MINUTES

OF THE BOARD OF REGENTS

WESTERN KENTUCKY UNIVERSITY

May 15, 1998

AGENDA ITEM 1 - Call to Order

Required statutory notice having been given, the second quarterly meeting of the Board of Regents of Western Kentucky University was held in Room 151 of WKU-South Campus. The meeting was called to order at 1:20 p.m., by Ms. Peggy Loafman, Chair.

AGENDA ITEM 2 - Invocation

The invocation was given by Dr. Elmer Gray, Dean, Graduate Studies & Research.

AGENDA ITEM 3 - Roll Call

Mr. Keith Coffman
Ms. Kristen Bale
Mr. Earl Fischer
Ms. N. Joy Gramling
Ms. Lois W. Gray
Ms. Sara L. Hulse
Ms. Peggy W. Loafman
Mr. Cornelius A. Martin
Dr. Ray M. Mendel
Mr. Burns E. Mercer

Regent Howard Gray was absent.

Others present were President Gary A. Ransdell; Dr. Barbara G. Burch; Provost and Vice President for Academic Affairs; Mrs. Liz Esters, Staff Assistant and Secretary to the Board of Regents; Dr. Charles Anderson, Vice President for Information Technology; Mr. Fred Hensley, Executive Assistant to the President for Public Affairs and Governmental Relations; Dr. Jerry W. Wilder, Vice President for Student Affairs; Ms. Ann Mead, Chief Financial Officer; and Ms. Deborah Wilkins, General Counsel.

AGENDA ITEM 4 - Disposition of minutes of the December 4-5, 1997, Board Retreat; the first quarterly meeting of January 31, 1998; the Executive Committee, March 23 and March 31, 1998

The minutes listed above were mailed prior to the meeting and were presented by Chair Loafman. Motion for approval was made by Mr. Fischer, seconded by Ms. Bale,

and carried unanimously.

AGENDA ITEM 5 - Committee reports:

5.1 Executive Committee, Ms. Peggy Loafman, Chair

5.1.1 Recommendation for approval of revisions to the Bylaws of the Board and the Code of Ethics

Ms. Loafman introduced for second reading the revisions to the Bylaws of the Board and to the Code of Ethics. Mr. Coffman suggested an addition to the wording of Article IV, Item 9, **President as Ex Officio Member.** The President and all non-committee members of the Board of Regents shall serve as ex officio members of all committees of the Board of Regents, including those created from time to time by the Board.

Motion for approval of the revisions to the Bylaws of the Board and to the Code of Ethics was made by Dr. Mendel, seconded by Mr. Fischer and carried unanimously. The additional wording suggested by Mr. Coffman has been included in the approved Bylaws.

5.1.2 Updated on Athletics Review

Ms. Deborah Wilkins reported that the Executive Committee on March 23 approved a request to postpone the Athletic Review final report until July 31. The new schedule will have Dr. Obear on campus May 26 to meet with the Steering Committee. All sub-committee compilations and data for him will be complete on that date and will be provided to him. He will then, over the next thirty days, begin drafting his report and recommendations. This will be distributed to the Board approximately July 15 for the July 31 Board meeting.

5.1.3 Naming Opportunities-Existing Buildings

RECOMMENDATION:

Request approval of the naming guidelines for existing buildings which are attached and ratification of the Executive Committee's March 31, 1998, action.

Background:

On March 31, 1998, the Executive Committee approved the naming of the concourse in Diddle Arena for Colonel Edgar Stansbury and a designated area near the Department of English in Cherry hall for Colonel Stansbury's late wife, Edith.

In the absence of approved guidelines for naming opportunities in existing buildings, this action by the Executive Committee recognizes a cash gift by Colonel Edgar Stansbury of approximately $522,000 and a bequest of an equal amount for the Departments of Athletics and English.

The guidelines for the naming of buildings which was approved by the Board of Regents November 1, 1980 follow:

The Naming of Buildings (BOR: 11-1-80)

In the naming of its buildings and other physical features, Western Kentucky University seeks to preserve the memory of persons who have made exceptional contributions to the University. The naming of buildings and other physical features will be made by the University's Board of Regents on recommendation by the President. The following guidelines are to be used in the naming process:

Wherever possible the name should be appropriate to the activity which is to be housed in the facility. For example, the Ivan Wilson Center for Fine Arts, the L. T. Smith Stadium, and the Cravens Graduate Center all refer to outstanding individuals in each of the areas to which the buildings refer.

Decisions on naming are generally deferred for a period of one year following the death of a proposed honoree.

Persons to be honored by the naming of buildings will be those who have made major contributions to the University in the form of bringing:

distinguished scholarly efforts and service to the University; or substantial support to the University's building programs - for example, a gift covering the major portion of the cost of a given construction; or honor to the University and the Commonwealth of Kentucky through outstanding public service to our State or Nation.

To provide recognition to persons who have made significant contributions to the University, but of less magnitude than those indicated above, spaces and physical features, such as small auditoriums, reading rooms, laboratories, observ-atories, theaters, conference rooms, gardens, plazas and similar distinguishable interior and exterior spaces may be named for an honoree. When the request for such a distinctive honor comes from other than a family members, suitable donations may be sought from those making the request and others advocating such recognition.

Named Gift Opportunities
Approved: WKU Foundation - January 30, 1998
Approved: Board of Regents - May 15, 1998

1. Capital Construction and Renovations

Capital Construction - New Facilities	25% of estimated cost
Naming of Existing Buildings	$1,000,000 up
Support for Facilities Renovations	25% of estimated cost
Auditorium and Areas within Buildings	$350,000 up
Classrooms	$100,000 up

2. Endowed Chairs/Pofessorships/Lectureships

Regents Chair	$2,000,000 up
Distinguished University Chair	$1,500,000 up
Endowed University Professorship	$1,000,000 up
Endowed Professorship	$500,000 up

Faculty Fellows Fund	$300,000 up
Endowed Visiting Lectureship	$100,000 up
Endowed Head Coaching Position	$500,000 up
Endowed Coaching Position	$100,000 up

3. College/Departmental Endowments

Named College Endowment	$15,000,000 up
Named School Endowment	$10,000,000 up
Named Department Endowment	$5,000,000 up
Named Institute/Program/Center Endowment	$2,500,000 up
Endowed Fund in Support of a Research Program, Center, or Institute	$100,000 up
Named Endowed fund in Support of a College, Department, Division or Unit	$100,000 up
Named Endowed Fund in Support of a Public Outreach and Service Program, Department, or Institute	$100,000 up
Endowed Technology/Equipment Fund	$100,000 up
Endowed Athletic Team Fund	$100,000 up

4. Scholarships/Fellowships

Endowed Graduate Research Fellowship	$300,000 up
Endowed Graduate Fellowship	$100,000 up
Endowed Regents Scholarship	$200,000 up
Endowed Full-Tuition General or Departmental Scholarship	$100,000 up
Endowed Athletic Scholarship	$100,000 up
Endowed Merit Scholarship	$50,000 up
Endowed Faculty Summer Research Award	$25,000 up
Endowed Alumni Scholarship	$25,000 up

5. Teaching Awards

Endowed Teaching Award	$50,000 up

6. General Endowment

President's Initiative Fund	$1,000,000 up
Vice President's Initiative Fund	$500,000 up
Dean's and/or Director's Initiative Fund	$250,000 up
Library Support Funds	$25,000 up

7. Other

Unrestricted Endowments	$100,000 up
Endowed Periodicals Acquisitions Fund	$25,000 up
Library Book Acquisitions Endowment	$25,000 up
Adopt-a-Journal	$10,000 up

Motion for approval was made by Mr. Martin, seconded by Ms. Bale and carried unanimously.

5.2 Academics and Student Affairs Committee

5.2.1 Recommended Master of Arts in Education (School Administration)

RECOMMENDATION:

President Ransdell recommends the establishment of a Master of Arts in Education in School Administration Degree Program. ***Approved by the Academics and Student Affairs Committee - April 14, 1998***

Background:

This proposed Master's Degree Program is in direct response to actions initiated by the Legislature of the Commonwealth, regulations issued by the Kentucky Education Professional Standards Board (EPSB), and directives from the Council on Postsecondary Education. All departments in the State which prepare school administrators have worked collaboratively with the CPE in addressing the mandate to move our current rank program to a separate grade degree. We are responding to this request; if we don't do it, we are no longer in the business of preparing school administrators.

MASTER OF ARTS IN EDUCATION IN SCHOOL ADMINISTRATION

The proposed degree program for P-12 principalship is designed to prepare a transformational leader. A transformational leader bases all decisions and actions on effects related to the holistic improvement of students success. Successful completion of the program requirements is intended to result in the development of transformation leaders who:

(1) interpret and utilize data to improve instruction and student performance.
(2) demonstrate knowledge of, and commitment to issues of equity and ethics in a pluralistic world.
(3) facilitate an inclusive collaborative culture including all school community stakeholders in the promotion of creativity and optimal student and staff performance.
(4) influence and lead individuals through systematic visioning and change processes.

The vast majority of the program consists of previously existing courses from Western's principal preparation program. However, these courses have been substantively modified to reflect new content mandated by the new EPSB Administrator Preparation Standards. One new course has been developed for the program. A curriculum matrix has been prepared by the faculty to represent EPSB Administrator Preparation Standards and the specific program courses.

Mr. Fischer asked for assurance that "we didn't put a new label on the same things that we're teaching and not try to tie this into where the State is going."

President Ransdell responded, "The intent of this program is to take courses, and I would presume that we're always looking for ways that our courses are contemporary in thought, and as we suggested earlier, shaping the curve in education as opposed to being shaped by it. My understanding is that we've had a collection of courses that have helped school administrators further their career, but we've not offered a formal degree as such, and this is the formalization of the courses that we have offered for some time and are continuing to improve in content and quality. This is the manifestation of the need to offer a degree for school administrators--a Master of Arts in School Administration. Heretofore we've not offered a precise degree in that regard. This is a program that

would lead to a Rank I and would lead to a Doctorate in School Administration through a joint program with the University of Louisville."

Dean Martray stated, "This program was actually built around the national standards and the state-adopted standards for school administrators. All of the universities have worked together in preparing this program, so it is a fairly consistent program across the state."

BUDGET IMPLICATIONS

None

Motion for approval was made by Dr. Mendel, seconded by Mr. Hoffman, and

carried unanimously.

5.2.1 Recommended Programs of Distinction

Dr. Mendel reported that the Academic and Student Affairs Committee reviewed the four programs that came before the Committee on April 14, those being:

- Children First: Center for Enhancing the Potential of Children and Families
- Applied Research and Technology Program
- Folk Studies
- Journalism

"The Committee dealt with each of these programs in turn, felt very strongly that all of the proposals were good proposals and made a lot of sense in their own right; and in considering them individually, the proposals from Science, Journalism, and from Education received the Committee's endorsement without much discussion or concern. Their was considerable discussion regarding Folklore, not so much having to do with the quality of the proposal at all because it's clearly a very distinguished program already, but rather whether it made sense for us to forward four proposals to CPE when it appeared that there was considerable interest on the part of the CPE and the State, and perhaps even interest within the Institution in focusing our resources on perhaps fewer priorities. So in view of the fact that their were only three of us in attendance at that meeting, and Lois Gray who had shared her views by telephone so her views were known and with respect to the fourth proposal, we were left in a dilemma where we were sort of split down the middle on which way to go. It was the Committee's view that perhaps it would be a good idea to engage the full Board in the discussion about whether or not we wanted

to go forward with all four proposals or whether we ought to submit fewer, or if we submit four whether we want to prioritize them in some way. That's really where we are. It's up to the full Board to give the Committee some direction as to which way it would want to go or simply make the decision here today."

President Ransdell stated, "It's a moving target because the Council on Postsecondary Education has yet to be specific about criteria and what it they are seeking and what will guide them in the appropriation of the money currently allocated for each institution in this regard; and in fact, that won't be clarified until Monday when the Council on Postsecondary Education meets Monday morning, and the six presidents, excluding UK and Uof L, who have a different HB 1 provision for the research initiative, will meet with Gordon Davies for the first time Monday at noon. This is all put on hold until he arrives, and he has indicated that he would like to be amerced in this whole discussion."

"Eastern and Murray submitted their proposals and got a communique back that was a totally different set of criteria than what they used to prepare their entry. Tremendous effort and work have gone into these, and it's very difficult if that's a moving set of criteria as it goes along because you just can't keep going back to the faculty to resubmit, if you will. I believe that we are in fairly good shape with most of the criteria that are emerging, but that won't be fully clarified until Monday, or it may not be fully clarified then, but it will be further clarified on Monday as to precisely what the CPE is looking for to achieve the original intentions of the legislation and what the Governor and the Council originally indicated with the intent to allow our campuses to create nationally-prominent programs."

Chair Loafman opened the floor for discussion, and following a lengthy discussion, a motion was made by Ms. Gray and seconded by Ms. Hulse to empower the Academics and Student Affairs Committee to reconvene, after the CPE meeting on Monday, May 18, when, hopefully, the criteria will be better defined, take the input and discussion heard today and make a decision on the number of programs that will go forward and whether or not they should be prioritized. In the event that only one program can be submitted, the same faculty process will be used to come forward with a recommendation to the submitted to the Academics and Student Affairs Committee. The

motion carried unanimously.

5.3 Finance and Budget Committee

Mr. Mercer reported the Finance and Budget Committee met on April 28 to consider the seven items as outlined.

5.3.1 Recommendation for acceptance of the "Independent Accountants' Report on Application of Agreed-Upon Procedures" as required by NCAA Bylaw 6.2.3.1

Background:

Annually, as part of the University's audit contract with Baird, Kurtz & Dobson, an independent accountants' report on the Application of Agreed-Upon Procedures is performed to assist the University in compliance with NCAA Bylaw 6.2.3.1. Baird, Kurtz & Dobson reviews revenues and expenditures of the Athletics Department, reviews the internal control structure of , and performs other accounting tests on the financial information of the area.

Baird, Kurtz & Dobson's review does not constitute an audit, rather provides information intended for use by the Board of Regents, management of Western Kentucky University, and any authorized representative of the National Collegiate Athletic Association solely for reporting with respect to procedures described within the report.

With approval of the Finance and Budget Committee, Mr. Mercer moved acceptance of the "Independent Accountants' Report on Application of Agreed-Upon Procedures" as required by NCAA Bylaw 6.2.3.1. The motion was seconded by Ms. Hulse and carried unanimously.

5.3.2 Recommendation for acceptance of the "Independent Accountants' Report on Application of Agreed-Upon Procedures' as required by the Kentucky Auditor of Public Accounts

Background:

Western Kentucky University's audit of its annual financial statements and system of internal controls was completed September 8, 1997. This audit was accepted by the Board of Regents at the Board's October 31, 1997 meeting. The Commonwealth of Kentucky's Annual Financial Statement was completed January 23, 1998. Since Western's financial statements are incorporated into the financial statements of the Commonwealth, the Auditor of Public Accounts requires a subsequent events letter from Western indicating, from the period of time that Western's audit was completed until the time that the State's annual financial report is completed, that there were no significant changes in the financial condition of Western Kentucky University.

The "Independent Accountants' Report on the Application of Agreed-Upon Procedures" indicates that no adjustments or additional disclosures are required for Western's audited financial statements.

Mr. Mercer reported this is a standard reporting procedure to the State; and with concurrence of the Finance and Budget Committee, moved its acceptance. The motion

was seconded by Mr. Fischer and carried unanimously.

5.3.3 Recommendation for approval of revisions to the 1997-98 Combined Budget

Background:

The proposed revisions to the Western Kentucky University 1997-98 Combined Budget are listed below and a narrative explaining the revisions follows:

Source	**Proposed Revisions**
Governmental Appropriation, State	$(66,750)
Tuition and Fees	1,800
Other Sales and Services	7,900
Other Sources	34,970
Total	$(22,080)

Use	
E&G Debt Service	$(66,750)
Miscellaneous Receipts	5,000
Disabled Student Services	7,900
Horse Show, Scholarships	1,000
Glasgow Utilities	8,400
Public Safety	16,000
Course Specific Fees	1,800
Wood Professorship	1,000
Sumpter Professorship	3,570
Total	$(22,080)

State Appropriation for E&G Debt Service is being decreased due to reduction in payment for the state on Series M Bonds. The funding for several other units is revenue-dependent (i.e., supported 100 percent by revenue generated by the unit) and the revenue has already been collected. The other units are units that have collected more than the budgeted revenue and there is a need to provide additional expenditure authority for the respective revenue.

With approval of the Finance and Budget Committee, Mr. Mercer moved approval of the revisions to the 1997-98 Combined Budgets. The motion was seconded by Ms. Gramling and carried unanimously.

5.3.4 Recommendation for acceptance of the Quarterly Financial Report which includes previously approved budget revisions for the third quarter of 1997-98

The Finance and Budget Committee reviewed and approved the Quarterly Financial Report, and Mr. Mercer moved its acceptance by the Board. The motion was seconded by Mr. Coffman and carried unanimously.

5.3.5 Landscaping and Grounds Management Report

President Ransdell discussed a revised summary of a Landscaping and Grounds Management Report that was prepared by the Facilities Management at the request of the

Finance and Budget Committee. The report outlines three levels of expenditures. A copy of this report is included in the Board's official files. The Finance and Budget Committee expressed a concern about the condition of the grounds, an observation which Dr. Ransdell made in September and since. Dr. Ransdell commented Facilities Management for (1) putting a plan together in response to the Finance and Budget Committee's request; (2) for the improvement made in the grounds and the atmosphere on the campus from an environmental prospective, and (3) recovery from the storm. Dr. Ransdell stated, "There is no way I can adequately compliment our Facilities staff for the energy, the work, and the expertise that has gone into the recovery from the storm from a grounds perspective. We're also doing the same thing from a facilities perspective. We've now replaced most all of the windows that were broken; immediate work went into restoring the Downing Center and it was back open in a matter of a few days. All food services have been restored. Services to our students were minimally interrupted, and that's primarily the result of the diligence on the part of our Facilities staff, and I really want to compliment them for that."

Dr. Ransdell further stated, "The improvements made on campus this spring have not been done short-term, the quality of the improvements already made will be sustained. What has been done this spring is not because we have an event or because things are taking place, it is a departmental commitment to sustain the atmosphere on this campus that this campus is capable of projecting. We have a natural asset in this campus, and it is a distinctive part of our character, and our grounds crew and our facilities staff in general have recognized that and are dedicated to implementing this plan to the extent that funding can make it possible, and it is something we will address over time."

Ms. Gramling voiced a concern with the plan relative to contracting out the mowing on campus by eliminating positions on the grounds crew.

President Ransdell gave assurance that the administration does not intend to eliminate positions but merely optimize the current positions by allowing them to focus on specific tasks, and let tasks that can otherwise be handled through contract work be handled in that manner.

This report was informational and required no Board approval.

5.3.6 Recommendation for approval of an allocation of (1) $1,209,000 from

the University Reserve for making campus improvements; and (2) maintaining the University Reserve at $3.5 million for the next biennium

Background:

A significant amount of funding is needed to progress in the improvement of campus lighting, walks, curbs, lots, streets, and other related physical repairs and improvements. Such needs are dramatic throughout our campus and have been neglected for many years. It is the Administration's opinion that, in addition to improving the human and vehicular transportation capacity and the physical appearance of the campus, we need to allow our campus community to see evidence of campus improvement.

We are ready to put significant resources into our deferred maintenance inventory. Specifically, some $10 million worth of currently-funded projects will be initiated in the months ahead. In addition, we will be putting $4.2 million into deferred maintenance projects as part of the CPE's recommendations and the 1998-2000 Appropriations Bill. Finally, we will be initiating the $18.5 million Technology and Communications building. As important as these projects will be to Western, most of this construction and deferred maintenance work will not be particularly visible or appreciated by the majority of our faculty, staff, and students. As this $33 million of work unfolds, we would like to seize the opportunity to enhance campus morale and improve our marketing capacity by simultaneously improving our pedestrian and vehicular surfaces, improve our lighting, and make appropriate repairs and improvements in highly-visible areas of campus.

The Administration is confident that a University Reserve of $3.5 million for the next biennium will be sufficient to cover emergencies. The primary impetus in creating the Reserve was to protect the E&G budget when budget cuts occur. The state's economy, like the national economy, is strong. Projections for the next few years suggest a stable state revenue stream. The operating budget is solid for the coming year, and we do not anticipate drawing on the Reserve during FY 98-99.

The amount being requested is up to $1,209,000. There are two caveats proposed. We must be able to fully match with other funds (or perhaps with this application of the Reserve Fund) the $2.1 million available for Western for Deferred Maintenance through CPE; and, we must be able to address faculty and staff computer replacements through the 1998 Fund Balance allocation. The Administration would like to reserve the chance to use some of this request, if needed, to ensure proper attention to these two priorities.

This recommendation was reviewed and approved by the Finance and Budget Committee. Dr. Ransdell reviewed the recommendation outlined stating, "The request is that we utilize $1.2 million dollars from the University reserve taking it down to $3.5 million and keep it at $3.5 million through the biennium and use that reserve capacity to make campus improvements, primarily in our grounds and our pedestrian surfaces--roads, streets, curbs walks, gutters--those things that will otherwise go unaddressed as we address our deferred maintenance needs which is another report later on in this agenda which primarily deals with roofs, electrical, life safety, plumbing and other kinds of infrastructure needs. It's important from my perspective that we improve those things that most people on this campus can see, feel, and touch and appreciate. It's further my opinion that if people

are to understand the transformation is occuring, they need to have physical evidence of that transformation. We're reaching a desperate point with our pedestrian and vehicular surfaces of considerable deterioration; and if we don't address them, we're going to spend a lot more in a few years from now than we might spend now."

With approval of the Finance and Budget Committee, Mr. Mercer moved approval of the recommendation to allocate $1,209,000 from the University Reserve for making campus improvements.

Mr. Coffman, while supportive of the recommendation, stated a desire to see monies for the reserve used for improvements in residence halls, in the lobbies, restrooms, the furniture--the actual areas that students would see and enjoy. President Ransdell clarified this point stating that the recommendation contains a plan for using E&G money to do E&G things. Auxiliary money which relates to residence halls and student centers is a different budget; and a similar plan for using some of the Auxiliary Reserve for addressing the very kinds of things that Mr. Coffman suggested.

Mr. Mercer's motions was seconded by Ms. Bale and carried unanimously.

Secretary's Note: An April 23, 1998, memorandum from President Ransdell to Ms. Peggy Loafman, Chair, and Mr. Burns Mercer, Chair, Finance and Budge Committee, outlines details of the plan for use of these funds. A copy of the memo is contained in the Board's official files.

5.3.7 Recommendation for approval of the 1998-99 Combined Budgets

Background:

The Budget and Finance Budget Committee of the Board met on February 20, 1998 and discussed the status of the operating budget development and the Administration's proposed budget priorities. Given the certainty that the Appropriations Bill would not be substantially changed by the General Assembly, the Administration proceeded with proposing new year salaries and developing the operating budget. (The 1998 General Assembly has enacted a biennial budget for Western Kentucky University with only one change from the state appropriation previously presented by the Administration to the Board of Regents. The Meany-Holland Professorship is receiving $100,000 in the first year of the biennium.)

Western Kentucky University's 1998-99 Combined Budgets takes into consideration external and internal expectations of the University including the following:

- The *Postsecondary Education Reform Act of 1997* sets forth long-term expectations for Western such as improving educational attainment of the citizens of the Commonwealth and ensuring a high level of quality in our instructional programs.

- The "Institutional Review Report" calls for numerous changes to ensure greater institutional efficiency and effectiveness.

- The goals, set forth in the "1997-98 Operational Plan," are likely to remain high priorities as Western consolidates its planning documents . These priorities include: improving recruitment and retention of students; increase quality of learning, learning effectiveness, and resource efficiency; increase effective use of technology; and enhance our institutional assets - - recruit and retain quality faculty and staff and improve our physical resources.

1998-99 Institutional Budget Priorities

Through the allocation of new financial resources and the reallocation of existing budgeted funds, Western's 1998-99 Operating Budget addresses the following institutional priorities:

- **Recruit and retain quality faculty and staff.** Funds are being provided for cost-of-living salary adjustments, salary increases in recognition of outstanding merit, and faculty salary market adjustments, as appropriate.

- **Improve our physical resources.** Funds are being provided for additional campus maintenance support. The state appropriation approved by the 1998 General Assembly includes $327,000 provided in recognition of added expenses associated with opening Western's new community college facility. A Parking and Traffic Improvements budget to is being created also. Funds, resulting from increased revenue from parking fees, permits, and fines, will be expended consistent with a five-year plan which is being written by the University's Parking and Traffic Committee.

- **Fully qualify for funding available for Western from the Council on Postsecondary Education (CPE) Investment and Incentive Trust funds.** Funds are required to meet the dollar-for-dollar matching (external funds or reallocation of current budget) requirements for Programs of Distinction. It is anticipated that a significant amount of the matching requirement for these programs will be generated from external funds; however, it may be necessary to reallocate a portion of the operating budget for matching. It is the University's intent to identify matching funds in order to qualify for any funding opportunity from the CPE's Investment and Incentive Trust funds (i.e., facilities and technology, endowed professorships, and Programs of Distinction).

- **Continue to implement initiatives in the "1997-98 Operational Plan."** After costing out the 1997-98 Operational Plan," the Administration found it necessary to commit to a phased-in implementation plan. Additional "Operational Plan" initiatives, which are consistent with the Postsecondary Education Reform Act and current institutional priorities, are to be addressed in this budget. For example, the budget for Enrollment Management, which spearhead's the University student recruitment program, will be increased by approximately $130,000 to address additional marketing and recruiting needs.

  Underpinning this budget is the commitment to modify budget administration to accommodate greater empowerment at the appropriate organizational level. Funds should be allocated in a manner which supports the creation of incentives for greater efficiency and effectiveness at the unit level. To this end, a policy will be implement-ed in 1998-99 to allow for a carry forward provision on year-end expenditure balances.

  Western Kentucky University, through the implementation of the 1998-99 Budget, will be taking a very important step in moving the University to the forefront of implementing Postsecondary education reform initiatives. In turn, the University will become more responsive to the needs of its service area.

  It is noted, however, that the increase in state appropriation (approximately 3.5 percent) and the increase in projected tuition revenue (approximately 6.4 percent)

do not provide sufficient funding to accomplish what we believe needs to be accomplished at Western. Continued fund-raising efforts on the part of the Western Kentucky University Foundation and the College Heights Foundation will be the key to contributing to the scholarship level desired for our students and the academic excellence aspired to by Western.

Expenditures Highlights

The 1998-99 Budget includes the allocation of state appropriation and tuition revenue increases ($3.8 million) to address the following needs:

- The University has to fund certain unavoidable costs (e.g., expenses such as workers' compensation, life insurance, health insurance, and faculty promotions). **Cost: $199,000**

- The 1998 General Assembly is providing a one-time restricted appropriation to increase the Meany-Holland Professorship in Accounting by **$100,000**.

- Adequate compensation for faculty and staff and, more specifically, rewarding outstanding performance of employees is a high priority. The operating budget includes funding for cost-of-living increases equivalent to a 1.7 percent funding pool, merit salary adjustments equivalent to a 2.3 percent funding pool, and a faculty salary market adjustment pool of approximately 1.4 percent. These are average increases; actual individual salary increases will vary. **Cost: $2,696,000**

- The University has increased costs for maintenance and utilities due to the opening of the new community college facility. Funding is provided in a flexible manner in order to allow the Department of Facilities Management to utilize these funds to best meet the maintenance needs of the campus. **Cost: $344,000**

- The University is committed to further implementation of programmatic initiatives. However, addressing the priority of providing adequate compensation does utilize the majority (approximately three-fourths) of the proposed discretionary revenue increase. Funding is identified for improving the base funding for summer school compensation. Should additional summer school revenue be collected, the Provost and Vice President for Academic Affairs will propose additional summer stipend salary adjustments based on performance and outcomes. Funding is also provided to fully fund the position of Vice President for Development and Alumni Relations, to increase the Institutional Scholarship budget, and increase funding for Athletics consistent with the University's formula allocation. **Cost: $464,000**

The Budget Council endorsed funding for these highest priorities; however, there are numerous needs for which no funding is available. The Budget Council identified a second list of priorities potentially to be funded from fund balances available for allocation in fall 1998 or from additional tuition revenue if actual revenue exceeds the revenue estimate. Some examples of funding needs, which could be funded, include IRS reporting requirements on the HOPE Scholarship, permanent funding for acquisition of instructional equipment, permanent funding for faculty and staff computer replacements, inflationary increase for University Libraries' Collection Development, and natural gas rate and solid waste disposal rate increases. Any allocations from fund balance or unbudgeted tuition revenue would require approval from the Board of Regents.

Following a presentation on the recommended budget by Ms. Ann Mead, Chief Financial Officer, President Ransdell stated, "This budget also includes a major shift in philosophy of the institution as to how we manage our money; and beginning July 1, the

shift is empowerment and authority on the part of each budget unit to manage their resources and their funds and to be the determiner of how the funds are spent. The incentive is, any money left in a budget center at the end of the fiscal year will be retained in that budget and can be carried over within that budget center in future years and can be spent in a non-recurring basis at whatever point in time that department determines it appropriate to do so and it can accumulate if they choose to do so. The accountability comes in the fact that if you overspend your budget, the budget will have to be cut by that amount the next year so that the University books can balance. For the first time in the university's history, the incentive to manage your money and to be the beneficiary of your good financial management not exists with this budget."

Regent Bale commented, "As our grants increase, we have a limited staff to process the grants, and we need to be sure that the staff is solidified and enlarged, so that our grant capacity can continue to increase."

With the approval of the Finance and Budget Committee, Mr. Mercer moved approval of the 1998-99 Combined Budgets. The motion was seconded by Ms. Bale and carried unanimously.

5.4 Institutional Advancement Committee

In the absence of Howard Gray, Mr. Martin chaired a meeting of the Institutional Advancement Committee; the Committee reviewed and approved the Mission and Goals. Based on that approval, Mr. Martin moved approval by the Board. The motion was seconded by Ms. Hulse and carried unanimously.

5.4.1 Mission and Goals

<u>Mission</u>:

The Institutional Advancement Committee will provide direction and oversight regarding the University's programs in public affairs, alumni relations, development and governmental relations. This committee will assist in the development of the University's initiatives in all external relations areas and will assess the success and progress toward agreed-upon University goals.

<u>Goals</u>:

- Approve policies which will guide future activities in development;
- Guide near-term public affairs agenda;
- Assess legislative relations program after session concludes;
- Chart future of Alumni Affairs program as presented by staff.

The Committee also approved the naming opportunities for existing buildings, and this item came forth and was approved under the Executive Committee report. Other items on the agenda were informational in nature.

AGENDA ITEM 6 - Recommendation for approval of personnel recommendations

The recommended personnel actions are contained in the next 18 pages.

Ms. Loafman presented the recommended personnel changes to the Board; motion for approval came from Mr. Mercer, was seconded by Mr. Fischer, and carried unanimously with Dr. Mendel abstaining.

President Ransdell noted he has asked Human Resources to come back to the Administrative Council with a plan by which administrative compensation matters can be addressed on a more consistent basis and in a more timely fashion twice a year on January 1 and July 1 rather than throughout the year. Currently administrative salary actions can occur throughout the year, faculty don't have that option. Dr. Ransdell said, "I'm uncomfortable with one segment of the institution's workforce having a different set of circumstances than another segment of the institutional workforce; therefore, I would like to limit actions for administrative and staff personnel to twice a year--January 1 and July 1--upon Board approval rather than dealing with them throughout the year." It's easier to budget and easier to track, and from where I sit, easier to defend in light of some limitations for faculty promotions and moving along the professional development sequence."

AGENDA ITEM 7 - Recommendation for approval of gender equity salary adjustments

Background:

One outcome of the Task Force on the Status of Women at Western was a quantitative assessment of gender and race gaps in WKU salaries. The purpose of the analysis was to determine if there was statistical evidence of any discrimination in pay of WKU employees on the basis of gender or race. The analysis was conducted by Dr. Brian Goff, Professor of Economics and Dr. Dan Roenker, Professor of Psychology.

Except as noted herein, Drs. Goff and Roenker concluded that there was no statistically reliable evidence of pay differentials based on gender or race. A statistically significant gender gap was identified for a sub-group of 354 staff employees having salaries between $13,500 and $22,230. For this group, Drs. Goff and Roenker recommended a closer analysis to determine if differences could be explained by job performance or some other legal and justifiable means.

In response to this issue, the Department of Human Resources reviewed the salaries of males and females in similar job titles (groups) with particular attention given to job performance and longevity. Of the 354 individuals, 20 female employees were identified as having salaries "out of line" when compared to their male counter-parts. These differences most likely resulted from decisions driven by limited depart-mental salary budgets and salary compression associated with the recent compen-sation plan changes. No systematic patterns of gender pay differences were found by department or job group.

The total salary adjustment cost is $6,115 for the 20 affected individuals with an average adjustment amount of $305.75 annually.

Motion for approval was made by Mr. Fischer, seconded by Ms. Gray, and carried

unanimously.

President Ransdell reported that President Meredith appointed a Task Force to Study the Status of Women on Campus; the report has been completed. A final determination has been made on what part of the report to make public based on confidentiality of respondents to a survey. That was a legal determination of the part of the Human Subjects Review Board which must be respected. The responses have been summarized, and the report has now been released to the media. All of the data by which the conclusions and recommendations were drawn have been made public, and the conclusions and recommendations drawn by the Task Force; feedback has been received by each member of the Administrative Council as it relates to various parts of the University, and progress toward the achievement of those recommendations will be tracked on a quarterly basis much like the Institutional Review. Dr. Ransdell stated, "I'm pleased with the report; I'm pleased that some progress has already been made as evidenced in this report toward the achievement of the recommendations, and I'm optimistic about the fulfillment of the recommendations made in that report over the course of the next year or two."

AGENDA ITEM 8 - Recommendation for approval of the designation of *University Distinguished Professor* status to two university professors

RECOMMENDATION

President Gary A. Ransdell recommends the appointment of the two recipients of the University Distinguished Professorship program. The University Distinguished Professorship program is designed to recognize faculty members who have served the university over a long period of time and have compiled an outstanding record of achievement in teaching, research, and service.

The University Distinguished Professors are expected to demonstrate sustained excellence and provide leadership for innovative and/or inter-disciplinary efforts in teaching, research/creative activity and service. They will conduct faculty seminars and participate in colloquia as appropriate. They will also be expected to serve on the Advisory Council of the Center for Teaching and Learning.

I am pleased to recommend the following two faculty members as Western's fifth and sixth University Distinguished Professors:

Dr. Julia L. Roberts School of Integrative Studies in Teacher Education	Dr. Richard V. Salisbury Department of History

These faculty will receive recognition as a distinguished faculty member with an annual stipend of $2,000 and an annual travel allowance of $1,000.

DR. JULIA L. ROBERTS, *Professor of School of Integrative Studies in Teacher Education*

Dr. Julia L. Roberts is a Professor in the School of Integrative Studies in Teacher Education. Dr. Roberts came to Western in 1974 after receiving her undergraduate education at the University of Missouri-Columbia and earning master's and doctoral degrees from Oklahoma State University. During her academic career, she has built a record of solid achievement in teaching, scholarship, and service and has been widely recognized in her accomplishments. She has almost singlehandedly developed the Gifted Studies Program at Western and through it has gained state and national recognition for herself and for the university. She has assumed leadership roles with The College Board, The Duke Talent Identification Program, The National Association For Gifted Children, and many other state and national associations associated with gifted education. In addition, she is a true university citizen. Dr. Roberts is well-qualified to be named a Distinguished University Professor at Western Kentucky University.

DR. RICHARD V. SALISBURY, *Professor of History*

Dr. Richard V. Salisbury is a Professor in the Department of History. He came to Western in 1976 following faculty assignments at State University of New York-Geneseo And Arizona State University. His undergraduate work was completed at Hamilton College and his master's and doctoral degrees were earned from the University of Wisconsin and the University of Kansas respectively. He is a former Peace Corps Volunteer and Fulbright Scholar. Dr. Salisbury is a Latin America specialist who has studied, traveled, and lectured widely in the region. His published research, which appeared in some of the best journals in the region, has focused on the history of Central America and the Isthmus. Dr. Salisbury has been consistently recognized by his students as an exceptionally effective teacher. He is a key contributor to the university's efforts to internationalize its programs and curriculum. Dr. Salisbury had earned the designation of Distinguished University Professor.

Motion for approval was made by Ms. Gray, seconded by Ms. Hulse and carried unanimously.

AGENDA ITEM 9 - Recommendation for approval to apply for participation the Kentucky Law Enforcement Foundation Program

RECOMMENDATION:

President Gary A. Ransdell recommends the Board approve and authorize the University, specifically the University Police Department and its personnel, to apply for participation in the Kentucky Law Enforcement Foundation Program Fund.

Background:

The Kentucky Law Enforcement Foundation Program Fund is a law enforcement training incentive program established by the state and funded by a surtax on automobile and home-owners insurance premiums. In essence, the funds provides for payment of an annual monetary supplement from the fund to law enforcement officers who complete the programs educational requirements and training standards.

In 1998, the Kentucky Legislature amended the statute which provides for the Program to allow participation of qualified police officers employed by state university police departments. Upon receipt and approval of the University's application, the twenty-six police officers employed by the University, who currently qualify and meet all educational and training requirements of the program, will be eligible to receive the supplemental incentive payment, effective July 1, 1998.

The application requires a resolution by the University's Board of Regents approving and authorizing the WKU Police Department's participation in the Program Fund.

Motion for approval was made by Ms. Bale, seconded by Mr. Fischer and carried

unanimously.

AGENDA ITEM 10 - Recommendation for (1) approval of acquisition of two pieces of real estate, and (2) recommendation for authorization and approval of the conveyance of property to Bowling Green Municipal Utilities for construction of an electrical substation.

(1) President Gary A. Ransdell recommends approval of the acquisition of two pieces of real estate located at 1360 Kentucky Street and 240 E. 14th Street in Bowling Green, Warren County, Kentucky.

Background:

The total purchase price of both properties is $100,000.00 and may be purchased by the University without State authorization.

Motion for approval was made by Mr. Gray, seconded by Mr. Fischer, and carried unanimously.

(2) The President recommends that the Board authorize and approve the conveyance of property to Bowling Green Municipal Utilities for the construction of an electrical substation.

Background:

As part of a multi-part project to improve and upgrade the electrical infrastructure of the campus, the University requested the Bowling Green Municipal Utilities (BGMU) construct an electrical substation on property owned by the University on South Way. BGMU has indicated that the substation construction will require approximately 0.7 acres. The construction of the substation was undertaken by BGMU primarily for the benefit of the University and will provide the University with a more reliable source of electrical power.

Motion for approval was made by Mr. Mercer, seconded by Ms. Bale, and carried unanimously.

Mr. Martin suggested the addition of a request that BGMU build a security wall/fence and landscape the area.

AGENDA ITEM 11 - Presentation of Draft - Strategic Plan

Board members were presented a first draft of the Strategic Plan. **Note:** A copy is filed in the Board's official files. Provost and Vice President for Academic Affairs Barbara Burch reviewed the draft giving background information, time lines, etc. The draft has been distributed to the Vice Presidents and Deans and is presented in its entirety on the Web Site. Suggestions from the Board on the draft were welcomed.

Mr. Fischer expressed a desire to see the Mission more student focused. Ms. Gramling asked that Strategic Goal #3 *"Assuring High Quality Faculty and Staff"* include

ways to address and include the staff section. Points 1-7 speak to faculty only. Mr. Coffman was pleased with point 2 in Strategic Goal #2 *"Enhancing the Student Body"* which says "Increase access through expansion of community college and distance learning opportunities."

The Strategic Plan will be presented for approval at the July Board meeting.

AGENDA ITEM 12 - President's Report

12.1 Institutional Review Recommendations

President Ransdell commended members of the Administrative Council leading the effort and members of the faculty, staff, and administration for addressing the items in the Institutional Review. Aside from the first five items which are Board related, a May 15 update on each recommendation is included in the agenda packet. Considerable progress is being made on most of the items. A status report is included on every particular item; at each meeting of the Board, an update will be provided until such point in time that each recommendation has been sufficiently addressed. Most of the items are factored into the goals outlined in the Strategic Plan.

12.2 Deferred Maintenance Project List

This item was prepared at the request of the Finance and Budget Committee and is submitted as an information item. Dr. Ransdell referenced the State's Incentive Fund of $2.1 million dollars for deferred maintenance which requires a $2.1 million expenditure on Western's part in order to earn money from the Incentive Fund. This Project List displays the expenditure of the combined $4.2 million. The five things that will be addressed in the spending of the $4.2 million are:

- Life Safety Fire Alarm Improvements 0 E & G
- Thompson Complex, North wing HVAX
- Primary Electrical Service (Stage II)
- Electrical Deferred Maintenance Projects
- Cherry Hall Windows Replacement

12.3 Construction Management

The Board heard a summary from John Osborne on Capital Construction Projects that are current and ongoing and outlined a process and coding system for tracking those projects. President Ransdell reported a lot of progress in this area; approximately $36-$37 million worth of work will be done on this campus in the next 12 to 36 months.

12.4 Recommended peer group for Western Kentucky University

President Ransdell circulated data that has been compiled through a process that involved many people on campus and off--faculty, staff, students, constituent groups off campus and others as listed on the spread sheet in the material distributed. The desired result is to identify a group of institutions against which we can measure relevant data sets to help us improve out strengths and address our weaknesses. The Western family has selected ten institutions, all but one of which, are Doctoral I, or Doctoral II, or Research I, or Research II, and the definitions of those institutions are included in the materials distributed.

Dr. Ransdell stated, "Keep in mind this is not for external use, particularly. This does not effect the CPE's use of the twenty-six institutions that they consider to be a peer group of the regional institutions in the state, and we'll continue to use CPE benchmarks. There will be situations where we will have to continue to use other in-state institutions for comparison purposes. There will be need to continue to use the Southern Regional Education Board institutions; and as the process unfolds, we will begin measuring ourself against U. S. News and World Report Tier 1 and Tier II other institutions in given circumstances. This is an aspirational group."

If this group is someway embraced, Dr. Ransdell recommended replacing

Virginia Commonwealth, which is primarily an urban institution with a medical school, with two Comprehensive I institutions that finished in the top fifteen in the voting--Truman State and Appalachian State; thereby giving twelve institutions, including Western, four of which are Comprehensive I, (as is WKU) four Doctoral I, two Doctoral II, and two Research II institutions.

President Ransdell stated, "We do not want to impose this on CPE nor do we want to suggest to anyone that we are going to immediately aggressively start pursuing independent doctoral programs. That is not the intent. The intent is to identify a group of institutions by which we can begin to measure our productivity and improve. If we only compare ourselves to peer institutions that most consider ourselves equal to already, then I'm dubious about our capacity to improve."

The composition of this group will continue to be measured; the President will come back to the Board with a final recommendation.

12.5 Other - President Ransdell stated, "I think I would be remiss and Western would be remiss if we did not acknowledge, even though he is not here, Dr. Ramsey's contribution to higher education and to this University and this State given his decision to move on to the University of North Carolina at Chapel Hill as Vice Chancellor for Administration and Finance. I want to acknowledge the important role he has played in this last legislative session and his historic role at Western and wish him and his family well as they move to Chapel Hill."

Mr. Fischer moved that the Board create for presentation to Dr. Ramsey a framed resolution expressing the Board's recognition of and appreciation for the contributions by Dr. Ramsey. The motion was seconded by Mr. Mercer and carried unanimously.

12.6 William E. Bivin Forensics Society - President Ransdell recognized and congratulated Ms. Judy Woodring and members of the William E. Bivin Forensics Society for their successes in competition over the years. They have a host of awards throughout 1998. Dr. Ransdell stated, "We don't have the opportunity to celebrate national

championships very often on this campus, and this is the program that gives us that opportunity."

12.7 Concrete Boat Competition - President Ransdell also recognized and congratulated Dr. Matt Dettman, a faculty member in the Civil Engineering Technology Department, and students who competed and won the Ohio Valley Regional Concrete Canoe Competition for the third straight year and four of the last six years. They now move on to the national competition which be held June 18-20 in Rapid City, South Dakota. They started their concrete canoe completion just six years ago and have beaten such institutions as the University of Kentucky, and the University of Louisville. Sixty percent of the competition is with a design paper and a technical presentation to a panel of judges. This group has helped to put Western Kentucky University on the map in the area of civil engineering.

AGENDA ITEM 13 - Other Business

1. Ms. Loafman appointed a three-person Nominating Committee to come forward with a slate of officers at the July meeting for Chair and Vice Chair. The Committee will be composed of Ms. Gramling, Ms. Hulse, and Mr. Fischer with Mr. Fischer serving as Chair.

2. Regarding the July and October meetings of the Board of Regents, President Ransdell suggested that a state park be identified for the July meeting and be more informal meeting devoting one-half day to the Strategic Plan and that the October meeting be in Louisville the day before WKU plays Louisville in football. This would provide a presence in Jefferson County for Western Kentucky University.

Mr. Fischer made a motion to have the July meeting at a state park and the October meeting in Louisville at a place to be named. The motion was seconded by Ms. Gramling and carried unanimously.

With no further business to come before the Board, a motion for adjournment was made by Mr. Fischer, seconded by Mr. Mercer. The meeting adjourned at approximately 4:50 p.m.

CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein above set forth an accurate record of votes and actions taken by the Board of Regents of Western Kentucky University in a regular meeting held on May 15, 1998, in Room 151 of WKU-South Campus in Bowling Green, Kentucky, and further certify that the meeting was held in compliance with KRS 61.810, 61.815, 61.820, and 61.825 (enacted as Sections 2, 3, 4 and 5 of House Bill 100, 1974 Regular Session, General Assembly).

_____
Elizabeth W. Esters
Secretary

_____
Cornelius A. Martin
Chair
July 31, 1998

_____
Elizabeth W. Esters
Secretary
July 31, 1998