

MINUTES
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY

October 29, 1999

AGENDA ITEM 1 - Call to Order

Required statutory notice having been given, the fourth quarterly meeting of the Board of Regents of Western Kentucky University was held in the Regents Conference Room of the Wetherby Administration Building on the campus.

The meeting was called to order by Chairman Martin at approximately 9:05 a.m., CDT.

AGENDA ITEM 2 - Invocation

Mr. John Paul Blair, Director of Major Gifts, provided the invocation.

AGENDA ITEM 3 - Roll Call

Ms. Kristen T. Bale
Mr. Amanda J. Coates
Mr. Robert Earl Fischer
Ms. N. Joy Gramling
Ms. Lois W. Gray
Ms. Peggy W. Loafman
Mr. Cornelius A. Martin
Professor Mary Ellen Miller
Mr. Ronald G. Sheffer
Mr. James B. Tennill, Jr.

AGENDA ITEM 4 - Disposition of minutes of the July 31, 1999, regular meeting and special meetings of August 27 and September 24, 1999

Copies of the minutes of the July 31, August 27, and September 24, 1999, meetings were mailed prior to the meeting and were presented for consideration by Chair Martin. Motion for approval was made by Ms. Loafman, seconded by Mr. Fischer and carried unanimously.

AGENDA ITEM 4.1 - Report from the Special Committee on Diversity and Internationalism, Professor Mary Ellen Miller, Chair

Professor Miller reviewed several items listed in minutes of the October 6, 1999, meeting as reported on by Dr. John Petersen and Dr. John O'Connor. Board members were mailed copies of the minutes prior to the meeting.

In addition Professor Miller:

- distributed the premiere issue of the newsletter of International Programs, “*Global Connections*” to Board members;
- stressed the need for more publicity on significant accomplishments of minority faculty and students and commented on the ability to count African-American students from out of state in our CPE defined quotas indicating positive steps are being made in this regard;
- noted the Faculty Senate has passed an anti-discrimination/fairness statement which she has recommended to Dr. Burch for inclusion in the evaluations of faculty;
- reported that the Governor has scheduled a “Governor’s Diversity Day” on November 10, which is a career fair from 10 a.m. to 4 p.m., EST.
- noted her intention to discuss funding priorities for efforts in the diversity area at a future meeting.

Finance & Budget Committee Report, Mr. Earl Fischer, Chair

Mr. Fischer reported the Finance and Budget Committee met earlier in the morning with only enough time to review the Annual Financial. Other items on the agenda (6, 7, and 8) will be addressed as a committee of the whole with one recommendation for the acceptance of these three items.

AGENDA ITEM 5 - Acceptance of the 1998-99 Annual Financial Report

FACTS: The financial statements of the University are the responsibility of University management. The establishment and maintenance of an internal control structure and compliance with laws, regulations, terms, and conditions of contracts and grants are also the responsibility of University management. Western Kentucky University employs an external independent auditor to provide to the Board of Regents opinions that the financial statements present fairly the financial position to the University; that the University has complied with applicable laws, regulations, contracts and grants; and that the design and operation of the University’s internal control structure are effective.

Baird, Kurtz & Dobson (BKD) has completed the audit for Western Kentucky University of the fiscal year ended June 30, 1999. The Independent Accountants’ Report on Financial Statements and Supplementary Information submitted to President Ransdell and the Board of Regents show no findings to be addressed by University management.

The financial reports were provided to members of the Board, and a copy is filed in the Board’s official files. Representatives from BKD were at the Finance Committee meeting to review the report and answer any questions from Board members.

RECOMMENDATION: President Gary A. Ransdell recommends that the Board of Regents accept the 1998-99 Annual Financial Report prepared by Western Kentucky University and audited by the independent accounting firm of Baird, Kurtz & Dobson.

AGENDA ITEM 6 - Approval of Educational and General (E&G) fund balance allocations.

FACTS: Changes in fund balance primarily are the result of over realizing revenue in comparison to the budgeted revenue and under expending funds in comparison to budgeted amounts. The total unrestricted fund balances, as of June 30, 1999, were \$11,438,571 and \$1,384,038 for E&G and Auxiliary Enterprises, respectively. The Annual Financial Report, page 3, shows the unrestricted fund balance at \$12,822,609, the sum of these two components. We separate the amounts in recognition that the auxiliary programs are 100 percent self-supporting and that all of their fund balance is returned for the enhancement of the auxiliary operations.

The undesignated fund balances available for allocation are \$1,452,665.92 and \$210,159.53 for E&G and Auxiliary Enterprises, respectively. The difference between the total fund balances and the undesignated fund balances is attributed to the fund balance reserves, prior Board of Regents capital projects, balances designated to be returned to the divisions, and accounting requirements (e.g., encumbrances and accrued vacation).

It is proposed that the E&G Reserve be set at \$3,050,000 and the Auxiliary Enterprises Reserve be set at \$500,000. Attachment A details the obligations and the amount of funds available for allocation. Attachment B lists the proposed E&G allocations which address many of the significant needs of the University. A Carry Forward Policy was implemented in 1998-99 whereby expenditure balances at the end of the fiscal year are being returned to the respective divisions generating the balances. Many of the needs being addressed by the proposed allocations are in areas of the University for which alternative funding to meet these needs are limited or nonexistent.

RECOMMENDATION: President Gary A. Ransdell recommends that the Board of Regents approve Educational and General fund balance allocations totaling \$1,452,000 from undesignated funds which includes \$350,000 from the E&G Reserve.

**ATTACHMENT A
FUND BALANCE ALLOCATION BY CATEGORY**

Fund Balance year end 6-30-99	E&G	AUXILIARY
	11,438,571.00	1,384,038.00
I. ACCOUNTING REQUIREMENTS (e.g., encumbrances, accrued vacation, change fund, inventory, grants & contracts cost share)	2,212,608.76	1,347,163.15
II. RESERVE	3,050,000.00	500,000.00
III. PREVIOUSLY APPROVED BOR COMMITMENTS		
Capital Projects	726,679.32	377,515.32
Projects that did not get closed before 6/30/99	(563,500.00)	
Projects that were funded with 1999-00 funds started before July 1, 1999)		(1,050,800.00)
Subtotal	163,179.32	(673,284.68)
IV. BALANCES RETURNED TO DIVISIONS/CARRY FORWARD POLICY IMPLEMENTATION		
Student Health Service Reserve	200,769.48	
Indirect Cost Recovery on Grants	633,138.10	
Balances, Revenue Dependent Units	2,504,104.50	
Carry Forward Policy Implementation	1,222,104.92	
Subtotal	4,560,117.00	
Designated Fund Balance	9,985,905.08	1,173,878.47
Available for allocation	1,452,665.92	210,159.53

[Attachment B]
1999
Non-Recurring Expenditures from Fund Balance

<u>\$ Amount</u>	<u>Fund Balance</u>	<u>University Division</u>
\$ 160,000	Banner - Implementation	Information Technology
34,000	Travel Budgets (five percent increase to E&G units)	University Wide
50,000	Marketing	Public Affairs
25,000	Preliminary Schematics for Science Complex	Academic Affairs/Facilities
100,000	Classroom Improvements	Academic Affairs/Facilities
300,000	Development Office Operating Budget	Dev. & Alumni Relations
75,000	Capital Improvements/Campus Safety	Facilities
20,000	Police Vehicle	Student Affairs
75,000	Marching Band Uniforms*	Academic Affairs
15,000	Admissions Bus - 2nd Year Payment	Academic Affairs
15,000	Partial Funding of FY 99-00 COPS Grant Requirement	Student Affairs
53,000	Forensics Program - Operating	Academic Affairs
44,000	Grant Funds for Faculty Developing KCVU Courses	Academic Affairs
17,000	Carpet in Planetarium	Academic Affairs/Facilities
5,000	Admissions - recruitment supplement	Academic Affairs
114,000	Health Insurance Costs, January 2000	University Wide
<u>\$1,102,000</u>		
	*Includes \$50,000 held over from 1998.	
	<u>Reserve Fund</u>	
<u>\$350,000</u>	Track	
<u>\$1,452,000</u>	TOTAL	

Members of the Finance and Budget Committee unanimously endorsed the recommendation to approve the E&G fund balance allocations.

AGENDA ITEM 7 - Allocation of the 1998-99 Auxiliary Fund Balance

FACTS: Downing University Center is a 30-year-old facility with approximately \$800,000 in accumulated deferred capital renewal. As an integral part of our student services programs and activities, it must be maintained and supported by the revenues generated by the services and activities within Auxiliary Services. Although the facility is generally in good condition, failure to adequately fund capital renewal needs in the past has taken a toll on the building that is in need of updating.

RECOMMENDATION: President Ransdell recommends that \$210,000 be allocated from the auxiliary fund balance to fund a capital improvements pool for Downing University Center. A portion of this pool will provide funding for a building survey, inventory, and project prioritization schedule by an architectural/engineering firm who will conduct a building audit and produce a facility report and facilities recommendation.

Members of the Finance and Budget Committee unanimously approved allocation of the 1998-99 Auxiliary Fund Balance.

AGENDA ITEM 8 - Acceptance of the 1999-2000 Quarterly Report

FACTS: Total realized Educational and General (E&G) revenue, as a percentage of the budget, was comparable to the 1998-99 first quarter revenue. Students receiving Kentucky Educational Excellence Scholarship (KEES) awards have caused a timing difference in realizing revenue for the first quarter. Due to the fact that funding has not been transferred from the State, we have allowed students to continue their enrollment even though full payment has not been received.

Restricted revenues and expenditures for Grants and Contracts have slightly increased due to activity in the Programs of Distinction and the newly created Kentucky Commonwealth Virtual University Technology Infrastructure initiative.

The percent of 1999-00 Revised Budget for Auxiliaries has decreased compared to first quarter of 1998-99. Contributing factors included a timing difference in recording local telephone charges for the fiscal year, and timing of commission and rental revenue receipts.

The increase in the revised budget for the first quarter of 1999-00 was due to fund balance allocations based on prior Board of Regents' approval and accounting requirements. Most of the fund balance allocations were due to closing fiscal year 1998-99 (e.g., carry forward of encumbrances and grants and contracts).

RECOMMENDATION: President Gary A. Ransdell recommends that the Board of Regents accept the Quarterly Financial Report that includes previously approved budget revisions for the first quarter 1999-00.

After hearing a review of the recommendation by Ms. Ann Mead, Chief Financial Officer, the Finance and Budget Committee unanimously approved the recommendation.

Mr. Fischer made a motion, seconded by Ms. Loafman, on behalf of the Finance and Budget Committee to approve the following:

- acceptance of the 1998-99 Annual Financial Report;
- approval of the Educational and General fund balance allocations totaling \$1,452,000;
- approval of the allocation of \$210,000 from the Auxiliary Reserve to fund capital improvements pool for Downing University Center; and
- acceptance of the 1999-2000 Quarterly Report.

Mr. Fischer's motion carried unanimously.

AGENDA ITEM 9 - Report by the Academic and Student Affairs Committee meeting on October 6 to review the recommendation for revisions in the Post Tenure Review Policy (Update)

Ms. Gray noted that minutes of the meeting reflect some suggestions to the committee which are not intended to be directives but rather suggestions. The policy has gone back to the Committee for review, modifications and suggested revisions to the policy. Basically, the process will be delayed one year.

FACTS: A modification to the Board-adopted policy was presented at the special meeting on September 24, 1999. After a thorough discussion of the proposed modification, it was decided that an in-depth review should be made of the new policy to determine if further

refinements were needed prior to its full implementation. Any suggested modifications would be reviewed and discussed by the Academics and Student Affairs Committee at an early October meeting with recommended modifications to be presented to the Board of Regents for the October 29, 1999, meeting.

The Academics and Student Affairs Committee met on October 6, 1999, and reviewed and discussed the document listed below which was distributed by Professor Miller. **Note:**

ASAC approved changes to the document are indicted in bold and with strikeouts.

POST TENURE REVIEW

(Secretary's Note: Deletions to the original document are reflected with strikeouts, and additions are bolded.)

To: Academics and Student Affairs Committee

From: Mary Ellen Miller

October 6, 1999

Preamble: The faculty of Western Kentucky University is committed to a meaningful review process that enables us to demonstrate to our many constituencies the importance of what we do in teaching; in service; and in research/creative activity. Further, we support a process that highlights outstanding contributions in these areas so that such contributions may be recognized and rewarded in a significant way. In addition, we support a process that identifies weaknesses that might require remediation provided those weaknesses are identified by a procedure that utilizes demonstrably fair process.

We now have a Board-approved post-tenure review document, and we have been given the opportunity to refine that document. It is our intention to refine and clarify our document in such a way as to make all concerned proud of the final results. As a matter of fact, we hope to see our post-tenure procedure become a model for the state and perhaps for institutions outside the state.

Procedure: we have identified, working through the Faculty Senate, and with the Provost, Dr. Barbara Burch, a list of potential concerns that need to be addressed before the process is implemented. Following is the list:

- Removal of previous department heads' evaluations
- Designing a system for resolving disputes
- ~~Establishing resources~~ **Recommending guidelines** for rewards and recognition for superior performance
- ~~Establishing~~ **Recommending** resources and system for remediation
- ~~Establishing~~ **Recommending** reasonable and consistent guidelines for process and remediation; **for example: mentoring**
- Improving efficiency of PTR process
- Developing department and college guidelines for PTR folder **in addition to University requirements**
- Clarifying imprecise wording ~~and eliminating illegal wording~~
- **Submitting to legal counsel for review**
- Clarifying PTR committee structure (problems with number of tenured faculty in some departments)
- Specifying criteria used to identify problem areas for individual faculty member
- Other

Recommendation: we would like to suggest the following follow-up procedure:

- Reconvene the original committee (**Rename: Task Force**) and add to its numbers three representatives **identified** from the Faculty Senate

- Set up department meetings with departmental senators to discuss departmental criteria (This should be accomplished by the end of November)
- Departmental reports to be considered by the **Task Force on Post-Tenure Review Committee** (This should be accomplished by the end of February).
- Senate forum on revised document (This should be accomplished by the end of March)
- Suggestions from the Academics and Student Affairs Committee (These can be to the Task Force on Post-Tenure Review ~~Committee~~ at any time before the end of February)
- Refined document re-submitted to Board (This should be done at the April meeting)
- **Budgetary implications, if any, to be determined for consideration; feed in budget process--(for January Board meeting)**

MOTION: Ms. Gray moved to postpone any action on the recommendation to revise the Post Tenure Review Policy until May and that an update be given at the January Board meeting. The motion was seconded by Professor Miller and carried.

AGENDA ITEM 10 - Approval to award honorary degrees to Ms. Sallie

Bingham and Mr. Don Vitale

FACTS: The University's Honorary Degrees Committee reviewed the credentials of several outstanding candidates for honorary degrees and has recommended that two such degrees be awarded at the 1999 Winter Commencement. One will be to **Ms. Sallie Bingham**, an outstanding humanitarian and a gifted artist. The other will be to **Mr. Don S. Vitale** of Bowling Green who is Chairman and President of Manchester Capital.

- Ms. Bingham's ground breaking memoir, *Passion and Prejudice*, received both national and international acclaim, along with her short stories, poetry, and novels. Her most outstanding achievement is her founding of the Hopscotch House in Louisville, Kentucky, to serve as a retreat for women, as well as funding and beginning the Kentucky Foundation for Women. Ms. Bingham is a true pioneer in feminist issues that have led to support and education for the women of Kentucky. Her fundamental values of equality and education make her an excellent recipient for this honor.
- Mr. Vitale serves as a member of the WKU Foundation Board of Trustees and the WKU Board of Advisors; co-chairs the Major Gifts Fund Raising Committee; and is very involved in our community and supports a number of organizations. Mr. Vitale also serves as a member of the Board of Directors of the Bowling Green Bank & Trust, the St. Thomas Hospital in Nashville, and the St. Louis University Bubourg Society. Along with his vast community contributions, his many entrepreneurial accomplishments range from being a founding principal partner of DESA International to founder of Manchester Capital, a private investment company. His community involvement, contribution to the arts, and entrepreneurial success made it clear to the committee that Mr. Vitale exemplifies the Western spirit.

RECOMMENDATION: President Ransdell recommends that honorary degrees be awarded to Ms. Sallie Bingham and Mr. Don S. Vitale 1999 Winter Commencement at Western Kentucky University.

MOTION for approval of Ms. Sallie Bingham and Mr. Don S. Vitale as recipients of honorary degrees to be awarded on December 17, 1999, was made by Mr. Fischer, seconded by Mr. Sheffer, and carried unanimously.

AGENDA ITEM 11 - Recommendation for approval of personnel recommendations since July 31, 1999 which are contained in the next fifteen pages.

- Previewed the design of new Journalism/Technology Building
- Heard a report by John Osborne on performance contracting
- Heard a report from Mark Struss on the performance review survey
- Heard a report from Vice President Hiles on the first quarter figures which can be found on pages 37-41 of the agenda
- Review of the Media Report found on pages 42-45 of the agenda
- Update on parking by Bob Cobb and Aaron Hughey
- Self Insurance Status Report by Tony Glisson
- Privatization Guidelines as found on pages 48-49 were reviewed by John Osborne
- Dr. Wood Selig, Athletics Director, shared his initial observations of WKU since beginning his service to Western a few weeks ago.
- Dr. Richard Kirchmeyer also shared his initial observations since coming to Western as Vice President for Information Technology

Agenda Item 14 - Executive Session

Ms. Bale made a motion seconded by Ms. Loafman to go into to closed session for two purposes:

- pursuant to KRS.61.810(1)(b) for deliberations and discussion related to the future acquisition or sale of real property by the University. The reason for the closed session is that public discussion and publicity of proposed real property acquisitions or sales would likely affect the value of the specific property to be acquired or sold; and
- pursuant to KRS 61.810(1)(c) for purposes of discussing pending litigation against the University.

The motion carried; the Board accompanied by President Ransdell, Ms. Esters, Mr. Bob Skipper, Ms. Wilkins, Mr. Charlie Pride, Mr. Scott Taylor, Mr. Howard Bailey, Dr. Jerry Wilder, Ms. Ann Mead, Dr. Barbara Burch, Dr. Richard Kirchmeyer, and Mr. John Osborne went into closed session at approximately 12:10 p.m.

Mr. Bob Skipper, Mr. Charlie Pride, Mr. Scott Taylor, Mr. Howard Bailey, Dr. Jerry Wilder, Ms. Ann Mead, Dr. Barbara Burch, Dr. Richard Kirchmeyer, and Mr. John Osborne were excused from the closed session at approximately 1:15 p.m.:

Returning from closed session at approximately 2:30 p.m., Chair Martin stated, “The subject of the discussions and deliberations during closed session were restricted to those in the motion and no formal action was taken by the Board in closed session.”

Motion to adjourn came at 2:30 from Mr. Fischer, seconded by Mr. Tennill.

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 fourth quarterly meeting held on October 29, 1999, 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

Cornelius A. Martin
Chair
January 28, 2000

Elizabeth W. Esters
Secretary
January 28, 2000