

**BLUEFIELD STATE COLLEGE
BOARD OF GOVERNORS
POLICY NO. BG-106**

TITLE: FINANCIAL EXIGENCY

SECTION 1. GENERAL

- 1.1 Scope: This policy applies to the consideration and determination of whether the institution is in a state of financial exigency, and its resolution.
- 1.2 Authority: WV Code § 18B-1-1a, § 18B-1-6, § 18B-1B-4, § 18B-2A-1, §18B-2A-4
- 1.3 Filing Date: April 24, 2020
- 1.4 Effective Date: April 24, 2020

SECTION 2. POLICY

- 2.1 It is the mission of Bluefield State College to provide students an affordable, accessible opportunity for public higher education and to be the region's leading institution of higher education.
- 2.2 It is the power and duty of the Board of Governors to determine, control, supervise and manage the financial, business and education policies and affairs of Bluefield State College in a reasonable and prudent manner.
- 2.3 By this policy, the Board of Governors establishes the manner for which a determination of whether a state of financial exigency exists which impacts the institution's mission and the fulfillment of its educational goals and priorities.
- 2.4 The President shall have the primary responsibility for the implementation of the provisions of this policy.

SECTION 3. DETERMINATION AND RESOLUTION OF FINANCIAL EXIGENCY

- 3.1 A financial exigency exists when the institution's current or projected financial situation is such that the institution's ability to meet and fulfill its mission is significantly threatened absent immediate measures being taken to ameliorate the financial situation.
- 3.2 A financial exigency shall be determined in the following manner:
 - 3.2.1 The President shall consider Bluefield State College's Composite

Financial Index (“CFI”), a benchmark index developed by the National Association of College and University Business Officials to demonstrate the relative financial health of a higher education institution, and is authorized to declare a financial exigency should the CFI fall below 2.0; or

3.2.2 The President is authorized to declare a financial exigency should a benchmark financial index substantially similar to the CFI, recognized and accepted in the field of higher education, demonstrate a score comparable to a CFI score of 2.0 or below; or

3.2.3 Should the President believe that a state of financial exigency exists or is imminent, without regard to the CFI or other benchmark financial index, the President shall recommend to the Board of Governors for its deliberation and determination whether a financial exigency exists considering the factors which are affecting the financial condition or projected financial condition of the institution, including, but not limited to:

- decline in enrollment,
- cuts in funding,
- decline in anticipated revenues,
- expiration or reduction of a grants,
- unanticipated expenses or capital needs,
- decline in financial resources,
- conditions which require the redirection of financial resources to meet the educational needs of students, and
- other conditions or emergencies which create a need for the institution to reduce its financial expenditures or exposure

If the Board concurs with the President’s recommendation, it shall be the responsibility of the President to declare a financial exigency for the institution.

3.3 Upon determination of a financial exigency, the President, consistent with Policy 19, Section 14 of the Policies of the Board of Governors of Bluefield State College, shall take such actions as are deemed by the President necessary to resolve and remedy the financial exigency of the institution including, but not limited to:

-personnel reductions,

-faculty reductions consistent with Policy 19, Section 14 of Policies of the Board of Governors of Bluefield State College,

-utilizing feasible expense reductions including unnecessary travel, printing, office supplies, and educational supplies,

-reducing extracurricular activities and events,

-elimination, curtailment, or reorganization of a curriculum offering, program, or school operation including, but not limited to a change in curriculum objectives, a modification or reorganization of staffing patterns, a redirection of financial resources, and

-elimination, curtailment or reorganization of administrative offices, projects or programs.

3.4 During the pendency of the institution's financial exigency, the President shall be responsible for reviewing the financially exigent condition of the institution with the Board at such times and with such frequency as the Board may specify.

3.5 The President shall issue a declaration of termination of financial exigency at such time as he or she determines the institution's current or projected financial situation no longer threatens the ability of the institution to meet and fulfill its mission and its educational goals.