

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

October 22, 1993

**AGENDA ITEM 1 - Call to Order**

Required statutory notice having been given, a regular meeting of the Board of Regents of Western Kentucky University was held in the Regents Conference Room of the Wetherby Administration Building. The meeting was called to order by Mr. Burns Mercer, Chair, at approximately 10:25 a.m., CDT.

**AGENDA ITEM 2 - Invocation**

The meeting opened with an invocation by Mr. Gene Crume, Director, Alumni Affairs.

**AGENDA ITEM 3 - Roll call**

The following members were present:

Mrs. Kristen Bale  
Mr. Robert Earl Fischer  
Mr. C.C. Howard Gray  
Mr. Monnie Hankins  
Mrs. Peggy Loafman  
Dr. Raymond M. Mendel  
Mr. Fred N. Mudge  
Mr. Burns Mercer  
Mr. Raymond B. Preston  
Mr. Donald Smith

Also present were Dr. Thomas C. Meredith, President; Mrs. Liz Esters, Staff Assistant for Special Projects and Secretary to the Board of Regents; Dr. Jim Ramsey, Vice President for Finance and Administration; Dr. Robert Haynes, Vice President for Academic Affairs; Mr. Robert M. Rutledge, Vice President for Institutional Advancement; Dr. Jerry Wilder, Vice President for Student Affairs; Dr. Jim Heck, Executive Assistant to the President; Dr. Randell Capps, Parliamentarian and Mr. Fred Hensley, Director of University Relations.

**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 by the President to members of the Board.**

**AGENDA ITEM 4 - Disposition of minutes of the regular meeting of July 23, 1993.**

The minutes of the July 23, 1993, meeting were presented by Chairman Mercer. Motion was made by Mr. Preston and seconded by Mr. Fischer to approve the minutes as submitted inasmuch as copies had been mailed to Board members prior to

the meeting. The motion carried.

**AGENDA ITEM 5 - Committee Reports:**

**5.1 - Academics Committee, Mr. Fred Mudge, Chair; Mrs. Kristen**

Bale; Mr. Monnie Hankins; Dr. Raymond Mendel, and Mr. Donald Smith

Three items were presented to the Academics Committee for consideration:

**RECOMMENDATION:**

A Request for One-Year Waiver of Requirement to Comply with Established Standards of Kentucky Plan for Equal Opportunities in Higher Education.

**Background:**

In November 1987, the Council on Higher Education established a goal to provide equal educational opportunities for all Kentuckians, without regard to race, through higher education enrollments, employment, and policies. The goal was endorsed in 1991 in the Council's "Strategic Plan for Higher education in Kentucky: 1991-1996." The goal was further defined by institutional commitments and objectives regarding students, faculty and staff as specified in "The Kentucky Plan for Equal Opportunities in Higher Education", approved by the Council on Higher Education in May 1990.

Eight commitments in "The Kentucky Plan for Equal Opportunities in Higher Education" related directly to the enrollment of Kentucky resident African American students and employment of African Americans as faculty and staff. For each higher education institution, the commitments are accompanied by institutionally specific initial starting points and objectives which the institution agreed to attain within a given time frame. The commitments, objectives, and a series of activities proposed by the institution constitute the institution's action plan.

In the attached document, entitled Request for One-Year Waiver of Requirement to Comply with Established Standards of Kentucky Plan for Equal Opportunities in Higher Education, Western's progress in meeting the institution-specific objectives is summarized. Also described in this document are new initiatives to assure that the institution makes significant progress in achieving its objectives during the remaining years of the five-year cycle of the commitment (1991-1996).

**BUDGET IMPLICATIONS:**

Western Kentucky University has allocated \$130,000 to support initiatives recommended in the Minority Recruitment and Retention Goals Implementation Plan. This allocation was considered and approved by the Board of Regents during the July, 1993 meeting.

**REQUEST FOR ONE-YEAR WAIVER OF REQUIREMENT TO COMPLY WITH ESTABLISHED STANDARDS OF KENTUCKY PLAN FOR EQUAL OPPORTUNITIES IN HIGHER EDUCATION**

**Western Kentucky University**

Resolution

**WHEREAS**, after nearly a decade of struggling to meet the objectives incorporated in the Kentucky Plan for Equal Opportunities in Higher Education, Western Kentucky University has demonstrated progress in some areas, even as it has regressed in others. The University has achieved success in the employment of black faculty and administrators; and, for the period 1990-1992, it has met the retention objective for first-year Kentucky resident African-American students. The University has not made the expected progress in the: (1) enrollment of Kentucky resident African-American undergraduates; (2) graduation of Kentucky resident African American undergraduate students; (3) enrollment of Kentucky resident graduate students; and (4) employment of professional non-faculty personnel; and.

**WHEREAS**, an unfortunate outcome of Western's lack of progress in selected areas is that agents external to the University, who have not witnessed the University's tireless efforts to increase diversity on its campus, have developed the

faulty assumption that Western is indifferent to the goals, aspirations, interests, and well-being of Kentucky resident African Americans. Moreover, Western's lack of progress in achieving the EEO objectives now prohibits the submission of new programs to the Council on Higher Education for approval; and .

**WHEREAS**, the poorer than expected results of Western's efforts to provide equal opportunities for Kentucky resident African Americans belie the unequivocal support the University gives to the aims and thrust of the Kentucky Plan for Equal Opportunities in Higher Education. Indeed, the University is committed to diversity in its student population and equal access to all of its programs. The spirit of that commitment is reflected in the following focal point from the Western XXI Strategic Plan:

***The University strives to ensure that its community of students, faculty and staff reflects a healthy human diversity. Proactive strategies in recruitment and retention of minority students and affirmative action in employment practices are primary vehicles for ensuring diversity.*** (Western XXI Strategic Plan, p. 2)

**NOW THEREFORE** , in concert with the above commitment, the Board of Regents of Western Kentucky University and the President, Thomas C. Meredith, resolve that the University will make significant progress in each of the remaining years of the five-year cycle of the Kentucky Plan for Equal Opportunities in Higher Education.

**THEREFORE**, with an abiding confidence in its ability to make such significant progress, Western Kentucky University ***formally requests that it be granted a one-year waiver of the requirement that it comply in full measure with standards of the Kentucky Plan for Equal Opportunities in Higher Education.*** The basis upon which the waiver is requested is qualitative. Accordingly, the University will submit below: (1) documentation of outstanding efforts that have not yet proven successful; and (2) extraordinary circumstances that have precluded short-term success.

#### ***OUTSTANDING EFFORTS THAT HAVE NOT YET PROVEN SUCCESSFUL***

##### ***(1) Revised Plans for Recruitment and Retention of African American Students***

During Spring, 1993 the University approved a plan to transfer the responsibility for recruitment of minority students from the Minority Student Support Service area to the Office of Admissions. At the same time, the University allocated \$25,000 and additional fringe benefits costs to fund a new position entitled Assistant Director of Admissions for Minority Recruitment. This new full-time position would replace the half-time effort which had been previously devoted to minority recruitment. In establishing this new position, the specialized minority recruitment function will be coordinated with the overall recruitment efforts of the University. Dedicating a full-time professional who can utilize the resources of the Office of Admissions in the recruitment of African American students will result in a notable increase in the number of African American students enrolling at Western. The Assistant Director of Admissions for Minority Recruitment will be evaluated annually by the Director of Admissions. The evaluation will entail a quantitative analysis of data related to percentage of increase in number of enrolled African American students.

Even before the new recruitment professional has had the opportunity to produce results, preliminary enrollment data for Fall, 1993 show an increase in the number of full-time and part-time Kentucky resident African American students. The full-time undergraduate total of African American students increased from 687 in Fall, 1992 to 706 in Fall 1993; and the part-time total increased from 125 in Fall, 1992 to 165 in Fall, 1993. Kentucky resident African American students constitute 6.05% of the total undergraduate enrollment during Fall, 1993. That percentage is virtually the same as the Fall, 1992 enrollment figure which showed that Kentucky resident African American students were 5.9% of the undergraduate student total.

##### ***(2) Enhanced academic scholarships for African American students***

During Fall, 1993 Western Kentucky University endeavored to become more competitive in the awarding of scholarships to African American students. To that end, the traditional Regents Scholarships were upgraded to include room

scholarships and were offered as inducements to African American students considering the possibility of enrolling at Western. The approximately \$9,600 which were allocated to this initiative will enable the University to double the number (to 16) of African American Regents Scholarship recipients in Fall, 1993.

The University also created a new scholarship program, entitled "Minority Leadership Grant Program", for selected minority students who have demonstrated high leadership ability in high school. The allocation of \$12,000 per year to this initiative will enable the University to award an additional 12 room scholarships per year or 48 over the four-year life of the commitment.

**(3) *A Project to Improve Retention By Providing Tutoring Via Computer-Assisted Instruction***

A total of \$20,880 have been allocated to support the appointments of two African American graduate assistants and four work study students to serve in a tutorial support project using state-of-the-art interactive computer software. The tutorial support project will target African American students enrolled at Western who need tutorial assistance in a full range of general education courses. The project will not only advance the retention efforts of the University, but also create new graduate assistantship and work study opportunities for African American students.

**(4) *The Minority Assistantship Program***

The University has allocated an additional \$50,000 (to supplement the \$50,000 currently provided through EEO funds) to support the appointment of 10 additional Kentucky resident African American graduate students. The additional funding has already propelled the number of full-time Kentucky resident African

American graduate students to 35 for Fall, 1993. There were 19 full-time students in Fall, 1992.

**(5) *Junior Black Faculty Development Program***

Western Kentucky University increased the number of Black faculty members in 1992-93, and again in 1993-94. The total for 1992-93 increased to 17. By appointing four additional faculty members in 1993-94, the total number of Black faculty members now stands at 21. One of the recently appointed faculty members is the Department Head of Physics and Astronomy.

While the Junior Faculty Development Program was instrumental in increasing the number of Black faculty, the majority of the new additions possessed terminal doctoral degrees and therefore did not enter through this program.

The funds that are earmarked to support the initiatives described above represent new allocations carved out of the institutional budget. These funds are separate and distinct from Council on Higher Education allocations to facilitate achievement of the EEO objectives. The beneficial outcomes of these new initiatives will be: (1) increased educational opportunities for Kentucky resident African American students and (2) steady progress toward achieving the objectives of the Kentucky Plan for Equal Opportunities in Higher Education.

***EXTRAORDINARY CIRCUMSTANCES  
THAT HAVE PRECLUDED SHORT-TERM SUCCESS***

Although Western Kentucky University draws students from all parts of Kentucky, the University has a primary service area encompassing twenty seven counties within the central and south central part of the state. According to the most recent census data, African Americans make up approximately 5.7% of the population in Western's primary service area. During the current semester (Fall 1993), Western's enrollment of Kentucky resident African American students reached 6.05% of the total. Assuming equal college-going rates for white and minority students, Western can only meet the 7.1% of African American enrollment goal found in the Kentucky Plan for Equal Opportunities by going outside its primary service area to other parts of the state. Western is making such efforts, but it should be recognized that in doing so the University is competing directly with the other public universities in the state which are also seeking to meet African American enrollment goals.

The result is that, given the apparent demographics of the region, Western will have a very difficult time reaching the 7.1% enrollment goal of the Kentucky Plan without disturbing the enrollment patterns at public universities in other parts of the state. It may be that the 6.05% African American undergraduate enrollment level now

achieved by Western should be recognized as an appropriate contribution toward the state-wide goal of offering equal educational opportunities to all Kentuckians.

Ordered at Bowling Green, Kentucky, this 22nd day of October in the year of our Lord, one thousand nine hundred and ninety-three.

President Meredith reported that he had been notified by Dr. Gary Cox, Executive Director of the Council on Higher Education, that new program approvals will not be considered at the regular time at the January meeting. Those requests would normally be submitted in November for January consideration. Although President Meredith filed a written request asking that this portion of the things not be delayed, the Council plans to stick with their current plans to postpone until July with the possibility of consideration in March.

**Given the delay of consideration of new programs by the Council on Higher Education, the request for a one-year waiver of the requirement to comply with established standards of Kentucky Plan for Equal Opportunities in Higher Education WAS TABLED UNTIL THE JANUARY BOARD MEETING.**

**RECOMMENDATION:**

Proposal to Eliminate Master of Arts Degree Programs in Philosophy and Religious Studies.

**Background:**

When the Council on Higher Education instituted the Program Inventory System in 1980, state universities were directed to assist the Council in determining which degree programs should be registered on the inventory and which should be suspended or eliminated. Two programs formerly administered by the Department of Philosophy and Religion - the Master of Arts in Philosophy and Master of Arts in Religious Studies - were inadvertently retained as registered programs on the inventory. The programs have been inactive since the late 1970's and the faculty have no intentions to reactivate the programs. The programs should, therefore, be deleted from the program inventory.

**BUDGET IMPLICATIONS:**

There will be no budget implications.

Mr. Hankins moved elimination of the Master of Arts Degree Programs in Philosophy and Religion. The motion was seconded by Mr. Smith and passed unanimously.

**RECOMMENDATION:**

A Proposal to Suspend the Master of Business Administration Degree Program.

**Background:**

During the 1987-88 academic year, the faculty of the College of Business Administration recommended that the university stop admitting students to the Master of Business Administration degree program. The purpose of the recommendation was to allow for an appropriate and objective appraisal of resources in the college. Such an appraisal would assist the university in determining whether or not available resources were adequate to sustain an accreditable Master of Business Administration program.

The general consensus of the faculty was that the Master of Business Administration program should be suspended and that institutional resources should be

directed to strengthening the Master of Arts degree program in Economics and the newly implemented Master of Professional Accountancy.

**BUDGET IMPLICATIONS:**

There will be no budget implications.

Following a discussion of the above recommendation, **motion to defer action on the recommendation with the request for an interim report at the January, 1994, meeting on the viability of the program was made by Mr. Fischer, seconded by Mrs. Bale. The motion carried. A study should be developed by July, 1994, or earlier, addressing the issue of a shortage of MBA's in this part of the state if that is the case; the possibility of a joint program with another university; the costs involved, etc.**

5.2 -

**Finance Committee, Mr. Earl Fischer, Chair;** Mr. Howard Gray; Mrs. Peggy Loafman; Mr. Fred Mudge; and Mr. Ray Preston

Mr. Fischer reported that the Committee reviewed the agenda items via conference call earlier in the week and met for approximately two hours prior to the Board Meeting to review the following items:

**RECOMMENDATION:**

President Thomas C. Meredith recommends acceptance of the audited Annual Financial Report and audit of federally-funded programs for the 1992-93 fiscal year.

Note: The *1992-93 Annual Financial Report* was provided to Board members as a separate document and is filed in the Board's

official documents. The file also includes the corrective

actions the University is taking to address each finding

identified by Baird Kurtz and Dobson in the Annual Financial Report.

**Background:**

Representatives of the firm of Baird Kurtz & Dobson, Certified Public Accountants, worked with the Western Kentucky University staff in preparing the financial report for 1992-93, and were present at the meeting of the Board of Regents to review the report in detail and answer any questions from the Board.

**RECOMMENDATION: (Revised 10/19/93 #2)**

President Thomas C. Meredith recommends approval of the fund balance allocations as shown in Table 4. Tables 1 and 2 provide summary information. Table 3 provides information on Fund Balance encumbrances and commitments.

**Table 1**  
Western Kentucky University  
1992-93 Fund Balance

|                            |                  |
|----------------------------|------------------|
| Beginning Balance (7/1/92) | \$ 7,033,308     |
| +Revenue                   | 93,309,939       |
| -Expenditures              | 83,515,577       |
| -Transfers                 | <u>6,690,999</u> |

=Ending Fund Balance (6/30/93) \$10,136,671

**Table 2**  
Western Kentucky University  
1992-93 Fund Balance

|                            |             |                     |
|----------------------------|-------------|---------------------|
| Fund Balance (6/30/93)     |             | <u>\$10,136,671</u> |
| 1. Allocated               |             |                     |
| -Encumbrances/Commitments  | \$4,619,989 |                     |
| -Nonrecurring Expenditures | \$1,483,200 |                     |
| Total Allocated            |             | 6,103,189           |
| 2. Unallocated (Reserve)   |             | \$ 4,033,482        |

**Table 3**  
Western Kentucky University  
1992-93 Fund Balance  
Allocated - Encumbrances and Commitments

|   |  |               |
|---|--|---------------|
| Change Funds                              |  | 150,000       |
| Inventories                               |  | 532,196       |
| Encumbrances                              |  | 1,828,182     |
| Development Funds                         |  | 24,915        |
| Faculty/Graduate Research and Development |  | 9,085         |
| Preston Center Student Fees               |  | 269,774       |
| Academic Excellence                       |  | 3,070         |
| Revenue Dependent Carry Forwards          |  | 442,266       |
| Auxiliary Reserve                         |  | 566,264       |
| Personnel Commitments                     |  | 37,660        |
| Grant Cost Sharing Commitments            |  | 678,635       |
| Departmental Carry Forwards               |  | <u>77,942</u> |
| Total                                     |  | \$4,619,989   |

**Table 4**  
Western Kentucky University  
1992-93 Fund Balance  
Allocated - Nonrecurring Expenditures

|  |               |             |
|--|---------------|-------------|
| Academic Instruction Equipment                                 |               | \$ 100,000  |
| Library Acquisitions   |               | 25,000      |
| Campus Facility Improvements                                   |               | 75,000      |
| President's Unrestricted Development                           |               | 75,000      |
| Supplement Research Committee Funding                          |               | 20,000      |
| Faculty Computer Program                                       |               | 193,000     |
| Interactive Television - Fort Knox                             |               | 67,400      |
| Public Safety Programs   |               | 25,000      |
| SGA Emergency Call Stations                                    |               | 7,800       |
| Intramural Fields  |               | 40,000      |
| Health Insurance   |               | 80,000      |
| Vans   |               | 86,000      |
| Administrative and Staff Salary Study                          |               | 30,000      |
| Business Services  |               |             |
| Three Chillers/Air Conditioners-Residence Halls                | 525,000       |             |
| Student Affairs Master Plan Carry Forward                      | 32,000        |             |
| Improvements/Downing University Center                         | 61,000        |             |
| Residence Halls Furniture and Other Business Services Projects | <u>41,000</u> |             |
| TOTAL  |               | \$1,483,200 |

**RECOMMENDATION:**

President Thomas C. Meredith recommends that the Board of Regents revise the 1993-94 Combined Budgets as indicated in **Exhibit IV** in the minutes of the Finance Committee Meeting.

**Background:**

As noted at prior meetings of the Board of Regents, funding for grants and other sponsored program activities often exceed the original budgeted amounts. This is reflected on the attached page by changes in both revenues and expenditures. In addition, the budget revisions presented reflect carry forwards from the 1992-93 to the 1993-94 budget and a portion of the fund balance allocations.

**Note: The Revised 1993-94 Combined Budgets is attached to the Finance Committee Minutes as Exhibit IV.**

**Review of First Quarterly Financial Statement**

Attached to the Finance Committee Minutes as **Exhibit V** is a summary of

revenue and expenditure activities for the First Quarter of the budget year. A new reporting format is provided to the Board of Regents to provide improved summary information. Revenue collections appear consistent with expectations. Also, through the first three months, total university expenditures are 27.83 percent of the revised expenditure budget. Individual budget accounts are being monitored to ensure that expenditures are consistent with the budgeted amounts.

**Note: The First Quarterly Financial Statement for 1993-94 is attached to the Finance Committee Minutes as Exhibit V.**

### **RECOMMENDATION:**

President Thomas C. Meredith recommends the following budget priorities for guidance during the preparation of the 1994-95 budget of Western Kentucky University.

1. Continued enhancement of faculty and staff compensation
2. Recruitment and retention of minority faculty, staff and students
3. Continued funding for enhanced campus technology and networking of faculty and staff personal computers.
- 4.\* Building maintenance.**

### **Background:**

An effective budget process requires the identification of policy priorities prior to the development of the budget plan. The establishment of such priorities is the responsibility of the Board of Regents and the President. These policy priorities guide the development of the budget instructions; the development of departmental budgets; and the review of budgets by the University Budget Committee. The priorities established for the 1993-94 budget process were: 1) faculty and staff salaries, 2) faculty and staff benefits, 3) minority recruitment and retention; faculty, staff and students, and 4) university faculty computer acquisition program

President Meredith recommends that enhanced compensation for faculty and staff continue to be the number one priority for the forthcoming budget. Significant progress was made in improving faculty salaries during the last budget year. Dr. Meredith is directing the Salary Study Committee to update its analysis to assist in the establishment of faculty and staff salary guidelines for 1994-95. As part of the salary review process, efforts should be made to enhance the fringe benefits to faculty and staff. Healthcare costs are a concern at this time given both President Clinton's Healthcare Reform Program and the healthcare reform discussion taking place with state government.

President Meredith recommends to the Board as the second highest priority during the budget process the continued funding for the continued commitment to the recruitment and retention of minority faculty, staff and students. As part of this commitment, it is recommended that a full-time affirmative action position on campus be created.

Finally, as an institution Western Kentucky University is committed to recruiting the most talented faculty and staff available and to providing them with the resources that they need. The institution has successfully completed the objective of providing every faculty member on campus with a personal computer. Consistent with Western XXI, a third budget priority should be the continued networking of our faculty and student computers and the creation of a computer and technology backbone on campus.

\* **Item 4 (Building Maintenance)** was added following discussions by and at the suggestion of the Finance Committee.

### **RECOMMENDATION:**

President Meredith recommends that the Board of Regents approve the preliminary funding request to the Council on Higher Education which is based on full formula funding with state appropriations.

### **Background:**

Every two years Western and the other seven public institutions prepare requests for state funding for the following biennium. This request process incorporates three stages: 1) in July the calculation is made of the request formula; 2)

on September 1 the request is made to the Council on Higher Education based on full formula funding; and 3) on November 15, a request to the Governor's Office is made based on the Council's recommendations for higher education.

The request submitted on September 1 identifies Western's expenditure priorities for state appropriation and tuition revenue, assumes full funding of the request formula, and assumes full funding for expenditures not included in the formula. The attached list indicates the items and amounts of resources identified by Western for the 1994-96 biennium. President Meredith recommends that the Board of Regents approve this request. Early in November the Council on Higher Education will prepare a recommendation for all of higher education and Western will then develop another request based on a revised state appropriation as recommended by the Council.

**PROPOSED EXPENDITURE OF FORMULA-BASED  
STATE GENERAL FUND APPROPRIATION  
AND DEGREE CREDIT TUITION REVENUE INCREASES**

|  | 1994/95   | 1995/96   |
|--|-----------|-----------|
| Fixed Costs/Fringe Benefits                            | 450,400   | 1,012,100 |
| Fixed Costs/Utilities                                  | 437,600   | 726,500   |
| Fixed Costs/Debt Service Increases                     | 20,800    | 22,000    |
| Compensation Increases Based on Salary Increases @ 5   | 2,545,600 | 5,235,800 |
| Compensation Catch-up to Benchmark @ 7%                | 3,589,000 | 7,432,200 |
| New faculty (7) + (2)                                  | 313,100   | 490,300   |
| KERA-HJR-54  | 394,600   | 779,500   |
| Operating Increase                                     | 599,600   | 1,177,600 |
| Library Acquisitions                                   | 776,000   | 1,031,000 |
| Minority Faculty/Staff/Student Development             | 105,900   | 469,900   |
| Part Time Faculty Stipend Increase                     | 200,000   | 200,000   |
| New Staff (5) + (2)                                    | 176,400   | 268,500   |
| Graduate Assistant Increased Stipend                   | 200,000   | 200,000   |
| Scholarships   | 184,200   | 462,300   |
| Equipment  | 500,000   | 700,000   |
| Telecommunication Equipment - Networking               | 750,000   | 850,000   |
| Electronic Photography Lab                             | 100,000   | 198,000   |
| Various Capital Construction and Equipment from 6 Year | 3,090,000 | 4,210,900 |

**PROPOSED EXPENDITURE OF AMOUNTS ABOVE/  
OUTSIDE THE FORMULA-BASED STATE GENERAL  
FUND APPROPRIATION (AND ASSOCIATED DEGREE  
CREDIT TUITION REVENUE INCREASES)**

|   |           |           |
|---|-----------|-----------|
| Outcomes Assessment - Accountability  | 308,900   | 448,900   |
| KERA-HJR-54   | 250,000   | 400,000   |
| Excellence in Education   | 198,900   | 285,900   |
| Kentucky Museum   | 615,000   | 0         |
| Campus Facilities Audit   | 0         | 97,200    |
| Debt Service for Various Capital Construction and Equipment<br>from 6 Year Plan | 3,874,600 | 7,398,400 |

**RECOMMENDATION:**

President Meredith recommends the adoption of the attached Resolution authorizing the refunding of Western Kentucky University Consolidated Educational Buildings Revenue Bonds *Series H and J* and further delegating to the Executive Committee of the Board of Regents the final approval of the bond resolution, official statement, other bond related documents, and the acceptance of the interest rate bid on the bonds.

**Background:**

Western Kentucky University issues two types of revenue bonds: (1) Consolidated Educational Building Revenue Bonds and (2) Housing and Dining System Revenue Bonds. The Consolidated Educational Building Revenue bonds (Con. Ed.) are totally supported by General Fund appropriations from the Commonwealth of Kentucky. Housing and Dining System Revenue Bonds (H and D) are totally supported by revenues generated from the auxiliary enterprises of the University. Since the Con. Ed. Bonds are supported by General Fund appropriations of the Commonwealth, the Finance and Administration Cabinet of Kentucky state

government makes the determination of the timing of the refunding of these bonds. Based upon discussions with the Finance and Administration Cabinet, it is now recommended that the Board of Regents of Western Kentucky University approve the refinancing of two Con. Ed. bond issues: (1) the *Series H* Bonds originally sold in 1971 to finance the Cravens Graduate Center and the Ivan Wilson Center for Fine Arts and (2) the *Series J* Bonds sold in 1990 to finance the Preston Health and Activities Center. The estimated refunding would total approximately \$15 million. It is estimated that the total debt services savings over the life of the issues will be approximately \$955,000 with an average annual savings of \$55,000 per year. The present value savings is estimated at \$675,000. This savings will fall to the Commonwealth not the University, since the Commonwealth totally supports the debt service.

It is anticipated that the bonds will be sold at a date to be determined in early November. Approval of the Resolution by the Board of Regents would allow the Executive Committee of the Board to approve the final structure and documentation for the refunding issue and would allow the Executive Committee to accept the interest rate bids on the bonds.

### **RESOLUTION**

**WHEREAS**, Western Kentucky University in conjunction with the Finance and Administration Cabinet of the Commonwealth of Kentucky continually monitors the debt and liabilities of the University. Whereas, over the past year interest rates have continued to decline.

**WHEREAS**, it has been determined that a refunding of the Consolidated Educational Building Revenue Bonds *Series H and Series J* will generate significant debt service savings to the Commonwealth of Kentucky.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Regents of Western Kentucky University that the refunding of the Consolidated Educational Buildings Revenue Bonds *Series H and J* be authorized; that the staff of Western Kentucky University working with the Commonwealth of Kentucky structure and market the refunding bonds; and that the final approval and acceptance of the interest rate on the refunding bonds be delegated to the Executive Committee of the Board of Regents.

*(NOTE: The minutes of the Finance Committee conference call and meeting are attached.)* Since the Finance Committee reviewed the agenda items via conference call for two hours on October 20, and met for approximately two hours prior to the Board meeting, Mr. Fischer moved that all items under 5.2 be approved. The motion was seconded by Mr. Mudge and passed unanimously.

### **AGENDA ITEM 6 - Presentation of personnel actions since July 23, 1993**

#### **RECOMMENDATION:**

President Thomas C. Meredith recommends that the Board of Regents approve the recommended personnel changes which have transpired since the meeting of the Board on July 23, 1993.

(The recommended personnel changes are contained in the next twenty five pages.)

Motion for approval of the recommended personnel actions was made by Mrs. Bale, seconded by Mrs. Loafman and carried unanimously.

**AGENDA ITEM 7 - Recommendation for approval of three positions**

**RECOMMENDATION:**

President Thomas C. Meredith recommends approval of a proposal to reinstate the position of Director of the Office of Sponsored Programs and to return a portion of the indirect cost recovery on grants and contracts to the University, to the Office of Sponsored Programs, and to the area generating the funds.

**Background:**

The salary (including fringe benefits) will be fully funded from indirect cost recovery from grants and contracts, which in fiscal year 1993 totaled more than \$10,000,000. The indirect cost recovery was approximately \$380,000.

President Meredith also recommends that the return of indirect cost recovery funds be divided as follows:

- 40% to the University;
- 20% to the Office of Sponsored Programs, and
- 40% to the college or equivalent unit in areas other than Academic Affairs.

The distribution will provide appropriate incentives for increasing the total awards from Grants and Contracts to \$20,000,000 within five years.

**BUDGET IMPLICATIONS:**

The proposed recommendations will be funded through indirect cost recovery.

Motion for approval of the recommendation to reinstate the position of Director of the Office of Sponsored Programs and to return a portion of the indirect cost recovery on grants and contracts to the University, to the Office of Sponsored Programs and to the area generating the funds was made by Mrs. Loafman, seconded by Mr. Mudge and passed unanimously.

**RECOMMENDATION:**

President Thomas C. Meredith recommends approval of the proposal to add a Staff Exercise Physiologist position to the staff of the Exercise Physiology Laboratory.

**Background:**

The salary (including fringe benefits) is expected to be funded from revenue generated by the Laboratory for screenings, assessments, and industry programs and interest from the \$5 student fee assessment to retire construction debt. The position was reviewed and recommended for approval by the University's Personnel Committee. The proposed salary is \$22,000-\$24,000. The position will be closely monitored to determine whether the position generates sufficient funds to make the position self-supporting.

**BUDGET IMPLICATIONS:**

It is expected that there are sufficient revenue sources to fund this position.

Motion for approval of the Staff Exercise Physiologist Position to the staff of the Exercise Physiology Laboratory was made by Mr. Gray, seconded by Mrs. Bale and passed unanimously.

**RECOMMENDATION:**

President Thomas C. Meredith recommends approval of the proposal to add a new position of Library Technology Coordinator to the staff of the University Libraries.

**Background:**

The salary (including fringe benefits) will be fully funded from salary savings and by the reorganization of positions within University Libraries. The position was reviewed and recommended for approval by the University's Personnel Committee. The proposed salary is \$20,000.

Responsibilities will include installing a variety of technological equipment including microcomputers, compact disc workstations, CD-ROM players and printers, installing a variety of library-related software programs needed to operate equipment, providing technical expertise to faculty and staff, advising the Department Head and Dean of Libraries on future equipment needs, providing appropriate training in the use of the above equipment and software, and preparing specifications and obtaining estimates for various pieces of specialized equipment needed by the Library.

**BUDGET IMPLICATIONS:**

The proposed recommendation will be funded from savings by not filling a half-time faculty position in Government Services and through the "Reorganization Plan" currently being developed by the Libraries Interdepartmental Task Force.

Motion for approval of the recommended position of Library Technology Coordinator to the staff of University Libraries was made by made by Mrs. Loafman, seconded by Mrs. Bale and passed unanimously.

**AGENDA ITEM 8 - Recommendation for approval to move postal and mail room operations from the Department of Human Resources to the Department of Business Services**

**RECOMMENDATION:**

President Meredith recommends a reorganization which moves the postal and mail room operations at Western Kentucky University from the Department of Human Resources to the Department of Business Services. Both the Department of Human Resources and the Department of Business Services are included in the Finance and Administration area of the University; therefore, this recommendation represents an internal reorganization.

**Background:**

The postal and mail room operations at Western Kentucky University have long been a part of the Human Resources area. There is no organizational or management reason to support this structure. The proposed reorganization will enhance the operations of Human Resources by allowing it to focus its time and attention on personnel related issues. Also, the University currently subsidizes the postal and mail room operations by approximately \$114,000 a year. Because of the critical nature of these programs, it will be difficult to eliminate the subsidy. However, more effective management of these functions can reduce this subsidy significantly. An employee in Business Services has had prior responsibility for the management of a postal operation at a different University. This individual will be assigned additional responsibilities for oversight responsibilities for the postal and mail room operations at WKU.

Motion for approval of the recommendation to move postal and mail room operations from the Department of Human Resources to the Department of Business Services was made by Mrs. Bale, seconded by Mr. Preston and passed unanimously.

**AGENDA ITEM 9 - Adoption of a quarterly meeting schedule for**

## 1994

The following schedule was adopted for 1994. Board members will be polled in an effort to determine the best date for the first quarterly meeting. Attempts are being made to schedule the first meeting in conjunction with the new Western Kentucky University Foundation Board meeting so members of each Board can interact.

- *Second Quarterly Meeting* *April 29, 1994*
- *Third Quarterly Meeting* *July 29, 1994*
- *Fourth Quarterly Meeting* *October 28, 1994*

### **AGENDA ITEM 10 - Report by the President**

The President's report included:

- recognition of outstanding faculty member, Dr. Sandra Ardrey, Associate Professor of Government and Director of Afro-American Studies;
- distribution of the new TALISMAN, *A New Shade of Red* and introduced Ms. Epa Good, editor of the TALISMAN for next year.
- introduction of Mr. Robert Rutledge, Vice President for Institutional Advancement, who gave an update on the activities underway in his area. He reported that his office is conducting an operational review, and looking at all 66 positions that eventually report to him to determine what they are doing, what they think their mission is, and what their supervisors think their mission is. The first draft of a five year plan will be ready to review with the department heads December 1. The purpose is to provide a starting point when it comes to the budget process this year, and to get an idea of what our directors think their capacity is with the staff and resources they have. It is not the planning process needed to determine, on a university scale, the university needs for private support, those priorities for private support, or the resources needed to apply to get that support; but at least, it is the first step in the process of determining what our capacity is and what our capabilities are right now. A process of building a history of major gift solicitation will begin in January with the help of Anne Murray and Ron Beck.

Mr. Rutledge recognized the work of Mr. Beck in the recent Alumni Phonathon which surpassed the \$200,000 goal by reaching \$227,000 in pledges. This approximately 2400 or 2500 worth of new pledges who had never given to Western before. Mr. Rutledge also thanked the faculty, staff, and students that helped with the Phonathon.

- report on the activities of the Western Kentucky Foundation. At the first meeting, Mr. Stephen Catron was elected chair of the group, and Mr. Rick Gulliamme, President of Liberty National Bank in Louisville, was elected as vice-chair. Mr. Rutledge was elected as the Executive Director and Dr. James Ramsey was elected as the Treasurer.
- information about International Day currently under way on campus today. He also reported that he has asked Dr. John Peterson who heads our international programs to speak at the next Board meeting.
- highlights about Sponsored Programs, which exceeded \$10 million in grants for fiscal year 1993--an increase of 31% over the previous year. The acceptance rate for the 213 proposals submitted is 94.8%; the national average is 58%.

- comments on the Quarterly Report on Quality Training Center. It is projected that this year the center will serve and train over 16,000 employees in southcentral Kentucky and conduct 889 training sessions involving 102 faculty members and others on our campus. The center will bring in \$547,000 from outside grants and will pay a quarter of a million dollars to people on our campus in supplemental pay.
- update on the Governor's Commission and Governor's Task Force on Teacher Education and Preparation are both under way. Chairman Mercer and I are serving on the Governor's commission and we meet again on November 1 and again on the 15th or 16th and every two weeks up until the final report on December 21st. There really has not been much done so far. I will keep you updated on this as soon as there is any more information.
- review of the Pritchard Committee Visit Kristen Bale also noted the progress the Department of Teacher Education has made.
- report on a Grant to recruit Minority Students into teaching. Dr. Pankratz, Associate Dean of Education and Behavioral Sciences noted Western will receive \$132,000 for the next 3 years and will be working with school districts in Warren, Christian, Henderson, Hopkins, and Simpson Counties, and in Bowling Green, Owensboro, and Russellville. Programs start in 7th grade to get minorities who interested in the teaching field. Western is working on U of L on this.
- announcement that the State High School Marching Band Championships will be held at Western on October 30.

#### **AGENDA ITEM 11 - Other Business**

There was no further business to come before the Board.

#### **AGENDA ITEM 12 - Adjournment**

Motion for adjournment came at 11:25 a.m. by Mr. Gray and seconded by Mr. Mudge.

### **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 October 22, 1993, in the Regents Conference Room of the Wetherby Administration Building 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).

\_\_\_\_\_  
Elizabeth W. Esters  
Secretary

---

Burns E. Mercer  
Chairman  
February 25, 1994

---

Elizabeth W. Esters  
Secretary  
February 25, 1994