



Board of Regents – Second Quarterly Meeting

Friday, April 27, 2012 ~ 9:00 a.m. (CDT)

Cornelius A. Martin Regents Room

Mass Media and Technology Hall

REVISED AGENDA (04/24/12)

- Call to Order (*Mr. Frederick A. Higdon, Chair*)
 - Invocation (*Ms. Sarah Lowe, WKU Spirit Master*)
 - Roll Call (*Dr. Melissa B. Dennison, Secretary*)
 - Minutes (*Mr. Frederick A. Higdon, Chair*)
 - ❖ January 20, 2012 – First Quarterly Meeting (*DRAFT- final approval at June Budget meeting*)
 - Introductions (*President Gary A. Ransdell*)
-

1. **ACADEMIC AFFAIRS** (*Dr. Melissa B. Dennison, Chair*)

Action Items:

- 1.1 Approval of a Health Information Management Baccalaureate program [pp 1-6]
- 1.2 Approval of a Graduate Certificate in Facility and Event Management [pp 7-9]
- 1.3 Approval of a Undergraduate Minor in Leadership Studies [pp 10-13]
- 1.4 Approval to Administratively Relocate the Middle Schools Science Education Program [pp 14-15]
- 1.5 Approval of Emeritus Faculty Appointments [p 16]
- 1.6 Approval of Pedagogical Faculty Tracks [pp 17-18]

Information Item:

- Enrollment Report (*Dr. Brian Meredith*)
-

2. **EXECUTIVE** (*Mr. Frederick A. Higdon, Chair*)

Action Items:

- 2.1 Approval of Athletic Employment Contract between Western Kentucky University and Ray Harper [~~pp 19 and attached contract pp 1-14~~] (*Deferred until July meeting*)
- 2.2 Approval of the Naming of Designated Rooms / Areas [pp 20-23]

2. EXECUTIVE (cont.)

Action Item (not reviewed by Committee on March 23):

- 2.3 — Approval of Athletic Employment Contract between Western Kentucky University and Michelle Clark Heard [p 24 and attached contract pp 1-14] (Deferred until July meeting)

Information Items:

- Internal Auditor's Report (Mr. Warren Irons)
 - Appointment of Nominating Committee (Chair Higdon)
 - Summary of President's Annual Evaluation (Chair Higdon)
-

3. FINANCE AND BUDGET (Mr. J. David Porter, Chair)

Action Items:

- 3.1 Acceptance of the separate Auditor's Reports and Financial Statements, WKYU-TV and WKYU-FM Radio for the year ended June 30, 2011 [p 25]
- 3.2 Acceptance of the Accountants' Report on Application of Agreed-Upon Procedures, NCAA Compliance Report for the year ended June 30, 2011 [p 26]
- 3.3 Approval for redirecting the Student Centers, DUC Renovation Fee [p 27]
- 3.4 Approval of Personnel Actions November 30, 2011 – February 24, 2012 [pp 28-38]

Action Items (not reviewed by Committee on March 23):

- 3.5 Acceptance of 2011-12 Third Quarter Statement of Revenues & Expenditures [pp 39-40]
- 3.6 Approval of Amending Series Resolution for WKU General Receipts Bonds [pp 41-42 and attached Series Resolution]
- 3.7 — Approval of Amendment to Intellectual Property Policy [pp 43-44] (Deferred until July meeting)
-

4. PRESIDENT'S REPORT (Dr. Gary A. Ransdell)

- Summer construction projects (Mr. John Osborne / Mr. Bryan Russell) [pp 45-47]
 - 2012 General Assembly wrap up (Ms. Robbin Taylor)
-

5. OTHER BUSINESS (Mr. Frederick A. Higdon, Chair)

Upcoming calendar dates:

- Commencement – **May 11-12**
 - Special Budget Meeting and Committees – **June 22**
 - Retreat – **July 26**
 - Third Quarterly Meeting – **July 27**
-

ADJOURNMENT (Mr. Frederick A. Higdon, Chair)

**MINUTES
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY**

April 27, 2012

• **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 the *Cornelius A. Martin Regents Room* of the Mass Media and Technology Hall on the Western Kentucky University campus. The meeting was called to order by Chair Frederick A. Higdon at approximately 9:00 a.m., (CDT).

• **INVOCATION**

The invocation was provided by Ms. Sarah Newton, WKU Spirit Master from Bowling Green, Kentucky.

• **ROLL CALL**

The following Regents were present:

Mr. Frederick A. Higdon, Chair
Mr. J. David Porter, Vice Chair
Dr. Melissa B. Dennison, Secretary
Mr. Jim Johnson
Mr. James Kennedy, Staff Regent

Mr. Jim Meyer
Dr. Patricia H. Minter, Faculty Regent
Mr. Billy Stephens, Student Regent
Mr. Rob Wilkey
Mr. Laurence J. Zielke

Regents not in attendance:

Ms. Cynthia Harris

Others in attendance included the following:

Dr. Gary A. Ransdell, President
Mr. Howard Bailey, Vice President for Student Affairs
Dr. Gordon C. Baylis, Vice President for Research
Dr. Randy Capps, Parliamentarian
Ms. Kathryn R. Costello, Vice President for Development & Alumni Relations
Dr. A. Gordon Emslie, Provost and Vice President for Academic Affairs
Ms. Julia McDonald, Senior Administrative Assistant
Ms. K. Ann Mead, Vice President for Finance and Administration
Mr. John Osborne, Vice President for Campus Services and Facilities
Dr. Robert Owen, Vice President for Information Technology
Mr. Todd Stewart, Director of Athletics

Ms. Robbin M. Taylor, Vice President for Public Affairs
Ms. Deborah T. Wilkins, Chief of Staff / General Counsel

In keeping with the policy of the Board, the agenda for the meeting and information and materials pertinent to items thereon had been mailed in advance of the meeting to members of the Board.

- **MINUTES**

A draft copy of the meeting minutes of the January 20, 2012 first quarterly meeting were distributed and will be presented for adoption at the June 22, 2012 special budget approval meeting.

- **ANNOUNCEMENTS / INTRODUCTIONS**

President Ransdell congratulated Regent Patti Minter on her Faculty Award Recognition for Student Advisement.

President Ransdell introduced Mr. Cory Dodds, newly elected Student Regent from Smithland, Kentucky and thanked Regent Billy Stephens, current Student Regent, for his time served on the Board.

Dr. Audra Jennings, Director of Scholar Development, introduced the following students who have received high honor scholarships:

- John Clark from Bowling Green, Kentucky – Received Honorable Mention in the Morris K. Udall Scholarship competition
- Chadd Coomer from Louisville, Kentucky – Awarded the Barry M. Goldwater Scholarship
- Michael Crocker from Bowling Green, Kentucky – Awarded the Goldwater Scholarship
- Cory Dodds from Smithland, Kentucky – Finalist for the Harry S. Truman Scholarship
- Clarice Esch from Somerset, Kentucky – Awarded the Goldwater Scholarship
- Paul Fleischmann from Crestwood, Kentucky – Received the National Security Language Initiative for Youth (NSLI-Y) Scholarship
- Lukas Missik from Danville, Kentucky – Received Honorable Mention in the Goldwater Competition
- Mario Nguyen from Plano, Texas – Awarded a Fulbright Binational Business Grant to Mexico

- Abby Rudolph from Louisville, Kentucky – Received Honorable Mention in the Udall competition
 - Nicholas Wright from Berea, Kentucky – Awarded the National Science Foundation Graduate Research Fellowship
-

1. ACADEMIC AFFAIRS COMMITTEE – ACTION ITEMS

(Dr. Melissa Dennison, Chair)

CONSENT AGENDA: No items were removed for discussion.

1.1 Approval of a Health Information Management Baccalaureate program

REQUEST:

Approval of a new Baccalaureate of Science in Health Information Management (HIM) through the Allied Health Department in the College of Health and Human Services.

FACTS:

The healthcare industry continues to expand and diversify, requiring managers to help ensure smooth business operations. The federally mandated use of the electronic patient record by 2015 will require that HIM graduates be knowledgeable in the computerization of health information management.

According to the Bureau of Labor Statistics, employment of medical and health services managers is expected to grow 16 percent from 2008 to 2018, faster than the average for all

occupations. Data from Workforce Kentucky shows that the occupation is coded as very fast growing with an 18.2 percent change in growth.

This baccalaureate degree curriculum is designed to prepare the graduate HIM professional with the appropriate skills and competencies in health data management, information policy, computer information systems administration, and administrative and clinical work flow.

Students will focus on operations management essential to ensuring an accurate and complete medical record and cost effective information processing.

The program meets the entry-level competencies established by the American Health Information Management Association to be eligible to take the Registered Health Information Administrator (RHIA) examination. The program will seek national accreditation through the Commission on Accreditation for Health Informatics and Information Management Education (CAHIIM). Students must have completed an associate degree in HIM from a CAHIIM-accredited program to be eligible for acceptance. The baccalaureate curriculum requires a minimum of 120 credit hours and includes successful completion of professional practice experience at external agencies/facilities.

BUDGETARY IMPLICATIONS & IMPLEMENTATION DATE: Fall 2012. Currently, no additional resources are needed to offer the program. Should the program grow to 24-30 students, a new faculty line in HIM will be a priority in the CHHS staffing plan.

RECOMMENDATION:

President Gary A. Ransdell recommends approval of a B.S. in Health Information Management.

1.2 Approval of a Graduate Certificate in Facility and Event Management

REQUEST:

Approval of a new graduate certificate in Facility and Event Management offered through Department of Kinesiology, Recreation, and Sport in the College of Health and Human Services.

FACTS:

Recreation and sport professionals with qualifications and skills in facility and event management are extremely employable. Numerous professional organizations emphasize trainings and certifications in facility and event management for their members. The purpose of this certificate program is to create more marketable recreation and sport professionals with qualifications and skills in facility and event management. Students pursuing the certificate will have a paid associate-student membership with the International Association of Venue Managers (IAVM). Benefits of membership include exceptional professional development opportunities and a vast network of facility and event management professionals. The proposed certificate aligns with the WKU Strategic Plan by creating highly skilled and engaged graduates that can compete for the best jobs in their fields around the globe. The online course delivery will allow

for local, regional, national, and international marketing. The certificate will be attractive to past, current, and future students and will, therefore, positively impact graduate enrollment.

This graduate certificate is focused on the practical skills needed for employment in the rapidly growing field of Facility and Event Management. This 12-credit hour certificate requires the completion of the following courses:

- RSA 534 - Facility Management (3 credits)
- RSA 536 - Event Management (3 credits)
- RSA 590 - Practicum (3 credits)
- RSA 598 - Master's Project (3 credits)

BUDGETARY IMPLICATIONS & IMPLEMENTATION DATE: Fall 2012. The program will be offered through DELO and supported by an external agreement with the International Association of Venue managers (IAVM).

RECOMMENDATION:

President Gary A. Ransdell recommends approval of graduate certificate in Facility and Event Management.

1.3 Approval of an Undergraduate Minor in Leadership Studies

REQUEST:

Approval of a new undergraduate minor in Leadership Studies offered through the Leadership Studies unit in the University College.

FACTS:

Leadership is a subject of importance in all academic disciplines. Kouzes and Posner (2007) stated "Leadership is everyone's business" illustrating that leadership is a topic that cuts across time and place, as well as traditional disciplinary boundaries. Leadership is extremely relevant in a broad range of contexts in both the sciences and humanities. This minor offers students a conceptual understanding of leadership that, when combined with experiential components, provides them with an increased awareness of their role in a world of multi-layered change.

The minor in Leadership Studies requires 21 semester hours and any undergraduate student, regardless of major, may elect to pursue a minor in Leadership Studies. The minor in Leadership Studies examines aspects of leadership needed to influence others successfully and to create and sustain effective leadership in all aspects of society. Students must earn a grade of "C" or above in the following courses required for this minor:

- LEAD 200 - Introduction to Leadership Studies (3 credits)
- LEAD 325 - Leading Change (3 credits)
- LEAD 330 - Leadership Ethics and Decision Making (3 credits)
- LEAD 395 - Contemporary Leadership Issues (3 credits)
- LEAD 400 - Practicum in Leadership (3 credits), and
- Two electives chosen in consultation with Leadership Studies advisor (6 credits)

BUDGETARY IMPLICATIONS & IMPLEMENTATION DATE: Fall 2012. Leadership Studies relies on faculty from other departments to teach LEAD courses and the University College agrees to provide additional resources to support the minor in Leadership Studies when the teaching and advising requirements exceed the capacity of the Leadership Studies program.

RECOMMENDATION:

President Gary A. Ransdell recommends approval of undergraduate minor in Leadership Studies.

1.4 Approval to Administratively Relocate the Middle Schools Science Education Program

REQUEST:

Approval of transferring the Middle School Science Education program from the Department of Physics and Astronomy into the dean's office of the Ogden College of Science and Engineering.

FACTS:

The Middle School Science Education major (MSSE, reference number 734) is for students who plan to teach science in grades 5 through 9. The MSSE major requires completion of the science and mathematics education program. The program currently resides in the Physics and Astronomy Department in the Ogden College of Science and Engineering. Due to the multidisciplinary nature of the program, it seems appropriate to move this program to SKyTeach. However, until SKyTeach can be designated as a joint program within the Colleges of Education and Behavioral Sciences and Ogden College of Science and Engineering, it will temporarily be housed in the dean's office of Ogden College of Science and Engineering. The arrangement will continue until SKyTeach is vested with curriculum development authority. This move should improve the cooperative development of a strong middle school science education curriculum.

The Physics and Astronomy Department, SKyTeach, and the dean's office in Ogden College of Science and Engineering all agree to this move as noted in the attached agreement.

BUDGETARY IMPLICATIONS: No funds requested.

RECOMMENDATION:

President Gary A. Ransdell recommends transferring the Middle School Science program to the Ogden College of Science and Engineering dean's office.

1.5 Approval of Emeritus Faculty Appointments

REQUEST:

Approval of faculty emeritus status for recommended individuals

FACTS:

Listed below are faculty members who have been recommended by the tenured faculty, department head, and college dean to be awarded emeritus/a status. They have served the university for at least ten years and have had distinguished records of achievement and service at the university.

Ogden College of Science and Engineering

Department of Chemistry

Dr. David R. Hartman, Professor of Chemistry, Emeritus
Dr. Lowell W. Shank, Professor of Chemistry, Emeritus

Potter College of Arts and Letters

Department of Music

Ms. R. Elizabeth Volkman, Professor of Music, Emerita

BUDGETARY IMPLICATIONS: No funds requested.

RECOMMENDATION:

President Gary A. Ransdell recommends awarding the above individuals faculty emeritus status.

1.6 Approval of a Pedagogical Faculty Tracks

REQUEST:

Approval of Pedagogical Faculty tracks.

FACTS:

WKU has always placed, and continues to place, a high value on teaching and the application of scholarship in the classroom setting. To this end, following extended discussions and endorsements by the University Senate and the Council of Academic Deans, the Administrative Council recently voted to add a document to the Official Repository of University Policies that allows for "Pedagogical Track" faculty positions. Such positions will be tenure-eligible faculty positions with enhanced emphasis on teaching.

Definition of Pedagogical Faculty *(from University Policy 1.1990)*

A pedagogical faculty member is a full-time, tenure-eligible, faculty member engaged primarily in instructional activities. Pedagogical faculty members are expected to bring a high level of conceptual and theoretical ideas to their instructional tasks and to have innovative skill sets that enhance the intellectual development of their colleagues and the students with whom they interact. Pedagogical faculty appointments do not, however, carry an expectation of involvement in scholarly research. In recognition of this, such pedagogical faculty members will normally have a teaching load higher than that of tenure-track faculty members in their unit who carry responsibilities in both teaching and research.

Appointment, Promotion and Tenure *(from University Policy 1.1990)*

The primary assignment of pedagogical faculty will be teaching. In accepting an appointment to the pedagogical faculty of WKU, an individual commits to continuing professional development in the area

of pedagogy within the higher education setting. The performance of scholarly research is not an expectation of the position. However, in all other respects, pedagogical faculty members have the same rights, privileges, and responsibilities as other tenure-eligible faculty as defined by the Faculty Handbook and college/school/department policies.

The creation of a pedagogical faculty position will be initiated by the department head only after a majority vote of the tenure-eligible faculty within that department. Positions advertisements will emphasize the added weight given to instruction and scholarship in the classroom setting. Faculty members currently employed by WKU will not be able to “switch” to this track. However, such individuals will be eligible to apply such positions that are duly created and appropriately searched.

Pedagogical faculty ranks include Pedagogical Assistant Professor, Pedagogical Associate Professor, and Pedagogical Professor. Promotion and tenure procedures will be the same as those for all tenure-eligible faculty members, but the criteria for tenure and promotion will not include expectations for research and scholarly productivity. As for all tenure-eligible faculty members, specific terms of appointment, including workload expectations, will be established both through the initial appointment letter from the college dean and through the annual review process. As tenure-eligible faculty, tenured pedagogical faculty will participate in the post-tenure review process.

BUDGETARY IMPLICATIONS:

No funds requested to implement the Pedagogical Faculty Tracks. These positions will be incorporated into future staffing plans, within the funds allocated to such. Future funding for promotions will be required.

RECOMMENDATION:

President Gary A. Ransdell recommends approval of new Pedagogical Faculty Tracks.

DISCUSSION:

Regent Minter: The Pedagogical Tracks will have to come from the bottom up? In other words, only if the departments want these and requests these, would they be hiring. It would not be a top down decision that you “must” hire a Pedagogical position, correct?

Provost Gordon Emslie: No. As I have indicated, any Pedagogical Track position is a new slot. It will be filled through the normal staffing plan process. Existing faculty cannot switch to this track.

Regent Minter: So, if a department wants a tenure line slot, they would not be told that the only way they can hire is if they have Pedagogical Track position?

Provost Emslie: Again, it will flow through the normal staffing plan process.

MOTION:

Motion to approve items 1.1 - 1.6 was made by Regent Larry Zielke, seconded by Regent Meyer, and unanimously approved.

ACTION TAKEN: Approved Not Approved Other _____

ACADEMIC AFFAIRS – INFORMATION ITEM:

- The fall and summer enrollment reports were provided by Dr. Brian Meredith.
-

2. EXECUTIVE COMMITTEE – ACTION ITEMS
(Mr. Freddie Higdon, Chair)

CONSENT AGENDA: No items were removed for discussion.

- 2.1 **Approval of Athletic Employment Contract between Western Kentucky University and Ray Harper – *item was deferred until July meeting***
- 2.2 **Approval of the Naming of Designated Rooms / Areas**

REQUEST:

Acceptance for naming the rooms/areas noted herein in honor of the contributions of those individuals designated.

FACTS:

Contributions received for designated areas listed below:

Augenstein Alumni Center

Room/Area: Grand Ballroom (A)

Location: First Floor

Donor: Collection of donors

Room/Area Name: *Lee Robertson Grand Ballroom*

Room/Area: Grand Ballroom (B)

Location: First Floor

Donor: Collection of donors

Room/Area Name: *Jimmy Feix Grand Ballroom*

Room/Area: Courtyard

Location: Outside – between Augenstein Alumni Center and WKU Store

Donor: Collection of State Farm Insurance agents

Room/Area Name: *State Farm Courtyard*

Room/Area: Executive Dining Room

Location: Second Floor

Donor: Anne and Dan Greenwell
 Room/Area Name: *Anne and Dan Greenwell Executive Dining Room*

Room/Area: Living Room
 Location: Second Floor
 Donor: Dr. Brad and Phyllis Mutchler
 Room/Area Name: *Mutchler Family Living Room*

Room/Area: Fountain
 Location: Outside – front of building
 Donor: Andrea and Kevin Gregory
 Room/Area Name: *Wilson- Gregory Plaza Fountain*

Room/Area: Big Red Statue
 Location: Outside – between Augenstein Alumni Center and WKU Store
 Donor: Young Alumni Council
 Room/Area Name: *Big Red Statue presented by the Young Alumni Council*

Room/Area: Conference Room
 Location: Third Floor
 Donor: Collection of donors
 Room/Area Name: *Donald L. Smith Conference Room*

Room/Area: Big Red Mosaic Collage, 3rd floor
 Location: Third Floor
 Donor: Michelle Wells
 Room/Area Name: *Big Red Mosaic Collage by Michelle Wells*

Room/Area: Elevator
 Location: All Floors
 Donor: Harry and Catherine Stephenson
 Room/Area Name: *Elevator by Harry and Catherine Stephenson*

Room/Area: Terrace
 Location: Outside – between Augenstein Alumni Center and WKU Store
 Donor: Roger Casalengo
 Room/Area Name: *Roger Casalengo Terrace*

Room/Area: Museum Exhibit Case (A)
 Location: First Floor
 Donor: David and Miki Wiseman
 Room/Area Name: *WKU Museum Exhibit Case by David and Miki Wiseman*

Room/Area:	Museum Exhibit Case (B)
Location:	First Floor
Donor:	Todd Wilkerson
Room/Area Name:	<i>WKU Museum Exhibit Case by Todd Wilkerson</i>
Room/Area:	WKU Museum Floor Seal
Location:	First Floor
Donor:	The Honorable Dale Ross
Room/Area Name:	<i>WKU Museum Floor Seal by Dale Ross</i>
Room/Area:	Dining Room China Cabinet
Location:	Second Floor
Donor:	Howard and Susan Pincus
Room/Area Name:	<i>Dining Room China Cabinet by Howard and Susan Pincus</i>
Room/Area:	Dining Room Table
Location:	Second Floor
Donor:	Jon and Melinda Rue
Room/Area Name:	<i>Dining Room Table by Jon and Melinda Rue</i>
Room/Area:	Living Room Bar
Location:	Second Floor
Donor:	Bill Sinks
Room/Area Name:	<i>Living Room Bar by Bill Sinks</i>
Room/Area:	Mezzanine Internet Bar
Location:	Second Floor
Donor:	Scott and Anndee Crutcher
Room/Area Name:	<i>Mezzanine Internet Bar by Scott and Anndee Crutcher</i>
Room/Area:	Patio Bar
Location:	Second Floor Patio
Donor:	Julie Hinson
Room/Area Name:	<i>Patio Bar by Julie Hinson</i>
Room/Area:	Conference Room Table
Location:	Third Floor
Donor:	Paul and Ann Calico
Room/Area Name:	<i>Conference Room Table by Paul and Ann Calico</i>

Room/Area: Executive Director Balcony
Location: Third Floor
Donor: Tonii Rizzo
Room/Area Name: *Tonii Rizzo Balcony*

Room/Area: Living Room Table
Location: Second Floor
Donor: Tom Redford
Room/Area Name: *Living Room Table by Tom Redford*

Room/Area: Administrative Offices (7), various locations
Location: Third Floor
Donor: Martha Burn
Dr. Talia and Mr. Patrick Collins
Jeff and Shelia Colon
Steve and Trisha Frey
Tim and Anne Hudnall
Lloyd and Kathy Robinson
Society of African American Alumni
Room/Area Name: *Various*

WKU Owensboro Campus

Room/Area: Conference Room
Location: First Floor
Donor: J. Rogers Badgett, Sr. Foundation
Room/Area Name: *Badgett Foundation Conference Center*

WKU South Campus

Room/Area: Business Classroom
Location: First Floor
Donor: None – Honorific Naming
Room/Area Name: *Dr. John C. Wassom Business Classroom*

Houchens Industries – L.T. Smith Stadium

Room/Area: Smith Stadium West
Location: First Floor
Donor: None – Honorific Naming
Room/Area Name: *The Craig A. Beard, M.D. Team Physician Office*

RECOMMENDATION:

President Gary A. Ransdell recommends that the Board of Regents accept the naming of the rooms/areas in honor of those individuals designated.

- 2.3 Approval of Athletic Employment Contract between Western Kentucky University and Michelle Clark-Heard – *item was deferred until July meeting***

MOTION:

Motion to approve the Naming of Designated Rooms / Areas was made by Regent Zielke, seconded by Regent Minter, and unanimously approved.

ACTION TAKEN: Approved Not Approved Other _____

EXECUTIVE COMMITTEE – INFORMATION ITEMS:

- The Internal Audit Report was provided by Mr. Warren Irons.
- Chair Higdon appointed the following Regents to the Nominating Committee for recommendations of Board Officers:
 - Regent Jim Meyer, Chair
 - Regent Melissa Dennison
 - Regent Larry Zielke
- Chair Higdon noted that the President’s annual evaluation has been completed and he has met individually with President Ransdell to review the evaluation and comments that were noted. He stated that his performance continues to improve each year and thanked him for his leadership. He noted that the overall opinion of the Regents is that the self-assessment was a good tool to utilize this year and everyone agreed that President Ransdell was too hard on himself.

3. FINANCE AND BUDGET COMMITTEE – ACTION ITEMS

(Mr. J. David Porter, Chair)

CONSENT AGENDA: Items 3.1 – 3.4 were consent agenda items. Regent Minter had questions regarding item 3.3, discussion noted below.

- 3.1 Acceptance of the separate Auditor’s Reports and Financial Statements. WKYU-TV and WKYU-FM Radio for the year ended June 30, 2011**

REQUEST:

Acceptance of the separate Auditor's Reports and Financial Statements, WKYU-TV and WKYU-FM Radio for the year ended June 30, 2011.

FACTS:

Western Kentucky University contracts with an external auditing firm to perform audits of the financial statements of WKYU-TV and WKYU-FM Radio. The audits were completed by Crowe Horwath, LLP for the fiscal year ended June 30, 2011. These separate audits are

required under the contractual funding arrangements of Western Kentucky University with the Corporation for Public Broadcasting.

The financial statements present fairly, in all material respects, the financial position as of June 30, 2011, and the changes in financial position and cash flows for the year then ended, in conformity with generally accepted accounting principles. Each of the financial statements received unqualified opinions.

RECOMMENDATION:

President Gary A. Ransdell recommends that the Board of Regents accept the separate Auditor's Reports and Financial Statements for WKYU-TV and for WKYU-FM Radio for the year ended June 30, 2011.

3.2 Acceptance of the Accountants' Report on Application of Agreed-Upon Procedures, NCAA Compliance Report for the year ended June 30, 2011

REQUEST:

Acceptance of the Accountants' Report on Application of Agreed-Upon Procedures, NCAA Compliance Report for the year ended June 30, 2011.

FACTS:

Each year, Western Kentucky University contracts with our external auditing firm to issue a report on agreed-upon procedures to assist the University in complying with the NCAA Bylaw 6.2.3.1. The agreed-upon procedures were completed by Crowe Horwath, LLP for the fiscal year ended June 30, 2011 in accordance with attestation standards established by the American Institute of Certified Public Accountants. The statement of revenues and expenses of intercollegiate athletics operations (included in Exhibit 1 of the report) was prepared by staff in the Office of Athletics Business Affairs who are responsible for compliance with NCAA Bylaw 6.2.3.1. Crowe Horwath, LLP reviewed revenues and expenditures for the Athletics Department, reviewed the internal control structure of, and performed other accounting tests on the financial records of the area. A listing of procedures performed, along with associated findings, is included in Attachment A of the report.

Crowe Horwath, LLP's review does not constitute an audit and, therefore, does not contain an opinion on compliance with NCAA Bylaw 6.2.3.1. It 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.

RECOMMENDATION:

President Gary A. Ransdell recommends that the Board of Regents accept the "Report of Independent Accountants on Applying Agreed-Upon Procedures" as required by NCAA Bylaw 6.2.3.1 for the year ended June 30, 2011.

3.3 Approval for redirecting the Student Centers, DUC Renovation Fee

REQUEST:

Approval for redirecting the Student Centers, DUC Renovation Fee collected in 2011-12 from debt bond payment to capital construction expenses.

FACTS:

On April 29, 2011, the Board of Regents approved an increase in the mandatory Student Centers Fee for the purpose of partially funding the projected 20-year debt payment on the DUC Renovation Project. The WKU Student Government Association passed a resolution on February 22, 2011 recommending the student fee increase and requesting the funds be utilized for debt payment only. Bonds will be sold late May 2012 or early June 2012. Thus, there will not be a bond payment in 2011-12.

The DUC Renovation Project was authorized by the 2010 General Assembly with authorization for agency bonds and an additional \$4 million in university funds. When this authorization was requested, it was anticipated that WKU would have some accrued funds available to offset some of the construction costs. Funds budgeted for debt payment but not initially needed for debt payment was a significant source of the projected university funds.

Since the WKU Student Government Association did recommend that the additional revenue from this fee be used for debt payment, we are seeking Board approval to reallocate this year only the fee revenue from debt payment to construction expenses.

BUDGETARY IMPLICATIONS:

None.

RECOMMENDATION:

President Gary A. Ransdell recommends approval for redirecting the Student Centers, DUC Renovation Fee collected in 2011-12 from debt bond payment to capital construction expenses.

DISCUSSION:

Ms. Ann Mead explained, at length, the reasons for this action. Please refer to the Board of Regents website / podcast for the detailed discussion: <http://www.wku.edu/regents/podcasts.php>.

Regent Minter: Since the meeting agenda posted, I have had many questions about this from constituents on how this is going to be funded. I realize that you will have a better picture of this when we have our special budget approval meeting in June, so I look forward to seeing that and getting an update on this at that meeting.

Ms. Ann Mead: Yes, I will.

3.4 Approval of Personnel Actions November 30, 2011 – February 24, 2012

REQUEST:

Approval of faculty and staff personnel actions which have been approved through administrative channels and executed through the human resources information system during the period 11/30/2011 – 02/24/2012.

FACTS:

This request includes a variety of customary actions pertaining to people and positions. Each action is identified by “type” and “funding source”. Salary increases equal to or greater than \$5,000 and not associated with a personnel transfer are noted with a detailed explanation.

BUDGETARY IMPLICATIONS:

Funding is provided as indicated for each transaction.

RECOMMENDATION:

President Gary A. Ransdell recommends approval of all faculty and staff personnel actions as referenced above.

MOTION:

Motion to approve items 3.1 – 3.4 was made by Regent Zielke, seconded by Regent Minter, and unanimously approved.

ACTION TAKEN: Approved Not Approved Other _____

FINANCE AND BUDGET COMMITTEE ACTION ITEMS 3.5 – 3.7 were not reviewed by the Committee on March 23.

3.5 Acceptance of 2011-12 Third Quarter Statement of Revenues & Expenditures

REQUEST:

Accept for filing the 2011-12 Third Quarter Statement of Revenues & Expenditures.

FACTS:

Total realized Educational and General (E&G) revenue, as a percentage of the budget, was

comparable to the third quarter revenue of 2010-11. State appropriations are distributed on a quarterly basis, but the distribution for each quarter does not represent 25 percent of the total due to the state's variable allocation schedule.

Restricted revenues and expenditures for grants and contracts were comparable to the third quarter revenues and expenditures of 2010-11. Other revenue includes revenue generated by individual programs such as Athletics, University Farm, and various revenue dependent programs. The amount of revenue and the timing of receipt vary, but program administrators know they must manage expenditures so as to not exceed receipts. It is noted that several programs have significant activity in spring and summer. Revenues and expenditures for Auxiliary Enterprises are very similar to third quarter revenues and expenditures of 2010-11. At this point in the fiscal year, it appears that revenues and expenses are at expected levels.

RECOMMENDATION:

President Gary A. Ransdell recommends that the Board of Regents accept for filing the 2011-12 Third Quarter Statement of Revenues and Expenditures.

MOTION:

Motion for acceptance for filing the 2011-12 Third Quarter Statement of Revenues & Expenditures was made by Regent Meyer, seconded by Regent Kennedy, and unanimously approved.

ACTION TAKEN: Approved Not Approved Other _____

3.6 Approval of Amending Series Resolution for WKU General Receipts Bonds

REQUEST:

Approval of a resolution amending a prior resolution that provided for the issuance of approximately \$35,000,000 of General Receipts Obligations (Renovate Downing University Center Phase III) and authorizing the issuance and sale of approximately \$52,000,000 of General Receipts Obligations (Renovate Downing University Center Phase III), of Western Kentucky University; and authorizing the WKU Board of Regents Treasurer, K. Ann Mead, to accept the lowest bid, award the bonds, and report back to the Board the results of said actions.

FACTS:

Based on legislative authorization and previous approvals by the Board of Regents, the Administration is recommending the issuance and sale of bonds, in one or more series, totaling approximately \$52,000,000 to be allocated for the following project: Renovation of Downing University Center Phase III. The sale will yield approximately \$50 million to be deposited in the project construction fund.

The bond resolution has been prepared by Peck, Shaffer & Williams, LLP who is serving as bond counsel for the University on this issuance. The bond resolution permits WKU to initiate the

steps under the general receipts indenture to sell the bonds, subject to WKU accepting the lowest and best bid for the bonds, and establishing the final principal amounts and maturities for such bonds. J.J.B. Hilliard, W.L. Lyons, LLC serves as financial advisor. A tentative schedule of events is attached. The results of the final sale of bonds will be reported at the first Board of Regents meeting following the sale.

RECOMMENDATION:

President Gary A. Ransdell recommends approval of amending series resolution for WKU General Receipts Bonds; and authorization for the WKU Board of Regents Treasurer, K. Ann Mead, to accept the lowest bid, award the bonds, and report back to the Board the results of said actions.

MOTION:

Motion for approval of amending series resolution for WKU General Receipts Bonds; and authorization for the WKU Board of Regents Treasurer, K. Ann Mead, to accept the lowest bid, award the bonds, and report back to the Board the results of said actions was made by Regent Zielke, seconded by Regent Kennedy, and unanimously approved.

- 3.7 **Approval of Amendment to Intellectual Property Policy – *item was deferred until July meeting***
-

4. PRESIDENT’S REPORT (*Dr. Gary A. Ransdell*)

- An overview of summer construction projects was provided by Mr. John Osborne and Mr. Bryan Russell
 - A summary of the 2012 General Assembly was provided by Ms. Robbin Taylor
 - President Ransdell recommended that the Finance and Budget Committee meet on June 1 to make recommendation on tuition to full BOR, prior to the Council on Postsecondary Education meeting scheduled for June 21. The Finance and Budget Committee members were in agreement and will meet on June 1.
-

5. OTHER BUSINESS (*Mr. Freddie Higdon, Chair*)

Upcoming calendar dates:


- Commencement – **May 11-12**
 - Special Budget Meeting and Committees – **June 22**
 - Retreat – **July 26**
 - Third Quarterly Meeting – **July 27**
 - **Added: Finance and Budget Committee Meeting – June 1**
-

6. ADJOURNMENT (Mr. Freddie Higdon, Chair)


With no further business, motion to adjourn was made by Regent Minter, seconded by Regent Kennedy, and carried unanimously. The meeting adjourned at approximately 11:30 a.m., (CDT).

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 the first quarterly meeting held April 27, 2012 in the Cornelius A. Martin Regents Room in the Mass Media and Technology Hall on the Western campus, 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).



Mr. Frederick A. Higdon, Chair
WKU Board of Regents
Approved on June 22, 2012



Dr. Melissa B. Dennison, Secretary
WKU Board of Regents
Approved on June 22, 2012