

LEGISLATIVE OVERSIGHT COMMISSION ON EDUCATION ACCOUNTABILITY

Senate Finance Committee Room
May 20, 2014

- **Series 26, Legislative Rule, Underwood-Smith Teacher Scholarship Program** 1
Mr. Brian Weingart, Senior Director of Financial Aid
- **West Virginia University Institute of Technology Progress Report** 23
Ms. Carolyn Long, Campus
- **Fairmont State University Faculty/Staff Severance Plan** 29
Dr. Maria Rose, President



West Virginia
Higher Education
Policy Commission



West Virginia Higher Education Policy Commission

Report to the Legislative Oversight Commission on Education Accountability

May 20, 2014

**Series 26, Legislative Rule
Underwood-Smith Teacher Scholarship Program**

Form #3

FILED

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

NO COMMENTS RECEIVED DURING COMMENT PERIOD

**TITLE 133
LEGISLATIVE RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**SERIES 26
UNDERWOOD-SMITH TEACHER SCHOLARSHIP PROGRAM**

§133-26-1. General.

- 1.1. Scope. This rule establishes guidelines and procedures which will direct the operation of the Underwood-Smith Teacher Scholarship Program.
- 1.2. Authority. West Virginia~~a~~. Code §18C-4 et seq.
- 1.3. Filing Date. ~~April 26, 2005~~
- 1.4. Effective Date. ~~April 27, 2005~~
- 1.5. Modification of Existing Rule: Title133, Series 26, Legislative Rule of the West Virginia Higher Education Policy Commission dated ~~June 9, 1998~~ April 27, 2005.

§133-26-2. Purpose.

- 2.1. The intent of the legislation creating the Underwood-Smith Teacher Scholarship Program is to:
 - 2.1.a. Improve the quality of education in the public schools of West Virginia by encouraging and enabling West Virginia residents who have demonstrated outstanding academic abilities to pursue teaching careers at the pre-school, elementary, middle or secondary levels in the public schools of West Virginia.
 - 2.1.b. Make particular efforts to encourage those individuals who have demonstrated outstanding academic abilities to pursue teaching careers by developing selection criteria and procedures to reflect the state's present and projected teacher needs, including needs statewide and in different geographic areas and for teachers with education and training in specific disciplines.

§133-26-3. Funding.

- 3.1. A special revolving fund known as the Underwood-Smith Teacher Scholarship Fund has been created in the State Treasury and is administered by Vice Chancellor for Administration of the West Virginia Higher Education Policy Commission (Commission) solely to grant

scholarships for prospective teachers. Monies received from collections, monies appropriated by the Legislature, interest earned on these monies, and monies received by other sources will be placed in this fund.

- 3.2. Carry-forward monies shall not expire or revert and will be used for future scholarships.
- 3.3. Additional funding may be received from gifts, grants, contributions, bequests, or endowments.
- 3.4. The Vice Chancellor for Administration shall make a reasonable effort to encourage external support for the scholarship program.
- 3.5. Fund balances shall be invested with the state's consolidated investment fund.
- 3.6. In order to encourage support for the Underwood-Smith Teacher Scholarship Program, the Vice Chancellor for Administration may set aside up to one-half of the funds appropriated by the Legislature to match non-state source contributions on behalf of a specific institution of higher education in this state. Such match shall be at the rate of two state dollars to each one dollar contributed by a private source.

§133-26-4. Administration.

- 4.1. The Underwood-Smith Teacher Scholarship Program shall be administered by the Vice Chancellor for Administration or her/his designee.
- 4.2. The Higher Education Policy Commission, in consultation with the State Superintendent of Schools, shall promulgate reasonable legislative rules for the administration of the program and the Vice Chancellor for Administration, in accordance with such rules, shall establish appropriate guidelines for program operation.
- 4.3. ~~Scholar~~ Recipient awards shall not exceed \$5,000.00 per year for a maximum of four academic years for a baccalaureate degree and/or two academic years for a master's degree.
- 4.4. The Vice Chancellor for Administration shall solicit the views of public and private education agencies and institutions and other interested parties in developing the selection criteria and procedures to be used by the selection panel. These views may be solicited by means of written and published selection criteria and procedures in final form for implementation. Views may also be solicited by means of public hearings on the present and projected teacher needs of the state.

§133-26-5. Panel Selection Criteria and Procedures.

- 5.1. The Governor ~~will~~ shall designate the Higher Education Student Financial Aid Advisory Board ~~an existing scholarship selection agency or panel~~ to select Underwood-Smith Teacher Scholarship recipients ~~or, if no such agency or panel exists, will appoint a scholarship selection panel consisting of seven persons representative of public school administrators, teachers, including pre-school teachers, and parents.~~

§133-26-6. Application Process.

- 6.1. Application forms will be made available to public and private high schools in the state and to public and private colleges in the state.
- 6.2. Applications may be distributed and the program advertised to interested parties such as, but not limited to, the National Association for the Advancement of Colored People, Division of Rehabilitation Services, and West Virginia's Women's Commission in an effort to attract students from low income backgrounds, ethnic or racial minority students, students with disabilities, and women or minority students who show interest in pursuing teaching careers in mathematics and science and who are under represented in those fields. Applications may also be distributed and the program advertised in campus newspapers, agency exhibits, and publications directed at interested parties.
- 6.3. In times of limited funding or limited teaching jobs in West Virginia, priority will be given to upper division college applicants.

§133-26-7. Eligibility Criteria.

- 7.1. Academic ability shall be the primary criteria for selecting scholarship recipients.
- 7.2. To be eligible to receive an Underwood-Smith Teacher Scholarship, applicants/renewals must be West Virginia residents who are or will be enrolled on a full-time basis in an accredited institution of higher education in West Virginia pursuing a course of study leading to teacher certification at the preschool, elementary, middle or secondary level in West Virginia who:
- 7.2.a. Have graduated or are graduating from high school in the top 10 percent of their graduating class or the top ten percent statewide of those West Virginia students taking the American College Test or the Scholastic Assessment Test ~~as determined by the Vice Chancellor for Administration.~~

- 7.2.b. Have completed less than two years of college and have at least a 3.25 cumulative grade point average on a possible 4.0 scale; or
- ~~7.2.c. Are public school aides, paraprofessionals or other applicants who have completed two years of college work and have a cumulative grade point average of at least 3.25 on a possible 4.0 scale; or~~
- 7.2.d. Are graduate students who have graduated or will be graduating with at least a 3.5 grade point average on a possible 4.0 scale from their undergraduate institution.
- 7.3. Recipients must be willing to sign a scholarship agreement which shall fully disclose the terms and conditions under which a teaching obligation must be met or repayment may be required.
 - 7.3.a. A ~~scholar~~ recipient may appeal any determination of non-compliance with provisions of the scholarship agreement by submitting a written appeal of the specific complaint within 30 days of notification of non-compliance. Such appeal will be submitted to the Vice Chancellor for Administration or her/his designee for a decision.
 - 7.3.b. No Underwood-Smith funds will be disbursed until a signed agreement has been received by the Vice Chancellor for Administration.
- 7.4. In addition to academic criteria, the following may be considered in the selection of the Underwood-Smith Teacher Scholarship recipients: Pursuit of a degree in a teaching need area as determined by the State Board of Education, grade point average, involvement in extra-curricular activities, financial need, a written essay in which the applicant expresses her/his interest in teaching, and reference letters from faculty members.

§133-26-8. Service Obligation.

- 8.1. Each recipient of the Underwood-Smith Teacher Scholarship shall enter into an agreement with the Vice Chancellor for Administration that within a ten-year period after completing the teacher education program, the recipient agrees to:
 - 8.1.a. Teach full-time under contract with a county board of education in a public education program in West Virginia for two years for each year for which the scholarship was received; or
 - 8.1.b. Teach full-time in West Virginia, one year for each year for which

the scholarship was received, under contract with a county board of education in West Virginia in a teacher shortage area, in an exceptional children program, in a school having less than average academic results or in a school in an economically disadvantaged area as determined by the State Board of Education; or

8.1.c. Perform substitute teaching duties with a county board of education in West Virginia for two years for each year for which the scholarship was received or if teaching in West Virginia in a teacher shortage area, in an exceptional children program, in a school having less than average academic results or in a school in an economically disadvantaged area as determined by the State Board of Education teach one year for each year the scholarship was received. Credit received will be pro-rated based on the number of days in the public school system year. A minimum of 60 days of substitute teaching is required to earn any credit toward the teaching obligation.

8.2. If a recipient is seeking and unable to secure a position as set out in Section 8.1 of this rule following completion of the teacher education program, he/she may be considered for additional options to fulfill the service obligation. Qualifying optional service will be credited at the rate of two years of service for each year the scholarship was received. Such service must be certified in writing by an appropriate employing official and be approved in advance by the Vice Chancellor for Administration or her/his designee. Additional options include:

8.2.a. Teach full-time or permanent part-time in a private school, parochial or other school approved under exemptions (A) or (K) for the instruction of students of compulsory school age pursuant to section one, article eight, chapter eighteen of the West Virginia ~~state~~ code or in an accredited higher education institution or accredited post-secondary vocational education program in West Virginia; or

8.2.b. Perform alternative service or employment in West Virginia in a federal, state, county or locally supported program with an educational component, including mental or physical health care. A minimum of seventy-five percent of the work assignments must involve the educational component to be considered for credit through alternative service or employment. This may include, but not be limited to, those employed as librarians, guidance counselors, instructors at prisons or juvenile correctional facilities, and certain federal early outreach and student services employees; or

- 8.2.c. Perform alternative service with a bona fide tax exempt charitable organization dedicated to the above. Any such employee must meet the education component criteria and percentage as set out in Section 8.2.b.
- 8.3. If extenuating circumstances exist (see Section 9.4), the Vice Chancellor for Administration may extend the period for fulfilling the obligation to fifteen years.
- 8.4. It is the responsibility of the recipient to provide the Vice Chancellor for Administration with evidence of compliance with teaching requirements.

§133-26-9. Monetary Repayment.

- 9.1. If a recipient does not fulfill the service obligation, he/she will be required to make monetary repayment of the scholarship.
- 9.2. In addition to the repayment of the scholarship, interest will ~~accrue at a rate set at the greater of the new borrower rates for either the federal Stafford or PLUS loan programs. Interest rates will be adjusted annually on July 1 from the time the interest be charged~~ at a rate prescribed by the Vice Chancellor for Administration and will begin to accrue ~~to~~ at the time the repayment period begins.
- 9.3. ~~In the event of non-compliance, interest will accrue from the date of the first scholarship disbursement. If a scholar fulfills a portion of the obligation, interest will accrue from the day on which the scholar ceased to fulfill the obligation. If a scholar is substitute teaching but does not earn enough credit to fulfill any of the obligation, interest will accrue from the date of graduation.~~ If a recipient fulfills a portion of the obligation, interest will accrue from the day on which the recipient ceased to fulfill the obligation. If a recipient is substitute teaching but does not earn enough credit to fulfill any of the obligation, interest will accrue from the beginning of the deferment period.
- 9.4. In the event of non-compliance, payment in full will normally be expected 60 days from the date of non-compliance. In the event of extenuating circumstances the Vice Chancellor for Administration may approve an alternate payment plan.
- 9.5. As permitted by federal law, applicable state regulations, and the terms of the scholarship agreement, reasonable collection costs, late charges and attorney fees may be assessed in the collection of delinquent accounts.
- 9.6. If extenuating circumstances exist, the Vice Chancellor for Administration, upon receipt of appropriate documentation, may extend

the period for fulfilling the obligation to fifteen years. Extenuating circumstances include, but are not limited to, a temporary disability, inability to secure a full-time teaching position, or serious family illness.

- 9.7. When the ~~West Virginia Higher Education Policy~~ Commission is advised of a ~~scholar's~~ recipient's application for bankruptcy, such application will be considered by the Vice Chancellor for Administration or her/his designee in consultation with the Attorney General's Office.
- 9.8. When, due to poor health, monetary hardship, or other acceptable reasons, a recipient is unable to make payments, a forbearance may be allowed if the Vice Chancellor for Administration or her/his designee has reason to believe, and so documents in the scholar's file, that the ~~scholar~~ recipient does intend to fulfill the monetary obligation.

§133-26-10. Deferment Provisions.

- 10.1. A recipient is not considered in violation of the agreement entered into and is eligible for consideration of deferment of fulfilling the obligation, including the cessation of interest accrual, provided he/she is:
 - 10.1.a. Pursuing a full-time course of study at an accredited institution of higher education. The student must provide documentation of enrollment on a semester basis.
 - 10.1.b. Serving on active duty, not in excess of four years, as a member of the armed services of the United States. ~~Scholar~~ The recipient must provide documentation from an authorized military official of start date of active duty and discharge date.
 - 10.1.c. Seeking and unable to find full-time employment with a county board of education in West Virginia or acceptable alternative service employment pursuant to Section 8.2. This deferment shall not exceed ~~up to~~ 27 months. To receive this deferment, a ~~scholar~~ recipient must annually provide documentation signed by a school official from two county boards of education verifying that an application for full-time employment is on file.
 - 10.1.d. Seeking and unable to find any full-time employment. This deferment can be approved for a single period not to exceed 12 months. Copies of written correspondence with potential employers and/or other appropriate documentation must be provided every six months.

10.1.e. Providing care for a disabled spouse for a period not to exceed 12 months. A sworn affidavit from a qualified physician must be submitted every six months.

10.1.f. Temporarily totally disabled for a period not to exceed three years. Proof of disability must be established by a sworn affidavit of a qualified physician and verified on an annual basis.

10.2. Deferments may also be considered for other conditions and circumstances as may be approved by the Vice Chancellor for Administration.

§133-26-11. Cancellation of Obligation.

11.1. A recipient's service and monetary obligation is excused in the event the recipient:

11.1.a. Becomes permanently and totally disabled as established by sworn affidavit of a qualified physician. The Vice Chancellor for Administration may require additional evidence of the disability.

11.1.b. Is deceased. A copy of the death certificate must be submitted.

§133-26-12. Relationship to Other Financial Assistance.

12.1. Underwood-Smith Teacher Scholarship awards plus other financial assistance shall not exceed the cost of attendance at the institution the student is attending. Cost of attendance will be provided by a financial aid officer at the school of attendance. Cost of attendance will include the cost of tuition and fees, reasonable allowances for books, educational supplies, room and board, and other expenses necessitated by individual circumstances such as a physical disability.

12.2. Should the scholarship award plus the amount of other financial awards exceed the cost of attendance, the institution's financial aid officer, in consultation with the recipient will determine what aid is to be reduced. This adjustment should be to the best advantage of the ~~scholar~~ recipient.

§133-26-13. Collections.

13.1. Institutions' and Commission staff shall exercise due diligence in collecting monetary repayments from scholarship recipients.

13.2. Institutional due diligence means:

13.2.a. Conducting and documenting an entrance interview (individually

or in groups) with the scholarship recipient before disbursing funds in an academic year. This requirement may be met by correspondence if the institution determines that a face-to-face meeting is not practical.

13.2.b. Conducting and documenting an exit interview with the scholarship recipient in which the institution provides the borrower with information necessary to carry out the terms of repayment, reminds the recipient of the rights and responsibilities associated with the scholarship funds and updates the recipient's personal information to assist in locating the recipient if he or she fails to keep the institution or the Commission informed of his or her current address.

13.3. Commission due diligence means:

13.3.a. Notifying the scholarship recipient of his/her obligations at least twice annually during any grace or deferment period.

13.3.b. Performing regular billing.

13.3.c. Following up past due payments with a series of at least four documented and reasonably spaced attempts to contact the borrower, at least three of which must be in writing at not more than 30-day intervals, before the obligation becomes 120 days past due, provided that the Commission has a current address for the borrower.

13.3.d. Performing address searches when necessary.

13.3.e. Referring defaulted scholarships more than 120 days past due to the Secretary of the Department of Administration or to a collection agent.

13.4. In place of one or more of the procedures outlined above, institutions and Commission staff may substitute collection techniques that are equally or more effective.

§133-26-14. Loan Assistance Eligibility.

14.1. The Higher Education Student Financial Aid Advisory Board or those designated by the Higher Education Student Financial Aid Advisory Board shall select recipients to receive Underwood-Smith Teacher Loan Assistance Awards.

- 14.2. Eligibility for an award is limited to a teacher who has earned a teaching degree and is certified to teach in West Virginia.
- 14.3. Priority shall be given to new teachers and teachers who have previously received a loan assistance award that shall agree to teach or shall currently be teaching: a subject area of critical need in a state public school, a teacher that shall agree to teach or shall currently be teaching in a geographic area of the state identified as an area of critical need, or to a certified teacher in a subject area of critical need who is enrolled in an advanced in-field degree course or who has earned an advanced in-field degree who may use the award toward current federal student loans.
- 14.4. The Commission shall consult with the State Department of Education annually to determine the subject areas of critical need and the geographic areas of the state in critical need.

§133-26-15. Loan Assistance Application.

- 15.1. Application forms shall be made available to public and private schools in the state via the Commission and the State Department of Education's websites and in other locations convenient to potential applicants.
- 15.2. Applications will be submitted on an application form approved by the Vice Chancellor for Administration.
- 15.3. Applications must be submitted by such deadline as may be designated by the Vice Chancellor for Administration.

§133-26-16. Loan Assistance Agreement.

- 16.1. Before receiving an award, each eligible teacher shall enter into an agreement with the Vice Chancellor for Administration.
- 16.2. Recipients shall agree to teach full-time in a public school in West Virginia in a subject area or geographic area of critical need under contract with a county board for a period of two school years for each year for which loan assistance is received.
- 16.3. The Vice Chancellor for Administration may grant a partial award to an eligible recipient whose contract term is for less than a full school year. A partial award is calculated by prorating the full award amount based upon the number of days taught in the school's calendar year.

§133-26-17. Loan Assistance Awards.

- 17.1. Each award recipient is eligible to receive loan assistance of up to \$2,000

annually.

- 17.2. Awards will be paid to the recipient's educational loan institution, not directly to the recipient, only after the Commission determines that the recipient has complied with all the terms of the agreement.
- 17.3. Recipients may have their award terminated or may be required to repay all or part of an award according to the terms of Section 9 of this rule if the recipient does not comply with the terms of the agreement.
- 17.4. Award amounts shall not exceed the applicant's outstanding loan balance.
- 17.5. Loans eligible for loan repayment assistance are federal student loans in the applicant's name that were used for educational costs associated with obtaining a degree in teaching or a teaching credential. Parent PLUS Loans are not eligible for loan repayment assistance.
- 17.6. Loan repayment assistance shall not reimburse applicants for payments to loans already made.
- 17.7. Federal teacher loan forgiveness programs shall be considered when awards are calculated.
- 17.8. Recipients shall annually submit proof of fulfillment of the terms of the loan assistance agreement to the Commission in accordance with the loan assistance agreement.
- 17.9. Half of the annual award will be paid after fulfilling the first year of the agreement; the second half of the annual award will be paid after fulfilling the second year of the agreement.

§133-26-18. Loan Assistance Renewals.

- 18.1. The recipient is eligible for renewal of loan assistance only during the periods when the recipient is under contract with a county board to teach in a subject area of critical need in a school or geographic area of critical need.
- 18.2. An applicant must have completed the terms of previous loan assistance awards before being renewed.
- 18.3. A renewal applicant who is teaching under a contract in a position that no longer meets the definition of critical need defined in Section 14.4 above is eligible for renewal of loan assistance until the teacher leaves his or her current position.

18.4. No recipient may receive loan assistance in excess of \$15,000.

§133-26-19. Loan Assistance Cancellation.

19.1. A recipient's service and monetary obligation is excused in the event the recipient meets the terms of Section 11 of this rule.

§133-26-20. Loan Assistance Deferment.

20.1. A recipient is not considered in violation of the agreement entered into and is eligible for consideration of deferment of fulfilling the obligation if the recipient meets the terms of Section 10 of this rule.

SUMMARY

TITLE 133 LEGISLATIVE RULE WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

SERIES 26 UNDERWOOD-SMITH TEACHER SCHOLARSHIP PROGRAM

This rule establishes guidelines and procedures which will direct the operation of the Underwood-Smith Teacher Scholarship Program. The amended Legislative Rule implements provisions to allow teachers to apply for and be awarded up to \$2,000 in loan assistance in exchange for two (2) years of service of teaching in a West Virginia public school. For Fiscal Year 2014, money was appropriated to be awarded for this purpose. The Scholarship Program is designed to encourage outstanding high school graduates to pursue teaching careers and to remain in the state at the completion of their college graduation.

QUESTIONNAIRE

(Please include a copy of this form with each filing of your rule: Notice of Public Hearing or Comment Period; Proposed Rule, and if needed, Emergency and Modified Rule.)

DATE: _____

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: (Agency Name, Address & Phone No.) _____

LEGISLATIVE RULE TITLE: _____

1. Authorizing statute(s) citation _____

2. a. Date filed in State Register with Notice of Hearing or Public Comment Period:

b. What other notice, including advertising, did you give of the hearing?

c. Date of Public Hearing(s) *or* Public Comment Period ended:

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.

Attached _____ No comments received _____

- e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)

- f. **Name, title, address and phone/fax/e-mail numbers** of agency person(s) to receive all *written correspondence* regarding this rule: (Please type)

- g. **IF DIFFERENT FROM ITEM 'f'**, please give **Name, title, address and phone number(s)** of agency person(s) who wrote and/or has responsibility for the contents of this rule: (Please type)

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

- a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

b. Date of hearing or comment period:

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

d. Attach findings and determinations and reasons:

Attached

■
APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: _____

Type of Rule: _____ Legislative _____ Interpretive _____ Procedural

Agency: _____

Address: _____

1. Effect of Proposed rule:

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
ESTIMATED TOTAL COST					
PERSONAL SERVICES					
CURRENT EXPENSE					
REPAIRS & ALTERATIONS					
EQUIPMENT					
OTHER					

2. Explanation of Above Estimates:

3. Objectives of These Rules:

Rule Title: _____

4. Explanation of Overall Economic Impact of Proposed Rule:

A. Economic Impact on State Government:

B. Economic Impact on Political Subdivisions; Specific Industries; Specific Groups of Citizens:

C. Economic Impact on Citizens/Public at Large.

Date: _____

Signature of Agency Head or Authorized Representative:



West Virginia Higher Education Policy Commission

Report to the Legislative Oversight Commission on Education Accountability

May 20, 2014

West Virginia University Institute of Technology Progress Report



Leading the Way:

Access. Success. Impact.

West Virginia Higher Education Policy Commission

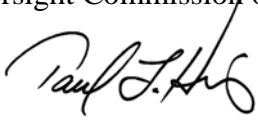
1018 Kanawha Boulevard, East, Suite 700

Charleston, West Virginia 25301

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MEMORANDUM

TO: Legislative Oversight Commission on Education Accountability

FROM: Paul L. Hill 

DATE: April 30, 2014

RE: WVU Tech Revitalization Progress Report

As instructed in §18B-1E-4 of the West Virginia Code, the West Virginia Higher Education Policy Commission (Commission) and the governing board of the West Virginia University Institute of Technology (WVU Tech) submit this summary of revitalization efforts and the current progress of the institution.

Background

In November 2011, the Legislative Oversight Commission on Education Accountability (LOCEA) accepted the report of the WVU Tech Revitalization Project, which had been initiated by Senate Bill 486 passed in March 2011. The team that assembled the report was lead by Constantine Curtis and examined eight critical areas: administration and governance, academics, athletics, student services, finances and human resources, facilities, capital improvement, and the strategic plan. After a campus visit and a series of stakeholder interviews, the team recommended two critical reforms:

1. Grow enrollment to 1,800 students so the institution can be self-sustaining; and,
2. Capital improvements to the campus, requiring a minimum \$30 million investment over a five-year period.

To address these two major issues and to prioritize the other 50 recommendations of the initial report, the WVU Tech Revitalization Committee was formed in March 2012. In December 2012, a final report of the Committee's work was completed and submitted to LOCEA. The report documented the history of the revitalization process and gave updates on efforts that had been initiated since 2011 in order to address the critical reforms. During the 2012 Regular Session, the

West Virginia Legislature appropriated \$750,000 to WVU Tech in order to address immediate needs, including the creation of a Student Success Center and the development of a student retention plan. This report details additional progress since that time.

Progress toward goals (2012-2014)

While not exhaustive, the following section discusses important statistics and efforts concerning the critical reform areas. Although "financial health" was not an initial reform area, it has been included since financial stewardship affects both enrollment and the physical condition of campus.

Enrollment Growth & Sustainability

In order to return enrollment to pre-revitalization highs, WVU Tech has undertaken a number of critical administrative and programmatic changes in order boost student recruitment and retention. The institution has developed and is implementing a new strategic plan, part of which focuses on student recruitment and academic success. To this end, WVU Tech has made changes to its admission staff and overall recruitment strategy, creating new admissions materials and developing a communications plan for maintaining contact with accepted students. As a part of the new communications plan, faculty, staff, and students were trained to reach out to accepted students and encourage their attendance. With additional staff and resources, the institution has also expanded its marketing efforts to out-of-state and international students.

Building on its historic science, technology, engineering, and mathematics (STEM) mission, WVU Tech has expanded existing outreach programs targeting middle and high school students, including Camp STEM, an Engineering and Science Open House (attracting 1,200 students), which is now completely funded by private funds, and a Math and Science Bowl competition. New STEM outreach programs have also been developed. WVU Tech co-hosted the first West Virginia Science and Art Fair and held the Computer Science for High School workshop on-campus. The workshop, funded by a grant from Google, has created an ongoing collaboration among 14 high schools stretching across nine counties. These combined efforts have lead to the following positive outcomes in student enrollment and retention over the last two years:

- 2013-14 Fall enrollment climbed to 1,222 students, a 10.6 percent increase from the previous year;
- First-time freshmen enrollment increased from 198 students in 2012-13 to 303 students in 2013-14;
- Out-of-state student enrollment increased by 84.7 percent;
- The first-time freshmen Fall to Spring retention rate increased from 76.5 to 82.7 percent;
- Fall to Fall first-time freshmen retention increased from 45 to 53 percent; and,
- WVU Tech's undergraduate engineering program was named one of the nation's "Top 100" programs in 2012 and 2013 by *US News and World Report*.

Capital Improvements

Recruitment and academic success efforts must be supported by a robust physical campus. As per the initial revitalization team's second reform area, WVU Tech's physical plant needed serious

attention. The institution has been supported by the Legislature, the Commission, West Virginia University (WVU), and alumni in order to not only triage facilities issues that concerned campus members' health and safety, but also to advance its facilities to meet the needs of 21st century postsecondary students, staff, and faculty. Below is a brief accounting, including funding sources, of efforts undertaken in the last two years to address facility concerns:

• WI-FI installation throughout the campus	WVU - HEPC	\$529,846
• New "welcome wall"	Alumni	\$30,000
• Paving of sidewalks and parking lots	WVU - HEPC	\$575,000
• New underground power cable and transformers	HEPC	\$402,273
• COED building demolished	WVU	\$889,061
• Library renovation for new Student Success Center	WVU - HEPC	\$400,500
• New boiler for heating system in Tech Center	WVU - ARRA	\$111,123
• New ventilation system in engineering classrooms	WVU	\$283,814
• New hot water boiler for Conley and Maclin Halls	WVU	\$255,504
• New hot water boiler for the Engineering Lab Bldg.	WVU - ARRA	\$150,000
• New HVAC system for the COBE	WVU	\$140,422
• Fire alarm system installed in the Baisi Center	WVU	\$66,623
• Refrigerators purchased for residence hall rooms	WVU	\$50,000
• Elevator renovation in the Business Building	WVU	\$50,000
• Development of <i>Tech Spot</i> food service location	WVU	\$75,000
	Total	\$4,009,166*

**Total does not include future projects, or projects that have been completed or are near completion where costs have not been finalized.*

Financial Health

Maintaining enrollment and facilities requires strong fiduciary expertise, but moving an institution forward under a number of challenging conditions also requires strong leadership. Under current circumstances, tough programmatic and personnel decisions have been made for the good of the institution, community, state, and students. Through the priorities established by the Revitalization Committee, cooperation from WVU and the Commission, and leadership from Campus President Carolyn Long, the institution's finances are growing stronger every academic year. The addition of a new interim chief financial officer and strengthened budgetary alignment with WVU has produced positive fiscal outcomes. Moreover, educating faculty and staff on best practices and keeping them informed through monthly budget updates has enabled individuals throughout all levels of the institution to spend wisely. Audited final expenditures for the 2013 Fiscal Year are not available; however, the following points detail financial progress of WVU Tech since the 2009 Fiscal Year when enrollment began to decline:

- Institutional scholarships and grant spending has increased over 100 percent from Fiscal Year 2009 to 2012 (\$906,477 - \$1,822,931);

- During the same period, tuition and fee revenue has increased from \$5,001,061 to \$7,155,389, a 43 percent increase;
- Grant/contract and auxiliary revenues have remained stable;
- WVU Tech's debt service has decreased by 50 percent (\$331.382 - \$165.166); and,
- In 2011, the institution was operating at its highest deficit of the period at \$5,771,858. In the 2013 Fiscal Year, WVU Tech is projected to run a \$1,800,000 deficit, a 69 percent reduction in loss in just two years.

Recommendations

Support positive momentum

As this report has outlined, since the initiation of the WVU Tech revitalization effort there have been dynamic improvements in student enrollment and success, the financial health of the institution, and condition of its facilities. Alumni, businesses, community members, public officials, and institutional administrators, faculty and staff at both WVU Tech and WVU brought their mutual concerns about the vitality of the institution to the forefront, and then focused their efforts to improve the institution. The challenge moving forward will be to maintain the current level of stakeholder support and the momentum for positive change it has created for WVU Tech. Therefore, this report recommends that WVU Tech's administration continue to voluntarily update its stakeholders on continued progress through its own master plan and the Commission's Compact reporting efforts.

Institutional Independence

Since 2007, WVU Tech has been a fully integrated division of WVU. Through this relationship, many of the institution's functions (financial aid, institutional research, IT support, etc.) are based centrally at WVU's main campus. West Virginia University has provided and continues to provide millions of dollars in capital improvements. The extent of WVU's logistical and financial support could not be replicated by WVU Tech as an independent institution without a significant investment in additional personnel, space, and operating funds. It is the recommendation of this report that it is in the best interest of all WVU Tech stakeholders that the institution continues to function as a division of West Virginia University.

Continued Support from State Governmental Officials and WVU

On January 6, 2014, State Senators William Laird and Robert Plymale, and Delegate David Perry signed a letter that was delivered to Governor Earl Ray Tomblin concerning ongoing financial support for WVU Tech's capital needs. The letter outlined that WVU had committed to match \$4.4 million in physical plant costs over the 2015 and 2016 Fiscal Years and requested that the Governor match that commitment with an additional \$4.4 million. Attached to the letter was a prioritized list of maintenance items totaling \$8,740,500. The list included repair and renovation items such as roof and boiler replacement, upgrades in the fire safety systems of campus elevators, replacing of water and sewer lines, HVAC repairs, and addressing fire egress issues in several campus buildings. It is a recommendation and request of this report that the West Virginia Legislature and Governor's Office work together to meet the agreed upon goal to match the support of WVU in addressing these critical maintenance issues at WVU Tech.



West Virginia Higher Education Policy Commission

Report to the Legislative Oversight Commission on Education Accountability

May 20, 2014

Fairmont State University Faculty/Staff Severance Plan



Faculty/Staff Severance Plan

INTRODUCTION

The Faculty/Staff Severance Plan has been designed to help meet continuing programmatic needs and circumstances, while providing an opportunity for eligible faculty/staff members to participate in the Plan during a specified, finite period.

Authority for such plans resides in West Virginia State Code § 18B-1-1d. Severance payments do not imply an employment relationship between the University and the severed faculty/staff member; to participate, an employee must resign or retire.

Participation in the Plan is totally voluntary, and no eligible faculty/staff member shall be required to participate or discriminated against in any way or by any means if s/he elects not to participate in the Plan.

The entire cost of the Plan shall be borne by Fairmont State University.

SECTION 1—DEFINITIONS

- 1.1 **"Plan"** shall mean the Fairmont State University Faculty/Staff Severance Plan as described in the document.
- 1.2 **"Participant"** shall be any full-time (as defined by State Code §5-5-1) faculty/staff employee entering into the Plan.
- 1.3 **"Eligible Participants"** shall be those faculty and staff as defined in Section 2 following.
- 1.4 **"Faculty/Staff Member"** shall mean a full-time employee whose appointment provides the expectation of continuing employment. For purposes of this Plan, a "staff member" is an employee who is fulltime and benefits-eligible (as defined by State Code §5-5-1) and considered a "regular" classified, non-classified or FEAP employee.
- 1.5 **"Intention to Enter Plan Period"** shall mean the 15-day period from July 1 through July 16, 2014, as designated by the President, during which eligible faculty or staff (who have earlier indicated interest in participating in the plan through formal channels) may submit an Intention to Enter Plan form, which is binding only insofar as the employee has 45 calendar days from the date of signing to revoke the agreement in writing. Immediately following this period is the Election Window Period (see Section 1.6) during which the employee is to sign the Participation Contract. After the expiration of the Intention to Enter Plan period, there will be no further elections accepted and no retroactive considerations.
- 1.6 **"Election Window Period"** shall mean the 30-day period following the Intention to Enter Plan Period, as designated by the President, during which eligible faculty or staff may sign a participation contract as defined in Section 1.10. After the expiration of the Election Window Period, there will be no further elections accepted and no retroactive considerations.
- 1.7 **"Plan Payment Period"** shall mean the 24-month period from the Participant's Plan entry date.

- 1.8 **“Plan Entry Date”** shall mean any date from August 16, 2014-December 31 2014, as established by the President (depending upon timely receipt of all necessary approvals of the Plan), the date upon which the faculty/staff member enters into the severance benefit Plan, unless a subsequent date is approved for an individual by the President, who retains the discretion to delay individual Plan Entry Dates.
- 1.9 **“Years of Service”** shall mean West Virginia state service during which the faculty/staff member was benefits-eligible and actually and actively contributing into a West Virginia state retirement Plan, or in the case of Extension Services (if applicable), the federal CSRS Plan. Service years are annual-increment years, per calculation on the WV Division of Personnel formula. Unpaid leaves of absences are not included as eligible service time. Military service performed between September 16, 1940, and July 1, 1973, can be credited if such service does not exceed 25% of a participant’s total service. (For every four ((4)) years of West Virginia state service, one year of military service is allowed.) The maximum military service credit cannot exceed ten (10) years. The military discharge form DD214 shall be used to verify military service.
- 1.10 **“Participant Contract”** shall mean the written contract signed by the faculty/staff member during the “Election Window Period,” accepting all of the terms, conditions and limitations contained in the Plan, including the provisions that his/her election to enter the Plan is irrevocable after ten (10) calendar days from the Participant’s signed execution date of the Participant Contract; and that the participant waives certain rights of re-employment with the University as stated in Section 5.7.
- 1.11 **“Base Salary”** shall mean the fiscal year contract salary in effect the day immediately preceding the faculty/staff member’s Plan entry date. The base salary excludes additional pay associated with administrative duties, summer supplements and overloads, awards, research incentives, externally funded supplements, other one-time supplements, overtime and annual increment payments. Severance payments do not imply an employment relationship between the University and the severed faculty/staff member.
- 1.12 **“Severance Plan Payment”** is the amount of money payable to a Plan Participant and is based on years of service explained in Section 1.9 and a percentage of his/her existing base salary at the time of entry into the Plan. (See Appendices.) The Plan payment period provides for semi-monthly installments until January 1, 2015, when it is anticipated that the State will move to biweekly installments. [A change to a biweekly pay (every other Friday) is anticipated for January 2015, but the law has not been changed as of the creation date of the Plan.] In any case, payments will be according to the State Auditor’s pay practices and schedule in place at the time of the scheduled payment(s).
- 1.13 **“Plan Year”** shall mean the 12-month period beginning with the Participant’s Plan Entry Date, and the anniversary of this Date the second Plan year.

SECTION 2—ELIGIBILITY TO APPLY FOR PARTICIPATION

- 2.1 The University intends to offer the Plan to eligible employees in a “phased” or “tiered” approach with the criteria of sound fiscal management of the University, utilization of instructional resources and impact on the instructional mission of the institution. The University will exercise the right to limit the number of people participating in the Plan, depending upon interest in it. Participation will be based on seniority. Those individuals meeting the requirements of Tier I eligibility criteria will receive first consideration. The extension of the Plan to those interested employees who meet the eligibility requirements of Tier II will be determined by the University after Tier I participation has been determined and will be based on the aforementioned criteria. Nothing in this Section shall obligate the University to offer the Plan to any employee outside of or who does not meet Tier I

eligibility criteria. Employees must terminate their employment with the University to participate in the Plan, either by resignation or by retirement.

- 2.2 Each faculty or staff member shall be eligible to apply for participation in the Plan by meeting each aspect of the following, on or before his/her selected Plan entry date:

PHASE I ELIGIBILITY (TIER 1): At least twenty-five (25) years of West Virginia state benefit-eligible service AND any combination of age, for a total of 85 years or greater.

PHASE II ELIGIBILITY (TIER 2): At least fifteen (15) years of West Virginia state benefit-eligible service AND any combination of age, for a total of 80 years or greater.

- 2.3 The Human Resources Office shall serve as the administrator of the Plan to disseminate information about the Plan, to determine faculty/staff eligibility and to bring eligible employees' applications to the President for consideration; and to coordinate communications and processing of approvals.
- 2.4 Eligible employees with accrued sick leave or service credit may use that time/credit to pay for PEIA health insurance premiums. The employee must be eligible for retirement, officially retire, and have such accrued leave/service credit on balance and available.
- 2.5 An employee's participation in the Plan does not prevent or preclude the employee from applying for or using those benefits which s/he has accrued and/or is entitled to (retirement, Social Security, service/sick leave credits to pay health insurance premiums, e.g.), so long as the employee meets the eligibility requirements to use or access those benefits.
- 2.6 Employees with no service credit/sick leave accruals may continue their PEIA coverage by paying the full cost under COBRA. This coverage will begin immediately upon entry into the Plan and end with appropriate COBRA timeframes.

SECTION 3—ACCEPTANCE/APPROVAL BY THE PRESIDENT

- 3.1 Upon proof of eligibility, the applicant's request for acceptance into the Plan shall be presented to Human Resources for consideration by the President.
- 3.2 If the President finds that acceptance of an applicant into the Plan would impede programmatic changes compelling the offering of the Plan, she may, at her discretion, reject an applicant's request for admission into the Plan if she determines that the denial is in the best interests of the institution.
- 3.3 Approval by the President occurs when the President signs the requesting employee's completed Participation Agreement and returns it to Human Resources for further recording and processing. Nothing in this Plan shall be interpreted as vesting any right or entitlement to participation in the Plan until such acceptance and approval by the President.
- 3.4 The Institution reserves the right to set a limit on the number of faculty/staff who are approved to participate in the Plan. The President, in her sole discretion, determines the eligible interested employees who may participate. If the entry of certain eligible employees into the Plan would cause undue disruption to the operational needs of the University, the President may restrict participation in the Plan to a defined number of employees or to certain job statuses of departments or employees only; and in any other way that she deems necessary she shall maintain the operational needs of the University.

SECTION 4—PLAN ENTRY DATE

- 4.1 The Plan Entry Date for a faculty/staff member meeting the eligibility requirements of either Tier I or Tier II shall be between August 16 and December 31, 2014, at the President's discretion, the date dependent upon all appropriate and required approvals. The faculty/staff member must be actively employed on a fulltime basis up until his/her Plan Entry Date (which includes all types of paid employment such as annual or sick leave, but not unpaid leaves such as personal leave without pay, e.g.) The employee must resign or retire to be enrolled in the Plan. Faculty employees paid for 9 months over 12 months will have the balance of their escrowed benefits, such as health care premiums, paid out to them upon their termination. All approved Participants will need to have made their own health care plan and/or Medicare arrangements to begin effective upon their Plan Entry Dates.
- 4.2 Entry into the Plan may take effect no earlier than August 16, 2014, and no later than December 31, 2014.
- 4.3 A participation contract must be signed by the employee and submitted to the appropriate administrator during the "Election Window Period." The President's approval may then occur as indicated in Section 3. Ten (10) working days after s/he submits the signed participation contract to the appropriate administrator, the eligible faculty/staff member's election to enter the Plan will be irrevocable and final except as provided by Section 11.2.

SECTION 5—FORM, DURATION AND AMOUNT OF FACULTY/STAFF SEVERANCE PLAN PAYMENT

- 5.1 The Faculty/Staff Severance Plan payment schedule is displayed in Table 1.
- 5.2 Installments will be paid out via State Payroll on the same schedule as the then-controlling State payroll schedule.
- 5.3 The last installment of the Severance Plan payments payable to a Participant will end the eligible employee's participation in the Plan, and no further payments are implied or promised.
- 5.4 A Participant's Severance Plan payment will not be reduced or offset due to a receipt of any other incomes, pensions, annuities, Social Security benefits or other payments from any source. The University, however, offers no opinion or guidance on whether an employee's eligibility for other benefits, pensions or annuities may be affected by participation in the plan. The employee is responsible for seeking this guidance.
- 5.5 A Participant in the Severance Plan will not have retirement system contributions made and will not accrue retirement service credits during the two-year Plan Payment Period.
- 5.6 In the event of the death of the Participant during the Plan payment period, the present value of the remaining unpaid payments will be paid to the Participant's designated beneficiary as a discounted lump sum. The present value rate will be determined by the 30-year Treasury Bond rate, which is the ask yield* as reported in *The Wall Street Journal* on June 1, 2014. (*Yields are calculated on the asked quotation.)
- 5.7 Per § 18B-1-1d(f) , a participant in the Plan "...shall be ineligible for reemployment by the institutions during or after the negotiated period of his or her incentive concludes, including contract employment in excess of five thousand dollars per fiscal year."

SECTION 6—OTHER PROGRAMS/PRIVILEGES

- 6.1 Participants are eligible for the same programs/privileges made available to retirees.

6.2 Examples:

- Library privileges
- Admission to plays and other institutional events and programs
- Bookstore
- Recreation Center, having paid current appropriate fees

SECTION 7—VESTING IN SEVERANCE PLAN

- 7.1 A Participant shall become fully vested in the Severance Plan at 12:01 a.m. on the last day prior to his/her Plan entry date.

SECTION 8—ADMINISTRATION OF SEVERANCE PLAN

- 8.1 The Plan shall be administered by the institution. Final decisions on faculty/staff applicant approvals shall be made solely by the President, who has delegated communications, coordination and administration of the Plan to the Human Resources Office and the AVP for Human Resources.

SECTION 9—FUNDING

- 9.1 All faculty/staff Severance Plan payments shall be made by the institution in accordance with Plan provisions.

SECTION 10—AMENDMENTS/CHANGES

- 10.1 The Plan may be amended from time to time during its implementation and payout periods; provided, however, that no such amendment, alteration or revision shall affect rights already vested in accordance with the terms of this Plan.

SECTION 11—GOVERNING LAW

- 11.1 The Plan shall be governed by the laws of the State of West Virginia and the United States of America.
- 11.2 If any provision of this Plan is determined to be unlawful, that provision shall be severed and the remainder of the Plan shall continue in force; provided, however, the total value of all benefits to the Participant will not be reduced in any case. If such changes occur prior to the Participant's entry date, the Participant may, at his/her discretion, choose to revoke his/her participation contract without prejudice.

SECTION 13—TAX CONSEQUENCES

- 13.1 For purposes of withholding and reporting taxes, the institution will treat severance payment as wages, paid through State payroll. They will be reported on form W-2 and will be subject to withholding of federal and state income taxes and FICA (Social Security) and Medicare taxes.
- 13.2 As the institution does not give tax or financial advice, it is recommended that each faculty/staff member who is considering participating in the Plan discuss the consequences of participation with his/her tax advisor, legal counsel and/or financial planner/advisor. In particular, any faculty/staff member who is eligible for Social Security benefits should discuss with his/her advisor at his/her local

Social Security Office whether payments under this program are counted as earnings which could affect the payment of Social Security benefits to the Participant.

SECTION 14—REPORTING

Fairmont State University will report on a quarterly basis to the West Virginia Higher Education Policy Commission (HEPC) and the Joint Legislative Committee on Pensions and Retirement the results of the implementation of the Severance Plan. At a minimum, the following will be provided to HEPC:

- 1) A listing of the faculty and staff Participants in the Plan, including their base salaries.
- 2) The severance payment attributed to each of the participating positions/incumbents.
- 3) The Plan implementation date for each of the Participants.
- 4) Replacement status, and cost where applicable, for each of the positions.

TABLE 1***FAIRMONT STATE UNIVERSITY*****SEVERANCE PAYMENT CHART BY YEARS OF SERVICE
(24 MONTH PAYOUT)**

Participant's Eligible Years of Service*	% of Fiscal Year Ending Base Salary** Paid Out Over Two-Year Period (52 Total Installments)
15	60
16	64
17	68
18	72
19	76
20	80
21	84
22	88
23	92
24	96
25 and Over	100

* Partial years of service are not applicable. Years of service are ANNUAL INCREMENT years of service as calculated per the WV Division of Personnel formula.

**Does not include any overload pay, supplements, stipends, e.g. Base salary only.

Tier 1 employees: Minimum of 25 years of eligible service + age to total 85 or more

Tier 2 Employees: Minimum of 15 years of eligible service + age to total 80 or more

*Partial years of service are not applicable. Years of service are ANNUAL INCREMENT years of service as calculated per the WV Division of Personnel formula, as of June 30 of each fiscal year. (For faculty, a full nine months is equal to one increment year. Years of fewer than nine months' service do not count.)

The severance plan is a seniority plan.