



MARSHALL'S STRATEGIC VISION - *Our Bold Constellation for the Future*

Status Update For:



A comprehensive plan for revenue stabilization and enhancement

- Strategy # 1: *Optimize net tuition/fee revenues through enrollment growth and management.*
- Strategy # 2: *Develop an institutional marketing/enrollment management plan.*
- Strategy # 3: *Increase enrollment/net income from e-learning.*
- Strategy # 4: *Increase philanthropic giving and growth in discretionary fund endowment.*
- Strategy # 5: *Increase extramural grant and contract funding.*
- Strategy # 6: *Identify and implement alternative funding source strategies.*
- Strategy # 7: *Increase royalty and equity income from intellectual property commercialization.*
- Strategy # 8: *Significantly increase annual discretionary revenues.*
- Strategy # 9: *Pursue greater state appropriations.*



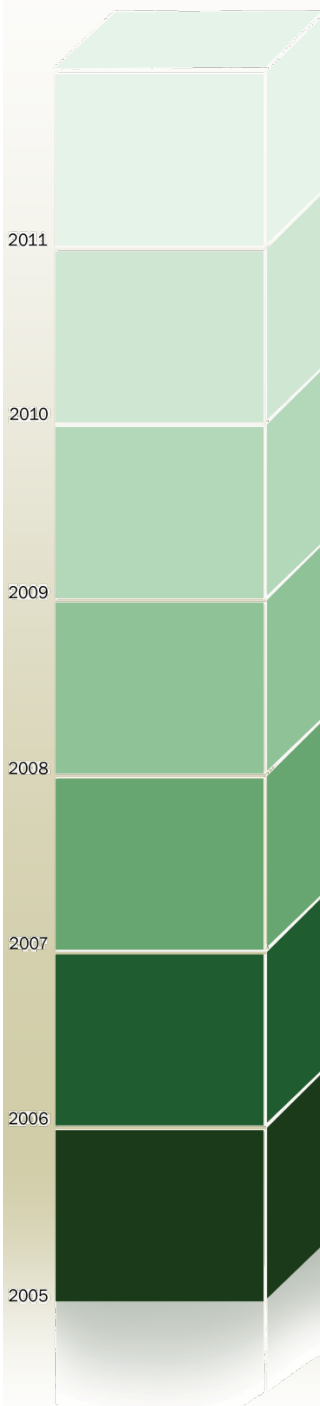
MARSHALL'S STRATEGIC VISION - *Our Bold Constellation for the Future*

A comprehensive plan for revenue stabilization and enhancement

Status Update for:

Overview:

Enlarge and stabilize the university's revenue base available for operations through a combination of strategies



- **March 2010** – Report to HEPC on Efficiencies
- **February 2010** – Energy Saving Actions
- **February 2010** – “Understanding our budgetary challenges” Communiqué
- **January 2010** - “Success in challenging times” Communiqué
- **September 2009** – Sustainability Department Created
- **June 2009** - Space Utilization Report
- **April 2009** – General Faculty Meeting
- **March 2009** – Faculty Senate – Annual Faculty Compensation Report
- **February 2009** – University-Wide 3-Year Budget Planning Meeting
- **August 2009** – Fall Enrollment Communiqué

- **September 2008** – State of the University
- **July 2008** – Congressional Update – State of the University
- **March 2008** – MU Foundation Update

- **April 2007** - Liberating the Creative Mind – Create WV Conference
- **March 2007** - Marshall Developments
- **October 2007** - Faculty Senate – Update on Strategic Initiatives
- **September 2007** – State of the University

- **September 2006** – State of the University

- **October 2005** – Marshall Magazine: “A Time of Transition”
- **September 2005** – *Herald Dispatch*: Working to Secure a Better Future for Our State

To learn more visit this Strategic Initiative at:

<http://www.marshall.edu/president/strategic/Revenue.asp>

Status Update For:



A comprehensive plan for revenue stabilization and enhancement

Strategy # 1

Optimize net tuition/fee revenues through enrollment management practices that maximize revenue yield (e.g., most favorable first-year class size, non-resident enrollment, and transfer student population; greater retention and 4-, 5- and 6-year graduation rates). Establish specific numerical goals annually.

Update/Outcome:

Enrollment

2009/2010 Recruitment/Admissions:

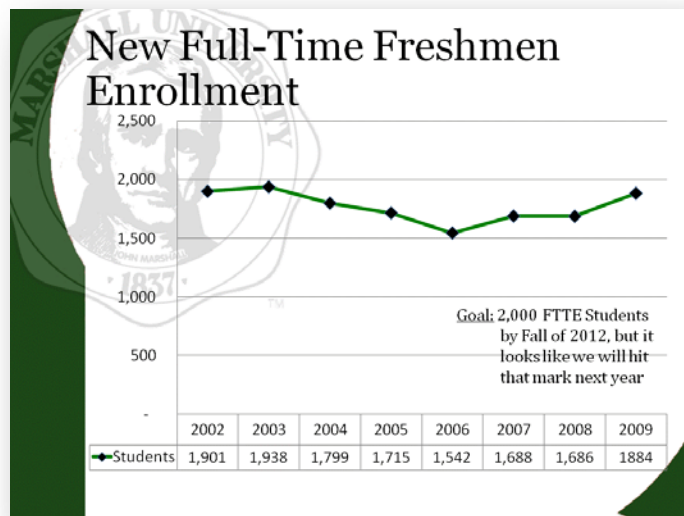
Fall 2009 Totals referenced below are relative to corresponding data obtained from the same time last year (2008). Applications and admissions for first-time, full-time students who entered in fall 2009 increased significantly due to our recruiting efforts.

➤ Recruitment/Admissions Plan is Working:

- Increase in full-time freshmen: **+11.5%** over 2008
- Virtually all this increase is West Virginia resident freshmen
- Non-resident enrollment remained steady, counter to national trends
- Total CORE¹ Enrollment: **+3.3% (324)** over fall 2008
- A **+81** increase in the number of students who are PROMISE Scholarship Recipients
- Recruiters visited 15 states, 438 high schools and attended 242 college fairs

➤ Enrollment

- Total FTE Enrollment: **+2.8% (289)** over fall 2008



¹ CORE Enrollment refers to students who are degree-seeking AND are enrolled between half-time and full-time in fee-charged credit hours.

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- First appreciable increase in full-time equivalent (FTE) student enrollment since 2002

Spring 2009/2010

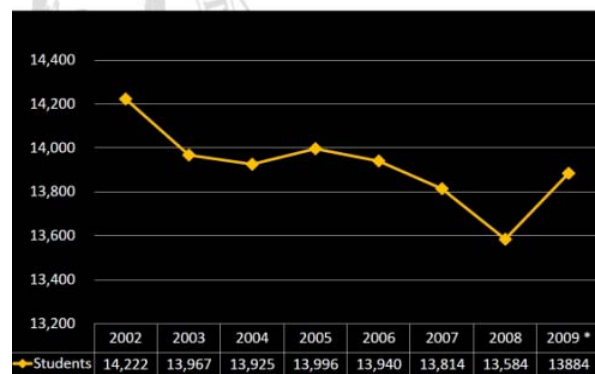
➤ **Overall (FTE):**

- Total FTE enrollment for spring reflects an increase of **+318 (3.3%)** FTE students over last year
- Total undergraduate FTE enrollment has increased by **+315 (4.2%)** FTE students
- Total part-time undergraduate enrollment has increased by **+119 (9.7%)** students
- Total FTE enrollment of West Virginia resident undergraduate students has increased by **+212 (3.7%)**
- Total FTE enrollment of non-resident (excluding metro) undergraduate enrollment has increased by **+65 (5.9%)**
- Total graduate FTE enrollment has decreased slightly by **-23 (-1.2%)**; however, first professional student enrollment increased by **+25 (9.3%)**

➤ **New Enrollments**

- Total new full-time FRESHMEN headcount enrollment is 85—an increase of 13 (18.1%) students over last year’s count (only headcount information is available at this time)
- Total new full-time TRANSFER headcount enrollment is 306—an increase of 69 (29.1%) students over last year’s count

Total Headcount Enrollment



➤ **Fall 2009 to Spring 2010 Freshmen Retention**

Time Frame	Cohort	Returned	Rate
Fall 09 to Spring 10*	1,859	1,660	89.3%
Fall 08 to Spring 09	1,661	1,475	88.8%
Fall 07 to Spring 08	1,659	1,467	88.4%
Fall 06 to Spring 07	1,521	1,328	87.3%
Fall 05 to Spring 06	1,683	1,499	89.1%
Fall 04 to Spring 05	1,765	1,565	88.7%
Fall 03 to Spring 04	1,915	1,706	89.1%
Fall 02 to Spring 03	1,864	1,659	89.0%

- Highest in the last eight years

2010/2011 Recruitment

Based on the growth in the number of applications and admissions as of March 1, 2010, attendance of prospective students at open houses, the increased number of high school and recruiting fair visits, and the success of the expanded “apply on the spot” program, a substantial increase in the size of the freshman class for fall 2010 is anticipated.

- Examples of application increases generated at various high schools through the “apply on the spot” (AOS) program:
 - St. Albans: 25 last year, 41 this year
 - Hurricane: 21 last year, 53 this year
 - Spring Valley: 103 last year, 116 this year
 - Cabell Midland: 71 last year (in two visits), 140 this year (in one visit)
 - Riverside: 41 last year, 47 this year
- Some of our new AOS locations have generated more applications than we received all of last year’s application cycle for a given school. Here are a few examples:
 - Nicholas County: 11 total for 2009, 17 at this fall’s AOS
 - University: 3 total for 2009, 15 at this fall’s AOS
 - Weirton Madonna: 2 total for 2009, 8 at AOS
 - Chesapeake, OH: 20 total for 2009, 29 at AOS
 - Boyd County, KY: 23 total for 2009, 24 at AOS

Fall 2010/2011

- A further increase in overall student enrollment is expected in 2010/2011.

Summary

- Fall 2009 recruitment program showed important progress, surpassing goals set for the year.
- Fall 2009 new freshman enrollment increased, exceeding the goals set for the year.
- Overall FTE student enrollment increased both for the fall and the spring, exceeding expectations.
- The overall FTE enrollment increase was the first appreciable enrollment increase since 2002 and beat by one year the projected turnaround year for reversing the enrollment decline that has beset the university since 2003.
- Freshmen retention efforts are beginning to exhibit positive signs as evidenced by the 2009/2010 fall-to-spring improvement in the student retention rate.
- Actions taken to rebuild Recruitment: [Student Recruitment Plan](#)
- Actions taken to rebuild Retention: [Student Retention Plan](#)
- The [2009 Compact Update](#) also contains many enrollment, recruitment and retention details.

To learn more visit this Strategic Initiative at:
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A comprehensive plan for revenue stabilization and enhancement

Status Update For:



Strategy # 2

Develop an effective, integrative, and comprehensive institutional marketing/enrollment management plan to promote Marshall University and its programs in viable regional and national markets where Marshall has opportunities to increase non-resident student enrollment (e.g., Maryland, DC, Pennsylvania, Virginia, North Carolina and Georgia).

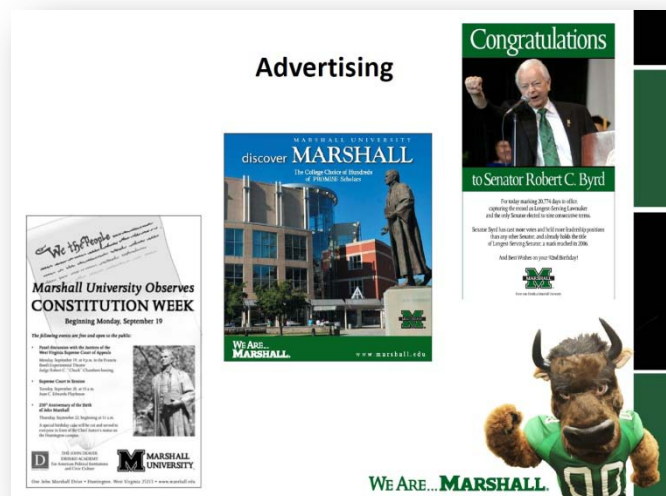
Update/Outcome:

Through a close working relationship between the Office of Recruitment and the Office of University Communications, Marshall University has expanded its outreach efforts to the general public, and specifically 15, 16 and 17-year-old prospective students and their influencers. A comprehensive advertising/marketing plan that is reviewed quarterly takes advantage of multi-media messaging to reach these target audiences. In March 2010, ISP and Marshall Athletics signed a new 11-year agreement that extends a relationship that has been in place since 1998 and includes a \$10 million guaranteed increase in revenue for Marshall Athletics, most notably securing \$3 million for the addition of two new state-of-the-art video boards and a new sound system for Joan C. Edwards Stadium, new digital signage and lighting upgrades for the Cam Henderson Center, upgrades to scoreboards at Dot Hicks Field and Sam Hood Field, and additional signage upgrades at athletic venues.

Advertising/Marketing Plan

Purpose: To enhance the university's presence in appropriate niche publications to reach prospective students, their parents, and guidance counselors/teachers through the development of TV/radio spots, billboards, other advertisements and enhanced visibility of the Marshall brand.

Background: The Office of Recruitment has advertised within a number of niche publications such as *West Virginia Senior* and



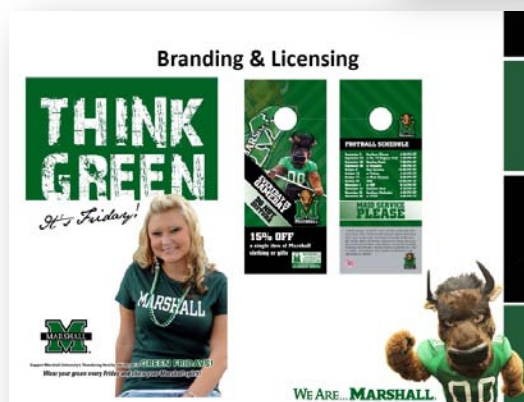
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Next Step magazines, as well as occasionally advertising in local newspapers. These publications target high school students within West Virginia and the West Virginia/Virginia/Maryland region, respectively.

Actions:

- Develop strong print ads that include a call to action and phone, email and website contact information
- Maintain or expand past participation in *West Virginia Senior* and *Next Step* magazines
- Maintain or expand participation in special editions of local publications such as the Herald-Dispatch, the Charleston Gazette, the Charleston Daily Mail, and the West Virginia State Journal
- Identify publications to reach new target populations including guidance counselors/independent college consultants (South Eastern Educational Network) and sophomore honors students (My College Guide)
- YouTube [Herd Video](#)
- One Stop [MU Facebook](#) – Coordinates the major MU Facebook pages
- [MU Twitter](#) - Coordinates the major MU Tweets
- Main Marshall University Webpage [redesign](#)
- Marshall University [Second Life Island](#)

Expand the reach of the Marshall University brand through give-a-ways and expanded selection of Marshall merchandise.



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MUOnline Marketing

The marketing objective is to increase the number of students enrolled in online courses at Marshall University by implementing reasonable strategies that yield the best results for our demographic and market. The target audience is the existing student body, prospective students who have already chosen to attend Marshall, and high school students eligible to take online courses at the college level in the Online College Courses in the High Schools (OCCHS) program. The university has marketed across a variety of different formats: radio (Clear Channel Radio), television (WCHS, WSAZ, Channel 25), newsprint (Herald Dispatch special editions), online (HD Online), billboards/public transportation signage (TTA and KRT full bus wraps and internal signage), internet social networking (MySpace, [Facebook](#), [Twitter](#)) and during various promotional events (Working Women's Luncheon, Orientation, Technology Summit, workshops, training).



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Status Update For:



Strategy # 3

Increase enrollment/net income from e-learning courses and degree programs.

Update/Outcome:

Each year, MUOnline course offerings and enrollments continue to increase an average rate of 15 percent. The university has witnessed an increase in enrollment among adult students in online degree programs with specific emphasis on graduate students in education and professional certificate training and development. Many students currently in the workforce are in transition due to the changing economy, while others use online courses and their flexibility to update their skills and manage busy personal and professional schedules.

The university also has a cadre of gifted and talented high school students who participate in the Online College Courses in High School (OCCHS) program. There is an increase each year in the number of students from rural areas in West Virginia, in addition to an increase in students from other states. With the advent of more aggressive academic online programming initiatives, the MUOnline program is growing rapidly in the areas of medicine, business and education. Marshall currently offers two online degrees, three online minors and 288 unique online courses, with no fewer than 35 new courses under development each year. As early as fall 2010, Marshall will begin offering online degree tracks in athletic training and nursing. Also effective next fall, MUOnline will participate in the new Higher Education Policy Commission (HEPC) *RBA Today*

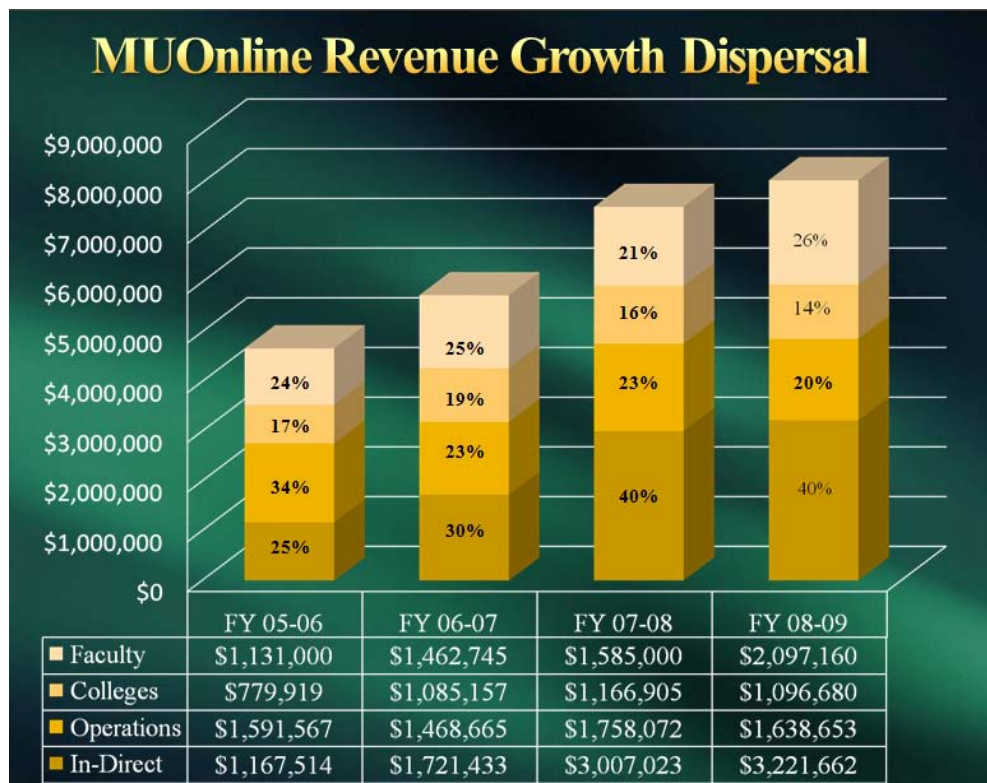


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program to ensure non-traditional students have an array of offerings that directly translate to degree completion for job attainment and the enhancement of employment skills.

The MUOnline program charges a separate fee for online courses and is financially self-sustaining. A total of 43% in indirect cost is paid to the university while portions of the remaining fee are used to cover the cost of faculty instruction. The revenue is used to sustain the entire IT university technology platform—an innovative method of sustaining rapid technology growth for a university of this size. In addition to the IT support, indirect costs and instruction, the online course fee is used to support critical campus resources for all students, including the recreation center, athletics and student center. In addition to these initiatives, the OCCHS program has received \$300,000 annually in a grant from the HEPC for the expansion of online programming for the high school population. OCCHS is an integral part of technology outreach among the K-12 community and supports recruitment and retention activities conducted by the Offices of Recruitment and Orientation.

E-Course revenue continues to increase as noted below:



The university plans to intensify marketing of the RBA program and e-course opportunities to adults who started college (especially at Marshall) but did not graduate and who want to complete either the RBA degree or the baccalaureate major they were pursuing.

Major areas of opportunity that require further examination and development include:

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- **Significant increases in technology-blended courses offerings, especially for upper-division course offerings.** The goals of this initiative are to amplify and accelerate student learning gains, while reducing unnecessary location-dependency. Recent pilot projects by Marshall faculty members with Wimba are promising in this regard.
- **Innovative instructional approaches which take advantage of blending and integrating traditional pedagogy with technologies like interactive/experiential media, simulations/virtual reality and application-based learning modules.** These offer powerful alternatives to traditional seat-time approaches in place-bound, didactic classroom settings.
 - ◆ Course management software offers major advantages in terms of both synchronous and asynchronous course delivery and is empowering to the student.
 - ◆ Monitoring and validating student time-on-task with technology-based course modules is facilitated through this medium in ways traditional instructional approaches cannot achieve.
 - ◆ Greater integration and utilization of this medium also will foster the early identification of a greater number of at-risk students, which will support university-wide goals to significantly improve student retention and graduation rates.
 - ◆ Technologically blended and integrated course instruction offers the potential to increase the enrollment capacity of current instructional facilities, which supports and advances university-wide enrollment growth and revenue enhancement objectives.
- **Expanded e-course offerings, e-degree program offerings, e-certificate programs and e-continuing education programs.** Augmenting the capabilities of Marshall to deliver marketable digital course and program offerings has very significant revenue and public value creation implications. In addition to providing an effective avenue for place-bound adults who started college, but did not finish, to complete and earn their college degree and to serve senior citizens seeking to stay mentally active, this initiative offers exceptional faculty development and advancement potential, regardless of discipline. Attention to mobilizing faculty to advance this initiative will support and accelerate university-wide enrollment growth and revenue enhancement objectives.

Status Update For:



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Strategy # 4

Increase philanthropic giving to Marshall (major gifts and annual gifts) and growth in discretionary fund endowment.

Update/Outcome:

- **Opening of the Marshall University Foundation Hall, home of the Erickson Alumni Center**

The 33,220-square-foot building, located at 519 John Marshall Dr., houses the Erickson Alumni Center on the first floor with development and foundation offices on the second and third floors. A call center and conference center are located on the first floor. The grand opening took place on Feb. 27, 2009. The complete [program](#) included the donors and the foundation history.

- **Shelba Pew supports aquatic research in Marshall's College of Science**

Marshall University alumna Shelba Pew recently donated \$50,000 to MU's College of Science to be used in support of aquatic research. Pew made the donation in honor of her late father, William Cunningham Pew. According to Dr. Charles Somerville, dean of the College of Science, Pew's donation will support the study of algal population dynamics in large rivers—an important first step in realizing the potential benefits of algae. [Read complete story](#)



- **New band rooms named for donors**

During the annual banquet for the Marshall University Marching Thunder, three families were recognized for their generosity in getting the facilities renovated for the band. The large rehearsal hall was named for Mark and Monica Hatfield. Monica Hatfield is a former member of the Marching Thunder, and she and her husband made the largest private gift to start the project. The new band office was named for W.B. and Doris Andrews and the band director's office was named for J. Churchill and Mary Hodges. December 2009. [Read complete story](#)

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- **Dot Hicks makes gift to create faculty award endowment**
Retired Marshall University professor Dr. Dorothy E. “Dot” Hicks made a gift to create a faculty award endowment in Marshall’s College of Education and Human Services. November 2009. [Read complete story](#)
- **Chamber/YPC scholarship established by MU Foundation**
The Huntington Regional Chamber of Commerce and Young Professionals Committee (YPC) Scholarship has been established by the Foundation. The Chamber and YPC pledged \$10,000 to fund the scholarship and the YPC provided an additional \$1,500 to help fund the Lewis College of Business’ new lounge project. The Young Professionals Committee is a subcommittee of the Chamber that fosters leadership skills for professionals ages 21 to 45. October 2009. [Read complete story](#)
- **Funds collected in fundraiser benefit Honaker ROTC Scholarship at Marshall**
A fundraiser conducted by American Legion Post 16 on 6th Avenue in Huntington raised \$1,150 to be donated to the Foundation for the John J. Honaker Memorial ROTC Scholarship at Marshall. The money was raised at a spaghetti dinner at the Legion. September 2009. [Read complete story](#)
- **Visitors’ bullpen at Marshall named in honor of Jan Keatley**
The visitors’ bullpen at Marshall University’s Dot Hicks Field officially became the “Jan Keatley Bullpen” during a presentation before the Thundering Herd’s Conference USA doubleheader with the University of Memphis. April 2009. [Read complete story](#)
- **Capstone Team donates \$55,000 to MU Foundation for MIIR**
Capstone Development Corp. of Birmingham, Ala., Mascaro Construction of Pittsburgh, Pa., and Brailsford and Dunlavey of Washington, D.C., all part of the development/construction/management team for the new Marshall Housing and Recreation Center, made a combined \$55,000 contribution to the Foundation for the Marshall Institute for Interdisciplinary Research (MIIR) as part of West Virginia’s “Bucks for Brains” initiative. March 2009. [Read complete story](#)
- **HADCO contributes \$50,000 to Marshall University for ‘Bucks for Brains’ initiative**
Huntington Area Development Council (HADCO) contributed \$50,000 to the Marshall Institute for Interdisciplinary Research (MIIR) as part of West Virginia’s “Bucks for Brains” initiative. February 2009. [Read complete story](#)
- **Huntington Federal pledges \$25,000 to Marshall’s LCOB in support of endowed professorship**
Huntington Federal Savings Bank pledged \$25,000 to Marshall University’s Lewis College of Business in support of an endowed professorship that honors its chairman of the board, Kermit E. McGinnis, who is a Marshall graduate and a longtime Marshall supporter. February 2009. [Read complete story](#)
- **CSX presented a gift of \$50,000 to Marshall University for ‘Bucks for Brains’; funds will further transportation research by RTI**

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CSX Corporation presented \$50,000 to Marshall University as part of West Virginia's "Bucks for Brains" initiative. January 2009. [Read complete story](#)

- **Construction on men's and women's basketball locker rooms**

A \$600,000 anonymous gift dedicated to the \$1.6-million build-out of new men's and women's basketball team and locker room facilities in the Henderson Center. The remaining funding for this project was provided by the facility enhancement fund generated from the surcharge on basketball ticket sales. [Read complete story](#)

Click on the image below to review the latest Foundation Annual Report.



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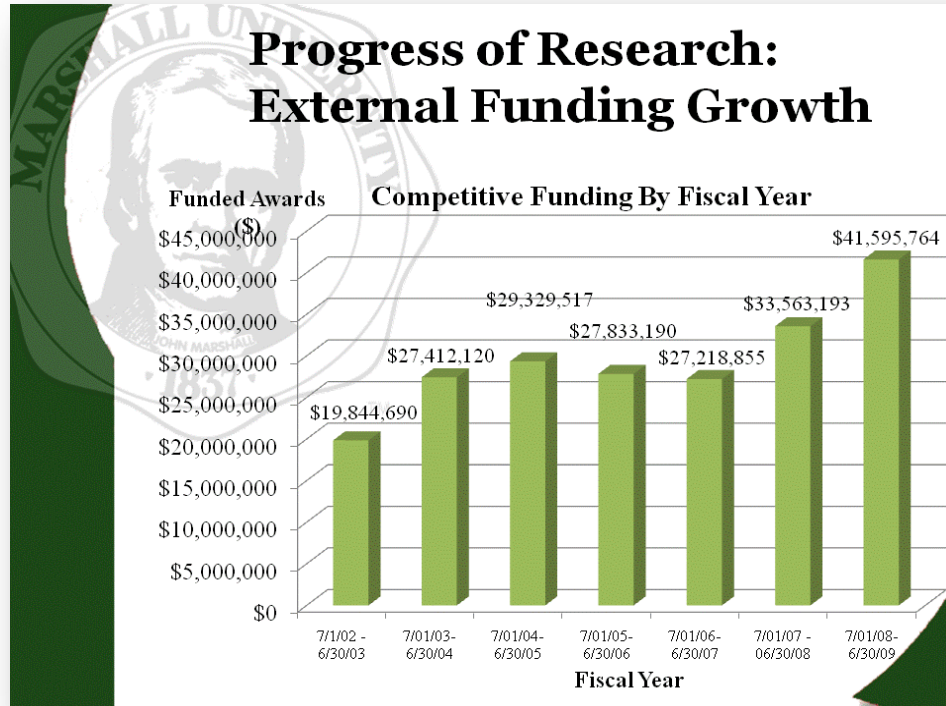
Strategy # 5

Increase extramural grant and contract funding, which partially offsets compensation and research operating costs.

Update/Outcome:

Marshall's progress in research activity has continued as shown in the plot of grant-derived revenue shown below. The key developments have centered around achieving dramatic progress through leveraged investment of State, State-administered Federal and university funds.

Fiscal year 2009 was a banner year in which the investments from the State EPSCoR and Research Challenge Fund supported **Cellular Differentiation and Development Center**



programs at Marshall which resulted in increased submissions and, ultimately, in competitive

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National Science Foundation (NSF) and National Institutes of Health (NIH) awards to two of the supported junior faculty from the College of Science. The ADVANCE-EPSCoR senior cadre was awarded an **NSF Major Research Instrumentation (MRI) grant** for a confocal microscope. These achievements bode well for the future.

Recent years have been distinguished by the arrival of **new faculty** in the STEM (science, technology, engineering and mathematics) disciplines: two in chemistry, one in biology and two in engineering. This cadre has been supported by university resources and has already distinguished itself with joint NSF-sponsored research with South Carolina, a Cottrell Fellowship, an Alfred P. Sloan Fellowship and transportation-oriented work with the West Virginia Department of Highways.

Further support is being provided with ongoing programs in grantsmanship delivered by the **Marshall University Research Corporation**, and the **MU-ADVANCE** program has served as a laboratory to improve and extend current offerings through the jointly-sponsored grant chats and grant boot camps. An active program in training and utilization of the Community of Science (COS) database has also been initiated and broadly implemented this year. This on-line tool allows researchers to identify opportunities through customized searches and has been very well received.

In the sector of hiring senior, grant-experienced personnel, Dr. Eric Kmiec of the University of Delaware was hired, under the State's Eminent Scholars Recruitment and Enhancement (ESRE) program, to serve as director of the **Marshall Institute for Interdisciplinary Research**. He brought with him to Marshall more than \$1 million in NIH funding and a group of eight researchers. He has received several new awards during the year. He was successful in hiring the institute's first scientist, Dr. Joan Wilson, who is an expert in non-coding RNA.

The university's **ESRE Professor of Diabetes and Cardiovascular Disease** in the Joan C. Edwards School of Medicine, Dr. Jung Han Kim, was also hired in the Department of Toxicology, Pharmacology and Physiology. Dr. Kim came from the University of Tennessee.

Dr. Kim studies the link between gene dysfunction and type 2 diabetes and obesity, a major health issue in Appalachia. She has major NIH R01 funding, along with funding from foundation sources, amounting to over \$1 million over the next several years to develop a new animal model for studying this problem.

The **WV-INBRE** award led by Dr. Gary Rankin was re-funded for \$17 million over five years and was able to secure four supplements through the American Recovery and Reinvestment Act—the federal stimulus program. WV-INBRE continues to be a beacon of scientific and collaborative leadership between Marshall and West Virginia University (WVU), and has awarded significant research funding to a broad sector of the undergraduate institutions in West Virginia.

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A collaborative **proposal for a Clinical and Translational Science Institute (CTS)** was developed in conjunction with WVU, and construction of a CTS Center was initiated through federally earmarked funds.

Through the efforts of the West Virginia Higher Education Policy Commission (HEPC) Division of Science and Research, an NSF **cyberinfrastructure grant**, CI-Train, was awarded for visualization technology in the College of Engineering (CITE), in partnership with the University of Arkansas and WVU.

Over the past year, Marshall faculty members have been awarded more than \$5 million through the **federal stimulus** program for projects ranging from cancer and cardiovascular disease research to a science and engineering faculty diversity initiative. These awards are not earmarks. Our researchers competed for these funds against faculty members at our nation's leading research institutions.

Marshall's Strategic Plan for Endowment-Based Research was accepted by HEPC.

The plan focuses on two key areas:

- The Marshall Institute for Interdisciplinary Research
- Research in intelligent transportation systems at the Rahall Transportation Institute

Donations and pledges to the "Bucks for Brains" West Virginia Research Trust Fund at Marshall total \$742,100 to date. With the State match, \$1.48 million is available to enhance the university's research initiatives.

Activities in Biomedicine, Biotechnology and Nanobiology

The NIH Centers of Biomedical Research Excellence (COBRE) grant at Marshall University has focused on the creation of a critical mass of cancer researchers supported by key capabilities. The project has created a genomics core, providing microarray-based gene expression profiling and comparative genome hybridization, automated DNA sequencing and DNA/RNA sequence analysis software and real time PCR. The statewide NIH-INBRE program, led by Marshall, also makes use of this facility and has focused on developing the Appalachian Cardiovascular Research Network and a bioinformatics core. Through these efforts, 14 research-oriented biomedical faculty members have served as a base for attracting an additional five cardiovascular and cancer researchers. Under the auspices of the State's ESRE program, an ESRE Professor of Diabetes and Cardiovascular Disease has been hired to bring additional critical missing research expertise to the biomedical cluster.

Activities in Intelligent Transportation Systems and Logistics

Intelligent Transportation Systems (ITS) combines computers and sensors in integrated systems to assist in making transportation systems safer and more efficient. On one end of the spectrum

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ITS will facilitate crash avoidance technologies for the typical motorists on our highways, and allow all types of transport vehicles to use less fuel, helping to reduce our nation's dependence on foreign oil. At the other end of the spectrum, ITS technology steers visitors to tourist spots, ambulances to 911 calls, and commuters to parking spots in busy downtown districts or around college campuses.

Marshall University is leveraging the capability of the Rahall Transportation Institute's designation as a national University Transportation Center and its proximity to the nation's largest inland river port and some of the busiest freight rail lines in the Appalachian region. Through attraction of prominent faculty focused on the significant deployment and customization challenges in transferring urban highway ITS technologies into rural America and the rail and water modes of our nation's ground transportation system, Marshall endeavors to develop a research cluster in this significant and growing area of technological enterprise that will be critical to the nation meeting the energy and logistics needs of the future.

The College of Information Technology and Engineering (CITE) engineering program is augmenting the Rahall Transportation Institute (RTI) efforts to create a Center of Excellence in Intelligent Transportation by providing the expertise of its faculty to the research and development efforts of RTI. New faculty members have been hired who are recognized experts in the areas of infrastructure and transportation engineering. The expertise these faculty members possess includes not only ITS, but advanced testing and monitoring techniques for various transportation structures, as well as the application of modern materials and techniques used in the construction of transportation systems. The RTI continues to develop active and productive research and technology transfer relationships with major industrial partners in this sector.

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Status Update For:



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Strategy # 6

Identify and implement alternative funding strategies that avoid/reduce annual base funding liabilities.

Update/Outcome:

Attention and effort has focused on prospective financial planning to modernize/reform budget planning, tracking and reporting. Key to the success of this initiative is the alignment, longitudinal tracking and reconciliation of revenue and sources of revenue in the budget planning and development process. The overall objective is to successfully migrate from incremental budgeting practices of the past to a multi-year budget plan—initially three-year and eventually five-year—that reflects the immediate and intermediate-term priorities of the university. This multi-year budget plan is also critical to ongoing austerity budget planning measures precipitated by the current and projected decline in State funding.

Several areas have been identified for which study and analysis have either been performed or are in process with the goal of rebalancing past practices for the future and realigning them to produce greater cost awareness and sensitivity, while improving net revenue benefits for reinvestment in people and programs.

- **Scholarships.** Institutional undergraduate scholarship practices have been reviewed and revised with special emphasis on non-resident scholarship policies and practices. For example, the practice of awarding the [John Marshall Scholarship](#) to non-resident students has been essentially discontinued, except for finalists for the Yeager Scholarship, and it has been replaced with the [Border State Scholarship](#) and the [Appalachian Regional Scholarship](#). The net revenue impact for the university has been as follows:

For full-time, non-resident scholarship recipients, comparing Academic Year 2006-2007 to Academic Year 2009-2010:

- Net revenue for combined capital and E&G fees for non-resident, scholarship recipients has increased by \$912,371, from \$436,068 to \$1,348,439 (209.2%)
- Net revenue as a percentage of the combined capital and E&G fees for non-resident, scholarship recipients has increased by 12.5 percentage points, from 44% to 56.5%, meaning that non-resident scholarship students are paying a greater proportion of their educational costs
- The per-student net revenue for the combined capital and E&G fees increased by \$1,554,

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from \$4,296 to \$5,850 (36.2%)

- ▶ The tuition rates for the combined capital and E&G fees increased by \$1,089, from \$10,476 to \$11,565 (10.4%), so the increase in net revenue per student is much greater than what would be expected from tuition increases alone

The findings over this three-year interval affirm that the goal of generating sustainable net revenue growth through revisions to the university's non-resident scholarship program is being achieved and that the tactics that have been introduced are working. This assessment is further reinforced by the fact that the overall increases in net revenue per student are much greater than would be expected from annual tuition increases alone. Noteworthy in this regard is the fact that changes to the non-resident scholarship program have improved net revenue generation per non-resident student at a time when the university has also achieved significant growth in non-resident enrollment. The significant net revenue growth that has been achieved as a percentage of the combined E&G fees is an important bellwether pointing to further capacity for improvement using these approaches. Other refinements that can further enhance revenue generation are under review.

- **Graduate Fee Waivers.** Various initiatives have been implemented with additional ideas still under study.
 - ◊ Implemented:
 - ◊ Graduate Fee Waivers have been partially rebalanced. As in the past, full-stipend (20-hour work commitments) and nine-hour course loads equate to full graduate waivers; however, waivers are now prorated for less than full-time stipend commitments. For instance, a 10-hour stipend commitment now results in a half-time graduate waiver. Previously, graduate fee waivers were not necessarily prorated for the fraction of stipend support provided. This change has been phased in and the full benefits will not be realized for another year.
 - The estimated cost savings for this component of graduate assistant reform is \$1.2 million in reduced waiver costs. For the first year of the two-year phase-in, graduate assistant waiver costs were reduced by approximately \$490,000 from the fall/spring amount in 2008-2009 (adjusted for tuition increases), and fall/spring net revenue from graduate assistants increased by \$275,000 from its near-zero amount the previous year. Much of the difference between the reduction in waiver costs and the increase in net revenue was the result of reducing the number of graduate assistants by 40 positions (including 30 on the South Charleston campus).
 - As a result of graduate assistant program reforms and reforms of other graduate waiver programs, overall net revenue (capital and E&G fees) per FTE graduate student increased by 20.3%. For comparison, the residency-weighted average of tuition increases for those fees was 4.9%. The FTE of graduate students taking non-contract courses decreased by only one FTE student.
 - The Graduate College has instituted a process for tracking and budgeting all graduate fee waivers that can be awarded.

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- The Marshall University Graduate Council in March 2010 approved new guidelines for [Graduate Assistant Tuition Waivers](#).
- The anticipated cost savings associated with this change in practice is unknown at this time, but is expected to be in the 100s of thousands of dollars per year once fully phased in.
- ◊ Under Study:
 - Differentially allocating graduate fee waivers by program and/or by course of study
 - Reducing and limiting graduate fee waivers available for awarding in high demand, professional graduate programs
 - Establish a regular review cycle for the recalibration of graduate fee waivers assigned to colleges and units
- **Summer Sessions**: Historically, expenditures associated with summer school course offerings routinely have exceeded revenues by a significant amount each year, raising fiscal concerns about the advisability of offering summer courses. In an attempt to rebalance summer course offerings and eliminate the deficit produced each summer, an experimental cost allocation and funding program was introduced for summer 2009. The model for this program was designed to incentivize responsible course offerings based on student enrollment demand and course offerings for students needing specific course(s) for graduation. Net revenue sharing (total revenues in excess of total expenses) served as the incentive.

Academic Affairs and the colleges that delivered summer courses that generated net positive revenue shared proportionally in net revenues generated through this course offering model. The colleges of Education, Fine Arts, Liberal Arts, and Science, and the School of Journalism and Mass Communication were beneficiaries of this program, sharing more than \$100,000 in net revenue. The net gain to the university produced by this experimental program over one summer exceeded \$500,000 compared to Fiscal Year 2008.

- A study will be conducted to examine the cost/benefit and value creation associated with current practices involved with Release Time/Reassigned Time approvals. One area of importance is instituting a process for addressing the evaluation of legacy approvals and justifications for current Release Time/Reassigned Time positions. The procedure that has guided past practice and resulted in indefinite approvals requires evaluation in the context of value creation in relation to the university's mission.

Once the study has been completed, the expectation is that periodic review, re-evaluation and re-justification of approved release time/reassigned time will become the norm and standard practice for the future. This study will also be expected to address documentation and budgeting (both time and cost) procedures and the allocation processes that will be used to monitor these approvals and the outcomes generated.

In addition, the following steps have been taken to advance revenue generation and reduce operating costs:

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- All colleges, schools, departments and operating units are requested to review their programs and identify any opportunities for revenue enhancement or cost avoidance.
- Careers in health-related disciplines/professions are one of the major areas of growth in today's economy and job market.
 - The Bachelor of Science – Medical Imaging in the College of Health Professions began accepting students for fall 2009. This joint program with St. Mary's Medical Center is the only baccalaureate program for medical imaging in West Virginia.
 - The College of Health Professions also received approval for the first Doctor of Physical Therapy (DPT) degree program in southern West Virginia and is actively working to start this program. This professional-level program will tentatively begin accepting students by 2011.
 - In December, the university board of governors approved the development and start-up of a new College of Pharmacy and the awarding of the PharmD degree to graduates. It will be the first such program in southern West Virginia and the institutional planning team is actively working to start this program. This professional-level program will tentatively begin accepting students within two years, pending MUBOG approval of final financial projections and demonstration of the financial feasibility and sustainability of the program.
 - Early stage conceptual planning also is underway to add several new majors and programs within the next five years. Priority will be given to programs that take advantage of existing resources and benefit future prospective students and employers locally, regionally and nationally.
- A facility space and suitability review will be conducted to determine whether the Marshall University Research Corporation can be relocated to the main campus within an existing, refurbished facility. If so, this move would provide an additional revenue stream to the university by way of a long-term lease arrangement.
- Periodic monitoring of the bond market continues with the goal of identifying favorable conditions in which to refinance the 2001 Revenue Bond issue.
- An [institutional greening and efficiency report](#) was prepared for the benefit of the campus and the board of governors and was submitted to the West Virginia Higher Education Policy Commission in March 2010. Further efficiency initiatives with a reasonable return-on-investment are under study. Emphasis in the use of the recently authorized \$22 million in State bond funding for university deferred maintenance and capital renovation will be given to academic building projects that address deferred maintenance issues as well as improve campus operational efficiencies.
- In order to measure its impact on the local economy, the Marshall University Forensic Science Center (MUFSC) has prepared its first [Economic Impact Report](#). This study measures MUFSC's total economic contribution to the state of West Virginia. MUFSC's programs generated approximately \$4.5 million dollars in economic activity and returned 769% on the state's investment. While MUFSC's primary purpose will always be to advance the practice of forensic

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science and aid law enforcement, this report vividly illustrates the organization's impact on the local economy.

- The School of Medicine (SOM) has also made significant progress toward revenue stabilization and enhancement. The completion of the [Robert C. Byrd Biotechnology Science Center](#) and the [Erma Ora Byrd Clinical Center](#) facilities have provided the physical capacity to increase the entering medical student class size by 50% from approximately 50 students per year to approximately 75. When these enrollment increases are fully implemented throughout the four-year curriculum, the SOM's base budget will be stabilized and enhanced to the tune of almost \$3 million per year. These funds will be dedicated to advancing the medical school's academic program and student support areas, while also improving faculty salaries (particularly in the basic sciences), enhancing clinical education capacity through the purchase of medical simulators, and augmenting "hands on" practice experience in the newly developed Clinical Skills Lab. The SOM is also beginning to set aside funding for deferred maintenance and funded depreciation, which was never possible previously with the smaller student enrollment and revenue base. As the relatively new facilities dedicated to the SOM begin to age, this funding will be critical to maintaining them.
- The \$2 million supplemental appropriation and base budget increase secured by the West Virginia legislative delegation and supported by Governor Manchin for the establishment of an accredited orthopedic residency program will also contribute to greater budgetary stability. Increases in state funding between 2006-2009 restored some of the reductions in appropriations imposed earlier in the decade. These increases have also helped offset the impact of recent large increases in malpractice insurance, health care costs, etc. In addition to the implementation of the new orthopedics residency training program, the Department of Neuroscience has been established and critical medical, pediatric and surgical specialty services have been added, all of which benefit the community and students.
- Working with Cabell Huntington Hospital, the SOM has secured federal approval for up to 25 additional residency training positions, which will provide needed funding for expanded post-graduate training.

Status Update For:



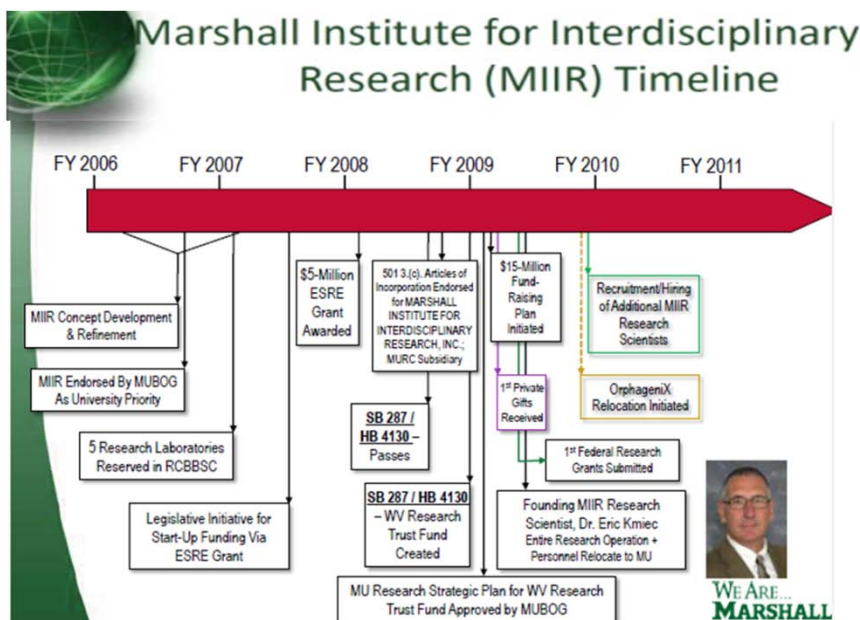
A comprehensive plan for revenue stabilization and enhancement

Strategy # 7

Increase royalty and equity income from intellectual property commercialization.

Update/Outcome:

Since 2005, patented research discoveries at Marshall University have been translated into new business ventures and new employment opportunities in West Virginia. Bioscience and transportation sectors of the economy have been the principal beneficiaries. These advances herald a new era in the Tri-State region and the early-stage realization of high value job growth derived from research conducted at Marshall University.



Throughout the Marshall University Strategic Initiatives, specific objectives have been established for enhancing research and scholarship to evolve a sustainable platform for enhancing research productivity and funding, while elevating Marshall's stature and area-wide influence on economic development. Strategic investments have been made by the university, and Marshall is now poised to leverage these resource investments through the creation of the Marshall Institute for Interdisciplinary Research (MIIR). Similar institutes are features of many successful research universities, and the formation of MIIR has already had a dramatic, timely and strategic impact by developing a self-sustaining research enterprise that will spur economic development through the attraction of a cadre of nationally prominent, non-tenured researchers dedicated to producing breakthrough discoveries that will

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launch new business ventures. The institute has catalyzed interdisciplinary research activity across the university and will generate revenue through a commitment to commercializing viable intellectual property. Perhaps as importantly, investments in MIIR and the hiring of experienced, successful researchers within the institute has given significant collateral benefits for research-active, tenure-track faculty members within the university and accelerated their competitiveness for future external grant funding.

The [Marshall Institute for Interdisciplinary Research](#) director and lead research scientist [Dr. Eric Kmiec](#) joined Marshall in January 2009 and [assembled a stellar team of scientists and research associates](#). In the summer of 2009, gene regulation expert [Dr. Joan Wilson](#) was the second scientist to join the institute created through the state's new "Bucks for Brains" research trust fund, and she and Dr. Kmiec are developing a focused program of pioneering research dedicated to producing patentable scientific breakthroughs and creating new high-tech businesses based on those discoveries.

Breakthroughs. *Commercialization of Marshall University technology has taken place at the following start-up companies:*

- [Vandalia Research](#) - Licensed large-scale DNA synthesis technology. Vandalia recently successfully closed a second round of venture financing
- [Ecer Technologies, LLC](#) - Licensed technology for [Ceramic Light \(LECD\)](#)
- [InSenSys](#) - Owned by two award-winning engineering professors who have developed, and are continuing to develop, technologies that have the potential to improve safety and reduce operational costs for the railroad industry
- [Progenesis Technologies LLC](#) – Licensed a biomanufacturing process for alginates—a commercially important class of polysaccharides currently extracted from natural sources by a laborious process
- [MIST – Medical Information Systems Technology, LLC](#) - Markets a unique software package for monitoring preeclampsia (high blood pressure in pregnant women)
- [Orphagenix, Inc.](#) - Utilizes proprietary single stranded oligonucleotides to treat orphan diseases (developed in Dr. Kmiec's labs at the University of Delaware, intend to locate in Huntington)

Status Update For:

A comprehensive plan for revenue stabilization and enhancement



Strategy # 8

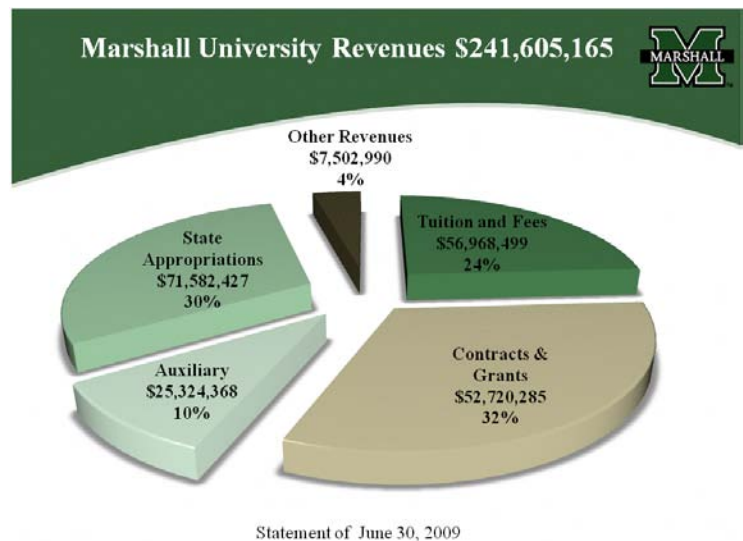
Significantly increase annual discretionary revenues during each of the next seven years for reinvestment in priority initiatives and goals. Establish specific numerical goals annually.

Update/Outcome:

Fee Restructuring/Simplification:

In Academic Year 2009-2010, the \$150 Title IX Athletics Equity Fee, which was a non-refundable fee charged only to on-campus, full-time students was rolled into the \$139 Auxiliary Fee. The Auxiliary Fee is refundable, but it also is charged to on-campus, part-time students. While the \$289 combined fee did not increase charges to full-time students, it will generate an additional \$550,000 of net revenue in its first year, while maintaining the same level of revenue generated for Title IX purposes.

A multi-year budget forecast is being developed that will assist university administrators with identifying potential resources needed to fund ongoing operations and new initiatives. Once at least a three-year budget plan has been developed with documentable annual revenue projections, informed discussions and decisions can be facilitated that strategically link priorities and action plans with available resources. In the meantime, departments are being required to complete a business plan for any new initiatives so that all revenues and expenses are identified prior to any approval being granted and items submitted to the university board of governors for action require a fiscal note.



Two initiatives have been presented and approved by the board of governors this year:

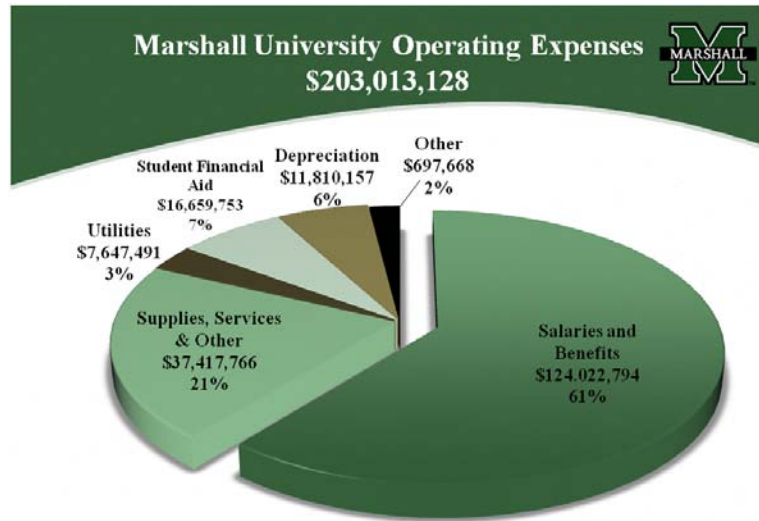
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- Intent to plan, Doctor of Physical Therapy (DPT) degree program

The budgeting process will be further defined and enhanced so that proper allocations of E&G funds are made.

Recent notification from the U.S. Department of Health and Human Services, following the scheduled review of the university's standard federal Facilities and Administration (F&A) rate for federal grants and contracts, has affirmed a slight increase in the rate from 40% to 42% over the next four years.



Status Update For: **A comprehensive plan for revenue stabilization and enhancement**



Strategy # 9

Pursue greater state appropriations including peer equity funding and experience increment funding.

Update/Outcome:

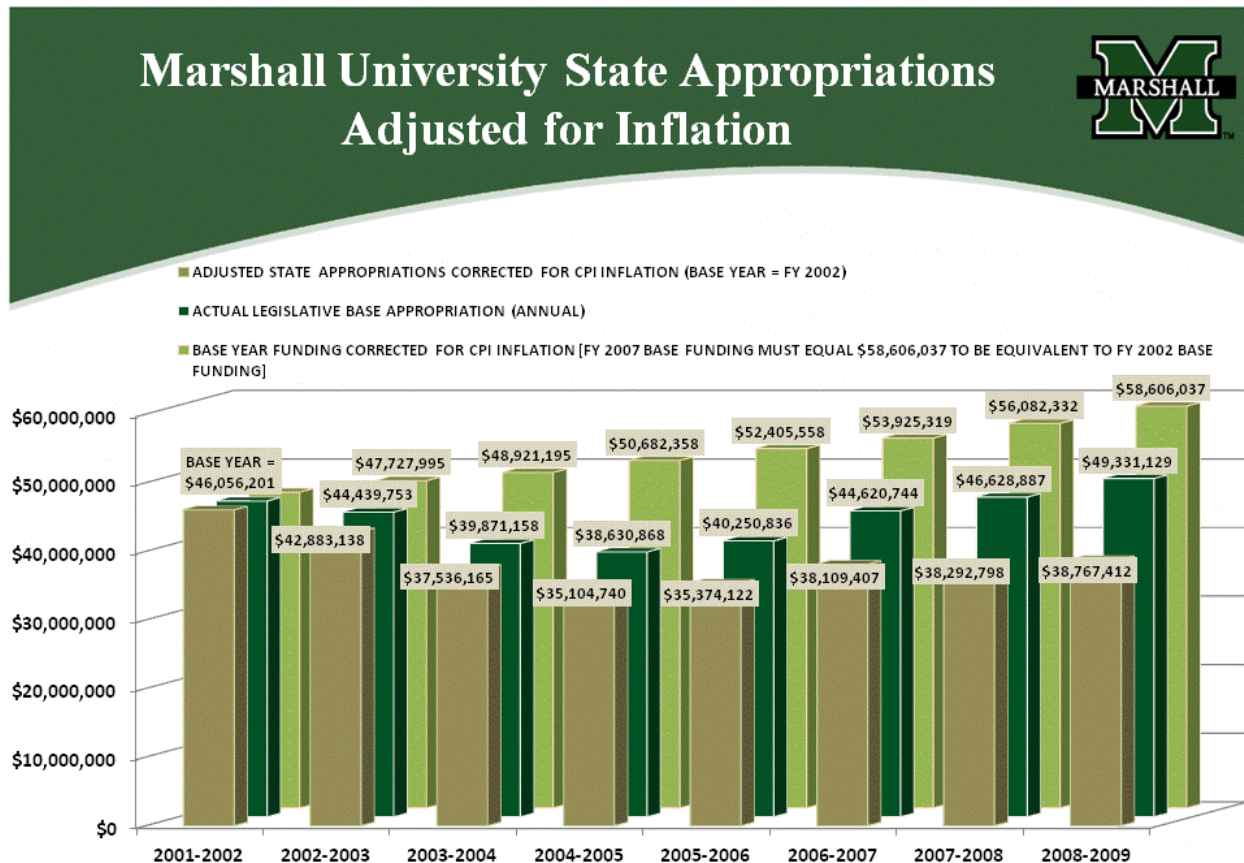
The figure presented on the following page provides a detailed perspective concerning State base (annual recurring) appropriations from Fiscal Year 2002 through Fiscal Year 2009. The dark green bar graph depicts actual state funding for Marshall University, excluding the School of Medicine and Community and Technical College funding. Correcting for annual inflation [Consumer Price Index], the gold bars illustrate the State funding shortfall caused by inflation and three years of intervening State budget reductions (Fiscal Years 2003-2005). In order to maintain State funding in constant dollars at the Fiscal Year 2002 level, the State of West Virginia (as depicted in the lime green bars) would need to have appropriated \$58.6 million to Marshall, approximately \$9.3 million in additional base funding over and above the \$49.3-million appropriated for Fiscal Year 2009, just to maintain base funding at a level equivalent to the purchasing power of Fiscal Year 2002 appropriations. Using Fiscal Year 2002 as the base year and correcting for inflation, the purchasing power of the base funding authorized in Fiscal Year 2009 equates to just under \$38.8 million in Fiscal Year 2002 dollars. Examination of the trend over the last four fiscal years (corrected for inflation), State base funding stabilized in Fiscal Year 2006 over the low point of Fiscal Year 2005. State appropriations then improved significantly in Fiscal Year 2007 (by \$3 million) and have kept pace with inflation during each of the last two years (Fiscal Year 2008 and Fiscal Year 2009). However, State appropriations remain well below the equivalent funding provided in Fiscal Year 2002.

In summary, significant progress has been made to restore and stabilize State funding for Marshall University. Efforts directed toward rebuilding the level of base funding provided by the State of West Virginia will continue; however, long-term expectations realistically should be recalibrated toward a best-case scenario of staying even-to-slightly ahead of inflation. In the short term (next three fiscal years), however, the university will again experience decreases in State funding due to revenue shortfalls as a consequence of the national recession. After the mid-year call-back of over \$1.73 million (and an additional reduction of \$454,939 for the School of Medicine) in Fiscal Year 2010, Fiscal Year 2011 State base appropriations will be reduced by \$2.5 million (+5% reduction for the School of Medicine) and projections for State base

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appropriations in Fiscal Year 2012 anticipate a \$5 million (10%) decrease (+10% reduction for School of Medicine) over Fiscal Year 2009 base funding.

Realistically, revenue enhancement with concomitant increases in annual base funding will most likely need to be generated through a combination of enrollment growth in fee-paying students, private philanthropy, increased endowment support, grant/contract funding increases that offset current financial obligations for personnel and services, and continued attention to efficiencies that lower operating costs.



As of 2006, Marshall University generated nearly \$550 million dollars worth of economic impact annually in West Virginia, as illustrated below:

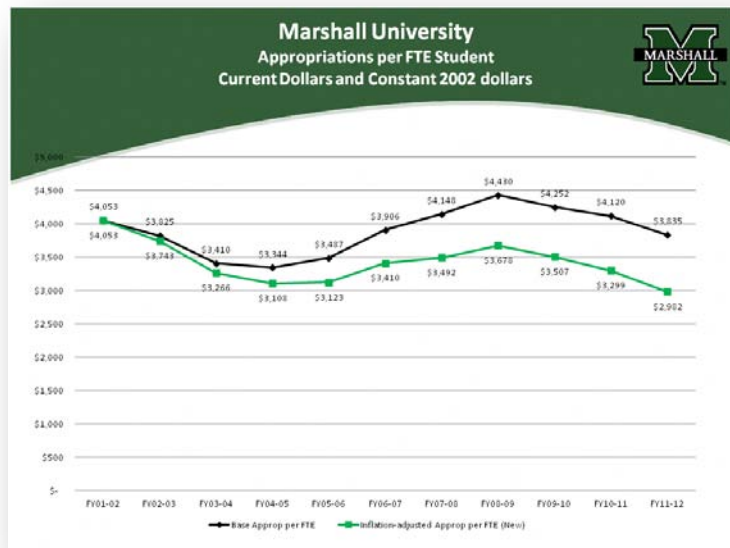
- ~\$270 million in added income
- 7,700 jobs
- Returns to state taxpayers of \$7.93 for each public dollar invested

A Fiscal Year 2011 Economic Impact Study has been commissioned. Read [Marshall University 2006 Regional Economic Impact Study](#).

Recent Updates

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On December 28, 2009, the Governor issued Executive Order No. 17-09 that mandated a 3.4% mid-year general revenue budget reduction for Fiscal Year 2010. This reduction is to be backfilled with federal stimulus funds from the American Recovery and Reinvestment Act (ARRA). In addition, a 5% decrease in general revenue for Fiscal Year 2011 is planned by the State Budget Office, again to be backfilled with ARRA funds. However, in Fiscal Year 2012, a projected 10% reduction of general revenue will not be eligible for backfill from stimulus funds.



The university anticipates that the State will appropriate \$22 million of capital funding support during the 2010 calendar year, which will be used over the next three years to fund deferred maintenance and major renovations primarily for academic facilities. The administration continues to explore all alternatives to increase revenue and curtail base funding expenses to position the university for 2012.

In March 2010, Moody's Investors Service affirmed the A2 rating on Marshall's \$41.8 million of outstanding series 2001A Auxiliary Revenue Bonds. The rating outlook is stable. This rating review is a very positive outcome during a time when other public universities around the country are experiencing downgrades. It is a reflection of the sound fiscal management strategies and practices exercised by the administration and the board of governors.

Moody's maintains an A1 rating on bonds of the West Virginia Higher Education Policy Commission, which are partly supported by Marshall. The A1 rating applies to \$27.6 million of debt that is payable from tuition and fee revenue of Marshall University. Moody's also maintains a Baa1/VMIG2 short term rating on \$81.1 million of MSH-Marshall, LLC Series 2007A&B variable rate bonds based on a Direct Pay Letter of Credit provided by Regions Bank. The renewable letter of credit expires on November 1, 2010, but is expected to be renewed.

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