

AUTHORIZATION TO INCREASE FEES

Shepherd University is requesting the approval of the Board of Governors for fee increases for fiscal year 2007. The Higher Education Policy Commission has not yet established a schedule for the submission of the institutional fee increase proposals for the fiscal year 2007. Shepherd University cannot finalize its budget planning because the Budget Bill has not been finalized by the West Virginia Legislature, so the details of the budget picture can only be projected. The Board of Governor's next regularly scheduled meeting would be April 13, which may be too late for the Policy Commission's timelines. Additionally, the recruitment of new students is hampered by later decisions on the setting of fees. Prospective students are anxious to see anticipated costs and projected financial aid as early as possible. By taking action on fee increases now, the University can proceed with packaging financial aid awards and can then make subsequent adjustments if required by the Policy Commission action on our proposals.

The Governor's proposed budget calls for a \$169,000 appropriations increase for Shepherd University. That increase completes the funding of the general-revenue-paid salary increases which were implemented in the fall, as had been promised, and also provides funding for the Annual Experience Increment (AEI) for general-revenue-funded faculty. If the faculty AEI is enacted by the Legislature, this would leave an unfunded mandate of a little more than \$20,000 for Shepherd. If the faculty AEI is not adopted, the funds provided for higher education are likely to be removed from the Budget Bill.

The emergence of the Community and Technical College (CTC) as a fully independent institution is resulting in the CTC increasingly administering a number of operations of the institution. In fiscal year 2006, the University assessed the CTC approximately \$1.1 million for services provided for the benefit of the CTC. In fiscal year 2007, the total purchase of services from the University by the CTC could be as low as approximately \$379,000. Because the plan for the transition of the administrative services functions has not been finalized, that amount may change. The University is approaching the fiscal year 2007 budget planning with a projected reduction in revenue of at least \$600,000 on that basis. Special assistance from the Legislature is being pursued to try to address the scope of the CTC-related shortfall in revenue. Even in a best case scenario, it is likely that the total revenues of the University from payments by the CTC will be reduced substantially from fiscal year 2006 levels.

In addition to these challenges relating to revenue shortfalls, Shepherd University faces considerable growth in some uncontrollable expenses. Utility and gasoline costs have continued to rise. The University will face significant additional costs for several network-system software licenses. Serious increases in PEIA premiums are also anticipated.

Compensation for employees continues to be a serious issue for the institution. Failure to provide substantive salary increases could have serious results with regard to turnover, particularly among the faculty. Our current budgeting projections assume a 4% aggregate increase, which would be an expense of about \$580,000, but our ability to fund salary increases will be directly linked to fall enrollment.

Unless significantly more help comes from the Legislature than is presently anticipated, increases in student fees will be needed to keep the University budget balanced. The resolutions below would authorize the President to finalize undergraduate fee increases for fiscal year 2007 of up to 7.5% for both in-state and out-of-state students. This is projected to generate additional revenue of nearly \$1.3 million if enrollment remains steady. The President's final action on fees, within that limit, would be completed in consultation with the Board's Executive Committee.

These resolutions would additionally authorize an increase in the Athletics Equity Fee, which is not included in the statutory cap, of \$25 per semester. This fee was established to help the institutions more aggressively improve their commitment to Title IX compliance. This increase is projected to generate approximately \$140,000 of additional revenue, which will allow a number of important enhancements of the women's athletics programs.

A \$30 per credit hour increase in graduate enrollment fees is also requested. Shepherd has approached graduate fee scales with caution as to price sensitivity. Last year Shepherd implemented a very modest increase in graduate enrollment fee rates of only 0.85%. As other institutions implemented significant increases, our price advantage is now significant.

It is also proposed to increase the Parking Fee from \$32 to \$45. This increase will help fund some of the costs associated with additional gates and new lots and will help position the University toward the funding framework that will be needed for a future parking garage.

Shepherd University is proposing a 5% increase in all residence hall room rates. The following chart also lays out the proposed schedule for the rates for the new apartments.

The following resolutions are recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves an increase in the Athletics Equity fee of \$25 per semester for a full-time undergraduate student for fiscal year 2007.

RESOLVED, That the Shepherd University Board of Governors authorizes the President to implement undergraduate enrollment fee increases for fiscal year 2007, in consultation with the Executive Committee, and to file the same with the Higher Education Policy Commission for approval; *Provided*, that the maximum undergraduate enrollment fee increase shall not exceed 7.5%; *Provided Further*, that the Athletics Equity Fee shall not be included in the foregoing limitations on percentages of increases.

RESOLVED, That the Shepherd University Board of Governors approves an increase in the graduate enrollment fee of \$30 per credit hour for fiscal year 2007.

RESOLVED, That the Shepherd University Board of Governors approves an increase in the Parking Registration Fee of \$13 for fiscal year 2007.

RESOLVED, That the Shepherd University Board of Governors approves a housing fee increase of 5% for all residence halls for fiscal year 2007 and approves the apartment rental rate schedule, all as set forth in the agenda book.

Summary of Proposed Housing Rate Increases Effective Fall 2006

Residence Life Housing Type	FY06	FY07		
		Proposed rate after 5% increase plus \$100*	Proposed Apartment Rates	Rate difference
Double Traditional Semester	\$1,552.00	\$1,729.60		\$177.60
Single Traditional Semester	\$2,328.00	\$2,544.40		\$216.40
Double Suite Semester	\$1,800.00	\$1,990.00		\$190.00
Single Suite Semester	\$2,700.00	\$2,935.00		\$235.00
Double Summer 6-week term**	\$426.00		\$832.50	\$406.50
Double Apartment Semester (4 person unit)			\$2,500.00	
Single Apartment Semester (4 person unit)			\$4,375.00	
Double Apartment Semester (4 person deluxe unit)			\$2,750.00	
Single Apartment Semester (4 person deluxe unit)			\$4,812.50	
Double Apartment Semester (6 person unit)			\$2,500.00	
Single Apartment Semester (6 person unit)			\$4,375.00	

*Internet charge of \$100 to be included in housing rate beginning Fall 2006

**Summer School housing moved from West Wood Suites to Apartments beginning summer 2007

West Virginia Schools Cost Comparison	FY06		
	Housing		
	Double Traditional	Double Suite	Apartments
Potomac State College	\$1,851.00		
Marshall University	\$1,748.00	\$2,098.00	\$ 2,515.50
Shepherd University (FY07)***	\$1,729.00	\$1,990.00	\$ 2,500.00
West Virginia University	\$1,674.00	\$1,835.00	
Concord University	\$1,483.00		
Fairmont State University	\$1,340.00	\$1,790.00	\$ 1,440.00
Glenville State College	\$1,250.00		\$ 2,450.00
West Virginia State University	\$1,200.00		
West Liberty State College	\$1,199.00		

Other Selective Schools Cost Comparison	FY06		
	Housing		
	Double Traditional	Double Suite	Apartments
University of Maryland	\$2,462.00		\$ 2,566.00
Towson University	\$2,083.00	\$2,473.00	
Shepherd University (FY07)***	\$1,729.00	\$1,990.00	\$ 2,500.00
Salisbury State University	\$1,725.00		
Shippensburg University	\$1,645.00		
James Madison University	\$1,639.00		
Frostburg State University	\$1,566.00		
Virginia Tech	\$1,292.00	\$1,560.00	

***Costs for Shepherd University are proposed housing rates for FY07 as compared to FY06 rates for other institutions