducted pursuant to this section is governed by Chapter 54 of the West Virginia Code.

17.2. The Council, Commission, and governing boards each may condemn any interest, right or privilege, land or improvement, which in its opinion is necessary, in the manner provided by law for the acquisition by this state of property for public purposes. The state is under no obligation to accept and pay for any property condemned and may pay for the property only from the funds provided for that purpose.

17.3. In any proceeding to condemn, the order shall be made by the court having jurisdiction of the suit, action or proceedings. A bond or other security may be required by the court securing the property owner against any loss or damage to be sustained by reason of the state's failure to accept and pay for the property. The bond or security may not impose liability or debt on or of the state as contemplated by the Constitution of the State in relation to state debt.

§135-12-18. Reporting.

18.1. By July 1, 2014 and annually thereafter, the Council and Commission shall annually provide a general status report to the Legislative Oversight Commission on Education Accountability on the progress being made in implementing the state-wide capital development plan and on the progress of the governing boards in implementing the objectives of institutions' campus development plans. The report will include current and proposed projects.

18.2. Beginning November 1, 2016, the governing boards shall report to the Council or Commission on an annual basis their progress in implementing the objectives of institutions' campus development plans. Said reports shall include a copy of the campus development plan and their specific progress in meeting the objectives of the plan. For objectives not met, the institution shall provide a reasonable timeline to meet said objectives and a method to measure their progress in the future toward meeting the objectives.
Appendix A

West Virginia Higher Education Policy Commission
West Virginia Council for Community and Technical College Education

FINANCIAL FEASIBILITY STUDY

This Financial Feasibility Study is being submitted for the following project (must be submitted 60 days in advance of the deadline for submitting agenda items to the Commission or Council):

Submission Date ________________________________

Name of Institution ____________________________________________

Project Name ____________________________________________

Project Amount $ ____________________________

Project Type (check one):

☐ Education & General (E&G) Project
☐ Auxiliary Enterprise Project
☐ Property Acquisition
☐ Public/Private Development or Design/Build
☐ Other (specify):

Proposed Financing Arrangement (check one):

☐ No Debt - Paid from Institution Cash On-Hand or from Reserves
☐ Revenue Bond by Institution
☐ Capital Lease
☐ Alternative Financing Method
☐ Other (specify)

Requested Type of Financing (should not exceed 30 years):

☐ Educational & General (E&G) Capital Fee Financing Amount: $ ____________________________
☐ Auxiliary & Auxiliary Capital Fees Financing Amount: $ ____________________________
☐ Debt secured by revenue stream – identify source and provide Code citation that authorizes the pledge of this revenue stream for issuance of revenue bonds or to incur debt. Amount: $ ____________________________

Prepared by:

Name: ____________________________________________
Title: ____________________________________________
E-mail: ____________________________________________
Telephone No.: ____________________________________________
Fax No.: ____________________________________________
The attached Financial Feasibility Study has been prepared using information and projections believed to be reliable and accurate for the purpose of estimating the demand and affordability of the proposed capital project.

________________________________________
Signature (Chief Financial/Fiscal Officer)

Forward original to:

West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard, East, Suite 700
Charleston, WV 25301
Attn: Richard Donovan
Email: Donovan@hepc.wvnet.edu
Section 1 - General Information – To be completed for all projects.

1. Describe the project in sufficient detail so that an uninformed reader has a clear understanding of the project. Indicate whether the project is new construction, renovation/addition to an existing facility or is property acquisition.

2. Describe how the project is essential to fulfilling the institution's mission. Address the alternatives available if the project is not undertaken.

3. Is the project identified in the institution’s capital appropriation request for this fiscal year? If yes, what is its priority in relation to the other projects? If no, why was it not included and why is being proposed now?

4. Is the project included in the institution’s approved Ten Year Campus Masterplan? If so, what is the priority in relation to other projects in Masterplan and what is the estimated project cost identified in the Masterplan? If it is not included in the Masterplan, why is it being proposed ahead of the projects in approved in the Masterplan?

5. Describe the effect the project will have on those students or users who will financially support the project.

6. Explain how the project will affect the institution's need for student financial aid.

7. Describe the probable effects of the project on the community and environment, including changes to the value of property as a result of the project.

8. Explain how the project and its impact have been conveyed to local officials and their reaction/response.

9. Describe any other positive or negative effects the project may have.

10. Briefly describe the financing proposal. Indicate if this proposal is for a revenue bond financing, a capital lease or lease purchase, or some other less traditional financing arrangement. Indicate anticipate closing date.

11. Are specific revenues planned to support debt service or lease payments? (If so, please complete Section 3.)

   ___ Yes ___ No
12. What impact does the construction of this project have on the institution’s compliance with federal Title IX requirements?

Private Use

13. Will any person or entity other than the institution provide (directly or indirectly) any part of debt service on the portion of the bonds issued for the project? For example, will a private business entity, private foundation or federal agency be required (or expected) to make an annual contribution toward the payment of debt service.

___ Yes ___ No. If yes, please identify the person or entity and the percent of debt service to be provided.

14. Do you anticipate that any person or entity other than the institution will have a contractual right, different from the rights available to the general public or students, to use any part of the project or to use or buy goods or services produced at the project? For instance, have you contracted parking spaces in a parking deck to a nearby corporate office?

___ Yes ___ No. If yes, briefly summarize the planned contractual agreement.

15. Do you contemplate any part of the project being managed or operated by any person or entity other than the institution under a management or service contract, incentive payment or other “privatized” arrangement? Examples include contracts for food service, parking service, dormitory management, bookstore management, etc.

___ Yes ___ No. If yes, summarize the anticipated contractual arrangement (i.e., contract term, renewal options, compensation arrangements, etc.).

Note: These arrangements may impact whether the project is eligible for tax-exempt financing. Once tax-exempt bonds have been issued, entering into this type of contract or arrangement may affect the bond’s tax-exempt status and as a result, could have an adverse affect on the bondholders. So long as the bonds are outstanding, the terms of any such arrangement must be reviewed and approved by the Bond Counsel and the Policy Commission staff prior to the execution of any contract.

Property Acquisition by Purchase, Lease or Lease Purchase

Property acquired by purchase, lease or lease/purchase exceeding $1 million ($15 million for Marshall University and West Virginia University) must be approved in advance by the Commission or Council as applicable.

16. What is the purchase price of the property? What is the appraised value of the real property and improvements? The institution must engage a licensed appraiser experienced and certified for the property being appraised. Attach a copy of the appraisal.
17. Does the institution have a Phase 1 Environmental Study for the property? If so, please provide a copy. Does the Phase 1 Study identify the need for a Phase 2 Environmental Study? If so, please provide a copy to the Phase 2 Study.

   ___ Yes ___ No. If yes, please provide a copy. If no, this study must be performed by a firm experienced and qualified to perform this study prior to purchase. Include contact person with WV DEP.

18. Has a title search been performed? If so, are there any issues preventing the institution obtaining a general warranty deed? Are there any easements, encroachments, or encumbrances affecting the property? A title search must be performed prior to purchase.

   ___ Yes ___ No. If yes, please provide a copy. If no, a title search must be performed prior to purchase.

19. Is the property within the property acquisition boundaries of the approved Ten Year Campus Masterplan?

   ___ Yes ___ No. If no, the acquisition must be approved in advance by the Commission or Council as applicable no matter the dollar value.

20. Has there been an architectural/engineering firm retained for any portion of the project (feasibility study, site selection, schematic drawings)?

   ___ Yes ___ No.

21. If so, was the firm selected and retained following West Virginia Code §18B-19-7?

   ___ Yes ___ No.

22. If a firm has been selected, will this firm be retained as the project continues?

   ___ Yes ___ No.

23. If a selected firm will not be retained as the project continues, will there be a separate RFP distributed to select an Architectural/Engineering firm for the next phase?

   ___ Yes ___ No.

24. If a design firm has been selected for schematic design and/or feasibility study and/or site selection are they aware of their role, and that they will have their responsibility either fulfilled or will continue upon completion of this phase? Explain if necessary.

   ___ Yes ___ No.

25. If a firm has been retained, have the necessary drawings and specifications been submitted to the HEPC Central Office?

   ___ Yes ___ No.
26. Does this project fall under West Virginia Code §18B-19-8 and was it submitted as required?  
   ___ Yes ___ No.

27. If this project is taking precedent over a deferred maintenance project submitted previously, explain here.

**Section 2 – Cost Information (complete for all projects)**

28. Do you anticipate the need for capitalized interest on any bond financing (i.e., to pay interest during construction)? If so, for how many months? When is construction to begin and completed?  *(Interest cannot be capitalized more than six months post construction)*

29. Itemize the capital costs of the project. Estimate the costs of issuance at 2% of the cost of the project if it is to be financed by a bond issue. Please subtotal project costs net of the 2% cost of issuance and then show a gross cost of project including the cost of issuance. Note that the total cost should be used as the AMOUNT BORROWED field of the worksheet. Attach the CO-2 estimate or further estimate of project cost, if available. *(Note: The term of any financing plan or arrangement should be for 30 years or less.)*

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>A &amp; E Costs</td>
<td></td>
</tr>
<tr>
<td>Land Acquisition</td>
<td></td>
</tr>
<tr>
<td>Leechville Utilities</td>
<td></td>
</tr>
<tr>
<td>Sitework/Utilities</td>
<td></td>
</tr>
<tr>
<td>Equipment/Permanently</td>
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</tr>
<tr>
<td>Other Costs</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
</tr>
<tr>
<td>Costs of Issuance (2% of total)</td>
<td></td>
</tr>
<tr>
<td>Legal and Financial Expenses</td>
<td></td>
</tr>
<tr>
<td>Date Service Reserve Fund</td>
<td></td>
</tr>
<tr>
<td>Project Income/Expense Reserve</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
</tr>
<tr>
<td>Contingencies</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
</tr>
</tbody>
</table>

30. What is the anticipated useful life of the project?

31. Discuss the need for a **Reserve Fund** to support the proposed project, any anticipated uses of the reserve during the life of the bonds, and the plan for replenishment of the reserve. The Reserve Fund Limit in the spreadsheet should be approximately 10% of the project cost.

32. List and describe any initial **Non-Recurring Costs** related to the project and the source of funding for each of these items.

33. List and estimate the **Incremental Annual Operating Expenses**. Provide any supporting documentation and illustrate how your estimate was made. These expenses include personnel costs, utilities, contractual services, supplies and materials, indirect costs, equipment, etc.
Section 3 - Revenue Information. (Complete for all revenue-producing projects)

34. Describe the Revenue Sources that will be used for payment of debt service and the expenses associated with these revenues. Consider what other expenses are planned to be supported by the revenues, and how much revenue will actually be available for debt service. (Note: The term of any financing plan or arrangement should be for 30 years or less.)

35. If revenues will be derived from a group of similar facilities (a system) and an increase in system revenues will be used to support the debt, provide justification for any system contribution and any marginal increase in system-wide fees.

36. If revenues will be derived from just one facility of several similar facilities in a campus system, show all fees for all similar facilities and justify any differential in pricing between the facilities.

37. Will project revenues or revenues pledged to the payment of debt service be available prior to completion of the project? Describe the timing of revenues and when they will be available and sufficient to begin servicing the debt.

38. What studies have been completed to demonstrate the demand for the facility and the reliability of the revenue stream? (Attach copies if available.)

39. If any portion of the revenues are already pledged or otherwise committed to other debt service payments, provide a schedule of debt service payments (by issue) and cumulatively. Clearly identify the portion of the revenue source that is committed or being used to pay debt service.

40. If any revenues are projected to increase, explain how the projections were calculated. Do not use an automatic growth rate.

41. If institutional reserves are to be used to service the debt, include the source of funds, balances for the last five years, and impact on future balances. Identify the authorization for using these funds to pay debt service and other costs.

42. If any amounts currently used for debt service are expected to be available and used for debt service on this project (i.e., the existing debt will be retired), provide the name(s) of the existing project(s), the bond series, and the annual amount to be available. Address the status of the existing facility's physical condition and plans for repair.
or maintenance. Conversely, explain why any such amounts scheduled to be available are not planned for use for debt service on this project.

43. Provide a copy of the institution’s debt policy approved by the Board of Governors.

Using the information described above, complete Spreadsheet #2 – Revenue Components

**Section 4 - General Financial Condition - Complete this section for all projects.**

Provide the following FTE enrollment and admissions information.

<table>
<thead>
<tr>
<th>Enrollment</th>
<th>FY 20__</th>
<th>FY 20__</th>
<th>FY 20__</th>
<th>FY 20__</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Undergraduate</td>
<td>Graduate &amp; 1st Prof.</td>
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<td></td>
</tr>
<tr>
<td>On-Campus</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-Campus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

44. What is the estimated enrollment change resulting from this project?

45. Provide the following ratios and Composite Financial Index for the current year budget as adjusted for the project, the current year budget excluding the new project, and the two preceding fiscal years.

<table>
<thead>
<tr>
<th>Ratios (Excluding OPEB liability):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Reserve Ratio</td>
</tr>
<tr>
<td>0.000</td>
</tr>
<tr>
<td>Net Operating Revenue Ratio</td>
</tr>
<tr>
<td>0.000</td>
</tr>
<tr>
<td>Return on Net Assets</td>
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<tr>
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<tr>
<td>Viability Ratio</td>
</tr>
<tr>
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</tr>
<tr>
<td>Composite Financial Index</td>
</tr>
<tr>
<td>0.00</td>
</tr>
</tbody>
</table>

**Section 5 - Capital Lease Projects – Complete only if the financing involves a capital lease.**

46. Discuss the alternatives that were considered before deciding that the capital lease structure was the best option.
47. Who is the Lessor (full name and address)? Who is the Lessee (full name and address)?

48. Who will manage the facility during and after construction?

49. Who will be issuing bonds or otherwise financing the project? Will it be tax-exempt debt?

50. If debt is issued, what portion will not be tax-exempt?

Section 6 - Public/Private Partnership & Design Build – Complete this section only if the financing involves a public/private partnership or is a design build project.

51. Discuss the alternatives that were considered before deciding on a public/private partnership or design build as the best option.

52. Design build projects are subject to the “Design Build Procurement Act,” West Virginia Code §5-22A. The provisions of this Act must be used to select design-builders for authorized projects that are constructed and owned, potentially owned, or ultimately owned by any agency/state institution of higher education. Please describe your plans for complying with the Design Build Procurement Act.

53. If this is a public/private partnership, please describe the nature of the arrangement and the parties involved.

54. What type of financing vehicle will be used to fund the project? (Please describe in detail)

Section 7 - Sustainability and Energy Efficiency

55. Do you have access to the most current version of the HEPC’s standards for sustainability and energy efficiency?

___ Yes ___ No

56. Will this project be proposed as a LEED project?
57. If it is to be a LEED project, have you engaged with the necessary professionals to enter the process?

___ Yes ___ No

58. If you have not engaged the necessary professionals, do you need assistance?

___ Yes ___ No

59. If it is not proposed as a LEED project are you aware of the minimal guidelines required to insure the project is completed using the most current guidelines and standards? (ASHRE 90.1, LEED – see USGBC.org website)

60. Have you explored any potential existing energy rebates available from your local utilities specific to this project?

61. Do you need further assistance in proceeding with any of the answers required in this application?
Definitions of Terms

**Auxiliary and Auxiliary Capital Fees Bonds (W. Va. Code §18B-10):** Revenue bonds issued to finance the planning, design, construction and equipping of an auxiliary facility i.e., Student Unions and Recreation Facilities, Residence Halls, Dining Halls, Athletic Facilities, Bookstores, Faculty and Staff Housing and other facilities not considered E&G Facilities. Auxiliary fees are pledged to pay debt service for these revenue bonds.

**Capital Lease:** In accordance with the Financial Accounting Standards Board (FASB), capital leases are defined as leases which meet any one (or more) of the following criteria:

1) Transfer of ownership of the property to the lessee at the end of the lease term;
2) Bargain purchase option at the end of the lease term;
3) Lease term equal to 75% or more of the estimated economic life of the leased property; and
4) Present value of the net minimum lease payments equal to or exceeding 90% of the fair market value of the property.

Capital leases are considered long-term obligations for accounting purposes.

**Capitalized Interest:** Interest to be paid on the bonds during the period of construction that is financed as part of the bond issue (i.e., paid with bond proceeds). Capitalizing interest increases the overall cost of borrowing, but may be necessary in cases where project revenues are to be used to pay debt service. Conversely, where revenues are already being collected (i.e., a fee or fee increase has already been implemented), the use of capitalized interest may not be appropriate.

**Educational and General (E&G) Capital Fees Bonds (W. Va. Code §18B-10):** Revenue bonds issued to finance the planning, design construction and equipping of E&G facilities Fees collected by the institutions to support existing and future system-wide debt and institutional debt, capital projects funded on a cash basis, campus and building renewal, and repairs and alterations of E&G Facilities.

**Educational and General (E&G) Facility:** A building or structure used for instruction and instructional support purposes, and includes classroom, laboratory, library, computer laboratory, faculty and administrative office and other academic support spaces.

**Incremental Annual Operating Expenses:** The increase in operating costs attributable to the project. For example, a new dormitory added to a dormitory system would presumably increase system operating costs (e.g., supplies & material, utilities, personnel (janitorial, maintenance), equipment, etc.)

**Non-recurring costs:** One-time project costs (e.g., land acquisition, special utility fees, etc.) required for project completion.

**Other:** Debt secured by another revenue stream than those identified above. Please identify source and provide Code citation that authorizes the pledge of this revenue stream for issuance of revenue bonds or to incur debt.

**Private Use:** Private use means any use (directly or indirectly) by a trade or business that is carried on by persons or entities other than state or local governmental entities. Such use could involve ownership, management, service or incentive payment contracts, research agreements, leases, subleases, loans, or any other arrangement that conveys special legal entitlements or economic benefit to the non-governmental entity from the beneficial use of the project.

**Reserve Fund:** An amount set aside, usually from project revenues or bond proceeds, to mitigate the impact of interruptions in the ability of the project to generate sufficient net revenues to pay debt service (e.g., debt service reserve, repair and replacement reserve). In certain circumstances, the presence of a reserve can enhance the credit. For the purposes of the feasibility study, reserve funds are generally for debt service and are funded from project or institutional revenues. 9(c) projects are expected to generate sufficient revenues to fund a reserve at an amount equal to approximately 10% of the amount financed.
December 13, 2017

Dr. Paul L. Hill, Chancellor
West Virginia Higher Education Policy Commission
1018 Kanawha Blvd, E, Suite 700
Charleston, WV 25301

Dear Chancellor Hill:

Shepherd University offers the following comments relating to the proposed changes to Series 12.

HB2815 amended WV Code 18B-19-7 in multiple ways to modify state policy requirements as to management of capital projects and the role of the WV HEPC staff in institutional projects.

WV Code 18B-19-7(c) now provides that

(c) A governing board under the jurisdiction of the commission is exempt from the provisions of subsections (e) and (f) of this section seven of this article, and its capital projects management shall be governed by the provisions of subsection (d) of this section regardless of the rolling five year construction expenditures, if it meets each of the following criteria:

1. Employ at least one Leadership in Energy and Environmental Design (LEED) certified administrator; and
2. Employ at least one Certified Facilities Manager (CFM) as credentialed by the International Facility Management Association or employs at least one Project Management Professional (PMP) as certified by the Project Management Institute.

The new statutory exemption from subsections (e) and (f) of Section 7 excludes an institution from the linkage of mandatory management of projects by HEPC staff if construction contracts have not exceeded a minimal amount over the preceding five years.

Section 8 of Series 12 was not amended to incorporate this exemption from the construction dollars per 5-year period provisions of Section 8. An update of the provisions of Series 12 should include this exemption provision so that the Rule is fully in accord with the Code.

Multiple provisions of Article 19 of chapter 18B were modified by HB2815. A clear Legislative intent to provide greater flexibility and governance autonomy to the institutions is a central theme of the bill. Section 9 relating to the Information System was amended expressly to provide that the HEPC should operate its information system “…without burdening or interfering unnecessarily with the governance 9 responsibilities which are placed upon the governing boards.”
It is difficult to identify a single proposed amendment to Series 12 which in any manner reflects that Legislative directive. The University believes that the specifications throughout Series 12 could reasonably be streamlined, and should be, while retaining a reasonable construct for the oversight role of the Commission.

Respectfully submitted,

[Signature]

K. Alan Perdue
General Counsel
Shepherd University
ITEM: Technical Program Development Grant Awards

INSTITUTIONS: Blue Ridge Community and Technical College

RECOMMENDED RESOLUTION: Resolved, That the West Virginia Council for Community and Technical College Education approves the Technical Program Development grant awards as proposed.

STAFF MEMBER: Casey Sacks

BACKGROUND:

Technical Program Development funding in the amount of $1.8 million was allocated in the Council’s FY 2018 budget.

Each community and technical college had an opportunity to submit a proposal and request up to $220,000 per program development. A committee comprised of Council staff reviewed the proposals and made recommendations as detailed below:

NEW PROPOSALS RECOMMENDED FOR APPROVAL

<table>
<thead>
<tr>
<th>Program</th>
<th>Degree Level</th>
<th>Institution</th>
<th>Anticipated Enrollment Per Year</th>
<th>Recommended Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Technology</td>
<td>AAS</td>
<td>Blue Ridge CTC</td>
<td>10-15</td>
<td>$220,000</td>
</tr>
<tr>
<td>Database Management &amp; Data Analysis</td>
<td>AAS</td>
<td>Blue Ridge CTC</td>
<td>10-15</td>
<td>$220,000</td>
</tr>
<tr>
<td>Total Amount of Recommended Awards:</td>
<td></td>
<td></td>
<td></td>
<td>$440,000</td>
</tr>
</tbody>
</table>
ITEM: Review of Comments Received for Legislative Rule, Series 55, Human Resources Administration

INSTITUTIONS: All

RECOMMENDED RESOLUTION: Resolved, That the West Virginia Council for Community and Technical College Education approves Legislative Rule, Series 55, Human Resources Administration, for submission to the Secretary of State and to the Legislative Oversight Commission on Education Accountability (LOCEA) as agency approved.

STAFF MEMBER: Patricia Humphries

BACKGROUND:

Legislative Rule, Series 55, Human Resources Administration, was approved by the Council at its meeting on December 7, 2017, to be filed with the Secretary of State’s office for the mandatory thirty-day public comment period. Additionally, staff was instructed to forward the rule to the Legislative Oversight Commission on Education Accountability for approval and further legislative action at the conclusion of the comment period if no substantive comments are received.

Three comments were received. Commenters were responded to directly. The comments and responses following did not result in substantive changes to the rule. As such, staff will submit the rule to the Secretary of State and to the Legislative Oversight Commission on Education Accountability as agency approved.

Comment:
“Series 55 (in Section 18) lays out the implementation of a brand new classification and compensation system for classified employees. This is a massive change to everything done in the past and affects every classified employee in higher education. The Vice Chancellor does this through documents other than the Series itself—documents that are referenced within Series 55. Those documents include Compensation Philosophy, Job Classification Guidelines, Salary Administration Guidelines, and FAQ documents. Those documents were presented to LOCEA as an informational overview of the new systems in October. This was not an action item for LOCEA. The Council and Commission approved these documents at their fall meetings in order to implement the new salary structure in October. There are also many references to Best Practices, however there is no such document(s) included or presented to the Commission/Council/LOCEA or the constituent groups affected. Does passing the rule with those references also mean the references are approved as well?”
Response:
The term “best practice(s)” has five appearances in Series 55 - Human Resources Administration. The term, as used in the rule, is not the title of a document or set of documents. A best practice is a method, procedure or technique that has been generally accepted or prescribed as being correct or most effective because it produces results that are superior to those achieved by other means. A commitment to using best practices in any field is a commitment to using all the knowledge and technology at one's disposal to ensure credible and reliable results. Best practices are used to maintain quality as an alternative to mandatory legislated standards.

Comment:
“This rule is set to sunset in five years. This is the first personnel administration rule we have ever seen with a sunset clause. The purpose for the sunset clause is not stated. Employees have never been told this is a temporary system being implemented. There is nothing we can find in state code stating it to be a temporary system. What is the purpose for a sunset clause?”

Response:
WV Code §29A-3-19 requires all legislative rules filed after April 1, 2017 include a sunset provision terminating the rule after five year. However, the rule may be renewed for additional terms of years by the Legislature pursuant to the rule-making procedures. The sunset provision ensures that the rule is reviewed regularly and updated if necessary.

Comment:
“Our next issue of concern is in Article 5, Section 5.1.a. The definition of a classified employee is different here from the State code definition. This definition states that any classified employee whether regular full-time or regular part-time, who does not meet the duties test for exempt status under the provisions of the Fair Labor Standards Act; and is not otherwise a non-classified employee is deemed to be a classified employee. This implies all exempt classified are non-classified employees when in fact, §18B-9A- 2 includes a proviso that grandfathers all classified employees who were in classified positions as of July 1, 2017 unless they meet criteria in items A-D of Section 11 of that code. A-D in the code corresponds with items 5.1.c.1, 5.1.c.2, 5.1.c.3, and 5.1.c.4 of Series 55. This rule goes on to add items 5.1.c.5 and 5.1.c.6, which are not part of the grandfather clause—only items A-D. There is no mention in the rule of those employees who are grandfathered in their classified positions, exempt or non-exempt, unless something occurs that would change that status for them, such as a job change or transfer, duties and responsibilities change, or other qualifying conditions. We believe the definition, as written in the rule, to be contrary to state statute and legislative intent.”

Response:
As written, the rule outlines the specific criteria required for an employee or position to be deemed nonclassified. For all non-faculty employees/positions, unless the specified criteria are met, the employee/position is, by default, a classified employee/position. In other words, all non-faculty employees are classified unless the institution designates them as nonclassified based on the criteria listed in 5.1.c.1 through 5.1.c.6.
Comment:
In both Section 19.8.k and Section 23.7, a “majority” has been redefined for both the Job Classification Committee and the Compensation Planning and Review Committee. In the past at least one of each constituency group had to be present to have a majority, so that neither group would be disadvantaged or uninformed. The current language in these two sections states “a majority of the voting members serving on the committee at a given time constitutes a quorum for the purpose of conducting business.” While we agree that the makeup should consist of both Commission and Council representatives, we also believe a majority should consist of at least one of each constituency group represented on those two committees to constitute a quorum.

Response:
The new rule was written to be in compliance with WV Code as updated in 2017 by House Bill 2542. WV Code §18B-9A-4(d) address the Job Classification Committee and §18B-9A-5(c) deals with the Compensation Planning and Review Committee. Both sections state, “A majority of the voting members serving on the committee at a given time constitutes a quorum for the purpose of conducting business.”

Comment:
“Section 24.4.a states: After July 1, 2019, no organization may compensate a classified employee at a salary rate of less than the minimum of the grade. Upon future annual schedule adjustments, the requirement to pay classified employees no less than minimum of the grade, is subject to available funds.

The purpose for the type of salary schedule recommended by Mercer and agreed to by the Commission/Council, was so that it never becomes stagnant as the old schedule in code did. “Availability of funds” is always a consideration that must be taken into account and the code quite clearly covers that situation. However, given institutions are already asking for several years to fund this minimum and it has not been updated or changed since Mercer provided the data to the Commission, we feel the lack of a requirement placed into this rule to fund no less than the minimum only two years from now, is the beginning of getting right back into the stagnant compensation cycle we have found ourselves in for decades. It defeats the purpose of a market-driven schedule entirely.”

Response:
The new rule was written to be in compliance with WV Code as updated in 2017 by House Bill 2542 which requires consideration of available funding when making compensation decisions. The Commission and Council approved the program for implementation starting in September of fiscal year 2017-2018. Institutions adopting the program have through fiscal year 2018-2019 to fund the minimums or submit a funding plan to the Commission or Council for approval.

As mentioned in a prior comment, the new program represents a dramatic cultural shift in how public supported higher education in West Virginia compensates employees. The rules and practices in the old system relating to state service caused organizations to pay salaries higher than required by the market for employees with higher service and lower salaries than the market rates for new employees without state work experience. Implementation recommendations did not include cutting any salaries, so other funding had to be identified for implementation of the new program. As pay decisions are made at the local level based on internal equity, market competitiveness and employee/applicant
qualifications, it is anticipated that Commission and Council institutions will be able to implement at least the minimum salary levels in the coming fiscal year.

Comment:
“On Section 18.11, more clarification is needed. What is the PDF? Can both the employee and supervisor place potential job duties in it? Will the employee have the opportunity to review the duties before it is amended?”

Response:
The PDF is the Position Description Form. The Position Description Form is a tool used to gather information about a specific position in order to appropriately assign a title and grade in the classification system. The PDF is first referenced in Section 18.9, “The Council, in consultation with the JCC, shall develop a Position Description Form/Job Description Form (PDF/JDF) to be used by all organizations to gather data necessary for classification of positions.”

An institutional job description is typically established for positions prior to hiring. However, when a new position is created or an existing position is substantially modified, the position description form is needed to gather details about the position necessary to make classification and compensation determinations. Employees are not required to have a current PDF/JDF. Additionally, the PDF will not be the main document used to describe jobs in the new system. The new system contains Master Classification Specifications to which pay grades are assigned. The PDF/JDF is only used when no Master Classification Specification is available that appropriately describes the position.

If a new PDF/JDF is required for a filled position, best practices call for input by both the employee and supervisor. However, the supervisor has the final authority to make work assignments and the employee should receive a copy of the final document.

Comment:
“For Section 24.4.a, how will this requirement to pay the minimum be enforced?”

Response:
Institutional Boards of Governors are charged with enforcement of Commission and Council rules at the institutional level. An institution that has not funded the minimum of the new salary schedule by July 1, 2019 will be required to submit a formal report that details funding levels, provides justification for not funding the schedule minimums and includes a plan to provide the funding. The report will be presented for appropriate action by the Commission or Council, as applicable. Results will reported to the Legislative Oversight Commission on Education Accountability (LOCEA).

Comment:
“On Section 25.2, thank you for including the input of the employees impacted by any potential rule.”

Response:
The new rule was written in compliance with WV Code as updated in 2017 by House Bill 2542.

Comment:
“. . . . We ask that a provision be added to the new rule which establishes a committee of employees, who, along with the CHRO, review and make recommendations about job classifications and changes to classified jobs, and that a provision be added to address the conflict of interests that exists for institutional HR representatives who serve on the state Job Classification Committee. We realize that the system for classified employees is changing, but we believe that this change would better protect staff, the CHRO, the institution, and the integrity of the CTCS in West Virginia.”

Response:
The new rule was written to be in compliance with WV Code as updated in 2017 by House Bill 2542.
Management has the responsibility and authority to make job assignments. When these assignments substantially change the nature of a job, the employee may request a review of his or her job classification. The human resources professional is uniquely qualified in his or her discipline to make the appropriate job classification and compensation determinations. If the employee is not satisfied with the determination, or feels as though the determination made at the institution level is inappropriate, he/she has the right to file an appeal to the state-wide Job Classification Committee.

West Virginia Code established the Job Classification Committee (JCC) to serve the role described in your comment. The Code specifically prescribes that membership include human resources professionals and classified representatives from institutions of higher education. As such, JCC service by a Chief Human Resources Officer (CHRO) does not pose a conflict of interest. Each member of the JCC has a single vote. The JCC thoroughly reviews and discusses documents and supporting information submitted by the employee and/or requested from the institution. Final determinations are made by majority vote of the members. Ultimately, if the employee does not accept the determination by the JCC, he/she has the option to file a grievance with the West Virginia Public Employees Grievance Board.

A peer review committee at the institutional level is not prohibited by the rule.

1.1. Scope. -- This joint rule establishes policy in a number of areas regarding human resources administration for the employees of the West Virginia Council for Community and Technical College Education (Council) and the public higher education institutions in West Virginia under the jurisdiction of the Council. It also provides guidelines for governing boards relative to decisions pertaining to public higher education employees.

The primary responsibility for implementation rests with the Council, in consultation with the West Virginia Higher Education Policy Commission (Commission), who shall provide leadership and assistance to the human resources professionals, presidents and boards of governors of each organization to bring about the changes successfully and to support the human resources function of each organization.

1.2. Authority. -- West Virginia Code §18B-1B-6, §18B-4-2a, §18B-7, §18B-8, §18B-9A and §18B-9B.

1.3. Filing Date. --

1.4. Effective Date. --

1.5. Sunset Date. -- This rule shall terminate and have no further force or effect upon the expiration of five years from its effective date.

§135-55-2. Purpose.

2.1. The intent of this rule is to establish human resources policies applicable to public higher education capable of, but not limited to, meeting or assisting the governing boards in the following objectives.

2.1.a. Implementing contemporary programs and practices to reward and incentivize performance and enhance employee engagement;

2.1.b. Providing benefits to the citizens of the State of West Virginia by supporting the public policy agenda as articulated by state policymakers;

2.1.c. Addressing fiscal responsibility by making the best use of scarce resources and promoting fairness, accountability, credibility and transparency (FACT) in personnel decision-making;

2.1.d. Providing for job requirements and performance standards for classified staff positions, with annual job performance evaluations for classified staff and provisions for job performance counseling when appropriate;

2.1.e. Building upon human resources best practices to prevent, reduce, or, wherever possible, eliminate arbitrary and capricious decisions affecting employees of higher education organizations;
2.1.f. Creating stable, self-regulating human resources policies capable of evolving to meet changing needs;

2.1.g. Providing for institutional flexibility with meaningful accountability;

2.1.h. Adhering to federal and state laws, promulgated and adopted rules;

2.1.i. Enhancing the sharing of human resources best practices throughout the state higher education system;

2.1.j. Encouraging organizations to pursue a human resources strategy which provides monetary and non-monetary returns to employees in exchange for their time, talents, and efforts to meet articulated goals, objectives and priorities of the State, the Council and the organization;

2.1.k. Maximizing the recruitment, motivation and retention of highly qualified employees, promoting satisfaction and engagement of employees with their jobs, promoting job performance and achieving desired results;

2.1.l. Requiring each higher education organization under the jurisdiction of the Council to achieve full funding of the salary schedule minimum salary levels for classified employees, providing funding is available;

2.1.m. Implementing contemporary programs and practices to reward and incentivize performance and enhance employee engagement;

2.1.n. Developing and implementing a classification and compensation system that is fair, transparent, understandable, easy to administer, self-regulating, and adaptable to meet future goals and priorities; and

2.1.o. Providing current, reliable data to governing boards, the Council, the Commission, the Governor and the Legislature to inform the decision-making process of these policymakers.


3.1. The definitions related to higher education human resources administration are outlined in the attached document, Appendix A.

§135-55-4. Types of Employment and Benefit Eligibility.

4.1. Casual Employee. A casual employee position is a position created to meet business needs for no more than 450 hours in a twelve-month period. Individuals in a casual employee position are not eligible for benefits.

4.2. Full-Time Regular Employee. Any employee in a position created to last a minimum of nine months of a twelve-month period and in which such employee is expected to work no less than 1,040 hours during said period. The full-time equivalent (FTE) of such a position must be reported at no less than .53 FTE. Such an employee is eligible for all applicable benefits of a full-time regular employee, subject to the qualifying conditions of each benefit. Such benefits shall be prorated in relation to a 1.00 FTE.

4.3. Part-Time Regular Employee. An employee in a position created to last less than 1,040 hours during a twelve-month period. Part-time regular positions typically continue from one fiscal year to another. An employee in a part-time regular position is not eligible for benefits.
4.4. Temporary Employee. An employee hired into a position expected to last fewer than nine months of a twelve-month period. Temporary employees may be part-time temporary or full-time temporary. A temporary employee is not eligible for benefits.

4.5. Although part-time, casual, temporary and student employees are not eligible for higher education benefit programs, institutions are cautioned to monitor average hours worked per week to identify situations where eligibility for health insurance is triggered and compliance with the federal Affordable Care Act (ACA) is required. No number of ACA eligible periods of part-time, temporary, casual or student employment shall create any presumption of a right to appointment as a full-time or part time regular employee.

4.6. Any employee may elect to enroll and contribute wages to a 403(b) tax deferred retirement savings account. Enrollment is voluntary and 403(b) deferrals are not matched by the employer. Election to defer wages to a retirement savings account shall not create any presumption of a right to appointment as a full-time or part-time regular employee.

§135-55-5. Employee Categories.

5.1. Higher education employees are segmented into one of the following categories or classes. Employees in each category may be full-time or part-time or regular or temporary.

5.1.a. Classified Employee. Any regular full-time or regular part-time employee of an organization who does not meet the duties test for exempt status under the provisions of the Fair Labor Standards Act; and is not otherwise a nonclassified employee.

5.1.b. Faculty Employee. Faculty employees are appointed at the discretion of the institutional president or designee to support the academic mission of the institution, via teaching, research, public service, and or academic administration. A full time faculty member is an employee appointed to render full time academic service for a full academic year under a nine-month minimum appointment for at least six (6) semester credit hours teaching per semester or the equivalent in teaching, research, public service, and/or administrative responsibilities.

5.1.c. Nonclassified Employee. Nonclassified employees, unless otherwise established by action of the organization or institution where employed, serves at the will and pleasure of the organization, which authority may be delegated by act of the governing board or the Council. To be designated as nonclassified, the employee must meet one or more of the following criteria:

5.1.c.1. Employee holds a direct policy-making position at the department or organization level;

5.1.c.2. Employee reports directly to the president or chief executive officer of the organization;

5.1.c.3. Employee is in a position considered by the chancellor, president or designee to be critical to the organization pursuant to policies or decisions adopted by a governing board;

5.1.c.4. Employee in an information technology-related position which may be defined by policies or decisions adopted by a governing board;

5.1.c.5. Employee hired after July 1, 2017 in a position that meets the duties test for exempt status under the provisions of the Fair Labor Standards Act when hired or anytime thereafter; or
5.1.c.6. An employee in a nonclassified position as of January 1, 2017 who may not meet criteria listed in subsections 5.1.c.1. through 5.1.c.5. of this rule.

5.1.d. Student Employee. An employee enrolled at the institution as a student and whose primary purpose for being at the institution is to obtain an education. The employee category of “student employee” is for students who work at the institution in jobs or positions that are solely available to students enrolled at the institution, as opposed to the general public. When the student worker is no longer enrolled he/she is no longer eligible to work in the student worker position. A student employee is not eligible for benefits.

§135-55-6. Part-Time and Temporary Employees.

6.1. Institutions are discouraged from hiring part-time employees solely to avoid the payment of benefits or in lieu of full-time employees and shall provide all classified employees with less than twelve month appointments with the opportunity to accept part-time or full-time summer employment before new persons are hired for the part-time or full-time employment, provided the classified employee meets the established position qualifications.

6.2. Change in status. The president or his/her designee will review and make a final determination as to the status or change in status of any employee. Determination of status or change in status means assignment to, or change in the type of employment or the category to which an employee is assigned.

6.3. When the president or his/her designee determines that a part-time regular employee becomes a full-time regular employee, he/she shall credit that employee's previous service toward any calculation of length of service for purposes of this rule and benefit eligibility based upon a prorated comparison against a 1.00 FTE. Previous length of service as temporary, casual, and student employees shall not be credited toward seniority calculations under other sections of this rule or statute.


7.1. The standard workweek is thirty-seven and one-half hours. The workweek is a regularly recurring period of one hundred sixty-eight (168) hours in the form of seven (7) consecutive twenty-four (24) hour periods. It begins at 12:00 a.m. on Saturday and ends at 11:59 p.m. on Friday.


8.1. Each institution shall establish a policy, with the advice and assistance of staff council and other groups representing classified employees, which shall: address any institution-specific procedures concerning the use of flexible work schedules, job sharing, and four-day work weeks; discourage temporary, non-emergency changes in an employee’s work schedule; and provide a mechanism for changes in, and notification of, changes in work schedules. This policy shall also provide that, where possible, the institution shall provide the employee with reasonable notice of such changes.


9.1. Base salary is calculated on a thirty-seven and one-half (37 1/2) hour workweek.

9.2. When base salary increases are calculated and rounding is involved, the policy is to round up to the nearest even dollar amount.

9.3. Overtime pay for non-exempt employees is calculated at the rate of one and one-half (1 1/2) times the regular hourly rate, which is the total base salary, plus any incremental pay, divided by 1,950 hours.
Overtime does not commence until forty (40) hours have actually been worked within one (1) workweek. Regular hourly pay, also known as "straight time," is paid for work time between thirty-seven and one-half (37 1/2) hours and forty (40) hours in a work week.

9.4. Only actual hours worked are included in calculating overtime. Pay which is received for holidays, annual leave, sick leave, or work release time, as authorized by Series 38, is not counted as working hours for purposes of overtime.

9.5. Annual leave, sick leave and longevity do not accumulate in any part of a month for which an employee is off the payroll on leave without pay or during a terminal leave period. A terminal leave period is that time between the employee's last day of work and his/her last day on the payroll. Longevity continues to accrue for employees absent from work and off the payroll when the absence is due to a work related illness or injury covered by workers compensation, or is due to military service in accordance with applicable federal law.


10.1. When a full-time or part-time classified non-exempt employee is required to work on any designated board or institution holiday, that employee at his/her option shall receive regular pay for that holiday plus substitute time off or additional pay at the rate of one and one-half (1 1/2) times the number of hours actually worked. The time off must be used within a six-month period following the holiday.

10.2. When an exempt employee is required to work on any designated board or institution holiday, that employee shall be given substitute time off on an hour-for-hour worked basis.


11.1. Compensatory time off shall be allowed only to the extent authorized by federal and state law.

11.2. Each institution may offer non-exempt employees compensatory time off in lieu of overtime pay. All hours worked beyond thirty-seven and one-half (37½) hours and up to and including 40 hours are calculated at the employee’s regular hourly rate. Pay for time worked beyond 40 hours in a work week are to be calculated at a rate of one and one-half (1½) times the regular hourly rate.

11.3. A written agreement between the employee and the institution shall exist when the employee chooses compensatory time off in lieu of overtime pay. The written agreement may be modified at the request of either the employee or employer at any time but under no circumstances shall a change in the agreement deny the employee compensatory time heretofore acquired.

11.4. Each institution shall develop an agreement form for compensatory time accumulation in lieu of overtime payment and shall specify the required approval process which must be completed before a non-exempt employee may work beyond thirty-seven and one-half (37½) hours.

11.5. Employees may accumulate up to two hundred forty (240) hours of compensatory time and shall be paid for all hours worked above the maximum accrual.

11.6. Employees in public safety, seasonal work, and/or emergency response categories may accumulate up to four hundred eighty (480) hours and shall be paid for all hours worked above the maximum accrual.

11.7. Compensatory time must be used within one year of accrual. Approval of an employee’s request to use accrued compensatory time shall be contingent upon whether it will unduly disrupt the operation of
the institutional unit.

11.8. Should an individual's employment be terminated, any unused compensatory time shall be reimbursed as follows:

11.8.a. The average regular rate received by such employee during the first three years of the employee's employment; or,

11.8.b. The final regular rate received by such employee, whichever is higher.

11.9. An employee may not work overtime unless approved in advance per institutional policy.

§135-55-12. Posting of Vacant or New Positions.

12.1. Each institution shall develop a policy for posting of vacant or new positions.


13.1. Full-time regular classified employees shall serve a six-month probationary period beginning at the original date of employment.

13.2. At the end the six-month probationary period, the employee shall receive a written evaluation of her/his performance and shall be informed as to whether her/his employment will continue beyond the probationary period. As with all positions, continued employment is based on adequate funding, satisfactory performance and adherence to institution rules and regulations.


14.1. An employee may have access to his/her personnel file when the employing institution is normally open for business. An employee may examine his/her own file and the contents therein with the following exception:

14.1.a. Materials which were gathered with the employee's prior agreement to forfeit his/her right of access, such as some references.

14.2. A representative of the custodian of records shall be present with the employee during the review. The date, time and location of each review shall be recorded in the personnel file.

14.3. A copy of any material in the personnel file, except as noted above, shall be provided to an employee upon request. A small copy fee may be charged. Positive identification of the employee must be established prior to providing access to the personnel file. Documents may not be removed from a personnel file by the employee. An employee may petition at any time for either the removal or addition of documents to his/her own personnel file. The employer may require that employees schedule an appointment to see the personnel file.

§135-55-15. Changes in Name, Address, Number of Dependents and Related Matters.

15.1. It is the exclusive responsibility of each employee to notify all appropriate persons, agencies and parties when record changes occur, including emergency information.

§135-55-16. Employee Performance Evaluations and Merit Increases.
16.1. Organizations shall conduct regular performance evaluations of nonclassified, classified and faculty employees. Each employee shall receive an evaluation of his or her job related performance on an annual basis. The organization shall maintain evidence of employee participation in the evaluation process.

16.2. Each organization shall develop a consistent, objective performance evaluation system and evaluation instrument(s).

16.3. Organizations shall train supervisors in the best practices of conducting employee performance evaluations.

16.4. Supervisors who fail to conduct evaluations of those employees who report to them, according to their organization’s policies, may be subject to disciplinary action.

16.5. Higher education organizations may grant merit increases or implement pay for performance programs which are in accordance with state law and the West Virginia Higher Education Compensation Management Program Salary Administration Guidelines.

16.6. Institutions choosing to reward and compensate employees on the basis of merit shall have in place an objective performance management/evaluation system and evaluation instrument that is consistently administered by trained supervisors.

§135-55-17. Continuing Education and Professional Development.

17.1. The Vice Chancellor for Human Resources shall, as requested by organizations, assist with:

17.1.a. Analyzing and determining training needs of organization employees and formulating and developing plans, procedures and programs to meet specific training needs and problems.

17.1.b. Developing, constructing, maintaining and revising training manuals and training aids or supervising development of these materials by outside suppliers.

17.1.c. Planning, conducting, and coordinating management inventories, appraisals, placement, counseling and training.

17.1.d. Coordinating participation by all employees in training programs developed internally or provided by outside contractors.

17.1.e. Administering and analyzing an annual training and development needs survey. The survey may coincide with the completion of the annual performance review process.

17.2. The Council shall assist organization human resources professionals in applying fair, accountable, credible, transparent, and systematic principles to all human resources functions and shall provide model training programs to organizations upon request for assistance.

17.3. Funds allocated or made available for employee continuing education and development may be used to compensate and pay expenses for employees pursuing additional academic study or training to better equip themselves for their duties.

17.4. Each higher education organization shall establish and operate an employee continuing education and development program under a rule promulgated by the governing board. Funds allocated or made available for employee continuing education and development may be used to compensate and pay expenses for any employees pursuing additional academic study or training to equip themselves better for
their duties.

17.5. The organizational rules shall encourage continuing education and staff development and shall require that employees be selected on a nonpartisan basis using fair and meaningful criteria which afford all employees opportunities to enhance their skills and productivity in the workforce of the organization.

17.6. The organizational rules may include reasonable provisions for the continuation or return of any employee receiving the benefits of the education or training, or for reimbursement by the state for expenditures incurred on behalf of the employee.

17.7. Subject to legislative appropriation therefor, the Council shall promote and facilitate additional, regular, training and professional development for employees engaged in human resources-related activities at all organizations or any appointees to committees based on this rule. The training and professional development:

17.7.a. Shall be developed with emphasis on distance learning, in consideration to limiting travel demands on employees; and

17.7.b. Shall be in addition to and may not supplant the training and professional development regularly provided to any class of employees by each organization.


18.1. The Council, in consultation with the Commission, does hereby establish and implement the West Virginia Higher Education Compensation Management Program. The program is designed to provide institutional flexibility to manage classification and compensation for all staff jobs in West Virginia higher education. However, the program is the legislatively required system of classification and compensation for classified employees. The program represents current best practices in classification and compensation management for West Virginia higher education employees regardless of the category to which assigned. Market based classification and compensation management is recognized as the appropriate methodology for classifying higher education jobs.

18.2. The Compensation Management Program and supporting component documents to guide in the implementation and administration of the Program were approved by the Council and Commission for implementation effective September 1, 2017. The program documents shall be considered by all institutions under the jurisdiction of the Council and Commission as a model salary administration policy and guidelines. The approved compensation management program includes:

18.2.a. The “West Virginia Higher Education Compensation Philosophy” which outlines the goals, objectives, and strategies of the compensation management system;

18.2.b. The “West Virginia Higher Education Job Classification Guidelines” which assist human resources officers with determining the appropriate classification for jobs;

18.2.c. The “West Virginia Higher Education Employee Salary Schedule” consists of pay grades with pay range spreads and indicates the minimum, midpoint and maximum salary levels for each pay grade; and

18.2.d. The “West Virginia Higher Education Salary Administration Guidelines” which assist human resources officers and institutional administrators in making appropriate pay decisions in a variety of employment situations.
18.3. The West Virginia Higher Education Compensation Management Program is designed to attract, retain, and motivate a highly talented and committed workforce to support the unique missions and goals of public higher education institutions. Competitive pay is a key element in attracting, retaining, motivating and rewarding the type of employees needed to fulfill the missions of West Virginia’s colleges and universities. The goal of Council, Commission and affiliated colleges and universities is to pay competitive salaries by using systems clearly communicated to employees and readily administered by managers.

18.4. In order to fulfill institutional visions, missions and goals, West Virginia higher education institutions must attract and retain highly talented staff. To meet institutional staffing needs and priorities, the compensation system established in support of this goal includes the following objectives:

18.4.a. To provide the flexibility to manage base pay through a simple clear program that is consistent with the Council, Commission, and institutions’ individual strategic and organizational objectives and in accordance with organizational missions, visions, values and financial resources;

18.4.b. To establish and maintain a competitive pay structure based on comparisons to appropriate external labor markets while also considering relative internal worth;

18.4.c. Clearly articulate, through a relevant performance management program adopted by each institution, the relationship between institutional strategy and employee performance, recognition, and rewards;

18.4.d. To ensure that the compensation program and pay are administered strategically, consistently, effectively, efficiently, fairly and equitably both within the institution and statewide in compliance with the “FACT” of Higher Education Human Resources established by the West Virginia Legislature;

18.4.e. To provide a framework for career progression and recognition of high performance;

18.4.f. To reward employees on the basis of work performance;

18.4.g. To establish a compensation policy that is fair, accountable, consistent, transparent and designed to ensure sound stewardship of available compensation funding;

18.4.h. To ensure accountability for compliance with relevant federal and state statutes; and

18.4.i. To establish the principles and processes for regular review of market position and effectiveness of policies.

18.5. Colleges and universities have flexibility to manage compensation within the parameters of the compensation program and salary schedule.

18.6. Colleges and universities may initially manage compensation using across the board, market position goals, or any other method that serves to ensure fair, competitive compensation for employees. Over time, all institutions are encouraged to transition compensation management to a rewards model that compensates employees in line with their skill, effort and outcome contributions.

18.7. The Council shall ensure that regular market salary analyses are performed to determine how organization compensation for all classes of employees compares to compensation in relevant external markets.
18.8. The Council, in consultation with the Job Classification Committee (JCC), shall have in place a master classification specification for every classified job title.

18.9. The Council, in consultation with the JCC, shall develop a Position Description Form/Job Description Form (PDF/JDF) to be used by all organizations to gather data necessary for classification of positions.

18.10. Each organization must ensure that a job description shall exist for every classified job. The job description should be reviewed at least every three years for accuracy by the employee and supervisor. Submission of an updated job description does not constitute a request for a classification review. A formal request must be made pursuant to section twenty of this rule.

18.11. Neither the employee nor the supervisor shall place duties in the employee’s PDF that the employee is not performing, but may be expected to perform in the future.

18.12. Salary adjustments shall be made in accordance with the Salary Administration Guidelines approved by the Council.

18.13. During the course of its reviews, should the JCC discover the systematic misapplication of the program by an organization, it shall notify the Chancellors, who will take the appropriate action warranted.

18.14. Absent fraud on the behalf of the employee, any overpayment to the employee because of an erroneous classification decision by an organization shall not be collected from the employee. However, any erroneous overpayment to such an employee, once corrected, shall not be deemed as evidence in claims by other employees that the classification and compensation program is not equitable or uniform.

18.15. Recommendations from the Compensation Planning and Review Committee (CPRC) will be considered in agenda items presented to the Council and the Commission and in the legislative reporting process.

18.16. Pursuant to State law, the Council may not delegate to the JCC or the CPRC the following:

18.16.a. Approval of a classification and compensation rule;
18.16.b. Approval of the job classification plan;
18.16.c. Approval of the market salary schedule; and
18.16.d. Approval of the salary schedule minimums.


19.1. The Council hereby establishes a Job Classification Committee (JCC). The Vice Chancellor for Human Resources shall serve as the Chair of the Job Classification Committee.

19.2. The JCC shall be comprised of four classified employees and six Human Resources professionals, ensuring representation from the Council institutions and the Commission institutions.

19.3. The Chancellor of the West Virginia Council for Community and Technical College Education, or designee shall solicit nominations for JCC members from the Advisory Council of Classified Employees (ACCE) and the Chief Human Resources Officers (CHROs).
19.4. JCC members shall be appointed by the Chancellor of the West Virginia Council for Community and Technical College Education, with concurrence of the Chancellor of the West Virginia Higher Education Policy Commission, subject to approval by the Council and Commission.

19.5. An organization may have no more than two members serving on the Committee at any time and the combined membership representing various groups or divisions within or affiliated with an organization in total may not constitute a majority of the membership.

19.6. Committee members shall serve staggered terms. One third of the initial appointments shall be for two years, one third for three years and one third for four years. Thereafter, the term is four years. A member may not serve more than four years consecutively.

19.7. The Council shall use an appropriate methodology to classify jobs. The Council, in consultation with the Commission, may adjust the job evaluation plan, including the factors used to classify jobs and their relative values, if necessary.

19.8. Powers and duties of the Job Classification Committee include, but are not limited to, the following:

19.8.a. Providing a system of audit for all master classification specifications to make sure the core responsibilities of positions assigned the titles are accurately reflected;

19.8.b. Recommending a procedure for performing job family reviews;

19.8.c. Modifying and deleting job titles and creating new job titles;

19.8.d. Reviewing and revising job titles to make them consistent among organizations, including adopting consistent title abbreviations;

19.8.e. Determining appropriate career ladders or job levels in each job family and establishing criteria for career progression;

19.8.f. Conducting job family reviews to ensure master classification specifications appropriately reflects duties, responsibilities, minimum requirements and contains appropriate distinguishing characteristics that clearly delineate differences in job titles and support assigned pay grades.

19.8.g. Classifying jobs and placing jobs in pay grades consistent with the classification and compensation program;

19.8.h. Determining when new master classification specifications with assigned pay grades are needed, and;

19.8.j. Hearing job classification appeals prior to commencement of the formal grievance process.

19.8.k. The JCC shall meet monthly if there is business to conduct and also may meet more frequently at the call of the chair, given adequate lead time. A majority of the voting members serving on the Committee at a given time constitutes a quorum for the purpose of conducting business.


20.1. An incumbent employee or the employee’s supervisor may request a classification review when significant changes occur in the principal duties and responsibilities of a position.
20.2. Classification review requests are not to be submitted based on a desire for a salary increase, to reward for job performance, seniority, equity, future tasks, additional duties of the same nature and level of the job held or because an employee’s pay is at or near the pay range maximum.

20.3. To initiate the classification review request, the employee and supervisor must complete the position description form (PDF) and a formal request for classification review form. Both must be submitted to the institutional Human Resources Office. The request for review form must include the date and detailed reasons for such request.

20.4. The responsibility for assigning tasks and duties to a position belongs to the supervisor.

20.5. Requests for position reviews also may be initiated by an employee with Human Resources after discussion with the immediate supervisor.

20.6. Classification reviews also may be initiated by the institution’s Chief Human Resources Officer or his/her designee after discussion with the immediate supervisor.

20.7. Within forty-five (45) working days from the date of the formal request for review of a job, the institution’s Chief Human Resources Officer or his/her designee shall report to the requestor in writing the result of the classification review.

20.8. An organization that fails to complete a review within the specified time shall provide the employee back pay from the date the request for review was received if the review, when completed, produces a reclassification of the position into a job in a higher pay grade.


21.1. In the event that a classified employee disagrees with a classification decision made at the organizational level, he/she may appeal that decision in writing to the Vice Chancellor for Human Resources for review by the JCC. Filing a classification appeal, however, shall not abridge the rights of a classified employee to file a formal grievance, using the statutory grievance process as set forth in West Virginia Code §6C-2-1 et seq.; provided, however, upon the simultaneous filing of a statutory grievance and a classification appeal to the Vice Chancellor for Human Resources by a classified employee, a request may be made, in writing, by the classified employee to hold the grievance in abeyance until the review by the JCC is completed and a classification decision is rendered by the JCC.

21.2. The Classification Appeal Process and timelines are outlined in the West Virginia Higher Education Compensation Management Program “Job Classification Guidelines” approved by the Council.

21.3. Time limits.

21.3.a. The classified employee shall submit a completed “Classification Appeals Form” to the organization’s Human Resources office within ten (10) working days from the date of receipt of the notice of the organization’s classification decision.

21.3.b. The organization’s human resources staff shall render a decision on the appeal within five (5) working days whether the original decision shall be upheld.

21.3.c. The classified employee shall have five (5) working days from the date of receipt of the notice upholding the original decision of the organization to appeal the action to the Vice Chancellor for Human Resources for submission to the JCC.
21.4. Upon receipt of the classified employee’s appeal of the organization’s decision, the Vice Chancellor for Human Resources shall forward the appeal to the JCC.

21.4.a. The JCC shall review the Classification Appeals Form, the original PDF, and all supporting documentation, submitted by a classified employee to the Human Resources Office.

21.4.b. The JCC may review comparable positions within the organizations.

21.4.c. The JCC shall notify the classified employee, and the organization’s Human Resources Office, of its decision in writing, within twenty (20) working days from the date of receipt of the appeal to the Vice Chancellor for Human Resources. The notification shall specify the effective date should there be any change in status.

22.1. An appeal shall not be considered if based on any of the following reasons:

22.1.a. As a method to obtain a salary increase. The new Compensation Management Program should substantially limit the number of classification review requests. Compensation is not tied to a step on the salary schedule or to years of WV government service of the incumbent employee. Considerations for an increase in compensation are not to be made using the classification review process.

22.1.b. Seniority. An appeal shall not be considered if it is based on the employee’s length of service with the organization or with the state of West Virginia.

22.1.c. Qualifications of the individual incumbent. An appeal shall not be considered if it is based upon the individual classified employee’s qualifications. A classification determination is based upon the duties and responsibilities of the job as well as the minimum requirements necessary to perform the duties and responsibilities of the position.

22.1.d. Anticipated future job responsibilities. An appeal shall not be considered if it is based upon responsibilities that may be included in the job assignment in the future.

22.1.e. Job Performance. An appeal shall not be considered if it is based upon the performance of the incumbent or certain personality traits (e.g., loyalty, dedication, commitment to organization, hardworking, etc.). A classification determination is based upon the level and complexity of the duties and responsibility of the job performed, not the characteristics of the individual holding the position.

22.1.f. Salary within a salary range. An appeal shall not be considered if it is based upon the fact that an employee’s salary is close to the maximum of a salary range or the relative position of the salary within the assigned salary range.

22.1.g. Increase in the volume of work. An appeal shall not be considered if it is based on the volume of work rather than the level of responsibilities and complexity of the work.


23.1. The Council shall hereby establish and maintain a Compensation Planning and Review Committee (CPRC). The Vice Chancellor for Human Resources shall serve as the Chair of the CPRC.

23.2. The composition of the CPRC shall consist of the Vice Chancellor for Human Resources, the Vice Chancellor for Finance, two members representing the statewide Advisory Council of Classified Employees, one from institutions under the jurisdiction of the Council and one from institutions under the
jurisdiction of the Commission; two nonclassified representatives, one from institutions under the jurisdiction of the Council and one from institutions under the jurisdiction of the Commission; two human resources administrators from institutions under the jurisdiction of the Council, and two human resources administrators from institutions under the jurisdiction of the Commission; and a president from each of the two systems.

23.3. The method for nominating CPRC members shall be representative of all the higher education organizations under the jurisdiction of the Council or Commission and affected constituent groups, including specifically providing for membership selections to be made from nominations from the Advisory Council of Classified Employees, the Chief Human Resources Officers, and the respective bodies representing Council and Commission presidents. The Chancellors, jointly, shall appoint members from nominations made by these affected constituent groups and require approval of the Council and Commission before beginning service.

23.4. An organization may have no more than two members serving on the CPRC at any time and the combined membership representing various groups or divisions within or affiliated with an organization in total may not constitute a majority of the membership.

23.5. The CPRC shall manage all aspects of compensation planning and review that the Council delegates to it, within the provisions of state law.

23.6. CPRC members shall serve staggered terms. One third of the initial appointments shall be for two years, one third for three years and one third for four years. Thereafter, the term is four years. A member may not serve more than four years consecutively.

23.7. The CPRC shall meet at least quarterly and at other times at the call of the Chair. A majority of the voting members serving on the CPRC at a given time constitutes a quorum for the purpose of conducting business.

23.8. The CPRC has powers and duties which include, but are not limited to, the following:

23.8.a. Making recommendations for revisions in the system compensation plan, based on existing economic, budgetary and fiscal conditions or on market study data;

23.8.b. Overseeing the annual internal market review;

23.8.c. Meeting at least annually with the JCC to discuss benchmark jobs to be included in salary surveys, results of job family reviews, and assessment of current job titles within the classification system for market matches and other issues as the Vice Chancellor for Human Resources, in consultation with the Chancellors, determines to be appropriate;

23.8.d. Performing other duties as assigned by the Council or as necessary or expedient to maintain an effective classification and compensation system.


24.1. The Council and Commission shall develop and maintain a market based salary structure and ensure that all organizations under its jurisdiction adhere to state and federal laws and duly promulgated and adopted organization rules.

24.2. The Council and Commission shall jointly use workforce compensation data provided by Workforce West Virginia and other compensation data as is readily available from national recognized
sources to establish the appropriate external labor market. The Council and Commission, in consultation with the CPRC, and taking into consideration updated market information, may take any combination of the following actions in regard to the classified market salary structure:

24.2.a. Adjust the salary schedule midpoints and/or number of pay grades;

24.2.b. Adjust the midpoint differentials between pay grades to better reflect market conditions; or

24.2.c. Adjust the range spread for any pay grade.

24.3. The Council, in consultation with the Commission, may perform an annual review of market salary data to determine how salaries have changed in the external labor market. Based on supporting data derived from that review, the Council and Commission, with input from the CPRC, have the option to adjust the market salary structure to maintain competitiveness and currency with the market.

24.4. The approved market salary structure shall include a midpoint representing the median market value of jobs assigned to each pay grade. The schedule will contain a minimum and maximum salary range for each pay grade.

24.4.a. After July 1, 2019, no organization may compensate a classified employee at a salary rate of less than the minimum of the grade. Upon future annual schedule adjustments, the requirement to pay classified employees no less than minimum of the grade, is subject to available funds.

24.5. The salary of a classified employee working fewer than thirty-seven and one-half hours per week shall be prorated. The organization’s salary rule may provide for differential pay for certain classified employees who work different shifts, weekends or holidays.

24.6. Merit increases may be granted if they are in accordance with statute and with duly promulgated rules of the Council or institution.


25.1. Each institution shall amend any of its policies/rules to comply with the Council’s rule or rules no later than six months after the effective date of any change in statute or Council rule or rules, unless a different compliance date is specified within the statute or rule containing the requirements or mandate.

25.2. An institution may not adopt a rule, as mandated by this subsection, until it has consulted with the appropriate employee classes affected by the institution’s rule or rule’s provisions. At a minimum, consultations with the institutional Classified Employees Council (staff council) and/or the institutional Faculty Senate (faculty senate), as appropriate, shall take place.

25.3. If an institution fails to adopt a rule or rules as mandated by this subsection, the Council may prohibit it from exercising any flexibility or implementing any discretionary provision relating to human resources contained in statute or in a Council rule until the organization's rule requirements have been met.

25.4. Unless a governing board exercises the flexibility to create its own classification and compensation program pursuant to Section 26 of this rule, the Chancellor or his or her designee has the authority and the duty to review each institution’s comprehensive classification and compensation rule or rules and to recommend changes to the rule or rules to bring them into compliance with Council rule or rules or legislative and Council intent. The Chancellor may reject or disapprove any rule or rules, in whole or in part, if he or she determines that it is not in compliance with any rule/rules or if it is inconsistent with
Legislative and Council intent or does not sufficiently address and include measures that foster meaningful accountability of the institution to this rule, its own rules and state law.


26.1. Organizations that provide notice to the Council may, after consultation with staff council, file a rule or rules to implement provisions of West Virginia Code §18B-7 and §18B-8, and upon the adoption, any rules promulgated by the Council under the same sections of state law are inapplicable to the organization.

26.2. Any organization that provides notice to the Council may establish a classification and compensation rule, after consultation with and providing thirty (30) days written notice to the staff council, that incorporates best human resources practices and addresses the areas of organizational accountability, employee classification and compensation, performance evaluation, reductions in force, and development of organizational policies, and upon the adoption the provisions of West Virginia Code §18B-9A and any rule promulgated by the Council thereto, is inapplicable to the extent it conflicts with the rule promulgated by the organization. Provided, that any rule adopted by an organization shall use the definitions of classified and nonclassified employees established in state law. The rule shall provide for an external review of human resources practices at the organization at least once every five years, relating to compliance with the West Virginia higher education personnel law, including provisions that staff council have an opportunity to speak with the external auditor before the start of the audit and after its completion.

§135-55-27. Organizational Accountability.

27.1. A major deficiency means an organization has failed to comply with applicable personnel rules of the Council. The following guidelines exist for correcting deficiencies should any be found:

27.1.a. When a major deficiency is identified, the Council shall notify the governing board of the institution in writing within forty working days, giving particulars of the deficiency and outlining steps the governing board is required to take to correct the deficiency.

27.1.b. The governing board shall correct the major deficiency within four months and shall notify the Council when the deficiency has been corrected; however, extensions of this time frame may be requested and granted by the Council.

27.2. If the governing board fails to correct the major deficiency or fails to notify the Council that the deficiency has been corrected within a period of four months from the time the governing board receives notification, the Council may apply sanctions as specified:

27.2.a. Sanctions may include, but are not limited to, suspending new hiring by the organization and prohibiting compensation increases for key administrators who have authority over the areas of major deficiency until the identified deficiencies are corrected.

27.3. To the extent that major deficiencies are identified relative to the Council central office the sanctions described above shall be applicable.
Appendix A

TITLE 135
LEGISLATIVE RULE
WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION

SERIES 55
HUMAN RESOURCES ADMINISTRATION

Definitions

General Definitions. Definitions in this section are applicable to higher education generally and terms and conditions of employment.

Benefits. Programs that an employer uses to supplement the cash compensation of employees, including but not limited to, health and welfare plans, retirement plans, pay for time not worked (i.e. sick leave, annual leave, holiday pay, etc.) and other employee perquisites.

Chancellor. Chancellor refers to the chief executive officer of the West Virginia Council for Community and Technical College Education or the West Virginia Higher Education Policy Commission, as appropriate.

Compensatory Time and Compensatory Time Off. Hours during which the employee is not working, which are not counted as hours worked during the applicable work week or other work period for purposes of overtime compensation and for which the employee is compensated at the employee's regular rate of pay.

Exempt Employees. Employees not covered by the Fair Labor Standards Act (FLSA) for overtime purposes.

Full Time Equivalency (FTE). The percentage of time for which a position is established, with a full-time position working 1,950 hours per year being 1.00 FTE.

Health and Welfare Benefit Plan. An arrangement which provides any of the following benefits: medical, dental, visual, psychiatric or long-term health care, life insurance, accidental death or dismemberment benefits, disability benefits, or comparable benefits.

Incumbent. An incumbent is an individual person in a position employed at an institution.

Longevity. The total number of years employed at state institutions of higher education and other agencies of state government in West Virginia.

Major Deficiency. When an organization has failed to comply with applicable personnel rules of the Council.

Meaningful Accountability. Measures that ensure adherence to rules and policies and provides for consequences for non-compliance.

Non-Exempt Employee. An employee who is covered by the Fair Labor Standards Act (FLSA) and is entitled to overtime as outlined in federal and state law.
Organization. Organization means the Council, the Commission, an agency or entity under the respective jurisdiction of the Council or the Commission or a state institution of higher education. Organizations include the following entities individually or collectively -- Blue Ridge Community and Technical College; BridgeValley Community and Technical College; Eastern West Virginia Community and Technical College; Mountwest Community and Technical College; New River Community and Technical College; Pierpont Community and Technical College; Southern West Virginia Community and Technical College; West Virginia Northern Community College; West Virginia University at Parkersburg; Bluefield State College; Concord University; Fairmont State University; Glenville State College; Marshall University; Shepherd University; West Liberty University; West Virginia School of Osteopathic Medicine; West Virginia State University; West Virginia University, including Potomac State College and West Virginia University Institute of Technology; the Office of the Higher Education Policy Commission; the Office of the Council for Community and Technical College Education; and the West Virginia Network for Educational Telecomputing.

President. A chief executive officer of an institution of higher education in West Virginia who reports to the institution’s governing board. This term shall be used in this rule to refer to the Chancellor for the office of the West Virginia Council for Community and Technical College Education, the Chancellor for the office of the Higher Education Policy Commission and the Director of the West Virginia Network for Educational Telecomputing.

Rehire. Rehire defines an employee who leaves the service of an institution and later applies for and accepts a position offered by the same institution.

Seniority. The total number of months or years employed with the current West Virginia higher education organization employer.

Job Documentation Classification and Compensation.
Definitions in this section are applicable to job documentation, classification and compensation management.

Base salary. The amount or a rate of compensation for a specified position of employment or activity excluding annual experience increment and any other payments or allowances for work or activity unrelated to that specified position of employment.

Base salary adjustment. The amount that a base salary increases within the pay grade to reward performance, to rectify inequities, or to accommodate competitive market conditions.

Benchmark Job. A job that is commonly found and defined, used to make pay comparisons to comparable jobs outside the organization.

Career Ladder. A structured sequence of related, upwardly progressing positions.

Classification System. An organized structure in which jobs, job descriptions, job titles, and job analyses are utilized to determine a hierarchy of jobs, career ladders and pay grade assignments.

Compa-Ratio. A measure to assess competitiveness of current salary level to the market (midpoint of the salary structure). Compa-ratio is the short form for Comparative ratio. It measures the ratio of an employee's actual salary (the numerator) to the midpoint of the applicable (the denominator) salary range. To calculate an individual's compa-ratio, divide the base salary by the midpoint of the assigned salary range (pay grade range). See also “salary range penetration”.

Compensation. Earnings provided by an employer to an employee for services rendered.
Compensation Philosophy. The guiding principles that ensure that a compensation program supports an organization’s culture.

Compensation Strategy. The principles that guide the design, implementation and administration of a compensation program at an organization for the purpose of supporting the organization’s mission, vision, goals and objectives.

Compression. The situation encountered when a new employee enters into the organization at or above the pay of someone who is currently in the same role in the organization. It can also exist when you have two jobs in the same job family with someone in the “lower” job earning more than the person in the “higher” job. There are some families in which this may make sense such as software development where a senior developer may appropriately earn more in base than a manager of the function.

Increment. Annual payment to employees based on years of West Virginia state government work experience and earned pursuant to West Virginia Code §5-5-2.

Internal Equity Analysis. A comparative analysis of compensation levels within an organization to determine if a level of compensation is equitable when compared to compensation of other employees who hold similarly situated positions in the same job classification or pay grade who have the same or similar levels of knowledge, skill, experience and performance.

Interim Responsibilities. A significant change in duties and responsibilities of an employee on a temporary basis justifying an interim promotion or upgrade for salary purposes. Such a temporary reassignment shall normally be for no less than four (4) consecutive weeks, no more than twelve (12) consecutive months, and shall only occur when the responsibilities being undertaken by the employee are those of another position that is vacant.

JDXperts. Web based job information and description management software system provided as a shared service to institutions of the Council and Commission. JDXperts is the official depository of institutional job information used for job analysis, institution job description development, master classification specification development and identification of benchmark jobs. Benchmark jobs are used to build and maintain the market based salary structure administered by institutions as part of the higher education employee classification and compensation management program.

Job. The total collection of tasks, duties, and responsibilities assigned to one or more individuals whose work is of the same nature and level.

Job Analysis. A systematic process in which information is collected via a position information form relative to the nature of a specific job, providing documentation and knowledge needed for conducting a job evaluation.

Job Class / Pay Grade. The level to which a job is assigned within a salary structure.

Job Classification/Job Evaluation. A formal process used to evaluate jobs, establish proper pay grades, and slot jobs in pay grades.

Job Classification Committee. A Committee of employee and human resources representatives established by West Virginia Code tasked with evaluating classification appeals and other changes to classified jobs.

Job Description. (Used interchangeably with the phrases institution job description, position job description, incumbent job description): A summary of the essential functions of a job at a particular
institution, including the general nature and level of the work performed, a characteristic listing of duties and responsibilities, and the knowledge, skills and abilities necessary to perform the work. Best practices in human resources management support maintaining a current job description for all jobs in the organization, regardless of the employee category assigned to the position incumbent.

Job Family. A series of job titles in an occupational area or group.

Job Specification. See Master Classification Specification

Job Title. The label that uniquely identifies and generally describes a job. The same descriptive job title shall be given to a group of jobs, regardless of location in the organization, which are substantially the same in duties and responsibilities, and which require substantially the same knowledge, skills and abilities performed under similar working conditions.

Labor Market. The labor market for compensation is the geographic area, industry, organization size, or organization type from which an organization attracts employees. Market Value refers to how much a particular job would be worth for a specific talent market (industry, size, location, organization type) at a specific or target percentile.

Master Classification Specification/Job Specification. General descriptions of the collective type and kind of work performed by the majority of employees assigned the same job classification. Each master specification will contain a job title, nature of work performed, distinguishing characteristics of the job, and a general description of typical duties and responsibilities performed by positions assigned the title, regardless of the location of the position.

Mid-Point. Midpoint is the middle of a pay range; the midpoint typically aligns to the market value for the job. See “Range Midpoint”

Merit Increases. A discretionary salary increase given to an employee to reward demonstrated achievements in the performance of the duties and responsibilities of a position, as evaluated by criteria established by the organization.

Pay Grade. See Job Class/Pay Grade.

Pay Range Quartile. The four divisions of a pay range. The point between the 2nd and third quartile is the midpoint of the pay range.

Pay Range or Pay Range Spread. Pay range is an expression of the pay for a position assigned to a pay grade in a salary structure that provides the minimum, midpoint and maximum levels of compensation. The range from minimum to maximum, expressed as a percentage, is the pay range spread. The range spread percentage is calculated by subtracting the minimum from the maximum and dividing by the minimum the multiplying by 100.

Pay Structure. See Salary Schedule

Position. A set of duties and responsibilities requiring employment of a single employee at a particular organization.

Position Description Form/Job Description Form (PDF/JDF). A tool used to collect a broad range of job information used in the creation and classification of a new or changed position. A position description form is not required for every employee or job. Formerly referred to as a position information questionnaire.
**Promotion.** Movement from a position requiring a certain level of skill, effort, and authority into a vacant or newly created classified position assigned to a different job title and a higher pay grade that requires a greater degree of skill, effort, and authority.

**Range Midpoint.** Midpoint is the middle of a pay range. The midpoint typically aligns to the market value for the job.

**Range Penetration/Position in Range.** An important compensation metric to consider in conjunction with a compa-ratio. Rather than just being a comparison to one piece of data (the midpoint), range penetration looks at a salary in relation to the whole pay range. Range Penetration is how far an employee has progressed through the pay range. Range penetration = (Salary – Range Minimum) ÷ (Range Maximum-Range Minimum) See the Salary Administration Guidelines for more information about range penetration.

**Rehire.** Rehire defines an employee who leaves the service of an institution and later applies for and accepts a position offer at the same institution.

**Salary Benchmarking.** The process of market pricing a benchmark job.

**Salary Structure/Pay Structure/Salary Schedule.** A graphical structure consisting of a series of pay grades and range of pay available for each grade.
West Virginia Code §18B-1D-8, statutorily mandates the West Virginia Higher Education Report Card. This annual accountability report provides year-end higher education statistics for both of the state’s higher education systems, the West Virginia Higher Education Policy Commission (Commission) and West Virginia Council for Community and Technical College Education (Council). Many of the enrollment, retention, graduation, and financial aid statistics found throughout this publication are reflective of the individual master plans approved by the Commission (Leading the Way Access. Success. Impact. 2013-2018) and the Council (Fulfilling the Vision 2015-2020). This edition of the West Virginia Higher Education Report Card primarily focuses on the 2016-17 academic year. A complete copy of the Report Card can be found on the Commission’s website at this link: http://www.wvhepc.edu/wp-content/uploads/2018/01/Report-Card-Final-Draft.pdf

DATA HIGHLIGHTS:

Statewide Data

College-Going Rates

- The overall college-going rate increased 0.3 percentage points from 54.7 percent to 55.0 between 2015 and 2016. The in-state college-going rate increased slightly from 47 to 47.2 percent between 2015 and 2016. The overall and in-state college going rates have decreased 1.4 and 1.1 percentage points, respectively, since 2012.

Degrees/Certificates Awarded

- The total number of degrees and credentials awarded at West Virginia public institutions during the 2016 academic year was 18,573, which is 0.3 percent greater than 18,521 awarded in 2015. Over the ten-year period from 2007 to 2016,
the total number of degrees and credentials has increased by 23.5 percent from the 2007 level of 15,040.

**Community and Technical College System Data**

**Enrollment**

- Students enrolled in for-credit classes at community and technical colleges have decreased 4.7 percent, from 21,141 in 2015 to 20,150 in 2016. For credit enrollment has decreased 19.4 percent since the fall of 2012.
- Annual headcount enrollment decreased 4.5 percent, form 27,571 in 2015 to 26,321 in 2016. Since 2012, annual headcount enrollment has decreased 23.3 percent.
- Adult students enrolled in for-credit classes decreased 4.6 percent from 2015 to 2016, and 25.3 percent since fall 2012.
- Part-time student enrollment decreased 6.2 percent from 2015 to 2016, and 9.9 percent since fall 2012.

**Tuition and Fees**

- Increases in tuition and fees from 2015 to 2016 at community and technical colleges ranged from a low of 1.3 percent at Mountwest Community and Technical College ($48) to a high of 9 percent at Eastern Community and Technical College ($270).
- Over the five year period from 2012 to 2016, the increases varied from a low of 21.3 percent at Pierpont Community and Technical College ($824) to a high of 37.6 percent at West Virginia Northern Community College ($958).

**Degrees/Certificates Awarded**

- The number of certificates and degrees awarded within the community and technical college system increased 4.9 percent from 2015 to 2016. Over the five year period since 2012, the number of certificates and degrees conferred increased 24.4 percent.
- The number of students entering bachelor’s degree programs the following fall after enrollment in a community college decreased 8.9 percentage points, from 1,426 in the fall of 2014 to 1,299 in the fall of 2015.

**Developmental Education**

- The percentage of first-time freshmen enrolled in developmental education courses decreased 1.1 percent, from 50.3 in 2015 to 49.2 in 2016. Over the five year period since 2012, students enrolled in developmental education have decreased 13.5 percent. Some institutions have seen dramatic drops in the percent of first-time freshmen requiring developmental education due to boot camp courses that some institutions have implemented for students prior to their
enrollment. Boot camp courses provide students opportunities to brush up on academic skills to negate the need for developmental education.

- The proportion of first-time freshmen who enrolled in developmental education and passing the subsequent college-level course increased 20.3 percentage points in English and 34.8 percentage points in math, from 2011 to 2015.

**Workforce Development**

- The total percent of skill enhancement completers has increased while skill set, and advanced skillset completers declined between 2015-16 and 2016-17 academic years. These figures are largely responsive to the needs in the workforce in the immediate regions surrounding an institution.
- The total number of training contact hours delivered in the Community and Technical College System decreased 0.6 percent, from 802,650 to 797,496 in 2016.
- The number of students completing career-technical certificate programs increased by 7.4 percent form 1,361 in 2015 to 1,462 in 2016. Since 2012, the number of certificate completers has increased from 858 to 1,462, a growth of 70.4 percent.
- The number of students completing career-technical associate's programs decreased 0.9 percent from 2015 to 2016. Career-technical associate’s program completion has increased by 2.6 percent since 2012.
West Virginia Council for Community and Technical College Education
Meeting of January 25, 2018

ITEM: 2017 Financial Aid Comprehensive Report

INSTITUTIONS: All

RECOMMENDED RESOLUTION: Information Item

STAFF MEMBER: Brian Weingart

BACKGROUND:

In accordance with West Virginia Code §18C-1-1e, this report represents the ninth annual Financial Aid Comprehensive Report. It contains (a) descriptions of and changes to West Virginia aid programs, (b) policy recommendations for West Virginia aid programs, and (c) longitudinal data about recipients of state financial aid and outcomes of these recipients. The Financial Aid Comprehensive Report along with its two supplements on institutional aid at public institutions, and federal aid and student loans, together provide a comprehensive view of the principal sources of financial aid at West Virginia colleges and universities. It should be noted that the data presented are for the 2015-16 academic year; financial aid data for the 2016-17 academic year are currently being submitted by institutions and are not available at the time of publication.

Changes in West Virginia

The Higher Education Student Financial Aid Advisory Board met twice in 2015-16 and made recommendations to the West Virginia Higher Education Policy Commission regarding the academic criteria necessary to receive the Providing Real Opportunities to Maximize In-State Student Excellence (PROMISE) Scholarship, the PROMISE award amount, and the Higher Education Grant Program (HEGP) award structure. The West Virginia Higher Education Policy Commission expanded statewide a 2013-14 pilot project to share with public high schools student-level Free Application for Federal Student Aid (FAFSA) completion data in 2014-15 known as the FAFSA Data Share. This initiative allows authorized personnel in public high schools to provide direct assistance and counseling to those students who have not filed the FAFSA. During 2015-16, additional high schools were signed up to use the FAFSA Data Share and counselors were trained on how to utilize this new tool.

The PROMISE Scholarship has enjoyed several years of stability with the academic criteria necessary to receive the award having not changed since 2007-08. However, the future fiscal outlook of the state requires the Higher Education Student Financial Aid Advisory Board to review policy options going forward.
The HEGP has been able to increase the maximum award over the last four years from $2,100 in 2011-12 to $2,700 in 2016-17. While this is still below the maximum award amount of $3,300 in 2009-10, the HEGP has been able to serve almost twice as many students each year since the award amount was decreased. For 2015-16, the HEGP was able to serve students with an Expected Family Contribution (EFC) of up to 10,000. There was also a five percent allocation for non-traditional first-time HEGP recipients, namely adults 25 years and older who filed their FAFSA by July 1, with a secondary deadline of July 31. The five percent allocation was able to serve all of the non-traditional students who met these criteria. The HEGP has been able to maintain the award amount because the Legislature has maintained funding through 2016-17. State financial aid programs have been held harmless amid several years of state budget cuts.

The U.S. Department of Education made the 2017-18 FAFSA available October 1, 2016, three months earlier, and used 2015 income information to make the FASFA easier to complete for students. In response, the Commission moved its application start dates to October 1 to coincide with the FAFSA for the PROMISE Scholarship, Engineering, Science and Technology Scholarship, and the Underwood-Smith Teacher Scholarship. The Commission also increased outreach activities by conducting more financial aid nights and FAFSA workshops to help students complete the FAFSA, but left the deadlines for applying for state aid the same to allow students additional time to complete applications. The early FAFSA caused an increase in FAFSA filing rates among high school students and allowed colleges and universities to send out award letters to students earlier.

**Data Highlights**

**PROMISE Scholarship Program**

- The number of PROMISE recipients increased from 9,954 in 2011-12 to 10,276 in 2015-16.

- The total cost of the scholarship decreased from $47.7 million in 2011-12 to $46.5 million in 2015-16. Although the $4,750 block award was implemented on January 1, 2010 for new scholars, pre-existing scholars still received full tuition and fees in 2010-11, 2011-12, and 2012-13. From 2013-14, all scholars were subject to the new block award.

- Public community and technical colleges accounted for 3 percent of PROMISE scholars in 2015-16 with one-third of these attending West Virginia University at Parkersburg.

- The proportion of enrollment at two-year public institutions that is made up of PROMISE scholars has slightly increased from 1.2 percent in 2011-12 to 1.3 percent in 2015-16. PROMISE scholars were the highest percentage of enrollment in 2015-16 at West Virginia University at Parkersburg (3.1 percent) and Southern West Virginia Community and Technical College (2.8 percent).
• The proportion of first-year students who were PROMISE scholars in two-year public institutions increased from 2.7 percent in 2011-12 to 2.9 percent in 2015-16.

• In 2015-16, the share of incoming freshmen PROMISE scholars with family adjusted gross income of less than $30,000 was 14.6 percent. Approximately 17.9 percent had a family income of $30,000 to $59,999, while 20.5 percent had income of $60,000 to $89,999, 18.6 percent had income of $90,000 to $119,999, and 28.4 had income of $120,000 or more.

• The percentage of students receiving both PROMISE and the Higher Education Grant has increased from 33.8 percent in 2011-12 to 37.1 percent in 2015-16.

• The proportion of PROMISE scholars who keep the scholarship into the fall semester following their initial freshman enrollment was 80.2 percent for the 2011-12 fall cohort and has risen since then to 81.4 percent for the 2015-16 fall cohort.

• The proportion of PROMISE scholars keeping their scholarship into the third fall semester increased from 64.3 percent in 2011-12 to 67.5 percent in 2014-15.

• The proportion returning with the scholarship in their fourth fall semester increased from 55.5 percent for the 2011-12 cohort to 57.2 percent for the 2013-14 cohort.

• The proportion of first-time, full-time PROMISE scholars at two-year public institutions that transfer within two years to a four-year public institution was 21.1 percent for the 2010 cohort and decreased to 16.7 percent for the 2014 cohort. The overall rates for PROMISE scholars are considerably higher than the rates for all first-time, full-time freshmen which ranged from 5.6 percent to 5.4 percent between the 2010 and 2014 cohorts.

**Higher Education Grant Program**

• The number of HEGP recipients decreased each year during the five-year period, from 19,501 in 2011-12 to 17,251 in 2015-16.

• The total amount awarded decreased from $39 million in 2011-12 to $38 million in 2015-16, a decrease of 9.3 percent.

• The average HEGP award increased from $2,011 in 2011-12 to $2,203 in 2015-16.

• Public community and technical colleges accounted for 21.6 percent of HEGP awardees in 2015-16 with the largest percentage being at WVU at Parkersburg (3.5 percent). The share attending community and technical colleges decreased from 24.5 percent in 2011-12.
The proportion of enrollment at two-year public institutions that was made up of HEGP awardees increased slightly from 15.3 percent in 2011-12 to 15.6 percent in 2015-16. Southern West Virginia Community and Technical College had the largest HEGP share of enrollment in 2015-16 with 25.3 percent. Southern West Virginia Community and Technical College also experienced the most growth in share of HEGP students in the two-year sector, increasing more than 11 percentage points over the five-year period.

The proportion of in-state first-time freshmen that were HEGP recipients at two-year public institutions increased from 22.5 percent in 2011-12 to 26.3 percent in 2015-16. Pierpont Community and Technical College had the highest proportion of first-year freshmen enrollment made up of HEGP recipients (34 percent).

In 2015-16, 28.9 percent of HEGP recipients were classified as freshmen; 27.1 percent as sophomores; 17.5 percent were juniors; and 25.2 percent were seniors. The higher share of freshmen is likely due to the elimination of a separate state application for this program in 2009-10. Filing a FAFSA and claiming West Virginia residency is all students must do to apply for this program.

The adult (age 25 and up) share of HEGP recipients decreased from 28.9 percent in 2011-12 to 20.1 percent in 2015-16.

Nearly three-fourths (74 percent) of first-time recipients in 2015-16 were freshmen; this was higher than the 67.3 percent figure in 2011-12. This was due to the elimination of the separate state application for the program in 2009-10. All students who filed a FAFSA claiming West Virginia residency, had an eligible expected family contribution, and designated an eligible institution were awarded. Needing only a FAFSA for eligibility makes it less likely that a student will receive the award for the first time after their freshman year.

In 2015-16, the share of all HEGP recipients with family adjusted gross income of less than $30,000 was 51.3 percent. Another 29.1 percent had family income of $30,000 to $59,999; 16.2 percent had income of $60,000 to $89,999; 3.1 percent had income of $90,000 to $119,999; and 0.3 percent had income of $120,000 or more.

Compared to 2011-12, the proportions of students in the lowest income bracket has declined while the proportions in the highest income brackets have increased.

The proportion of HEGP recipients who maintained the grant into the fall semester following their initial freshman enrollment was 50.8 percent for the 2011-12 fall cohort and increased to 55.7 percent for the 2015-16 fall cohort.

Two-, three-, and four-year associate’s degree rates were generally higher for HEGP students than for all students. This is noteworthy given that they are low-
income students who historically have tended to have lower outcomes than their more affluent peers.

- The proportion of first-time, full-time HEGP recipients that graduate within two years reached a five-year high with the 2014 cohort at 12.1 percent.

- The proportion of first-time, full-time HEGP recipients at two-year public institutions that transfer within two years to a four-year public institution increased from 4.8 percent for the 2010 cohort to a five-year high of 7 percent for the 2014 cohort.

**Higher Education Adult Part-Time Student (HEAPS) Grant Program**

- The number of HEAPS recipients decreased from 3,578 in 2011-12 to 3,081 in 2015-16.

- The total amount of awards was approximately $3 million in 2015-16, a decrease of 9.3 percent over the roughly $3.3 million disbursed in 2011-12.

- The average award increased from $918 in 2011-12 to $993 in 2015-16.

- In 2015-16, 51.1 percent of HEAPS Part-Time Enrollment Component recipients were enrolled at two-year public institutions.

- The institution with the largest share among two-year public institutions was Blue Ridge Community and Technical College (10.7 percent).

- Nearly half of 2015-16 HEAPS recipients (48.5 percent) earned $20,000 or less in income. About 26 percent earned between $20,000 and $40,000, while 25.5 percent earned over $40,000. From 2011-12 to 2015-16, the proportion making $40,000 or less has declined slightly while the proportion making more than $40,000 has increased slightly.

- About 26.6 percent of HEAPS recipients received awards of $500 or less in 2015-16, while 17.5 percent received awards of $501 to $750, 18.1 percent awards of $751 to $1,000, and 20.4 percent awards of $1,001 to $1,500. About 17.4 percent received awards over $1,500.

- Most students (47.4%) in the HEAPS program in 2015-16 were seeking an associate’s degree. The second most popular credential sought was a bachelor’s degree by 40.9 percent of recipients. Students seeking certificates accounted for 11.6 percent of recipients.
HEAPS Workforce Development Component

- The number of students awarded decreased from 1,402 in 2011-12 to 732 in 2015-16, while the actual dollars awarded declined from nearly $2 million to $1.2 million. The average award increased from $1,401 to $1,679 during the same time period.

- About 55.7 percent of HEAPS Workforce recipients were enrolled in two-year public institutions in 2015-16. Public vocational/technical centers accounted for 42.8 percent of recipients while 1.5 percent attended independent, for-profit institutions.

- Overall, Eastern Community and Technical College had the largest number of recipients in 2015-16 at 111, followed by Blue Ridge Community and Technical College (101) and BridgeValley Community and Technical College (92).