

LEGISLATIVE OVERSIGHT COMMISSION ON EDUCATION ACCOUNTABILITY

Senate Finance Committee Room
October 20, 2014

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West Virginia
Higher Education
Policy Commission



West Virginia Higher Education Policy Commission

Report to the Legislative Oversight Commission on Education Accountability

October 20, 2014

**Series 12, Legislative Rule
Capital Project Management**

Form #3

OFFICE WEST VIRGINIA
SECRETARY OF STATE

Authorized Signature

TITLE 133
LEGISLATIVE RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
SERIES 12
CAPITAL PROJECT MANAGEMENT

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§133-12-1. 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. --
- 1.4. Effective Date. --
- 1.5. Repeal of Former Rule. Repeals and replaces Title 133 Series 12, Capital Project Management, filed November 20, 2001 and effective December 25, 2001.

§133-12-2. Purpose.

- 2.1. The purpose of this rule is to provide the West Virginia Higher Education Policy Commission (Commission) and the West Virginia Council for Community and Technical College Education (Council) 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. 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 Commission and Council 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 Commission and Council 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.

§133-12-3. Definitions.

- 3.1. ADA. Americans with Disabilities Act of 1990, 42 U.S.C. §12101, *et seq.*
- 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. Building envelope. Any work done to the exterior of an individual building, including windows, brick repointing, exterior doors and other exterior components.
 - 3.8. Building systems. Any work done on the mechanical, HVAC, electrical, plumbing, and other building systems within individual buildings.
 - 3.9. 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.
 - 3.10. Capital project management. Planning, designing, bidding and providing construction administration and oversight of architectural, engineering and construction contracts and projects.
 - 3.11. Capital projects. The construction or renovation of a fixed asset, including buildings, fixed equipment and infrastructure.
 - 3.12. 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.
 - 3.13. Debt structure. The mix of an institution's long term debt. Debt includes bond issues, notes payable and capital leases payable.
 - 3.14. 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.
 - 3.15. Economic operations. Projects that result in a reduction of annual operating costs or capital savings.
 - 3.16. 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.

- 3.17. 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.
- 3.18. 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 Commission or Council determines should warrant special consideration.
- 3.19. 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.
- 3.20. 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.
- 3.21. Grounds infrastructure. Any work done to the hardscape and softscape on campus. Examples include signage, sidewalks, roads and flower beds.
- 3.22. Governing board, state institution of higher education, and institution under the jurisdiction of the Commission or Council. All state institutions of higher education including Marshall University and West Virginia University and their respective governing boards.
- 3.23. 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.
- 3.24. 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.
- 3.25. Maintenance. The work necessary within a budget cycle to realize the originally anticipated life of a fixed asset, including buildings, fixed equipment and infrastructure.
- 3.26. Modernization. The replacement of components before the end of their life expectancy.

- 3.27. New construction. The creation of new stand-alone facilities or the creation of an addition to an existing facility.
- 3.28. 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.
- 3.29. Physical plant package. The type of renovation or improvement.
- 3.30. 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.
- 3.31. Project backlog. The list of capital projects that have not been funded.
- 3.32. Reliability. Issues of imminent failure or compromise to the system that may result in interruption to program or use of space.
- 3.33. Repair/Maintenance. The replacement of components that have failed or are failing, or planned replacement at the end of a component's life expectancy.
- 3.34. Replacement value. The cost to replace an item on the present market.
- 3.35. Renovation. Enhancements made to a building or building component.
- 3.36. 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.
- 3.37. Staffing ratios. The facilities management staffing ratios defined by the American Association of Physical Plant Administrators to calculate facilities performance indicator.
- 3.38. State capital funding. Financial resources provided from state government revenues or debt financing exclusive of funds from higher education sources.
- 3.39. Synthetic financial products. Financial products that are primarily used to manage interest rate risk or asset/liability balance.
- 3.40. Transitional. Physical facilities that require a full renovation, adaptive reuse or demolition.

- 3.41. 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.

§133-12-4. System Capital Development Planning.

- 4.1. By December 31, 2014, the Commission and Council shall, jointly or separately, develop a system capital development plan for approval by the Legislative Oversight Commission on Education Accountability. This plan 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 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 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.3. 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 Commission and Council 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 Commission and Council 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.B. Life/Safety/Code.
 - 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
- 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 Commission and Council 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 Commission and Council shall update its system capital development plan at least once in each ten-year period.

§133-12-5. 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 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;

- 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 that need to be addressed for each campus by building or facility including an estimated cost for each;
- 5.2.e. A list of existing buildings and facilities in need of 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. A list 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 Commission and Council 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 the next regularly scheduled meeting of the Commission or Council following the fifth anniversary date after the Commission and Council approves 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 of the Commission and Council.

- 5.6. A governing board may not implement a campus development plan or plan update that has not been approved by the Commission or Council, as appropriate. The purchase 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 Commission or Council prior to its purchase.
- 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.

§133-12-6. Capital Appropriation Requests.

- 6.1. The Commission and Council 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 Commission and Council for their respective institutions.
- 6.2. The Commission, Council, 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 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 Commission and Council 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 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 Commission, Council, or state budget office.
- 6.2.b. The Commission and Council 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 Commission and Council.
- 6.3. The Commission, Council, 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 Commission and Council may be submitted to the state budget office by the applicable deadline.
 - 6.3.a. The Commission and Council shall provide each governing board annually a 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 Commission or Council proposed maintenance projects, consistent with its campus development plan or plans, to be funded from these revenues for projects more than \$1 million, or \$15 million for Marshall University and West Virginia University.
 - 6.3.c. The Commission and Council 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 Commission and Council 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.

§133-12-7. 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 an 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 Commission or Council.
 - 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 first shall 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 Commission or Council sixty days in advance of the deadline for submitting agenda items to the Commission or Council (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 Commission or Council, 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 Commission and Council 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.

§133-12-8. Capital Project Management.

- 8.1. The Commission, Council, 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. 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:

- 8.3.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;
- 8.3.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:
 - 8.3.b.1. Delineation of the governing board's responsibilities with respect to capital project management and the responsibilities delegated to the institution's president;
 - 8.3.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;
 - 8.3.b.3. The governing board's requirements for the following procedures:
 - 8.3.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;
 - 8.3.b.3.B. Approving project budgets, including a reasonable contingency reserve for unknown or unexpected expenses and for bidding;
 - 8.3.b.3.C. Approving architectural, engineering and construction contracts exceeding an amount to be determined by the governing board;
 - 8.3.b.3.D. Approving contract modifications and construction change orders; and
 - 8.3.b.3.E. Providing a method for project closeout and final acceptance of the project by the governing board.

- 8.3.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.
- 8.3.d. The Commission may review or audit projects greater than \$5 million periodically to ascertain that appropriate capital project management practices are being employed.
- 8.4. 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:
 - 8.4.a. The governing board, with assistance as requested from the Commission, shall manage all capital projects if the governing board meets the following conditions:
 - 8.4.a.1. Employs at least one individual experienced in capital project development and management; and
 - 8.4.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.
 - 8.4.b. The capital project management rule of the governing board shall include at least the following items:
 - 8.4.b.1. Delineation of the governing board's responsibilities with respect to capital project management and the responsibilities delegated to the institution's president;
 - 8.4.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
 - 8.4.b.3. The governing board's requirements for the following procedures:
 - 8.4.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;

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

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

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

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

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

8.4.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.

8.5. 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 Commission and Council shall manage capital projects exceeding \$1 million. The following procedures shall be utilized in the planning, development and execution of capital projects:

8.5.a. After review and recommendation by the governing board, the Commission and Council 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;

8.5.b. After review and recommendation by the governing board, the Commission and Council shall, if acceptable, approve project budgets, including a reasonable contingency reserve for unknown or unexpected expenses and for bidding;

- 8.5.c. After review and recommendation by the governing board, the Commission and Council shall, if acceptable, approve architectural, engineering, construction and other capital contracts;
- 8.5.d. After review and recommendation by the governing board, the Commission and Council shall, if acceptable, approve contract modifications and construction change orders; and
- 8.5.e. After review and recommendation by the governing board, the Commission and Council shall, if acceptable, provide a method for project closeout and final acceptance of the project by the governing board.

§133-12-9. Maintenance.

- 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 Commission and Council.
- 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 Commission and Council and to generate a reserve sufficient to address unexpected maintenance needs.
- 9.3. The Commission and Council 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.

§133-12-10. Higher Education Facilities Information System.

- 10.1. The Commission and Council 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 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 Commission and Council.
- 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 Commission and Council 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 Commission and Council considers appropriate;
 - 10.2.c. Provide a vehicle for institutions to submit capital appropriation requests to the Commission and Council;
 - 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 Commission or Council, 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 Commission and Council 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 Commission and Council as specified by these rules.

§133-12-11. Authorization to Sell Property; Use of Proceeds.

- 11.1. The Commission, Council, 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. In case of the Commission, notifying the Joint Committee on Government and Finance.
- 11.2. The Commission, Council, 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.
- 11.3. For purposes that further the state goals, objectives and priorities for higher education set out in State code, the Commission, Council 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 Commission, Council and each governing board may convey, transfer or exchange any real property it owns to any other public body.

§133-12-12. Authorization to Lease-Purchase.

- 12.1. The Commission and Council 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 Commission or Council.
- 12.2. After the Commission or Council has granted approval for a lease-purchase agreement, which is \$1 million or higher, 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.
- 12.4. 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 Commission, Council, 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.
- 12.5. 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.
- 12.6. 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.

§133-12-13. Authorization to Lease.

- 13.1. The Commission, Council, 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 Commission, Council, 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 Commission, Council, or institutions.
- 13.3. Before executing any rental contract or lease, the Commission, Council, 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 Commission, Council, 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 Commission, Council, 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 Commission, Council, or governing board before the end of the then current fiscal year.
- 13.6. The Commission, Council, 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 Commission, Council, 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 Commission, Council, or governing board, may be signed by the chief executive officer, or designee, of the Commission, Council, 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.

§133-12-14. 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 Commission or Council, and provided to the Joint Committee on Government and Finance for prior review, if the transaction exceeds \$1 million.
- 14.2. The Commission, Council, and each governing board shall provide the following to the Joint Committee on Government and Finance:
 - 14.2.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
 - 14.2.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.
- 14.3. The copy and report required by 14.2.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.
- 14.4. 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.

- 14.5. For renewals of contracts or agreements required by this section to be reported, the Commission, Council, 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.
- 14.6. The Joint Committee on Government and Finance shall meet and review any contract, agreement or report within thirty days of receipt.
- 14.7. 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.

§133-12-15. Authorization for Sale Lease-Back.

- 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 Commission or Council 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. 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.

§133-12-16. 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 Commission

or Council. The issuance of revenue bonds is subject to the approval of the Commission or Council.

- 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.

§133-12-17. Condemnation Generally.

- 17.1. The Commission, Council, 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 Commission, Council, 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.

§133-12-18. Reporting.

- 18.1. By July 1, 2014 and annually thereafter, the Commission and Council shall 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.
- 18.2. Beginning November 1, 2016 the governing boards shall report to the Commission or Council 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.

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)*:

- | | |
|---|------------------|
| <input type="checkbox"/> Educational & General (E&G) Capital Fee Financing | Amount: \$ _____ |
| <input type="checkbox"/> Auxiliary & Auxiliary Capital Fees Financing | Amount: \$ _____ |
| <input type="checkbox"/> 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 anticipated 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.)

A & E	\$
Land Acquisition	
Sitework/Utilities	
Construction	
Equipment/Furnishings	
Other Costs	
Contingencies	
Subtotal	0
Costs of Issuance (2% of Subtotal above)	
Capitalized Interest (Estimate)	
Debt Service Reserve Fund	
Original Issue Discount	
Management Fee	
Other (specify)	
Subtotal	0
Less Planned Equity Contribution by Institution	

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

	Last 5 years				
Enrollment	FY __	FY __	FY __	FY __	FY __
Undergraduate					
Graduate & 1st Prof.					
Total	0	0	0	0	0
On-Campus					
Off-Campus					
Admissions					
Applications Received					
Applications Accepted					
Students Enrolled					
Acceptance Rate	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matriculation Rate	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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.

	Adjusted Budget FY 20__	Budgeted FY 20__	Actual FY 20__	Actual FY 20__
Ratios (Excluding OPEB liability):				
Primary Reserve Ratio	0.000	0.000	0.000	0.000
Net Operating Revenue Ratio	0.000	0.000	0.000	0.000
Return on Net Assets	0.000	0.000	0.000	0.000
Viability Ratio	0.000	0.000	0.000	0.000
Composite Financial Index	0.00	0.00	0.00	0.00

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?

☐ Yes ☐ No

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 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.



**Report to the Legislative Oversight Commission
on Education Accountability**

October 20, 2014

**Approval of Title 135, Series 12, Legislative Rule,
Capital Project Management**

**WEST VIRGINIA
SECRETARY OF STATE
NATALIE E. TENNANT
ADMINISTRATIVE LAW DIVISION**

Form #3

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE
AND
FILING WITH THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE**

AGENCY: WV Council for Community and Technical College Education TITLE NUMBER: 135

CITE AUTHORITY: §18B-1-6, §18B-19-17

AMENDMENT TO AN EXISTING RULE: YES X NO

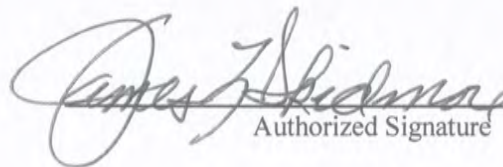
IF YES, SERIES NUMBER OF RULE BEING AMENDED: Series 12

TITLE OF RULE BEING AMENDED: Capital Project Management

IF NO, SERIES NUMBER OF RULE BEING PROPOSED:

TITLE OF RULE BEING PROPOSED:

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE FOR THEIR REVIEW.


Authorized Signature

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

**SERIES 12
CAPITAL PROJECT MANAGEMENT**

§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, §18B-19-17
- 1.3. Filing Date. --
- 1.4. Effective Date. --
- 1.5. Repeal of Former Rule. Repeals and replaces Title 135 Series 12, Capital Project Management, filed September 14, 2011, and effective September 14, 2011.

§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. 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.

- 3.1. ADA. Americans with Disabilities Act of 1990, 42 U.S.C. §12101, *et seq.*
- 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, 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. Bookstore revenues except revenues from bookstore commissions from a private entity, which must be set aside for non-athletic scholarship funds;

- 3.6.c. Student union vendor and user fees;
- 3.6.d. Donations or grants from any external source;
- 3.6.e. Facility rental fees; and
- 3.6.f. Fees assessed to students to support auxiliary enterprises.
- 3.7. Building envelope. Any work done to the exterior of an individual building, including windows, brick repointing, exterior doors and other exterior components.
- 3.8. Building systems. Any work done on the mechanical, HVAC, electrical, plumbing, and other building systems within individual buildings.
- 3.9. 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.
- 3.10. Capital project management. Planning, designing, bidding and providing construction administration and oversight of architectural, engineering and construction contracts and projects.
- 3.11. Capital projects. The construction or renovation of a fixed asset, including buildings, fixed equipment and infrastructure.
- 3.12. 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.
- 3.13. Debt structure. The mix of an institution's long term debt. Debt includes bond issues, notes payable and capital leases payable.
- 3.14. 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.
- 3.15. Economic operations. Projects that result in a reduction of annual operating costs or capital savings.
- 3.16. 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.

- 3.17. 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.
- 3.18. 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.
- 3.19. 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.
- 3.20. 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.
- 3.21. Grounds infrastructure. Any work done to the hardscape and softscape on campus. Examples include signage, sidewalks, roads and flower beds.
- 3.22. 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.
- 3.23. 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.
- 3.24. 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.
- 3.25. Maintenance. The work necessary within a budget cycle to realize the originally anticipated life of a fixed asset, including buildings, fixed equipment and infrastructure.
- 3.26. Modernization. The replacement of components before the end of their life expectancy.
- 3.27. New construction. The creation of new stand-alone facilities or the creation of an addition to an existing facility.

- 3.28. 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.
- 3.29. Physical plant package. The type of renovation or improvement.
- 3.30. 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.
- 3.31. Project backlog. The list of capital projects that have not been funded.
- 3.32. Reliability. Issues of imminent failure or compromise to the system that may result in interruption to program or use of space.
- 3.33. Repair/Maintenance. The replacement of components that have failed or are failing, or planned replacement at the end of a component's life expectancy.
- 3.34. Replacement value. The cost to replace an item on the present market.
- 3.35. Renovation. Enhancements made to a building or building component.
- 3.36. 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.
- 3.37. Staffing ratios. The facilities management staffing ratios defined by the American Association of Physical Plant Administrators to calculate facilities performance indicator.
- 3.38. State capital funding. Financial resources provided from state government revenues or debt financing exclusive of funds from higher education sources.
- 3.39. Synthetic financial products. Financial products that are primarily used to manage interest rate risk or asset/liability balance.
- 3.40. Transitional. Physical facilities that require a full renovation, adaptive reuse or demolition.
- 3.41. 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 for approval by the Legislative Oversight Commission on Education Accountability. This plan 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 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 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.3. 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.B. Life/Safety/Code.
- 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 Council and Commission for approval; 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.

- 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 Council or Commission for approval 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;
 - 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 that need to be addressed for each campus by building or facility including an estimated cost for each;

5.2.e. A list of existing buildings and facilities in need of 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. A list 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 the next regularly scheduled meeting of the Council or Commission following the fifth anniversary date after the Council and Commission approves 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 of the Council or Commission as applicable.
 - 5.6. A governing board may not implement a campus development plan or plan update that has not been approved by the Council or Commission, as appropriate. The purchase 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.

- 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, 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 by the Council or Commission, 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 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, 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, 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 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 maintenance projects, consistent with its campus development plan or plans, to be funded from these revenues for projects more than \$1 million, or \$15 million for Marshall University and West Virginia University.
 - 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 an 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 Council or Commission, as appropriate. If the cost of an improvement project for Marshall University or West Virginia University exceeds \$15 million, the governing board first shall 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.
 - 7.3.b.2. Debt Ratios.
 - 7.3.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.

§135-12-8. Capital Project Management.

- 8.1. The Council, 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. 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:
 - 8.3.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;

- 8.3.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 Council and Commission. The capital project management rule shall include at least the following items:
 - 8.3.b.1. Delineation of the governing board's responsibilities with respect to capital project management and the responsibilities delegated to the institution's president;
 - 8.3.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;
 - 8.3.b.3. The governing board's requirements for the following procedures:
 - 8.3.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;
 - 8.3.b.3.B. Approving project budgets, including a reasonable contingency reserve for unknown or unexpected expenses and for bidding;
 - 8.3.b.3.C. Approving architectural, engineering and construction contracts exceeding an amount to be determined by the governing board;
 - 8.3.b.3.D. Approving contract modifications and construction change orders; and
 - 8.3.b.3.E. Providing a method for project closeout and final acceptance of the project by the governing board.
- 8.3.c. The institutional capital project management rule shall be filed with the Council no later than one hundred eighty days following the effective date of this rule required of the Council and Commission in West Virginia Code §18B-19-17.

- 8.3.d. The Commission may review or audit projects greater than \$5 million periodically to ascertain that appropriate capital project management practices are being employed.
- 8.4. 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:
 - 8.4.a. The governing board, with assistance as requested from the Commission, shall manage all capital projects if the governing board meets the following conditions:
 - 8.4.a.1. Employs at least one individual experienced in capital project development and management; and
 - 8.4.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.
 - 8.4.b. The capital project management rule of the governing board shall include at least the following items:
 - 8.4.b.1. Delineation of the governing board's responsibilities with respect to capital project management and the responsibilities delegated to the institution's president;
 - 8.4.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
 - 8.4.b.3. The governing board's requirements for the following procedures:
 - 8.4.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;

- 8.4.b.3.B. Approving project budgets, including a reasonable contingency reserve for unknown or unexpected expenses and for bidding;
 - 8.4.b.3.C. Approving architectural, engineering, construction and other capital contracts exceeding an amount to be determined by the governing board;
 - 8.4.b.3.D. Approving contract modifications and construction change orders; and
 - 8.4.b.3.E. Providing a method for project closeout and final acceptance of the project by the governing board.
- 8.4.c. If an institution does not meet the provisions of this subsection, the Commission shall manage all capital projects exceeding \$1 million.
- 8.4.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.
- 8.5. 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:
- 8.5.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;
 - 8.5.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;

- 8.5.c. After review and recommendation by the governing board, the Council and Commission shall, if acceptable, approve architectural, engineering, construction and other capital contracts;
- 8.5.d. After review and recommendation by the governing board, the Council and Commission shall, if acceptable, approve contract modifications and construction change orders; and
- 8.5.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.

§135-12-9. Maintenance.

- 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.

§135-12-10. Higher Education Facilities Information System.

- 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 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.
- 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
- 11.2. 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.
- 11.3. 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 million or higher, to a governing board,

the board may enter into a lease-purchase agreement for capital improvements, including equipment.

- 12.3. 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 Council, Commission, 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.
- 12.4. 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 Council or Commission. In addition, any lease-purchase agreement that exceeds \$100,000 total shall be approved as to form by the Attorney General.
- 12.5. 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.

§135-12-13. Authorization to Lease.

- 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. The Council, Commission, and each governing board shall provide the following to the Joint Committee on Government and Finance:
 - 14.2.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
 - 14.2.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.
- 14.3. The copy and report required by 14.2.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.
- 14.4. 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.
- 14.5. 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.
- 14.6. The Joint Committee on Government and Finance shall meet and review any contract, agreement or report within thirty days of receipt.
- 14.7. Each governing board shall provide to the Council or Commission a copy of any contract or agreement submitted to the Joint Committee on Government and Finance pursuant to this section.

§135-12-15. Authorization for Sale Lease-Back.

- 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 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. 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 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.
- 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.

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)*:

- | | | | | |
|--------------------------|--|--------|----|-------|
| <input type="checkbox"/> | Educational & General (E&G) Capital Fee Financing | Amount | \$ | |
| | | : | | _____ |
| <input type="checkbox"/> | Auxiliary & Auxiliary Capital Fees Financing | Amount | \$ | |
| | | : | | _____ |
| <input type="checkbox"/> | 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.)*

A & E	\$
Land Acquisition	
Sitework/Utilities	
Construction	
Equipment/Furnishings	
Other Costs	
Contingencies	
Subtotal	0
Costs of Issuance (2% of Subtotal above)	
Capitalized Interest (Estimate)	
Debt Service Reserve Fund	
Original Issue Discount	
Management Fee	
Other (specify)	
Subtotal	0
Less Planned Equity Contribution by Institution	

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

	Last 5 years				
Enrollment	FY ____	FY ____	FY ____	FY ____	FY ____
Undergraduate					
Graduate & 1st Prof.					
Total	0	0	0	0	0
On-Campus					
Off-Campus					
Admissions					
Applications Received					
Applications Accepted					
Students Enrolled					
Acceptance Rate	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Matriculation Rate	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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.

	Adjusted Budget FY 20__	Budgeted FY 20__	Actual FY 20__	Actual FY 20__
Ratios (Excluding OPEB liability):				
Primary Reserve Ratio	0.000	0.000	0.000	0.000
Net Operating Revenue Ratio	0.000	0.000	0.000	0.000
Return on Net Assets	0.000	0.000	0.000	0.000
Viability Ratio	0.000	0.000	0.000	0.000

Composite Financial Index	0.00	0.00	0.00	0.00
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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?

☐ Yes ☐ No

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 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, 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.



West Virginia Higher Education Policy Commission

Report to the Legislative Oversight Commission on Education Accountability

October 20, 2014

Vision 2015: West Virginia Science and Technology Strategic Plan Progress Report



VISION2015

THE WEST VIRGINIA SCIENCE AND TECHNOLOGY STRATEGIC PLAN

Progress Report

VISION2015 WEST VIRGINIA SCIENCE AND TECHNOLOGY STRATEGIC PLAN

PROGRESS REPORT

In 2005 West Virginia science and education leaders developed a strategic plan entitled: "Vision 2015: The West Virginia Science and Technology Strategic Plan." This document was endorsed by the State's research officials, the Governor and, ultimately, was recognized in State Code (18-18B *et. seq.*) by the Legislature. The plan is comprised of five (5) target areas for infrastructure development with 14 goals for action by designated leaders from higher education, state government and industry.

Upon completion of the fifth year of implementation, the West Virginia Science and Research Council commissioned a review of the plan, its outcomes and progress indicators. With the assistance of diverse group of stakeholders, Vision 2015 was updated in 2012. Stakeholders will be brought together in the Fall of 2014 to begin to develop the successor to Vision 2015.

Vision By 2015, research and innovation will be the number one driver of West Virginia's new, diverse and prosperous economy

Overview and Impact

- More than tripled competitive funding from federal agencies since 2005.
- New science and engineering facilities at Marshall University (MU) and West Virginia University (WVU) and more being built.
- Small and medium-sized high performance computing clusters have been installed and are in use by faculty, post docs, graduate students and undergraduate students at MU, WVU and West Virginia State University (WVSU).
- The enrollment and graduation of minority STEM students have been very successful with enrollment percentage more than triple the percentage of minorities in WV and graduation numbers nearly doubling from 2010.
- [TechConnect](#) worked with partner organizations to establish ChemCeption, the only business incubator in the nation focused solely on commercializing chemistry-based technology, and the Chemicals and Advanced Materials Commercialization Fund.

Human and Physical Infrastructure

GOAL 1 Increase the number of critical STEM researchers at WVU and MU by 15% by 2015

- 2005 Baseline: 444 (130 at MU and 314 at WVU)
- 2010 Goal: 533 (156 at MU and 377 at WVU)
- 2015 Goal: 613 (179 at MU and 434 at WVU)
- Actual in Spring 2014: 897 (253 at MU and 644 at WVU)
- Accomplished (STEM researchers have exceeded goal)

GOAL 2 Increase the space allocated to externally funded STEM researchers to achieve levels comparable to similar institutions on a per researcher basis by 2015

- MU and WVU have both constructed new science facilities and construction is continuing
- Campus Master Plans for construction have been developed

PLAN PROGRESS REPORT

GOAL 3 Continue to invest in and nurture four nationally competitive research clusters (Advanced Energy, Chemicals and Advanced Materials, Biometrics and Biotechnology) and identify other emerging clusters for support

- The Research Challenge Fund provides funding for Research Challenge Grants. In 2012, Research Challenge Grants were awarded that support energy, advanced materials and biotechnology. These grants will provide support of up to \$1.35 million over 5 years, although the annual increment provided for FY15 was reduced by \$100K each due to reductions in the Research Challenge Fund.

GOAL 4 Establish statewide or regional infrastructure to provide 21st-century library resources to all institutions

- Research Trust Fund endowments have been created for library enhancements at WVU and MU which will provide for some digital journal subscriptions.

GOAL 5 Implement a Cyberinfrastructure Strategic Plan, recognizing its strategic importance to Science and Technology

- MU, WVU and WVSU have small to medium high performance computing centers installed and in use on their campuses. WVU's shared HPC system is located in a dedicated space with sufficient space, power, backup and cooling capacity for many years of growth. With the guidance of Dr. John Campbell, Chief Information Officer at WVU, a new high performance cluster (Spruce Knob) was created using a condominium style investment. Researchers can purchase direct access to nodes on the cluster making them part owners of the cluster. Cluster owners are guaranteed access to their nodes within 4 hours of job submission to their respective queue on the cluster and can borrow up to 4 hours on idle nodes. The condo model provides sustainability by allowing for cluster growth with investments from individual researchers, departments or other groups. The maintenance and support costs are covered by the institution. Spruce Knob also features 25 nodes that are freely available to the research community within the state. These nodes have a 24 hour wait time and require fair share queuing. By adding Spruce Knob to the high performance computing cyberinfrastructure, the number of compute nodes have increased from 32 (384 cores) in year 3 to over 110 nodes (1792 cores) in Year 4 between the two clusters. At present, the MU HPC has 8 heavy users and several more intermittent users, and several professors are having their students trained and are using resources for class work. At WVSU, the HPC has 10 cores and 29TB of storage with only 10TB of free space. The system is estimated to operate already at more than half its operating and memory capacity. Recently, WVSU has added 64TB of backup storage and two dedicated servers for bioinformatics and database work.
- All three institutions' HPCs were started by investment of the National Science Foundation (NSF) and are supported by the institutions.

GOAL 6 Develop innovation ecosystems to enable the start-up of new technology-based businesses

- **TechConnect** has created the Innovation Transfer Consortium (ITC), a program that provides funds to forge connections between researchers at work in West Virginia's innovative institutions of higher education and the potential private sector partners who can help turn their work into viable products, services, technologies and, ultimately, jobs. Grants have been awarded to Wheeling's Polyhedron Learning Media (PLM) and West Liberty University to develop two online physics lab simulations and

Research and Innovation

to Wheeling's PLANTS LLC and Wheeling Jesuit University's Appalachian Institute to develop and commercialize educational programming about simple, inexpensive and easy to implement hydroponic vegetable production systems to address the Appalachian area need for higher nutritional food accessible to low income populations. The ITC is funded by the Benendum Foundation and supported by Higher Education Policy Commission, Division of Science and Research.

Another TechConnect program is StartUp West Virginia Venture. The Startup West Virginia Venture program provides commercialization services to six selected small businesses and entrepreneurs. The services concentrate on Consultation and Professional Assistance. In a regional collaboration, [Tech ConnectWV](#) has partnered with Innovation Works (IW) of Pittsburgh to launch a pilot project of IW's Innovation Adoption Program (IAP) in West Virginia. The objective of IAP is to help manufacturers located in West Virginia develop cutting-edge technologies that will accelerate their business development and growth and enable them to gain a competitive advantage in local and global markets.

In addition, TechConnect worked with partner organizations to establish ChemCeption, the only business incubator in the nation focused solely on commercializing chemistry-based technology; the Chemicals and Advanced Materials Commercialization Fund; the annual TransTech Energy Business Development Conference; and the annual West Virginia Biosciences Summit. TechConnect also maintains ongoing partnerships with state and regional organizations to promote a number of initiatives aimed at empowering entrepreneurs and their communities, including the Shale Gas Innovation Contest; the WVU Tech Entrepreneurship Business Plan Competition; and the Teaming to Win Conference.

GOAL 7 Increase competitive external funding to reach at least \$240 million by 2015 and grow annual public and private R&D expenditures

- R&D expenditures dropped between 2011 and 2012. Much of this drop is related to the increased pressure of competition for limited resources both at the state and national level where funding for research has been level or reduced.

ALL R & D Expenditures			
	2005 Baseline	2012 R&D Expenditures	2015 Goal
MU	\$7.4M	\$19.0M*	\$29.6M
WVU	\$52.7M	\$163.5M*	\$210.8M
WVSU	\$60.1M	\$196.3M*	\$240M

** Data from the most recent National Science Foundation R & D expenditures report (2012).*

Policy

GOAL 8 WVU and MU to create an environment to encourage innovation, commercialization, economic development and entrepreneurship among faculty and students

- WVU's [LIINC](#) (Linking Innovation Industry & Commercialization) project is designed to accelerate the commercialization of research results and strengthen its regional economic impact by creating new and improving traditional ties to industry and other regional entrepreneurial universities. The LIINC events are continuing in FY15.

PLAN PROGRESS REPORT

- MU has revitalized its [Technology Transfer Office](#). The office provides resources for faculty by facilitating invention disclosures; obtaining patents, copyrights and trademarks; collecting and distributing royalties; developing technical and market assessments; marketing university technologies to industry partners and providing business assistance to university-created startup companies.

GOAL 9 Double state-based, long-term, dedicated funding for research and innovation throughout West Virginia

- To date, the Division of Science and Research has been unable to increase the dedicated funding to the Research Challenge Fund. In fact, funding for seeding research via the Research Challenge Fund has decreased over the period of its existence. State budget challenges make more funds by 2015 unlikely.

Education and Outreach

GOAL 10 Strengthen current regional alliances and create new active regional or global alliances among research universities, the private sector and government agencies by 2015

- WVU is currently engaged in one such partnership with the Regional University Alliance. This alliance seeks to be self-sustaining via external funding by 2015. WVU has an ongoing collaboration with National Radio Astronomy Observatory and international universities funded by an NSF Partnership for International Research and Education Award. An additional such award will be sought in the area of energy. MU has a partnership in biotechnology and clinical/translational medicine with the University of Kentucky. WVU is partnering with the West Virginia School of Osteopathic Medicine and Charleston Area Medical Centers in a second clinical/translational medicine grant from NIH. WVU, MU, WVSU, Shepherd University and West Virginia Wesleyan College have partnered to develop a \$20M proposal to NSF for an EPSCoR Research Infrastructure Improvement grant.

GOAL 11 Increase the graduation of STEM students by 3% per year with an emphasis on broadening participation. Maintain minority participation at least in ratio to growth.

- The number of students majoring in STEM is edging toward reaching the 2015 goal. However, the number of students completing STEM bachelor's degrees has dropped below the 2010 basis. This is a clear sign that the HEPC Master Plan focusing on completion is on target for STEM majors as well as for the general student population. A bright spot is the strong increase in underrepresented minority (URM) STEM enrollment and completion. Fully 18% of STEM majors are URM students and has far exceeded the 2015 goal, and the number of URM STEM graduates has almost doubled since 2010.

STEM Student Data				
	2004 Baseline	2010 New Basis	2013 Actual	2015 Goal
# of students majoring in STEM	7,730	11,058	12,803	13,010
# of students completing STEM bachelor's degree	1,177	2,411	2,307	2,836
# of UREP students majoring in STEM	499	847	2,325	996
# of UREP students completing STEM bachelor's degree	55	184	321	216

Data from the West Virginia Higher Education Policy Commission. Numbers in orange reflect actual 2010 data.

GOAL 12 Increase the number of Ph.D.s awarded in science and engineering fields by 20% in five years, with additional focus on U.S. nationals and diversity

- Not Accomplished, increased by 31% over the last five years, and remained static from 2013.
- 2010 Baseline: 99
- 2015 Goal: 119
- 2014 Actual: 94

Economic Development

GOAL 13 Create a statewide P-20 STEM education and workforce development plan

- Not accomplished.
- However, implementation of the Common Core standards in the K-12 system in 2014 will eventually lead to students graduating college and/or career ready. In addition, the [West Virginia College Completion Task Force Report](#) (May 2012) addresses workforce development particularly with the focus on adult learners.
- The Community and Technical College System of [WV Title 135, Series 27 Legislative Rule \(2012\)](#) adopts procedures and guidelines for the administration of the Workforce Development Initiative Program. Among the programs that the rule addresses is the Learn and Earn Program. This program was created by the West Virginia Legislature with a mission to develop a strategy to strengthen the quality of the state's workforce by linking the existing postsecondary education capacity to the needs of business, industry and other employers by utilizing available funding to provide explicit incentives for partnerships between employers and community and technical colleges to develop comprehensive workforce development services.

GOAL 14 Create early-stage funding mechanisms to assist in the commercialization of technologies for entrepreneurs, start-ups and small technology firms

- Recently, the WV High Growth Investment Fund LLC was created using funds from Appalachian Regional Commission to set up the fund. The WV Angel Investor Network and a consultant worked together to create the fund which they expect to reach \$1.5M.
- While not early stage funding, the [West Virginia Capital Access Program](#) is the State's program designed to increase small business access to capital. West Virginia has access to \$13.1 million to fund new small business lending programs.



West Virginia
Higher Education
Policy Commission



**Report to the Legislative Oversight Commission
on Education Accountability**

October 20, 2014

West Virginia Financial Aid Comprehensive Report, 2014



Bruce L. Berry, M.D.
Chair

Paul L. Hill, Ph.D.
Chancellor

West Virginia Higher Education Policy Commission
West Virginia Community and Technical College System

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Clarence "Butch" Pennington
Chair

James L. Skidmore
Chancellor

MEMORANDUM

TO: Legislative Oversight Commission on Education Accountability

FROM: Brian Weingart

DATE: October 20, 2104

RE: Financial Aid Comprehensive Report - 2014

This report represents the sixth annual Financial Aid Comprehensive Report, which is required by Senate Bill 373 passed during the 2009 legislative session. It contains (a) descriptions of and changes to West Virginia aid programs, (b) longitudinal data about recipients of state financial aid and outcomes of these recipients, and (c) policy recommendations for West Virginia aid programs. 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 extend through the 2012-13 academic year; this report was assembled while the 2013-14 data were still being submitted.

Changes in West Virginia

PROMISE Scholarship Program

Starting with the 2013-14 academic year, changes to the PROMISE Scholarship Program made in 2009's Senate Bill 373 will be fully implemented, ensuring financial stability to the program. The last full class of PROMISE recipients who were eligible for full tuition and mandatory fees utilized their four years of eligibility in the 2012-13 academic year. While the academic criteria necessary to receive the award have not changed since 2007-08, the future fiscal outlook of the state requires the Higher Education Student Financial Aid Advisory Board to review policy options going forward.

Higher Education Grant Program (HEGP)

The HEGP has been able to increase the maximum award over the last four years from \$2,100 in 2010-11 to \$2,600 in 2014-15. 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 2013-14, the HEGP was able to serve students with an Expected Family Contribution (EFC) up to 10,000. There was also a five percent allocation for nontraditional students who are 25 years and older, never received the HEGP before, and filed their FAFSA by July 1, with a secondary deadline of July 31 for non-traditional filers. The five percent allocation was able to serve all of the non-traditional students who met these criteria, had a zero EFC, and applied by July 1. The HEGP has been able to increase the award amount and serve more students because the Legislature appropriated an additional \$4 million for the 2011-12 academic year and maintained that funding through the 2013-14 academic year. Amid 7.5 percent statewide

budget cuts for fiscal year 2014, West Virginia public, four-year institutions absorbed an 8.94 percent budget cut in order to preserve the amount of financial aid students could receive.

Technological Advancements

There were several technological advancements in the state financial aid systems in 2013-14. Online applications were developed for the Engineering, Science, and Technology Scholarship and the Underwood-Smith Teacher Scholarship programs; this along with adding the Engineering, Science and Technology Scholarship and the Underwood-Smith Teacher Scholarship programs to the Financial Aid Management System, the state's on-line financial aid administration program, has helped to streamline and automate the processing for each program. Further, in 2013-14, the West Virginia Student Aid Management (WVSAM) system was developed. Students can now create an account in WVSAM when applying for the PROMISE Scholarship. WVSAM allows students to edit their PROMISE application, check the status of their PROMISE Scholarship, and view their PROMISE award information.

Higher Education Student Financial Aid Advisory Board

The Higher Education Student Financial Aid Advisory Board met twice in 2013-14 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 Advisory Board continued discussions on student loan defaults and awarded contracts to two loan default management firms to assist individual campuses. Additionally, the West Virginia Higher Education Policy Commission began a pilot project to share with public high schools student-level Free Application for Federal Student Aid (FAFSA) completion data in 2013-14. This initiative allows authorized personnel in public high schools to provide direct assistance and counseling to those students who have not filed the FAFSA. This new tool will be made available to all public high schools in 2014-15.

Data Highlights

PROMISE Scholarship Program

The number of PROMISE Scholarship recipients has increased from 2008-09 to 2012-13, despite a declining number of high school seniors. The total award amount increased in previous years because the scholarship amount has been tied to the rising cost of tuition and fees. However, there was a drop in the total award amount in 2012-13. The new block award was implemented on January 1, 2010 for new scholars, but pre-existing scholars still received full tuition and fees.

Other findings of note regarding the PROMISE Scholarship are:

- Over the five-year time period, the share of PROMISE recipients attending four-year public institutions has increased slightly while the share attending two-year public and four-year independent institutions has declined.
- The four-year public institution with the highest share of its first-time freshmen being PROMISE scholars in 2012-13 was West Virginia University with 57.9 percent. The two-year public institution with the highest share was WVU at Parkersburg with 7 percent.
- The proportion of scholars with family income over \$90,000 increased from 2008-09 to 2012-13 while the proportion of scholars with incomes below this amount declined. In 2012-13, the proportion of scholars in the bottom three income groups decreased.
- The proportion also receiving the need-based Higher Education Grant has increased over time due to the growth in HEGP.

- The number and share of high school seniors offered the PROMISE Scholarship has increased from 2008-09 to 2012-13. The percentage of awarded students who accepted the award and enrolled at an eligible institution has increased slightly.
- In terms of outcomes, retention of the scholarship has declined slightly and the percentage of PROMISE scholars earning their bachelor's degree within four years is somewhat steady whereas the two-year associate's degree rates have increased by 8 percentage points. However, PROMISE scholars' graduation and transfer rates have been consistently much higher than those for the general student body, as is expected given their higher academic credentials.

Higher Education Grant Program

The number of Higher Education Grant Program (HEAP) recipients and the total funds disbursed increased from 2008-09 to 2012-13. Other key findings for the Higher Education Grant Program include:

- The number of HEGP recipients increased by nearly 3,000 from 2008-09 (16,132 recipients) to 2012-13 (19,334 recipients).
- In 2012-13, 63.9 percent of HEGP recipients attended West Virginia four-year public institutions; 23.4 percent attended West Virginia two-year public institutions; 7.3 percent attended West Virginia independent, non-profit institutions; and 4.8 percent attended West Virginia for-profit institutions.
- The elimination in 2009-10 of a separate state HEGP application in addition to the FAFSA has resulted in more students receiving the award as freshmen. This change is also responsible for a drop in the percentage of awarded students who enrolled and accepted the award.
- The percentage of recipients that are adult (non-traditional) age has risen from 23.6 to 28.3 percent over the five-year period.
- The percentage of grant recipients earning their associate's degree within two, three, or four years, as well as rates of transfer from two-year public institutions to four-year public institutions, have decreased but remained higher than those of the overall student body.

Higher Education Adult Part-Time Student Grant Program

The Higher Education Adult Part-Time Student (HEAPS) Grant Part-Time Enrollment Component awarded fewer students and dollars in 2012-13 than in 2008-09. However, the average award was higher in 2012-13 than in 2008-09. Other key findings include:

- The total award amount has declined nearly 13 percent from about \$3.4 million in 2008-09 to approximately \$3.0 million in 2012-13.
- In 2012-13, 38.1 percent of recipients attended four-year public institutions; 52.9 percent attended two-year public institutions; 0.7 percent attended independent, non-profit institutions; and 8.2 percent attended public vocational/ technical centers.
- Recipients are disproportionately female (72.3%) and 65.2 percent are age 25 and older.
- In 2012-13, 46.3 percent of students were seeking an associate's degree, while 39.8 percent were seeking a bachelor's degree and 13.5 percent were seeking a certificate.

In the HEAPS Workforce Development Component, both the number of students and actual dollars awarded declined. The actual dollars awarded decreased from \$2.3 million to \$1.5 million from 2008-09 to 2012-13. However, the average award increased from \$1,249 to \$1,647 in the same period.

- In 2012-13, 63.9 percent of recipients attended public two-year institutions; 35.3 percent attended public vocational/technical centers, and 0.8 percent attended independent, for-profit institutions.



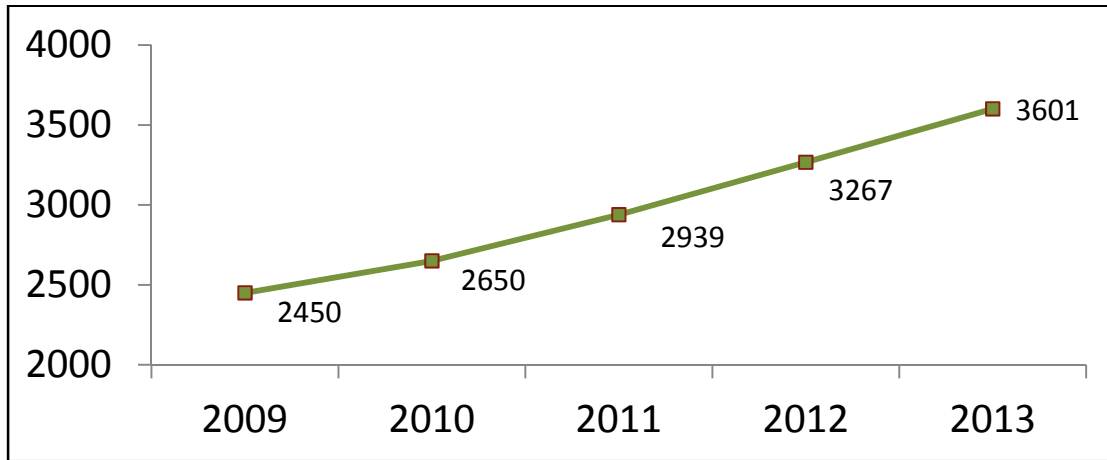
**Report to the Legislative Oversight Commission
on Education Accountability**

October 20, 2014

GRADUATION REPORT

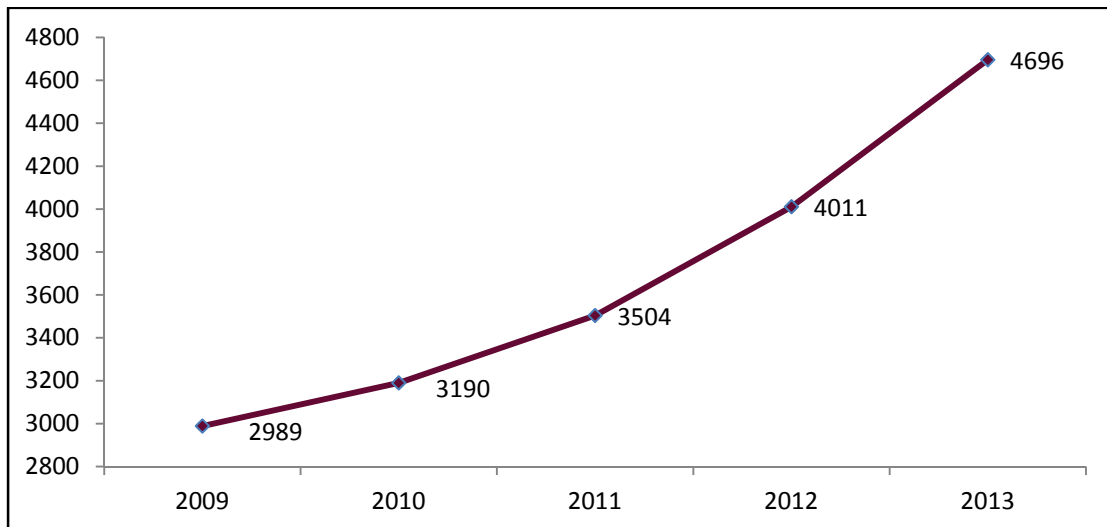
CAREER-TECHNICAL DEGREES AWARDED

AY 2009 - 2013



ALL DEGREES AWARDED

AY 2009 - 2013



DEGREES / CERTIFICATES CONFERRED
Academic Year 2009 - 2013

Institution	2009	2010	2011	2012	2013	2012-2013 % Change	2009-2013 % Change
Blue Ridge Community and Technical College	307	376	587	802	763	-4.9%	148.5%
Bridgemont Community and Technical College	135	156	116	197	212	7.6%	57.0%
Eastern WV Community and Technical College	51	62	91	108	143	32.4%	180.4%
Kanawha Valley Community and Technical College	297	277	326	401	449	12.0%	51.2%
Mountwest Community and Technical College	274	376	407	370	804	117.3%	193.4%
New River Community and Technical College	156	140	189	287	344	19.9%	120.5%
Pierpont Community and Technical College	403	315	380	424	385	-9.2%	-4.5%
Southern WV Community and Technical College	252	235	243	237	378	59.5%	50.0%
WV Northern Community College	407	419	423	415	377	-9.2%	-7.4%
WVU at Parkersburg	707	834	742	770	841	9.2%	19.0%
SYSTEM TOTAL	2,989	3,190	3,504	4,011	4,696	17.1%	57.1%



**Report to the Legislative Oversight Commission
on Education Accountability**

October 20, 2014

**SYSTEM INITIATIVES
2014-2015**



Meeting the Challenge: MASTER PLAN

**for the Community and Technical College System
of West Virginia**

System Compact

Planning Period 2009-10 thru 2014-15

Chancellor / System Initiatives

2014 – 2015

MEETING THE CHALLENGE:

NEW AND CONTINUING STRATEGIES FOR 2014-2015

Goal 1. Produce graduates with the general education and technical skills needed to be successful in the workplace or subsequent education.

Strategies	Target Date	Outcome
<p>1) Continue to address initiatives to increase student completion:</p> <p>a. The system will work with institutions to create varied mathematics pathways for students which are better aligned with the skills they need to be successful in their chosen degree path.</p> <p>b. Sponsor an annual College Completion Forum focusing on key elements of college completion strategies.</p> <p>c. Provide technical assistance to institutions with regard to data reporting, analysis, and predictive analytics. This assistance will help institutions monitor the work occurring on their campuses to determine whether or not college completion interventions are being successful.</p> <p>d. The system will provide technical assistance to institutions to assist them in implementing Guided Pathways to Success (GPS).</p> <p>e. Continue to provide professional development activities to address college completion in the areas of:</p> <ul style="list-style-type: none"> o Co-requisite developmental education o Student engagement o Innovative course formats o Student support services o Banner training 	<p>June 2015</p> <p>Spring 2015</p> <p>On-going</p> <p>June 2015</p> <p>On-going</p>	<p>Increase the number of college graduates.</p>

MEETING THE CHALLENGE:

<p>1) Continue the work of the developmental education initiative:</p> <ul style="list-style-type: none"> a. Work with institutions to increase the proportion of students in co-requisite courses b. Develop a state-wide certification program for developmental education faculty c. Collect and monitor institutional reports about the progress of their co-requisite implementation on a semester basis d. Hire developmental education coordinators at each institution through TAACCCT grant e. Hire a Director of Developmental Education at the system office through TAACCT grant f. Provide the legislature with a report on developmental education as per the resolution: Supporting the Complete College America College Completion and Outcomes-Based Funding Initiative 	<p>Fall 2014</p> <p>June 2015</p> <p>Fall 2014</p> <p>Fall 2014</p> <p>Fall 2014</p> <p>January 2015</p>	<p>Redesign the delivery of developmental education in the community and technical college education.</p>
<p>2) Seamless student credit transfer and articulation:</p> <ul style="list-style-type: none"> a. The System, in conjunction with the Higher Education Policy Commission, will enact the provisions set forth in the Joint Resolution Regarding Student Credit Transfer and Articulation, which will include: <ul style="list-style-type: none"> o Providing seamless transfer pathways for students o Developing a reverse transfer policy o Creating a joint commission to hear and resolve issues related to transfer disagreements 	<p>June 2014</p>	<p>Increase college completion and ease the transfer from CTCs to baccalaureate institutions.</p>

NARRATIVE

Strategies for Goal 1 will focus on efforts to produce more college graduates by assisting community and technical colleges with their college completion efforts.

MEETING THE CHALLENGE:

Goal 2. Provide workforce development programs that meet the demands of West Virginia's employers and enhance West Virginia's economic development efforts.

Strategies	Target Date	Outcome
<p>1) Continue efforts to increase employer engagement:</p> <p>a. Through TAACCCT Grant funding, employ a Director of Workforce and Economic Development to work with each college to implement a sector-based approach to workforce development in the following areas:</p> <ul style="list-style-type: none"> o Manufacturing o Energy o Information Technology <p>b. Identify each major employment sector in each CTC region by collecting and analyzing data on expansions, investments, and employment numbers and share with each community and technical college.</p> <p>c. Facilitate meetings with employer sectors in each region of the State that involve colleges, employers, public schools and the Workforce Investment Boards to identify the workforce needs of each sector.</p>	<p>July 2014</p> <p>June 2015</p> <p>June 2015</p>	<p>Increase employer engagement at each CTC, identify workforce needs and determine program implementation strategies.</p>
2) Provide professional development to CTCs on developing "Boot Camps" to respond quickly to workforce needs.	June 2015	Increase the skill level of entry-level employees for employer sectors.
3) Offer a full-range of programs at the South Charleston Advanced Technology Center through BridgeValley CTC.	August 2014	Meet regional workforce needs.
4) Complete the construction of the North Central Advanced Technology Center.	July 2015	Better meet the workforce needs of the North Central WV region.
5) Determine the need for an instrumentation program to serve the chemical and manufacturing sector, and if needed, develop a system-wide program to be delivered regionally.	December 2014	Meet the workforce needs of the chemical and manufacturing sector.

NARRATIVE

The System's workforce development efforts for the next year will continue to focus on developing training and education programs that address high-demand, high-wage, high-skill occupations.

MEETING THE CHALLENGE:

Goal 3. Provide access to affordable, comprehensive community and technical college education in all regions of West Virginia.

Strategies	Target Date	Outcome
<p>1) Increase enrollment in applied technology programs that will also impact adult students and military enrollments:</p> <ul style="list-style-type: none"> a. Continue to work with CTCs to increase enrollment in applied technology programs that will increase the earning power of adults, veterans and others that participate in the programs. b. Continue to work with the National Guard and veteran groups to recruit more military personnel into AAS programs using the TAACCCT funded Veterans Education Coordinator. 		Increase enrollment in applied technology programs, adult students, and military personnel enrollment.
<p>2) Work with local CTCs/Career-Technical Education Consortia to implement SREB Advanced Career Pathways in Integrated Production Technologies and /or Energy and Power in the following delivery districts:</p> <ul style="list-style-type: none"> a. Advantage Valley b. North Central WV c. Northern Panhandle d. Shenandoah Valley e. Southeastern WV f. Mid-Ohio Valley g. Potomac Highlands h. Southern Mountains 		Increase the number of secondary career-technical education students enrolling in CTC Applied Technology programs.
<p>3) Develop a Career Pathway from career-technical education centers in North Central WV and the Northern Panhandle that aligns with the Petroleum Technology programs at WV Northern CC and Pierpont CTC.</p>		Increase enrollment in the Petroleum Technology programs at Pierpont CTC and WV Northern CC.
<p>4) Continue to emphasize the development of College Success Courses at career-technical centers through the Council's College Transition program that will facilitate the matriculation of secondary career-technical students to CTCs.</p>	June 2015	Increase enrollment and graduation numbers in CTC technology programs.

MEETING THE CHALLENGE:

<p>5) Continue to provide CTCs with professional development activities to increase the use of innovative delivery methods for technical programs that cater to the availability of adults:</p> <ul style="list-style-type: none"> a. Deliver programs using block scheduling b. Deliver programs in an accelerated format c. Deliver programs using "Boot Camps" 	June 2015	Decrease the time for student completion and meet employer needs in a timelier manner.
<p>6) Continue to work with state apprenticeships to incorporate CTC courses into apprenticeship programs to increase the number of apprentices earning an associate degree.</p> <ul style="list-style-type: none"> a. Develop new college courses for apprenticeship programs through the TAACCCT grant funding. b. Develop a CTC Construction Management program for those currently holding a journey card. c. Apply for a Department of Labor Grant to be announced in Fall 214 that funds CTC apprenticeship partnerships. 	June 2015	Increase the number of West Virginians with a college credential and provide advance education to journeycard holders.
<p>7) Work with CTCs to develop market plans specifically for CTC technology programs.</p>	June 2015	Increase enrollment in CTC technology programs and provide a skilled workforce for West Virginia's employers.
<p>8) Continue efforts through Benedum Foundation funding to recruit students into the Petroleum Technology Programs at WV Northern Community College and Pierpont Community and Technical College.</p>		Increase enrollment in the two Petroleum Technology programs.

NARRATIVE

Major initiatives for providing access and increasing enrollments will be targeted to increasing enrollments in applied technology programs which will also target adult students, veterans and other military personnel.

MEETING THE CHALLENGE:

Goal 4. Provide resources to meet the needs of community and technical college students and employees.

Strategies	Target Date	Outcome
1) Facilitate the development and submission of a Department of Labor grant to strengthen the partnership between CTCs and apprenticeship programs.	December 2014	Provide funding to increase CTC enrollment in registered apprenticeship programs and increase the number of degrees awarded.
2) Convene a committee of CTC personnel to explore ways to be more cost effective through System initiatives that capitalize on the buying power of nine institutions and shared use of technology.	June 2015	Increase cost savings.
3) Through the TAACCCT grant, increase the use of technology in program delivery to be more cost effective and reach more students by sharing program delivery among CTCs.	June 2015	Realize savings and increase program availability.

NARRATIVE

The focus for Goal 4 will be to provide information and justification to the Governor's Office and the Legislature for additional funding for community and technical colleges.



West Virginia Higher Education Policy Commission

Report to the Legislative Oversight Commission on Education Accountability

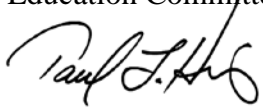
October 20, 2014

Annual Report on Institutional Board of Governors Training

MEMORANDUM

TO: The Honorable Robert Plymale
Co-Chair, Legislative Oversight Commission on Education Accountability
Chair, Senate Education Committee

The Honorable Mary Poling
Co-Chair, Legislative Oversight Commission on Education Accountability
Chair, House Education Committee

FROM: Paul L. Hill 

DATE: September 10, 2014

RE: Annual Report on Board of Governors Training

During the 2009 legislative session, the West Virginia Legislature enacted West Virginia Code §18B-1D-9 requiring the West Virginia Higher Education Policy Commission (Commission) to coordinate periodic training and development opportunities for members of institutional governing boards under the Commission's jurisdiction and the lay members of the Commission itself. Specifically, State Code requires that:

- Within six months of beginning service on a governing board, a board member must complete at least three hours of training and development relating to their duties as a board member. This provision is to be interpreted as applying only to those governing board members beginning service on or after July 1, 2009.
- With the exception of the student members of a governing board, each board member must complete at least six hours of training and development within every two years of service. This provision is to be interpreted as beginning on July 1, 2009 for those members already in office on July 1, 2009, or as beginning with the start of service date if appointed after July 1, 2009.
- The training and development is to address the following topics:
 - State goals, objectives, and priorities for higher education;
 - The accountability system for higher education set forth in West Virginia Code §18B-1D-1 et seq;

- The general powers and duties of governing board members; and,
- Ethical considerations arising from board membership.

To facilitate this process, the Commission sponsored various training opportunities and staff developed several forms, a comprehensive tracking system, and a special training section of the agency's website located at <http://www.wvhepc.com/resources/training-for-boards-of-governors/>.

Since July 2009, the Commission has hosted various training opportunities including, but not limited to, the following events:

- 2009 Board of Governors Summit, which provided nine hours of training credit;
- 2009 Finance Summit, which provided six hours of training credit;
- 2010 Board of Governors Summit, which provided nine hours of training credit;
- 2011 Capitalizing on the Foundation-Institution Partnership, which provided five hours of training credit;
- 2011 Strategic Finance, which provided five hours of training credit;
- 2012 Board of Governors Summit, which provided nine hours of training credit;
- 2013 Board of Governors Summit, which provided nine hours of training credit; and
- 2014 Board of Governors Summit, which provided nine hours of training credit.

The Commission's website also provides technology-based training credits. Certain sessions of this year's Board of Governors Summit were recorded and posted on the Commission's website, allowing board members who could not attend in person to receive credit for viewing the sessions online. In total, the Commission's website now has six hours of online training opportunities.

As required by statute, each institutional board chair is to annually certify to the Commission by July 31 the number of hours of training and development each board member received during the preceding fiscal year. Additionally, by September 30, the Commission is to report to the Legislative Oversight Commission on Education Accountability on the training and development that Commission and board members received during the preceding fiscal year.

For the Fiscal Year 2014 reporting period beginning on July 1, 2013 and ending on June 30, 2014, annual certifications were received from all institutional board chairs and the Commission's chair with all current members in compliance. The attached spreadsheet details training credits for the current reporting periods for all Commission and institutional board members, with the exception of student members and ex-officio members of the Commission, who are exempt from training requirements. When no credit hours are noted on the attachment, those members either have expired terms or still have time to complete training during their current two-year window.

Please advise regarding questions or comments concerning any of this information.

Annual Report on Board of Governors Training - Fiscal Year 2014 Reporting Period

This spreadsheet does not include student board members or ex-officio members of the Commission, who are exempt from training requirements. When -0- training hours are noted, those members either have expired terms or time remaining to complete training.

Institution	Name	Training Hours Earned by June 30, 2014 (Within Current Two-Year Window)	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Current Two-Year Requirement Deadline (6 Hours)	Previous Two-Year Requirement Deadline(s)	Satisfactory Compliance/Progress in Meeting Training Requirement Deadline(s)?
Bluefield State College	Larry Ratliff	0	September 10, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Bluefield State College	Anne Taylor	0	April 16, 2009	N/A	June 30, 2015	June 30, 2013	Yes
Bluefield State College	Richard Bezjak	3	September 2, 2009	April 2, 2010	September 2, 2015	September 2, 2013	Yes
Bluefield State College	Robert Perkinson, Jr.	9	September 2, 2009	April 2, 2010	September 2, 2015	September 2, 2013	Yes
Bluefield State College	Roger Topping	0	September 2, 2009	April 2, 2010	September 2, 2015	September 2, 2013	Yes
Bluefield State College	Norris Kantor	9	January 4, 2011	July 4, 2011	January 4, 2015	January 4, 2013	Yes
Bluefield State College	Norman Mirsky	9	August 25, 2011	February 25, 2012	August 25, 2015	August 25, 2013	Yes
Bluefield State College	Lois Ann Manns	9	October 12, 2012	May 12, 2013	October 15, 2014	N/A	Yes
Bluefield State College	Gary Moore, Sr.	3	October 12, 2012	May 12, 2013	October 14, 2014	N/A	Yes
Bluefield State College	Harold Wells	3	July 1, 2013	January 1, 2014	June 30, 2015	N/A	Yes
Bluefield State College	Daniel Frost	3	July 1, 2013	January 1, 2014	June 30, 2015	N/A	Yes

Concord University	Frank Blackwell	0	February 6, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Concord University	Brace Mullett	0	December 23, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Concord University	Robert Foglesong	0	September 4, 2009	March 4, 2010	September 4, 2015	September 4, 2013	Yes
Concord University	Steven Collins	9	September 4, 2009	March 4, 2010	September 4, 2015	September 4, 2013	Yes
Concord University	Elliot Hicks	9	September 23, 2009	March 23, 2010	September 23, 2015	September 23, 2013	Yes
Concord University	Myra Susan Rogers	0	January 14, 2011	July 14, 2011	January 14, 2015	January 14, 2013	Yes
Concord University	David Barnette	9	October 18, 2011	April 18, 2012	October 18, 2015	October 18, 2013	Yes
Concord University	Greg Allen	9	August 2, 2012	February 2, 2013	August 2, 2014	N/A	Yes
Concord University	Gary Hylton	9	July 1, 2013	1-Jan-14	July 1, 2015	N/A	Yes
Concord University	William McKee	3	August 14, 2013	14-Feb-14	August 14, 2015	N/A	Yes
Concord University	Michelle Gompf	3	November 1, 2013	May-14	May 1, 2015	N/A	Yes

Fairmont State University	Shirley Stanton	0	September 29, 2006	N/A	June 30, 2015	June 30, 2013	Yes
Fairmont State University	Mark Pallotta	15	July 2, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Fairmont State University	Ron Tucker	15	July 2, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Fairmont State University	Robert Mild	15	July 1, 2009	January 1, 2010	June 30, 2015	June 30, 2013	Yes
Fairmont State University	Bryan Towns	15	December 4, 2009	June 4, 2010	December 4, 2015	December 4, 2013	Yes
Fairmont State University	Frank Washenitz	15	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2011	Yes
Fairmont State University	John Myers	9	January 9, 2012	July 9, 2012	January 9, 2014	N/A	Yes

Institution	Name	Training Hours Earned by June 30, 2014 (Within Current Two-Year Window)	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Current Two-Year Requirement Deadline (6 Hours)	Previous Two-Year Requirement Deadline(s)	Satisfactory Compliance/Progress in Meeting Training Requirement Deadline(s)?
Fairmont State University	Dixie Yann	15	January 9, 2012	July 9, 2012	January 9, 2014	N/A	Yes
Fairmont State University	Chris Courtney	15	July 18, 2012	January 18, 2013	July 18, 2014	N/A	Yes
Fairmont State University	Holly Fluharty	16.5	July 1, 2013	January 1, 2014	July 1, 2015	N/A	Yes
Fairmont State University	John Schirripa	5	August 8, 2013	February 8, 2014	August 8, 2015	N/A	Yes

Glenville State College	Sue Morris	0	October 1, 2005	N/A	June 30, 2015	June 30, 2013	Yes
Glenville State College	Jason Phares	0	July 1, 2009	January 1, 2011	June 30, 2015	June 30, 2013	Yes
Glenville State College	Paul Peck	9	July 1, 2009	January 1, 2011	June 30, 2015	June 30, 2013	Yes
Glenville State College	Greg Smith	9	July 6, 2010	January 6, 2011	July 6, 2014	July 6, 2012	Yes
Glenville State College	Mike Fuls	18	July 6, 2010	January 6, 2011	July 6, 2014	July 6, 2012	Yes
Glenville State College	Richard Heffelfinger	18	July 6, 2010	January 6, 2011	July 6, 2014	July 6, 2012	Yes
Glenville State College	Tim Butcher	9	July 6, 2010	January 6, 2011	July 6, 2014	July 6, 2012	Yes
Glenville State College	Mike Forbes	0	October 26, 2010	April 26, 2011	October 26, 2014	October 26, 2012	Yes
Glenville State College	William Deel	18	September 14, 2011	March 14, 2012	September 14, 2013	N/A	Yes
Glenville State College	Steve Gandee	3	August 2, 2012	February 1, 2013	August 2, 2014	N/A	Yes
Glenville State College	Ralph Holder	12	August 2, 2012	February 1, 2013	August 2, 2014	N/A	Yes

Marshall University	Mike Sellards	15	January 4, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Marshall University	Joseph Touma	24	October 31, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Marshall University	Dale Lowther	42	August 20, 2009	February 20, 2010	August 20, 2013	August 20, 2011	Yes
Marshall University	Ed Howard	9	August 20, 2009	February 20, 2010	August 20, 2013	August 20, 2011	Yes
Marshall University	Joseph McDonie	24	July 29, 2010	January 29, 2011	July 29, 2014	July 29, 2012	Yes
Marshall University	Oshel Craigo	28.5	July 29, 2010	January 29, 2011	July 29, 2014	July 29, 2012	Yes
Marshall University	David Haden	9	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2013	Yes
Marshall University	Marty Amerikaner	24	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2013	Yes
Marshall University	Phyllis Arnold	18	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2013	Yes
Marshall University	Wyatt Scaggs	25.5	November 2, 2011	May 2, 2011	November 2, 2013	N/A	Yes
Marshall University	Miriah Young	49.5	July 1, 2012	January 1, 2013	June 30, 2014	N/A	Yes
Marshall University	James Bailes	9	August 2, 2013	February 2, 2013	August 2, 2015	N/A	Yes
Marshall University	Phil Cline	24	August 2, 2013	February 2, 2013	August 2, 2015	N/A	Yes
Marshall University	Tim Dagostine	9	August 2, 2013	February 2, 2013	August 2, 2015	N/A	Yes
Marshall University	Christie Kinsey	15	August 2, 2013	February 2, 2013	August 2, 2015	N/A	Yes

Shepherd University	Gat Caperton	9	December 19, 2006	N/A	June 30, 2015	June 30, 2013	Yes
Shepherd University	W. Mark Rudolph	0	November 1, 2007	N/A	June 30, 2015	June 30, 2013	Yes
Shepherd University	John Younis	0	April 15, 2009	N/A	June 30, 2015	June 30, 2013	Yes

Institution	Name	Training Hours Earned by June 30, 2014 (Within Current Two-Year Window)	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Current Two-Year Requirement Deadline (6 Hours)	Previous Two-Year Requirement Deadline(s)	Satisfactory Compliance/Progress in Meeting Training Requirement Deadline(s)?
Shepherd University	Diane Shewbridge	0	July 1, 2009	January 1, 2010	June 30, 2015	June 30, 2013	Yes
Shepherd University	Jason Best	0	July 1, 2009	January 1, 2010	June 30, 2015	June 30, 2013	Yes
Shepherd University	Doug Roach	6	October 20, 2009	April 20, 2010	October 20, 2013	October 20, 2011	Yes
Shepherd University	John Beatty	6	October 20, 2009	April 20, 2010	October 20, 2013	October 20, 2011	Yes
Shepherd University	Marcia Brand	3	November 12, 2010	May 12, 2011	November 12, 2014	November 12, 2012	Yes
Shepherd University	Holly McCall	0	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2013	Yes
Shepherd University	Tia McMillan	3	August 15, 2013	February 15, 2014	August 15, 2015	N/A	Yes
Shepherd University	Chad Robinson	3	April 9, 2014	October 9, 2014	April 9, 2016	N/A	Yes

West Liberty University	Brian Joseph	0	August 1, 2007	N/A	June 30, 2015	June 30, 2013	Yes
West Liberty University	Richard Carter	9	October 24, 2008	N/A	June 30, 2015	June 30, 2013	Yes
West Liberty University	Beverly Burke	9	July 1, 2009	January 1, 2010	June 30, 2015	June 30, 2013	Yes
West Liberty University	Ann Thomas	9	August 25, 2009	February 25, 2010	August 25, 2013	August 25, 2011	Yes
West Liberty University	George Couch	9	August 13, 2010	February 13, 2011	August 13, 2014	August 13, 2012	Yes
West Liberty University	Patrick Kelly	6	August 13, 2010	February 13, 2011	August 13, 2014	August 13, 2012	Yes
West Liberty University	Joseph Carey	3	August 7, 2013	February 7, 2014	August 7, 2015	N/A	Yes
West Liberty University	Sandra Chapman	3	August 7, 2013	February 7, 2014	August 7, 2015	N/A	Yes
West Liberty University	Frank Noble	9	August 14, 2013	February 14, 2014	August 14, 2015	N/A	Yes

West Virginia School of Osteopathic Medicine	Dr. Randall Short	4	July 13, 2006	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia School of Osteopathic Medicine	Dr. Rodney Fink	4	July 13, 2006	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia School of Osteopathic Medicine	C. Sue Holvey	10	September 6, 2007	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia School of Osteopathic Medicine	Dr. John Manchin	13	December 1, 2009	June 1, 2010	December 1, 2013	December 1, 2011	Yes
West Virginia School of Osteopathic Medicine	Cheryl Schreiber	21	March 26, 2010	September 26, 2010	March 26, 2014	March 26, 2012	Yes
West Virginia School of Osteopathic Medicine	Dr. Ed Dugan	4	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2013	Yes
West Virginia School of Osteopathic Medicine	Dave Rader	8	November 18, 2011	May 18, 2012	November 18, 2013	N/A	Yes
West Virginia School of Osteopathic Medicine	Dr. Manuel Ballas	14	December 28, 2011	June 28, 2012	December 28, 2013	N/A	Yes
West Virginia School of Osteopathic Medicine	Dr. Charles Davis	17	July 18, 2012	January 13, 2013	July 18, 2014	N/A	Yes
West Virginia School of Osteopathic Medicine	David Ramsey	7	August 14, 2013	February 14, 2013	14-Aug-15	N/A	Yes

Institution	Name	Training Hours Earned by June 30, 2014 (Within Current Two-Year Window)	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Current Two-Year Requirement Deadline (6 Hours)	Previous Two-Year Requirement Deadline(s)	Satisfactory Compliance/Progress in Meeting Training Requirement Deadline(s)?
West Virginia School of Osteopathic Medicine	Charity Richmond	18	July 1, 2013	January 1, 2014	30-Jun-15	N/A	Yes

West Virginia State University	Thomas Guetzloff	14	July 1, 2009	January 1, 2010	June 30, 2013	June 30, 2011	Yes
West Virginia State University	John Thralls	20	October 20, 2009	April 20, 2010	October 20, 2013	October 20, 2011	Yes
West Virginia State University	Larry Salyers	6	October 20, 2009	April 20, 2010	October 20, 2013	October 20, 2011	Yes
West Virginia State University	Leon Vincent Williams	11	October 20, 2009	April 20, 2010	October 20, 2013	October 20, 2011	Yes
West Virginia State University	Thomas Susman	20	October 20, 2009	April 20, 2010	October 20, 2013	October 20, 2011	Yes
West Virginia State University	Gary Swingle	5	November 10, 2010	May 10, 2011	November 10, 2014	November 10, 2012	Yes
West Virginia State University	William W. Lipscomb	5	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2013	Yes
West Virginia State University	Ann Brothers Smith	11	July 7, 2011	January 7, 2012	July 7, 2015	July 7, 2013	Yes
West Virginia State University	Paul Konstanty	8	December 20, 2012	June 20, 2013	December 20, 2014	N/A	Yes
West Virginia State University	Debra Ann Jarvis	14	July 1, 2013	January 1, 2014	June 30, 2015	N/A	Yes
West Virginia State University	Gail Pitchford	2.5	April 9, 2014	October 9, 2014	April 9, 2016	N/A	Yes

West Virginia University	Andrew Payne, III	4.5	December 8, 2006	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia University	Ellen Cappellanti	0	July 3, 2007	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia University	James Dailey, II	13.5	July 3, 2007	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia University	William Nutting	4.5	July 3, 2007	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia University	Raymond Lane	0	July 1, 2008	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia University	Edward Robinson	4.5	May 1, 2007	N/A	June 30, 2015	June 30, 2013	Yes
West Virginia University	Diane Lewis	13.5	January 29, 2009	July 29, 2009	January 29, 2015	January 29, 2013	Yes
West Virginia University	Robert Griffith	13.5	July 1, 2009	January 1, 2010	June 30, 2015	June 30, 2013	Yes
West Virginia University	Thomas Flaherty	19.5	November 16, 2009	May 16, 2010	November 16, 2013	November 16, 2011	Yes
West Virginia University	James Robert "JR" Rogers	10.5	July 9, 2010	January 9, 2011	July 9, 2014	July 9, 2012	Yes
West Virginia University	William Wilmoth	4.5	February 2, 2011	August 2, 2011	February 2, 2015	February 2, 2013	Yes
West Virginia University	Dixie Martinelli	13.5	July 1, 2011	January 1, 2012	June 30, 2015	June 30, 2013	Yes
West Virginia University	David Alvarez	10.5	January 13, 2012	July 13, 2012	January 13, 2014	N/A	Yes
West Virginia University	Rob Alsop	14.75	August 2, 2013	February 2, 2014	August 2, 2015	N/A	Yes

Institution	Name	Training Hours Earned by June 30, 2014 (Within Current Two-Year Window)	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Current Two-Year Requirement Deadline (6 Hours)	Previous Two-Year Requirement Deadline(s)	Satisfactory Compliance/Progress in Meeting Training Requirement Deadline(s)?
West Virginia University	J. Thomas Jones	3	February 13, 2014	August 13, 2014	February 13, 2016	N/A	Yes
West Virginia University	Lisa DiBartolomeo	13.5	July 1, 2013	January 1, 2014	June 30, 2015	N/A	Yes

Higher Education Policy Commission	David Hendrickson	0	December 29, 2006	N/A	June 30, 2015	June 30, 2013	Yes
Higher Education Policy Commission	Kathy Eddy	9	May 8, 2008	N/A	June 30, 2015	June 30, 2013	Yes
Higher Education Policy Commission	Bruce Berry	9	January 23, 2009	N/A	June 30, 2015	June 30, 2013	Yes
Higher Education Policy Commission	John Leon	9	January 23, 2009	N/A	June 30, 2015	June 30, 2013	Yes
Higher Education Policy Commission	Jenny Allen	9	August 16, 2010	February 16, 2011	August 16, 2014	August 16, 2012	Yes
Higher Education Policy Commission	Michael Farrell	3	August 21, 2013	February 21, 2013	August 21, 2015	N/A	Yes
Higher Education Policy Commission	Gary White	3	August 21, 2013	February 21, 2013	August 21, 2015	N/A	Yes



**Report to the Legislative Oversight Commission
on Education Accountability**

October 20, 2014

**ANNUAL REPORT ON
INSTITUTIONAL BOARD OF GOVERNORS TRAINING**




WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION

Clarence B. Pennington, Chair • James L. Skidmore, Chancellor

TO: The Honorable Robert Plymale
Co-Chair, Legislative Oversight Commission on Education Accountability
Chair, Senate Education Committee

The Honorable Mary Poling
Co-Chair, Legislative Oversight Commission on Education Accountability
Chair, House Education Committee

FROM: James L. Skidmore 

DATE: September 11, 2014

RE: Annual Report on Council and Institutional Board of Governors Training

During the 2009 legislative session, the West Virginia Legislature enacted West Virginia Code §18B-1D-9 requiring the West Virginia Council for Community and Technical College Education (Council) to coordinate periodic training and development opportunities for members of institutional governing boards under the Council's jurisdiction and the lay members of the Council itself. Specifically, that Code section requires that:

- Within six months of beginning service on a governing board, a board member must complete a minimum of three hours of training and development relating to their duties as a board member. This provision is to be interpreted as applying only to those governing board members beginning service on or after July 1, 2009.
- With the exception of the student members of a governing board, each board member must complete at least six hours of training and development within every two years of service. This provision is to be interpreted as beginning on July 1, 2009, for those members already in office on July 1, 2009, or as beginning with the start of service date if appointed after July 1, 2009.
- The training and development is to address the following topics:
 - State goals, objectives, and priorities for higher education;
 - The accountability system for higher education set forth in West Virginia Code §18B-1D-1 et seq;
 - The general powers and duties of governing board members; and,
 - Ethical considerations arising from board membership.

Community & Technical College System of WV

During 2014 fiscal year, the Council hosted various training opportunities including, but not limited to, the following events:

- WV Community College Association/WV Association for Developmental Education Conference
12 hours of training credit
- Summit on College and Career Readiness
4 hours of training credit
- Board of Governor's College Completion Summit
4 hours of training credit

In addition, institutions provided training or used a third party to conduct specialized training. Prior approval from the Chancellor's office is required if an institution wishes to offer training.

As required by statute, each institutional board chair is to certify to the Council by July 31 of each year the number of hours of training and development each board member received during the preceding fiscal year. Additionally, the statute requires that, by September 30 of each year, the Council shall report to the Legislative Oversight Commission on Education Accountability on the training and development that members of the Council and the governing boards received during the preceding fiscal year.

For the fiscal year 2014 reporting period beginning on July 1, 2013, and ending on June 30, 2014, annual certifications were received from all institutional board chairs and the Council's chair. Enclosed is a full report of the training credits earned by all institutional board members and Council lay members.

Please advise regarding questions or comments concerning any of the above or enclosed.

WV COMMUNITY AND TECHNICAL COLLEGE SYSTEM
Board of Governors Training and Development Hours
July 1, 2013 - June 30, 2014

WV Council for Community & Technical College Education

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Clarence Pennington, Chair	January 15, 2004	N/A	July 1, 2015	13.00	Yes
William "Bill" Baker	December 16, 2011	N/A	December 16, 2013	12.50	Yes
Steve Roberts	July 24, 2012	N/A	July 24, 2014	10.00	Yes
John Panza	September 20, 2005	N/A	July 1, 2015	8.00	Yes
John Walker	December 15, 2011	N/A	December 15, 2013	9.00	Yes
Robert Brown	N/A	N/A	N/A	N/A	N/A
Jerry Berry	N/A	N/A	N/A	N/A	N/A
Keith Burdette	N/A	N/A	N/A	N/A	N/A
Kathy D'Antoni	N/A	N/A	N/A	N/A	N/A
Bruce Berry	N/A	N/A	N/A	N/A	N/A

WV COMMUNITY AND TECHNICAL COLLEGE SYSTEM
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Blue Ridge Community & Technical College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Al Britton	July 1, 2008	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Becky Linton	July 1, 2011	N/A	July 1, 2015	2.00	Progress
Maria Lorensen	July 1, 2004	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Teresa McCabe, Chair	July 1, 2009	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Taylor Perry	July 1, 2004	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Jane Peters	July 1, 2004	N/A	July 1, 2015	4.00	Progress
Jim Rodgers	July 1, 2004	N/A	July 1, 2015	1.50	Progress
Keith Unger	July 1, 2010	N/A	July 1, 2014	6.00	Yes
Teresa Noll	July 1, 2013	January 1, 2014	July 1, 2015	3.50	Progress
Patti Sherwood	July 1, 2013	January 1, 2014	July 1, 2015	3.00	Progress

WV COMMUNITY AND TECHNICAL COLLEGE SYSTEM
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BridgeValley Community & Technical College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Gregory Barker	July 1, 2013	N/A	July 1, 2015	4.00	Progress
Mark Dempsey, Chair	July 1, 2013	N/A	July 1, 2015	4.00	Progress
Jan Vineyard	July 1, 2013	N/A	July 1, 2015	4.00	Progress
Robert Manley	July 1, 2013	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Donna Atkinson	July 1, 2013	N/A	July 1, 2015	4.00	Progress
David Lewia	July 1, 2013	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Karen Price	July 1, 2013	N/A	July 1, 2015	4.00	Progress
Tom Dover	July 1, 2013	N/A	July 1, 2015	4.00	Progress
Jane Harkins	July 1, 2013	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Debra Rader	July 1, 2013	N/A	July 1, 2015	4.00	Progress
Roy Simmons	July 1, 2013	N/A	July 1, 2015	4.00	Progress
Earl Waytowich	July 1, 2013	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Judy Whipkey	July 1, 2013	N/A	July 1, 2015	0.00	Time Remains Until Deadline

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Eastern WV Community & Technical College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Curtis Durst	September 1, 2009	N/A	September 1, 2013	2.00	No
Dixie Bean	November 14, 2007	N/A	July 1, 2015	2.00	Progress
Douglas Lambert	September 1, 2009	N/A	September 1, 2013	15.25	Yes
Faron Shanholtz	April 27, 2007	N/A	July 1, 2015	1.00	Progress
George Sponaugle	October 11, 2013	April 11, 2014	October 11, 2015	3.00	Progress
Robert Hott	November 14, 2007	N/A	July 1, 2015	1.00	Progress
Robert Tissue, Chair	April 25, 2007	N/A	July 1, 2015	2.00	Progress
Scott Staley	September 1, 2009	N/A	September 1, 2013	9.00	Yes
Curtis Hakala	January 18, 2012	N/A	January 18, 2014	6.00	Yes
Laurel Godlove	April 10, 2014	October 10, 2014	April 10, 2016	0.00	Time Remains Until Deadline

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Mountwest Community & Technical College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Bob Bailey	August 19, 2008	N/A	July 1, 2015	7.00	Yes
Cathy Burns	August 16, 2013	February 16, 2014	August 16, 2015	7.00	Yes
Ruth L. Cline	August 20, 2008	N/A	July 1, 2015	7.00	Yes
Mark George	August 19, 2008	N/A	July 1, 2015	11.00	Yes
Thomas Gibson	November 8, 2011	N/A	November 8, 2015	11.00	Yes
Jim Hale	August 13, 2008	N/A	July 1, 2015	11.00	Yes
Mike Herron	August 13, 2008	N/A	July 1, 2015	11.00	Yes
Jason Moses, Chair	September 5, 2008	N/A	July 1, 2015	11.00	Yes
Susan K. Richardson	August 13, 2008	N/A	July 1, 2015	11.00	Yes
Christopher Stevens	July 1, 2011	N/A	July 1, 2015	6.00	Yes
Linda Vinson	July 1, 2011	N/A	July 1, 2015	11.00	Yes

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New River Community & Technical College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Leslie Baker	March 1, 2005	N/A	July 1, 2015	18.00	Yes
Deborah Hill	October 7, 2008	N/A	July 1, 2015	4.00	Progress
Albert A. Martine	October 7, 2008	N/A	July 1, 2015	15.00	Yes
Robert Farley	March 1, 2005	N/A	July 1, 2015	8.00	Yes
Edward Knight	March 1, 2005	N/A	July 1, 2015	3.00	Progress
Marilyn Leftwich	March 1, 2005	N/A	July 1, 2015	3.00	Progress
David Nalker, Chair	March 1, 2005	N/A	July 1, 2015	8.00	Yes
Shirely Runyon	July 1, 2013	January 1, 2014	July 1, 2015	20.00	Yes
Tim Hofmann	July 1, 2013	January 1, 2014	July 1, 2015	3.00	Progress
Susie Atkins	July 1, 2011	N/A	July 1, 2015	19.00	Yes

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Pierpont Community & Technical College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Linda Aman	August 1, 2008	N/A	July 1, 2015	8.00	Yes
James Griffin	August 1, 2008	N/A	July 1, 2015	16.50	Yes
Kyle Hamilton	August 1, 2008	N/A	July 1, 2015	13.50	Yes
Beverly Jones	July 1, 2008	N/A	July 1, 2015	11.50	Yes
Earl McConnell, Chair	August 1, 2008	N/A	July 1, 2015	37.00	Yes
Rick Pruitte	April 20, 2009	N/A	July 1, 2015	6.00	Yes
Sharon Shaffer	March 22, 2010	N/A	March 22, 2014	6.00	Yes
Barbara Pavel-Alvarez	November 8, 2013	May 8, 2014	November 8, 2015	11.50	Yes
Jeff Tucker	August 1, 2008	N/A	July 1, 2015	6.50	Yes
Eugene Weaver	August 1, 2008	N/A	July 1, 2015	11.00	Yes
Warren 'Chip' VanAlsborg	August 7, 2013	February 7, 2014	August 7, 2015	20.50	Yes

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Southern WV Community & Technical College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Linda Q. Akers	July 1, 2001	N/A	July 1, 2015	8.00	Yes
Thomas A. Heywood, Chair	July 1, 2008	N/A	July 1, 2015	15.00	Yes
Shelley T. Huffman	July 1, 2001	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Jada C. Hunter	July 1, 2001	N/A	July 1, 2015	8.00	Yes
George Kostas	July 1, 2001	N/A	July 1, 2015	4.00	Progress
Terry R. Sammons	July 1, 2007	N/A	July 1, 2015	4.00	Progress
Glenn T. Yost	July 1, 2007	N/A	July 1, 2015	4.00	Progress
Wilma Zigmond	July 1, 2007	N/A	July 1, 2015	8.00	Yes
Debbie C. Dingess	July 1, 2009	N/A	July 1, 2015	16.00	Yes
Mary Nemeth-Pyles	July 1, 2013	January 1, 2014	July 1, 2015	10.00	Yes

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WV Northern Community College

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
Brann Altmeyer	November 4, 2011	N/A	November 4, 2013	6.00	Yes
Christin Byrum	November 4, 2011	N/A	November 4, 2013	6.00	Yes
John Clarke	November 1, 2007	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Robert Contraguerro, Jr.	August 30, 2013	March 2, 2014	August 30, 2015	7.00	Yes
Dr. Darrell W. Cummings, Chair	July 2, 2001	N/A	July 1, 2015	4.00	Progress
Mary K. Hervey DeGarmo	November 1, 2007	N/A	July 1, 2015	0.00	Time Remains Until Deadline
Gus Monezis	December 15, 2009	N/A	December 15, 2013	6.00	Yes
Toni Shute	August 20, 2013	February 20, 2014	August 20, 2015	7.00	Yes
Frank DeCaria	July 1, 2013	January 1, 2014	July 1, 2015	3.00	Progress
Margaret DeCola	January 16, 2014	July 16, 2014	January 16, 2016	3.00	Progress

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WVU at Parkersburg

Name	Original Appointment Beginning Date	Six-Month Requirement Deadline (3 Hours)	Two-Year Requirement Deadline (6 Hours)	Training Hours Earned During Current Two-Year Period	Satisfactory Compliance / Progress in Meeting Training Requirement Deadline(s)
James R. Six	February 2, 2011	N/A	February 2, 2015	6.00	Yes
Joe D. Campbell	September 10, 2008	N/A	July 1, 2015	12.00	Yes
Gerard El Chaar, Chair	September 10, 2008	N/A	July 1, 2015	64.00	Yes
Curtis P. Miller	September 10, 2008	N/A	July 1, 2015	12.00	Yes
Violet Mosser	September 10, 2008	N/A	July 1, 2015	12.00	Yes
Matthew Santer	March 26, 2009	N/A	July 1, 2015	12.00	Yes
Jeffrey Matheny	April 4, 2013	N/A	April 4, 2015	35.50	Yes
Karen Facemyer	August 16, 2013	February 16, 2014	August 16, 2015	6.00	No*
Sam Winans	August 16, 2013	February 16, 2014	August 16, 2015	12.00	Yes
Cheryl Donohoe	August 25, 2010	N/A	August 25, 2014	12.00	Yes

*Ms. Facemeyer did not meet the six-month requirement deadline of 3 training hours. She earned a total of 2 hours of training credit by the six-month deadline.