



MEMORANDUM

TO: Dr. Paul L. Hill, Chancellor
West Virginia Higher Education Policy Commission

FROM: Dr. Brian O. Hemphill, President
West Virginia State University

DATE: August 14, 2014

RE: State Appropriations for West Virginia State University

By request of Senator Plymale, the following information is provided as an analysis of state appropriations to West Virginia State University. This analysis was requested following West Virginia State University's (WVSU) appeal for additional base budget funding in the amount of \$1 million relating to the separation of the community and technical college (CTC) that was previously located on campus. Please note Fairmont State University and Marshall University received significant increases in their budgets due to the separation of their respective community and technical colleges, while West Virginia State University has not received the same level of support. See *Figure 1* as outlined below.

Figure 1: CTC Separation State Appropriations

Institution	*Fiscal Year 2009	Fiscal Year 2010	**Fiscal Year 2011	***Fiscal Year 2012	Fiscal Year 2013	****Fiscal Year 2014
Fairmont State University	\$1,250,000.00	\$0.00	\$2,500,000.00	\$1,250,000.00	\$0.00	\$0.00
Marshall University	\$1,250,000.00	\$0.00	\$2,500,000.00	\$1,250,000.00	\$0.00	\$0.00
West Virginia State University	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$682,930.00
TOTALS	\$2,500,000.00	\$0.00	\$5,000,000.00	\$2,500,000.00	\$0.00	\$682,930.00

**In Fiscal Year 2009, Fairmont State University and Marshall University received a \$1,250,000 increase in base funding for the separation of their respective community and technical colleges.*

***In Fiscal Year 2011, Fairmont State University and Marshall University received a one-time allotment of \$2,500,000.*

****In Fiscal Year 2012, Fairmont State University and Marshall University received a one-time allotment of \$1,250,000.*

*****In Fiscal Year 2014, West Virginia State University received a \$682,930 increase to the base funding for the separation of its community and technical college.*

In West Virginia and across the nation, funding for higher education has faced challenging times in recent years. Reductions in state funding have impacted all institutions, specifically West Virginia State University. The information provided below details WVSU's history and presents current trends in several key performance areas commonly utilized to assess an institution, including cash reserves, enrollment, retention, graduation, and tuition and fees. (*Trends derived from Higher Education Policy Commission published data.*)

West Virginia State University was founded under the provisions of the Second Morrill Act of 1890 as the West Virginia Colored Institute, one of 18 land-grant institutions authorized by Congress and designated by the states to provide for the education of black citizens in agriculture and the mechanical arts. In 1927, the institution was accredited by the North Central Association and is the longest, continuous accredited higher education institution in the State of West Virginia. In 1929, it became West Virginia State College (WVSC). In 2004, the West Virginia Legislature approved WVSC's transition to University status with current academic offerings including 21 bachelor's degrees and four master's degrees.

In 1953, West Virginia State University established a community and technical college as an integral part of the institution. The addition of such programs, including a broad spectrum of associate degrees, certificates, industry certifications, skill sets, continuing education, community services, employee training, as well as developmental and transfer education, helped to build WVSU's student enrollment.

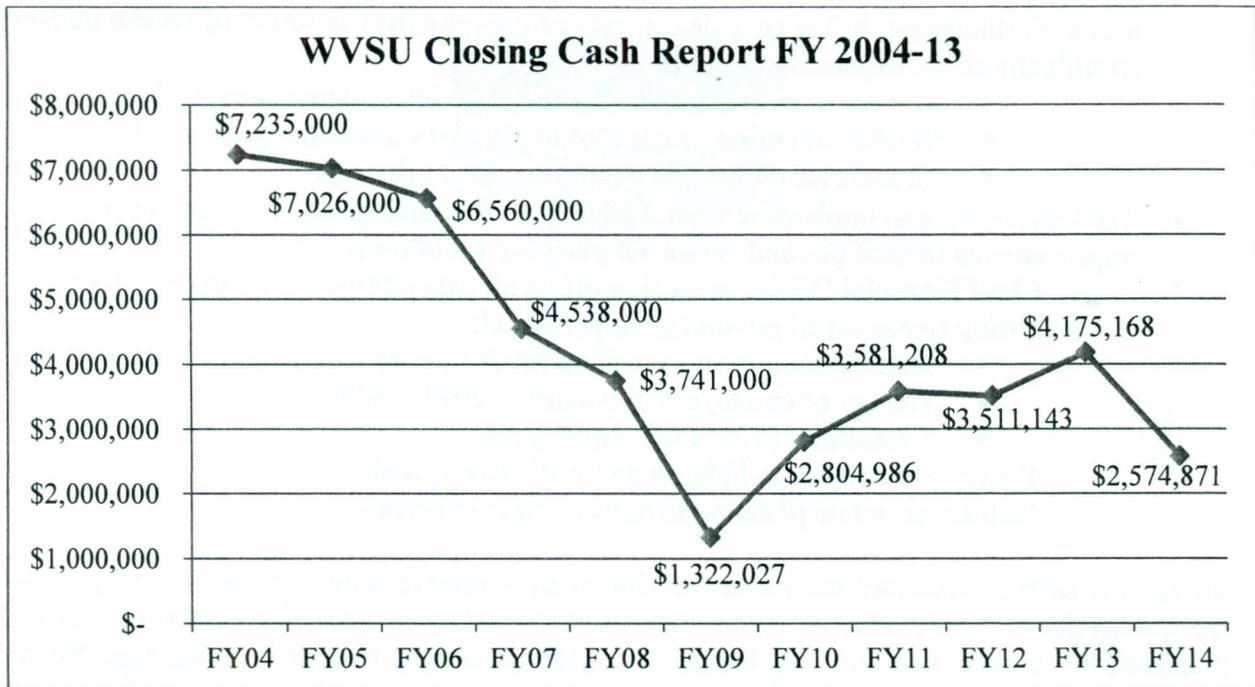
In 1999, the West Virginia Legislature established a separate community college system, and in 2004 required all community colleges to seek independent accreditation from the Higher Learning Commission of the North Central Association. Subsequently, in 2008, the Legislature required that all community and technical colleges operate independently and, pursuant to that legislation, the Governor appointed a separate Board of Governors. In 2009, the West Virginia State Community and Technical College became Kanawha Valley Community and Technical College (KVCTC).

While KVCTC made significant progress toward fulfilling its mission, unintended consequences of the separation resulted in: decreased enrollment (the CTC accounted for approximately a third of WVSU's enrollment) and student complexity for those transferring credits from KVCTC. WVSU's loss of funding due to the separation of KVCTC is provided in *Figure 2*.

Figure 2: CTC Separation Funding Loss

Item	Amount Lost
Title III Funding	\$650,000
Capital & Activity Fees	\$1,050,973
Dormitory Fees	\$99,000
Dining Fees	\$99,000
Bookstore	\$520,000
Total Losses	\$2,418,973
*Based on a decline in enrollment of 1,323 students.	

Cash Reserves



Due to these losses, WVSU’s cash reserves have declined drastically. As the above chart illustrates, the institution’s year end cash reserves have decreased from \$7 million to an estimated \$4.1 million, representing a decrease of 42.3 percent. The significant decrease of reserves from Fiscal Year 2008 to Fiscal Year 2009 is contributed to the fact that Fiscal Year 2009 was the first year WVSU and KVCTC submitted separate financial reports to the Higher Education Policy Commission. The increases in reserves for Fiscal Year 2010 to Fiscal Year 2013 are a result of the various cost saving initiatives implemented by West Virginia State University and detailed in the subsequent paragraphs. Additionally, during the 2012 Regular Session of the Legislature, a \$1.5 million one-time allocation was provided to the Higher Education Policy Commission to assist both WVSU and West Virginia University Institute of Technology. Following that allocation, \$750,000 was provided to WVSU by the Higher Education Policy Commission. Furthermore, during the 2013 Regular Session of the Legislature, \$682,930 was allocated to WVSU’s base budget, specifically to assist with the funding losses associated with the separation of the community and technical college.

These cost saving initiatives include:

- Partnering with a private developer to build a new residence hall that will create modern, suite-style housing for 291 students. This building is replacing two older residence halls that did not meet student needs and were extremely costly to maintain. Furthermore, as the University partnered with a private developer, no state funds were needed or utilized for this project. The new residence hall will be completed by the start of the fall 2014 semester.
- To address the University’s technological issues, the University upgraded the information technology infrastructure and wireless capabilities, an area of priority and need as identified by all University stakeholder groups. The funds utilized for the costs associated with this upgrade were set aside during the refinancing of the University’s existing bond

debt. The project increased the wireless capabilities around campus, while also providing the infrastructure necessary to expand classroom technologies in order to meet student needs. Furthermore, it has provided increased opportunities in terms of course delivery, specifically in the expansion of online course offerings.

- Number of online courses for the 2008-09 academic year = 26
 - Number of online courses for the 2013-14 academic year = 165
 - An increase of 534.6% in online course offerings
- The University also implement several additional cost saving initiatives and overall improvements in facilities and personnel planning as follows:
 - Chief Financial Officer must sign off on all expenditures in excess of \$500;
 - Hiring freeze on all non-essential personnel;
 - Number of employees at June 30, 2011 = 447
 - Number of employees at August 5, 2014 = 345
 - A reduction of 22.8% in employees
 - Energy efficiencies in lighting and water usage; and
 - Holiday schedule planning to reduce utility expenses.

These cost saving initiatives increased the University’s reserve funds, in addition to providing the University an opportunity to incorporate the \$504 salary increase for Fiscal Year 2015 as mandated by Senate Bill 306, the budget bill. Additionally, a two percent increase for non-classified staff; a two percent faculty increase; and a two percent merit increase for faculty were also implemented. The last pay increase for WVSU’s faculty was a 2 percent across-the-board pay increase on September 1, 2011. Furthermore, in Fiscal Year 2015, WVSU will fully fund the classified staff salary schedule.

Enrollment

WVSU’s declining enrollment is represented in *Figure 3*. Institutional enrollment included 3,003 students in 2008 and 2,677 students in fall 2013, representing a decrease of 10.9 percent over the five-year period.

Figure 3: Fall Enrollment 2008-13

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	% Change	
							2012-13	2008-13
Fall Census Date Enrollment	3,003	4,003*	3,190	2,827	2,644	2,677	1.2%	-10.9%
*This number included enrollment at both WVSU and the previously administratively-linked community and technical college.								

Despite WVSU experiencing a decline in student enrollment between 2010 and 2012, WVSU was one of only two higher education institutions in the state to increase overall enrollment from fall 2012 to fall 2013. In a one-year period, WVSU’s enrollment of first-time freshman increased approximately 41 percent.

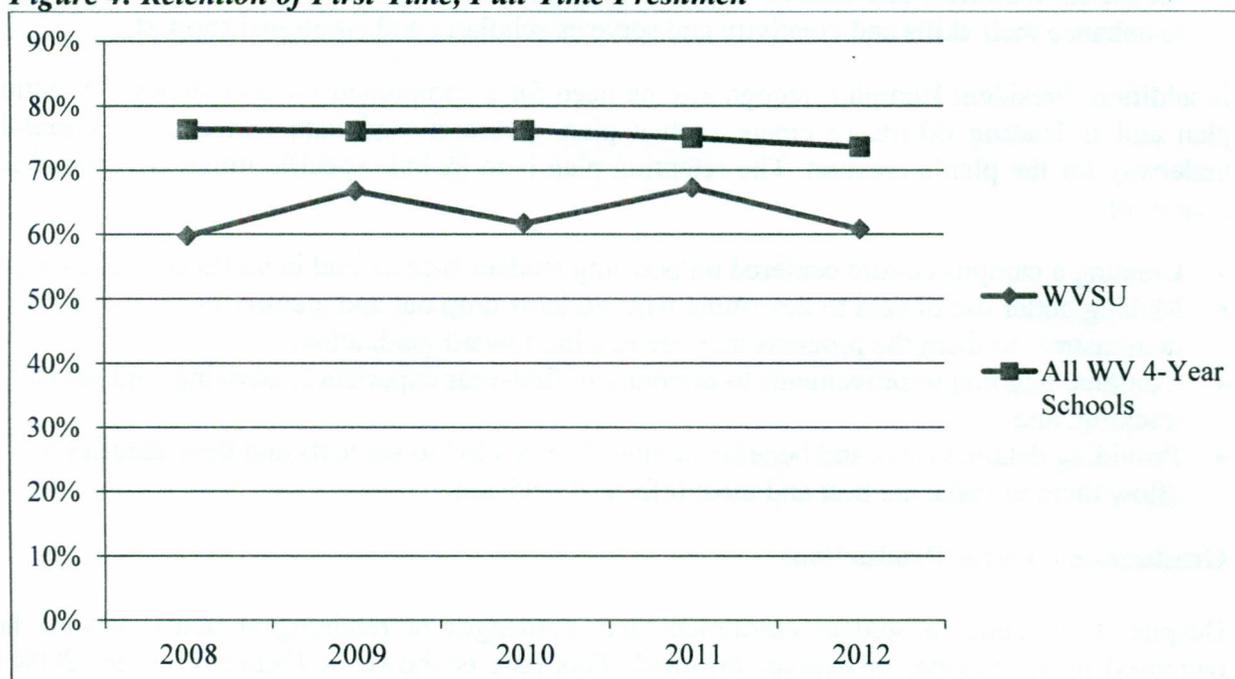
Retention

This indicator provides the proportion of first-time, full-time freshmen that are enrolled the following year at any West Virginia public college or university. At this time, data capabilities do not allow tracking of students who transfer to private or out-of-state public institutions to

complete their degrees. Students are more likely to drop out during their first college year than at any other time. The ability to provide support that will assist with retention during this first year will increase the likelihood of higher graduation rates.

Retention of first-time, full-time freshman students have generally trended slightly higher for West Virginia four-year schools. At WVSU, the trend has not been as consistent. The most recent data (fall 2012 cohort) reports a 60.7 percent retention rate, while publically supported four-year schools in West Virginia have an average rate of 73.6 percent. See *Figure 4*.

Figure 4: Retention of First-Time, Full-Time Freshmen



To address this issue, WVSU President Brian O. Hemphill has implemented a Retention and Student Success Council to focus solely on retention efforts at the University. Additionally, the University is utilizing a number of strategies and initiatives that were either enhanced or implemented. The following are a list of innovative retention initiatives:

- Launched State Stride, a freshmen convocation designed to highlight the University and the many support services offered;
- Created a Retention and Student Success Council with representatives from across the University to help address challenges that students encounter;
- Developed a one-on-one student-mentoring program for Series 23 students;
- Debuted a Military Student Services Center to support military student success;
- Charged Deans to work with students, who have been identified to have academic deficiencies, in order to address problematic areas;
- Developed an exit interview process to assist students to remain enrolled;
- Secured funds through the Presidential Scholarship Fund to address the financial needs of students;
- Increased communication through email, text, phone, and U.S. mail;
- Enhanced the faculty referral system to more easily chart the status of referred students;
- Increased the outreach efforts of Student Support Services throughout the summer months;

- Worked to promote the ROTC and the financial benefits offered to students who need assistance in paying for college;
- Supplemented personnel duties to address student-athlete retention;
- Secured a grant to enhance developmental English offerings;
- Provided professional development for faculty and staff to further strengthen developmental and supplemental student learning experiences related to mathematics and science;
- Developed Research Rookies Program to provide stipends and a supportive laboratory team environment for new students to be mentored in scientific research techniques (NOTE: In fall 2013, there were seven incoming freshmen enrolled in the program.); and
- Identified, recruited, and offered students' academic challenges through the Honors Program to enhance their skills and creativity and serve as scholarly and emotional support.

In addition, President Hemphill recognizes the need for a comprehensive and strategic retention plan and is leading efforts to create such a plan. Research and data collection is currently underway for the plan's creation. The retention plan is to include specific initiatives around the themes of:

- Creating a campus culture centered on boosting student success and includes all stakeholders;
- Making better use of data to determine why students drop out and identify those at-risk and demonstrate to them the progress they are making toward graduation;
- Continue ongoing improvements to orientation, first-year experience, advising, and student tracking; and
- Providing detailed costs and benefits of attending WVSU to students and their families to allow them to make the best and most informed decision.

Graduation (Degree Production)

Despite the decline in student enrollment and challenges in retaining students, WVSU has increased in the number of degrees awarded. This data is shown in *Figure 5*. From 2008 to 2013, WVSU graduate degree production has increased 240 percent with bachelor degree production increased 12.4 percent.

Figure 5: Degrees Awarded 2008-13

Award Type	2008	2009	2010	2011	2012	2013	2012-13 % Change	2008-13 % Change
Bachelors	372	385	378	414	397	418	5.3%	12.4%
Graduate	5	11	12	11	13	17	30.8%	240.0%
TOTALS	377	396	390	425	410	435	6.1%	15.4%

Tuition and Fees

In light of the past two fiscal years of state appropriation reductions for higher education, West Virginia State University's tuition and fees have increased yet remain consistent with the statewide average tuition and fees. This data is shown in *Figure 6*. These increases were implemented, as with all other higher education institutions, to offset the state's reduced funding appropriations and, most importantly, to maintain quality education for students.

Figure 6: Regular Tuition and Fees: 2014-15 Resident Undergraduate Students

Institution	2012-13	2013-14	2014-15	Increase Over 2013-14	Percentage of Increase	Ranking by Cost
Bluefield State College	\$5,180.00	\$5,564.00	\$5,832.00	\$268.00	4.8%	3
Concord University	\$5,716.00	\$6,002.00	\$6,422.00	\$420.00	7.0%	8
Fairmont State University	\$5,326.00	\$5,824.00	\$6,306.00	\$482.00	8.3%	6
Glenville State University	\$5,860.00	\$6,384.00	\$6,696.00	\$312.00	4.9%	11
Marshall University	\$5,930.00	\$6,216.00	\$6,526.00	\$310.00	5.0%	9
Shepherd University	\$5,834.00	\$6,256.00	\$6,570.00	\$314.00	5.0%	10
West Liberty University	\$5,930.00	\$6,226.00	\$6,412.00	\$186.00	3.0%	7
West Virginia State University	\$5,442.00	\$5,932.00	\$6,228.00	\$296.00	5.0%	5
West Virginia University	\$6,090.00	\$6,456.00	\$6,960.00	\$504.00	7.8%	12
WVU - Potomac State College	\$3,178.00	\$3,336.00	\$3,480.00	\$144.00	4.3%	1
WVU - Potomac State College (Bachelor's Degree)	\$3,946.00	\$4,128.00	\$4,320.00	\$192.00	4.7%	2
WVU Institute of Technology	\$5,558.00	\$5,808.00	\$6,048.00	\$240.00	4.1%	4

Concluding Recommendation

The advancements made at WVSU are impressive, especially when considering recent reductions in overall funding for higher education. As a result, I respectfully request the West Virginia Higher Education Policy Commission's support for and advocacy of a \$1 million base budget increase for West Virginia State University.

Thank you for your consideration. Please contact my office regarding any questions concerning the analysis provided or the request for increasing the University's base budget.