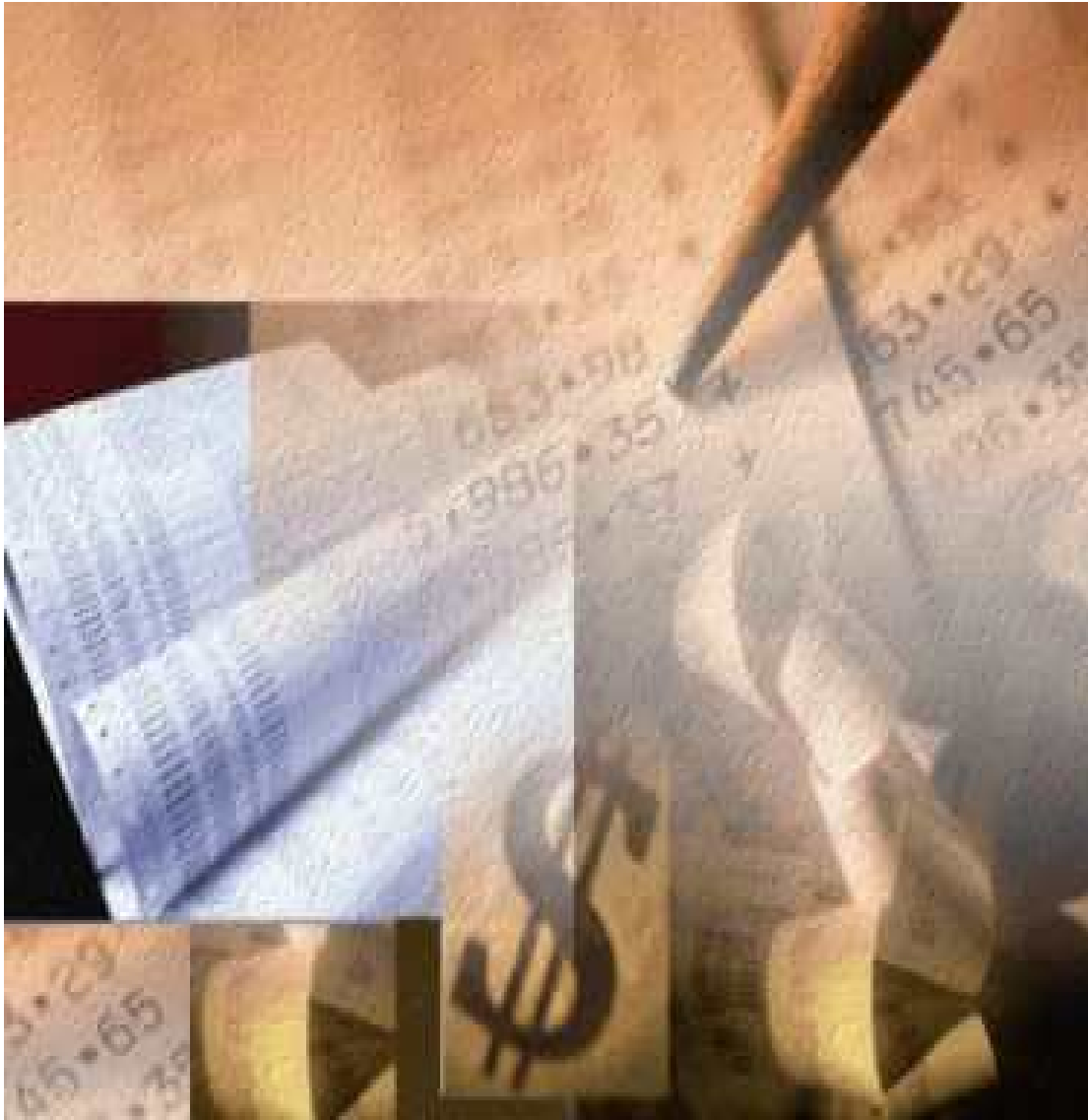


West Virginia Business Report Card FY 2007



West Virginia Business Report Card

Executive Summary for Fiscal Year 2007

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Background on West Virginia Business Report Card

The West Virginia Higher Education Policy Commission is pleased to submit the thirteenth annual West Virginia Business Report Card to the Finance Committees of the House of Delegates and the Senate pursuant to West Virginia Code §18B-5-8. This report provides information from the colleges, universities, community and technical colleges, the West Virginia Higher Education Policy Commission, the West Virginia Council for Community and Technical College Education, and West Virginia Network for Educational Telecomputing (WVNET) about:

- the number of in-state and out-of-state vendors that the colleges, universities, Commission, Council and WVNET did business with during the 2007 fiscal year;
- the dollar amount paid from state accounts to these vendors; and
- the category of expenditures for which payments were made.

Data in this year's Report Card indicates that during the 2007 fiscal year, the Commission, Council, WVNET, the colleges, universities and community and technical colleges:

- conducted business with 12,088 vendors; and
- paid more than \$462.8 million to all vendors for goods and services.

This report is intended to be viewed on-line and is available at <http://hefis.wvnet.edu:8080/brc2007.pdf>. The on-line version provides links that allow the viewer to drill down into specific institution data on page 5 that is not available in the paper version by clicking on the institution's name or by clicking on the "Total for Fiscal Year 2007".

West Virginia Business Report Card Format, Organization and Data

General Comments: This year, the Business Report Card is presented in a different format than in previous years. The institution reports in this year's Report Card were compiled entirely from financial data in WVFIMS, the accounting system used by state agencies. In previous years reports were compiled from a combination of data from WVFIMS and the institutions' financial systems.

Also, instead of printing the detailed institution reports on paper, most are now on-line and can be accessed by clicking on the institution name in the Consolidated Report on page 6.

In addition, we have dropped the designation of "Out-of-State Vendors with WV Branches". Vendors this year are either designated as in-state or out-of-state, depending on the address in WVFIMS that is used to remit payments.

The Report Card is organized around the Department of Administration's object categories and object classes which are updated every year and are published prior to the beginning of each fiscal year in the Expenditure Schedule Instructions. Not all object categories are included in the Report Card, only those that may deal with vendor expenditures. For example, personal services, employee benefits, employee travel reimbursement, and most other non-vendor classifications are excluded; although, some employee reimbursements, intra-government transfers (those between state agencies) and internal accounting adjustments do appear in the Report Card if the expenditures are coded in the object classifications listed below. The following object classes and categories are included in the Report Card:

- Current Expenses
 - 020 Office Expense
 - 021 Printing and Binding

- | | |
|--|---|
| <ul style="list-style-type: none"> 022 Rental Expense (real estate, buildings, office space and meeting rooms) 023 Utilities 024 Telecommunications 025 Contractual and Professional Services 029 Vehicle Rental 030 Rentals (machine and miscellaneous) 031 Association Dues and Professional Memberships 032 Fire, Auto, Bond and Other Insurance 033 Food Products 034 Clothing, Household and Recreational Supplies 035 Advertising and Promotional 036 Vehicle Operating Expense 037 Research, Educational and Medical Supplies 038 Routine Maintenance Contracts and Warranties 039 Manufacturing Supplies 040 Merchandise for Resale 041 Cellular Charges 042 Hospitality 045 Farm Expense 051 Miscellaneous 052 Training and Development 053 Postal and Freight 054 Computer Supplies and Equipment 056 Attorney Legal Service Payments 057 Attorney Reimbursable Expenses 058 Miscellaneous Equipment Purchases 059 Student Activities | <ul style="list-style-type: none"> 072 Research and Educational Equipment 073 Household Equipment and Furnishings 074 Building Equipment 075 Vehicles 076 Livestock, Farm and Construction Equipment 077 Books and Periodicals 078 Other Capital Equipment 092 Building Construction 120 Contractor Payments for Capital Asset Projects 121 Purchase of Materials and Supplies 122 Consultant Payments for Capital Asset Projects 143 Building Improvements 144 Reclamation of State Owned Property 148 Land Improvements 149 Land Purchases 150 Building Purchase 157 Leasehold Improvements 170 Computer Equipment 171 Computer Software |
|--|---|
-
- Repairs and Alterations
 - 061 Office and Communications Equipment Repairs
 - 062 Research, Educational and Medical Equipment Repairs
 - 063 Building and Household Equipment Repairs
 - 064 Routine Maintenance of Buildings
 - 065 Vehicle Repairs
 - 066 Routine Maintenance of Grounds
 - 067 Farm and Construction Equipment Repairs
 - 068 Other Repairs and Alterations Assets
 - 070 Office and Communication Equipment
 - 071 Medical Equipment
-
- Other Extraordinary Disbursements
 - 088 Bond Sale Costs
 - 089 Bank Costs
 - 094 Miscellaneous Land Expense
 - 096 Other Interest and Penalties
 - 126 Trustee Payments
 - 156 Medical Service Payments
- All of the reports are divided into three main column headings which are titled:
- "West Virginia Vendors" -- includes vendors with a West Virginia "remit to" address.
 - "Out-of-State Vendors" -- includes vendors with an out-of-state "remit to" address.
 - "Totals for all Vendors" -- reported in this column are the totals for all vendors.
- Under the main column headings summarized above are three identical subheadings:
- "Amount" -- identifies the total dollars expended.

- “Percent” -- shows the percentage of the total dollars going to vendors for that particular grouping (object code).
- “Number” -- shows the number of vendors or the number of transactions in the grouping (object code), depending on the report.

Summary Reports (in this booklet and on-line):

There are three summary reports listed below which include:

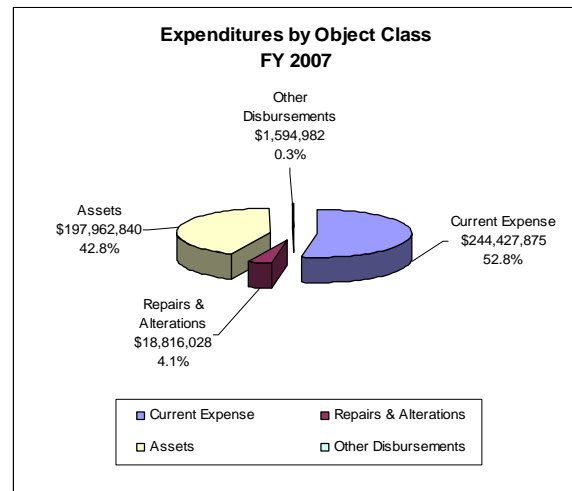
- Consolidated Report for Higher Education (in this booklet): This report aggregates the figures of the colleges, universities, community and technical colleges, the Commission, Council and WVNET, and presents consolidated totals and summaries for FY 2007. By clicking on the institution name, you can drill down to individual institution reports. When you click on the “Fiscal Year Total” at the bottom of the page, you can see total higher education expenditures by object code and then use this report to drill down further by clicking on “Alphabetic List of Vendors” at the top. From this report, you can then sort by dollar amount and number of transactions.
- Summary of Expenditures for the Colleges, Universities, Community and Technical Colleges Commission, Council and WVNET, by Object Code (on-line report – click on the institution name): These are the highest level institution summary by object code for the individual colleges, universities, community and technical colleges, the Commission, Council and WVNET. In this report you can see the vendors and dollar amounts that comprise the totals for each object code by clicking on the object code name. At the top of the report you can click on the “Alphabetic List of Vendors” and see the vendors sorted in alphabetical order, which in turn can be sorted by dollar amount and number of transactions.

Observations

Out of a total of 61 object codes included in this report, those in the Current Expenses object class account for the majority of dollars spent by the institutions.

As shown in the pie chart below, out of total expenditures of \$462,801,725:

- Current Expenses object codes account for \$244,427,875, which is 53% of the total dollars spent by higher education institutions.
- Repairs and Alterations object codes account for \$18,816,028, 4% of the total higher education expenditures.
- Asset object codes account for \$197,962,840, 43% of total expenditures.
- Other Disbursement object codes account for \$1,594,982, which is less than 1% of total expenditures.



The bar chart on the next page shows the following with respect to expenditures to in-state and out-of-state vendors:

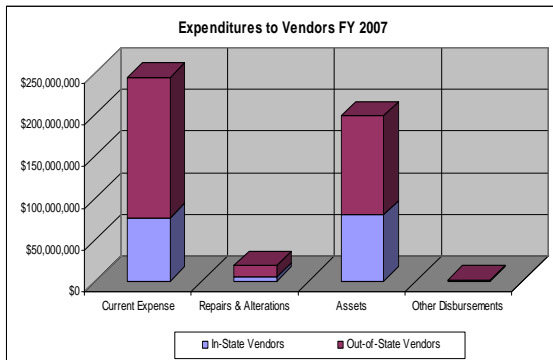
- For Current Expense expenditures,

\$76,055,338 (31%) was paid to in-state vendors and \$168,372,537 (69%) to out-of-state vendors.

- For Repairs and Alterations expenditures, \$5,317,340 (2%) was paid to in-state vendors and \$13,498,688 (5%) was paid to out-of-state vendors.
- For Assets expenditures, \$79,036,851 (32%) was paid to in-state vendors and \$118,925,989 (49%) was paid to out-of-state vendors.
- For Other Disbursements, \$1,479,290 (1%) was paid to in-state vendors and \$115,692 (less than 1%) was paid to out-of-state vendors.
- Total expenditures for all categories totaled \$462,801,725. In-state vendors received \$161,888,819 (35%) and out-of-state vendors received \$300,912,906 (65%) of total expenditures. *(It should be noted that purchasing card payments to Citigroup, the state's P-card vendor, show up as payments to an out-of-state vendor since the payments are sent to an out-of-state address. Many of the actual purchases are from in-state vendors that were paid with the P-card.)*

Recommendations for Improving Purchasing Procedures

The Commission and Council are seeking legislation that would allow them to enter into lease/purchase agreements on their behalf and on behalf for the institutions. Due to budget pressures, many institutions have difficulty paying the full purchase price to buy new or replace outdated academic, research and information technology equipment, and certain capital improvements so these purchases are often postponed for many years. As a result, the quality and relevancy of instruction suffers and deferred maintenance increases. A state-wide lease/purchase program would allow the institutions to spread the cost of purchasing this equipment over several years thereby making the purchase less of a budget hardship in a single year. A state-wide program would also take advantage of economies of scale in the cost of financing that the individual institutions cannot achieve on their own. The program would be available to both the baccalaureate institutions and the community and technical colleges and would be set up as tax exempt financing with a three to five year term on a lease/purchase contract. This initiative would not require a legislative appropriation and only minor changes in existing statutes would be needed to implement the program.



Consolidated Report for Higher Education

Institution	West Virginia Vendors			Out-of-State Vendors			Totals for all Vendors		
	Amount	Percent	Number	Amount	Percent	Number	Amount	Percent	Number
Bluefield State College	\$ 3,107,752	39%	117	\$ 4,928,290	61%	158	\$ 8,036,042	100%	275
Concord University	\$ 7,946,577	53%	248	\$ 7,081,589	47%	239	\$ 15,028,166	100%	487
Fairmont State University	\$ 10,761,168	32%	1,002	\$ 22,741,352	68%	327	\$ 33,502,521	100%	1,329
Glennville State College	\$ 4,326,734	43%	167	\$ 5,819,579	57%	103	\$ 10,146,313	100%	270
Marshall University	\$ 24,924,453	50%	615	\$ 24,874,300	50%	715	\$ 49,798,753	100%	1,330
Shepherd University	\$ 1,851,869	6%	335	\$ 28,710,616	94%	546	\$ 30,562,484	100%	881
West Liberty State College	\$ 2,858,402	25%	328	\$ 8,488,490	75%	280	\$ 11,346,892	100%	608
West Virginia State University	\$ 3,442,889	48%	168	\$ 3,731,596	52%	104	\$ 7,174,485	100%	272
West Virginia University	\$ 74,488,144	32%	2,196	\$ 157,487,801	68%	1,700	\$ 231,975,945	100%	3,896
WVU - Institute of Technology	\$ 3,998,321	29%	257	\$ 9,682,764	71%	162	\$ 13,681,085	100%	419
West Virginia School of Osteopathic Medicine	\$ 6,032,503	61%	367	\$ 3,906,942	39%	175	\$ 9,939,445	100%	542
WV Higher Education Policy Commission	\$ 483,347	30%	45	\$ 1,154,785	70%	40	\$ 1,638,132	100%	85
WVNET	\$ 743,443	13%	24	\$ 4,780,292	87%	39	\$ 5,523,735	100%	63
Subtotal	\$144,965,603	34%	5,869	\$283,388,395	66%	4,588	\$428,353,998	100%	10,457
Blue Ridge Community and Technical Colleges	\$ 364,107	25%	89	\$ 1,088,536	75%	66	\$ 1,452,643	100%	155
Community and Tech. College at WVU Institute of Technology	\$ 623,490	61%	36	\$ 405,775	39%	12	\$ 1,029,265	100%	48
Eastern WV Community and Technical College	\$ 1,348,124	85%	111	\$ 232,180	15%	35	\$ 1,580,304	100%	146
Marshall Community and Technical College	\$ 2,935,779	66%	81	\$ 1,489,690	34%	89	\$ 4,425,468	100%	170
New River Community and Technical College	\$ 1,314,637	49%	112	\$ 1,348,944	51%	56	\$ 2,663,581	100%	168
Southern WV Community & Technical College	\$ 8,330,438	71%	242	\$ 3,446,072	29%	111	\$ 11,776,509	100%	353
West Virginia Northern Community College	\$ 825,556	15%	144	\$ 4,806,729	85%	79	\$ 5,632,284	100%	223
WV State Community and Technical College	\$ 100,398	7%	48	\$ 1,341,755	93%	28	\$ 1,442,153	100%	76
WVU at Parkersburg	\$ 887,042	22%	159	\$ 3,065,265	78%	109	\$ 3,952,306	100%	268
WV Council For Community And Technical College Education	\$ 193,646	39%	14	\$ 299,566	61%	10	\$ 493,212	100%	24
Subtotal	\$ 16,923,216	49%	1,036	\$ 17,524,509	51%	595	\$ 34,447,726	100%	1,631
Total for Fiscal Year 2007	\$161,888,819	35%	6,905	\$300,912,905	65%	5,183	\$462,801,724	100%	12,088

In the electronic version of this report which is available at <http://hefis.wvnet.edu:8080/brc2007.pdf>, you may click on the Institution name above to see detailed reports for that institution, or click on "Total for Fiscal Year 2007" to see the totals for all Institutions by object code.

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