

Schedule and Agenda

Pierpont Community & Technical College Board of Governors Meeting and Committee Meetings

December 16, 2014
Teleconference Meeting
3:00 PM

3:00 PM **Emergency Action Item
Board Meeting**

Phone-in Meeting

Call-in instructions:
Dial: 304-368-7246
Enter ID Code: 83415

**Legislated purpose for Pierpont
Community and Technical College**

**H. B. 3215 – establishing community
colleges, 18B – 3C-8 Legislative
findings and intent**

“The primary goal of the Legislature is to create a statewide network of independently accredited community and technical colleges that focus on technical education, workforce training, and lifelong learning for the Twenty-First Century.”

“A necessary precedent to accomplishing the legislative goal is to change the way that leaders at all levels of education, including institutional governing boards, view community and technical colleges. Specifically, that the mission of technical colleges is different from that of traditional four-year colleges in what they accomplish and how they can achieve it effectively and that the state cannot compete successfully in today’s information-driven, technology-based economy if community and technical colleges continue to be viewed as add-ons or afterthoughts attached to baccalaureate institutions.”

Pierpont Community & Technical College
Board of Governors Meeting
December 16, 2014

Call to Order

1. Opening Comment (*Chairman, Jim Griffin*)

Committee of the Whole

1. Resolution for Approval of the FY 2015 Chargeback Agreement (Dale Bradley) *Action Item*

Adjournment

The Mission of Pierpont Community & Technical College is to provide opportunities for learning, training, and further education that enrich the lives of individuals and promote the economic growth of our service region and state.

Pierpont Community & Technical College strives to enhance the quality of life for people of north-central West Virginia through accessible, affordable, comprehensive, responsive, workforce-related training, and quality higher education opportunities.

**Pierpont Community and Technical College
Board of Governors
Meeting of December 16, 2014**

ITEM: Approval of the FY 2015 Chargeback Agreement.

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Be it resolved that the Pierpont Community and Technical College Board of Governors approves the attached Chargeback Agreement for FY 2015 between Fairmont State University and Pierpont Community and Technical College; Chargeback Table and estimated chargeback budget.

STAFF MEMBER: Dale Bradley

BACKGROUND: The legal basis for the attached chargeback agreement is found within WV Code §18B-3C-12 ***“Relationship between Independent Community and Technical Colleges and Former Sponsoring Institutions”***.

Within WV Code §18B-3C-12 it states:

“The former sponsoring institution and the community and technical college shall agree to the fees the former sponsoring institution may charge for administrative overhead costs. The fee schedule model agreed to by the institutions shall delineate services to be provided and the fees to be charged to the community and technical colleges for the services. The fee schedule shall be based upon the reasonable and customary fee for any service, shall bear a rational relationship to the cost of providing the service.” Any changes in chargeback budget values for each institution due to adjustments to the agreement are identified in the 2015 agreement attached.

Chargeback Agreement for Fiscal Year 2015

Fairmont State University (FSU)
Pierpont Community & Technical College (PIERPONT)

Accounting for both the FSU and PIERPONT will be on an independent profit model basis, and financial records will be maintained on a stand-alone basis. This document is intended to establish the contractual services which will be provided by both institutions. Chargeback services will occur from each institution to the other. Thus contract services will be provided by PIERPONT to FSU and FSU to PIERPONT. The definition of Chargeback services is services from one institution to the other and/or services provided from the Administrative, Academic Support, Student Service, and Physical Plant support areas of the University to the Community and Technical College and vice versa. Chargeback services costs range from the collection of fees for the payment of debt and operating expenses, to teaching services, to the everyday upkeep of the facilities so that both the University and Community and Technical College students enjoy and take advantage of both academic learning, student services, and student activities offered by Fairmont State University and Pierpont Community and Technical College for its student bodies.

Revenues:

- R.1.0.** All tuition revenues will be posted to the institution in which the student is enrolled.
- R.1.1.** Required Auxiliary, Capital, and Student Activity Fee revenues will be recorded as revenues to the institution in which the student is enrolled. Under this contract agreement all (100%) of these revenues will be transferred as an expense to the Capital, Auxiliary, and Student Activity Funds from which the Operating, Capital, and Debt Service Expenditures are paid. Most of these fees are pledged on revenue bonds and must be transferred to maintain compliance with bond covenants.
- R.1.2.** User fees collected from students of either institution will be deposited directly to the appropriate auxiliary revenue account, and not recorded as revenues by separate institution; however a report shall be shared with each institution at the conclusion of each semester identifying the fees paid by fee type by the students of each institution. A detailed list of the fee types for which a report shall be prepared will be identified each semester.
- R.1.3.** Grant revenues will be deposited in the institutions fund to which the grant was awarded.
- R.1.4.** Student payments made via lockbox, web, etc. will be deposited to the four-year clearing fund and will be moved daily to the appropriate operating state fund for each institution.
- R.1.5** Interest income will be allocated by HEPC to both institutions based on current allocation methods.

Expenditures:

E. 1.0. Direct expenditures will be assigned directly to either FSU or PIERPONT.

E. 1.1 Full and part-time faculty personnel services and fringe benefit expenditures will be paid from the institution where they are employed.

E. 1.1a.Teaching service expenses will be charged back from one institution to the other based on the number of credit hours taught, except in the case of the National Aerospace Education Center (NAEC). This chargeback process has been automated for instructional salary and benefit costs and is based on the teaching chargeback formula utilizing a faculty load of 21 credit hours per semester for UNIVERSITY and PIERPONT faculty as outlined in each institution's Board of Governors Policy # 37, except in the case of the faculty at the NAEC where faculty full load per semester is based on a 19 contact hours per semester model instead of 21 credit hours. This contact hour model shall be used in the teaching chargeback formula in determining teaching service expenses at the NAEC. The teaching chargeback formula process reviews the faculty member, their salary and benefit costs, courses taught, the student being taught, and the number of student credit hours being taught. The result is a report on each faculty member (full or part-time) indicating the charge and chargeback values allocated to each institution for the credit hours taught to both PIERPONT and FSU students. The teaching chargeback services calculation will be performed once each semester. If required by the State Auditor this teaching services chargeback report will be provided to substantiate the values being charged by each institution to the other.

E. 1.2. Support service charge back for salary and benefit costs.

The salary and benefit chargeback services from each institution to the other for Support Services will be based on the percentage of total credit hours (FTE enrollment) calculated for the PIERPONT and FSU students. When appropriate certain services may be negotiated at a different chargeback rate than the percentage of total credit hours. This is reflected on the attached chargeback table. The total credit hour enrollment percentages will be determined based on enrollments from the prior academic year's fall and spring terms at census dates.

E.1.2a. Support service charge back for staff located in the academic schools or departments will not be charged back to the other institution in FY 2015, except in the case where one institution is responsible for the delivery of academic programs for the other institution. In these instances a negotiated chargeback rate will be established for those specific areas and reflected on the attached chargeback table.

E.1.3. Operating (Non-Labor) expenses for all support offices listed in the Support Service and Operating Cost Chargeback Table are funded based on percentages listed in this table. The organization manager of those offices has budget authority to expend against these

budgets during the fiscal year. All unspent budgets at the end of each fiscal year are not carried forward to future fiscal years. Therefore, unspent budget increases the fund balance of both institutions. These fund balances are under the direct control of the respective Presidents of each institution.

E.1.4. Academic operating costs are funded directly by E&G revenues received by each institution and will not be charged back to the other institution in FY 2015, except in the case where one institution is responsible for the delivery of academic programs for the other institution. In these instances a negotiated chargeback rate will be established for those specific areas and reflected on the attached chargeback table.

E.1.5. Support staff actual liability costs.

The liability costs incurred annually from employee benefits provided to support staff, such as retiree health premiums, severance payable, etc. will be allocated to the institutions based on the percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates unless a specific area is negotiated at another rate.

E.1.6. Support staff accrued liabilities.

Accrued liabilities (sick leave, annual leave, severance payable, etc.) required to be recorded on the financial statements annually for all support staff will be allocated to the institutions based on the percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates unless a specific area is negotiated at another rate.

E.1.6a. PEIA retiree and severance payables in the current year.

Payout of PEIA retiree and severance costs incurred during the year will be allocated to the institutions based on percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates unless a specific area is negotiated at another rate.

E.1.7. Expenditure supporting documentation.

Specific expenditure details shall be made available to each institution as support for any chargeback invoices presented for payment. The method by which this information is made available shall be mutually agreed to by both institutions.

E.1.8. Chargeback Table

The attached chargeback table will be utilized for FY 2015.

Chairperson
Fairmont State
Board of Governors

Chairperson
Pierpont Community & Technical College
Board of Governors

President
Fairmont State University

President
Pierpont Community & Technical College

FY 2015 CHARGEBACK TABLE

201410 & 201420 Terms - Institutional Rate 66.78% / 33.22%

3-Dec-14

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PCTC %	TOTAL	MANAGER
15	1	1211XX	Public Relations - Labor	U	6001XX	95.00	5.00	100.00	Pellegrin, Amy
15	1	1211XX	Public Relations - Labor	U	9000XX	95.00	5.00	100.00	Pellegrin, Amy
15	1	2390XX	Caperton Center-Administration	U	6001XX	66.78	33.22	100.00	McClure, Nancy
15	1	2390XX	Caperton Center-Administration	U	9000XX	66.78	33.22	100.00	McClure, Nancy
15	1	2391XX	Caperton Center - Instruction	U	6001XX	66.78	33.22	100.00	McClure, Nancy
15	1	2391XX	Caperton Center - Instruction	U	9000XX	66.78	33.22	100.00	McClure, Nancy
15	1	3110XX	Business Office	U	6001XX	66.78	33.22	100.00	Porto, Rick
15	1	3110XX	Business Office	U	9000XX	66.78	33.22	100.00	Porto, Rick
15	1	3130XX	Mailroom	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3130XX	Mailroom	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3158XX	Institutional Administrative Costs	U	6001XX	66.78	33.22	100.00	Fletcher, Carolyn
15	1	3158XX	Institutional Administrative Costs	U	9000XX	66.78	33.22	100.00	Fletcher, Carolyn
15	1	3165XX	General Institutional	U	6001XX	66.78	33.22	100.00	Porto, Rick
15	1	3165XX	General Institutional	U	9000XX	66.78	33.22	100.00	Porto, Rick
15	1	3400XX	Physical Plant Administration	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3400XX	Physical Plant Administration	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3401XX	Recycling	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3401XX	Recycling	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3405XX	Custodial Services	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3405XX	Custodial Services	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3407XX	Operations and Maintenance-MATEC	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3407XX	Operations and Maintenance-MATEC	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3412XX	Utilities	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3412XX	Utilities	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3425XX	Receiving and Storage	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3425XX	Receiving and Storage	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	5008XX	Enrollment Services-10%CB	U	6001XX	90.00	10.00	100.00	Widney, Kaye
15	1	5008XX	Enrollment Services-10%CB	U	9000XX	90.00	10.00	100.00	Widney, Kaye
15	1	5010XX	Enrollment Services	U	6001XX	66.78	33.22	100.00	Widney, Kaye
15	1	5010XX	Enrollment Services	U	9000XX	66.78	33.22	100.00	Widney, Kaye
15	1	5120XX	Student Fin Aid Administration	U	6001XX	66.78	33.22	100.00	Widney, Kaye
15	1	5120XX	Student Fin Aid Administration	U	9000XX	66.78	33.22	100.00	Widney, Kaye
15	1	5125XX	Guidance and Counseling	U	6001XX	66.78	33.22	100.00	Pammer, Andrea
15	1	5125XX	Guidance and Counseling	U	9000XX	66.78	33.22	100.00	Pammer, Andrea
15	1	5140XX	ADA Administration	U	6001XX	66.78	33.22	100.00	Pammer, Andrea
15	1	5140XX	ADA Administration	U	9000XX	66.78	33.22	100.00	Pammer, Andrea
15	1	6130XX	CIO - Telephone	U	6001XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6130XX	CIO - Telephone	U	9000XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6150XX	Library	U	6001XX	66.78	33.22	100.00	Hutchins, Thelma
15	1	6150XX	Library	U	9000XX	66.78	33.22	100.00	Hutchins, Thelma
15	1	6170XX	CIO - Information Technology	U	6001XX	66.78	33.22	100.00	Lypany, John
15	1	6170XX	CIO - Information Technology	U	9000XX	66.78	33.22	100.00	Lypany, John
15	1	6171XX	Business Applications	U	6001XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6171XX	Business Applications	U	9000XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6173XX	Teaching & Learning Commons	U	6001XX	66.78	33.22	100.00	Raisovich, Joanie
15	1	6173XX	Teaching & Learning Commons	U	9000XX	66.78	33.22	100.00	Raisovich, Joanie
15	1	6174XX	Networks	U	6001XX	66.78	33.22	100.00	Jackson, Clifton
15	1	6174XX	Networks	U	9000XX	66.78	33.22	100.00	Jackson, Clifton
15	1	6209XX	Business Office - Computer Charges	U	6001XX	66.78	33.22	100.00	Porto, Rick
15	1	6209XX	Business Office - Computer Charges	U	9000XX	66.78	33.22	100.00	Porto, Rick

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PCTC %	TOTAL	MANAGER
15	1	6273XX	Teaching & Learning Commons 5%CB	U	6001XX	95.00	5.00	100.00	Raisovich, Joanie
15	1	6273XX	Teaching & Learning Commons 5%CB	U	9000XX	95.00	5.00	100.00	Raisovich, Joanie
15	1	7225XX	Tutoring	C	3100XX	66.78	33.22	100.00	Mainenti, Raymond
15	1	7225XX	Tutoring	C	3103XX	66.78	33.22	100.00	Mainenti, Raymond
15	1	7225XX	Tutoring	C	5971XX	66.78	33.22	100.00	Mainenti, Raymond
15	1	7245XX	Aviation Training Center	C	3100XX	48.82	51.18	100.00	Stose, Thomas
15	1	7245XX	Aviation Training Center	C	3103XX	48.82	51.18	100.00	Stose, Thomas
15	1	7245XX	Aviation Training Center	C	5971XX	48.82	51.18	100.00	Stose, Thomas
15	1	7248XX	C&TC Aviation and Technology	C	3100XX	48.82	51.18	100.00	Stose, Thomas
15	1	7248XX	C&TC Aviation and Technology	C	3103XX	48.82	51.18	100.00	Stose, Thomas
15	1	7248XX	C&TC Aviation and Technology	C	5971XX	48.82	51.18	100.00	Stose, Thomas
15	1	7410XX	C&TC General Administration	C	3100XX	66.78	33.22	100.00	Bradley, Dale
15	1	7410XX	C&TC General Administration	C	3103XX	66.78	33.22	100.00	Bradley, Dale
15	1	7410XX	C&TC General Administration	C	5971XX	66.78	33.22	100.00	Bradley, Dale
15	1	7420XX	Off-Campus Credit Programs	C	3100XX	66.78	33.22	100.00	Bradley, Dale
15	1	7420XX	Off-Campus Credit Programs	C	3103XX	66.78	33.22	100.00	Bradley, Dale
15	1	7420XX	Off-Campus Credit Programs	C	5971XX	66.78	33.22	100.00	Bradley, Dale
15	1	7452XX	Off Campus Courses - North	C	3100XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7452XX	Off Campus Courses - North	C	3103XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7452XX	Off Campus Courses - North	C	5971XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7454XX	Off-Campus Courses - South	C	3100XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7454XX	Off-Campus Courses - South	C	3103XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7454XX	Off-Campus Courses - South	C	5971XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7470XX	Dual-Credit Programs	C	3100XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7470XX	Dual-Credit Programs	C	3103XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7470XX	Dual-Credit Programs	C	5971XX	66.78	33.22	100.00	Hawkins, Clara

Institutional Chargeback Allocation Detail

for: Fairmont State University and Pierpont C&TC

<u>FY 2015</u>	<u>Chargeback C&TC</u>	<u>Chargeback University</u>
Chargeback Allocation (From) to:		
Revenue:		
Capital Fees	1,088,220.00	2,143,379.58
Required Auxiliary Fees	739,480.00	4,504,995.39
Student Services	122,608.00	355,634.00
Other (list):	0.00	0.00
Total Chargeback Revenue	1,950,308.00	7,004,008.97
Teaching Chargeback		
Instruction:		
Total Teaching Chargeback	809,999.68	1,053,034.00
Support Services and Operating Chargeback Expenses:		
Academic Support	603,724.80	168,360.66
Student Services	562,005.21	0.00
Operations and Maintenance of Plant	1,484,041.33	0.00
Institutional Support	1,786,670.74	3,579.11
Other:		
Instruction	10,038.05	319,773.77
Public Service		0.00
Chargeback Estimate for Pay Raises	-	0.00
Total Support Services and Operating Chargeback	4,446,480.13	491,713.54
Grand Total	7,206,787.81	8,548,756.51