

MINUTES
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY

January 28, 2000

AGENDA ITEM 1 - Call to Order

Required statutory notice having been given, the first 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 12:24 p.m.

AGENDA ITEM 2 - Invocation

Mr. Matt Bastin, Vice President for Public Relations of the Student Government Association, provided the invocation.

AGENDA ITEM 3 - Oath of Office

The Constitutional Oath of Office was administered to Ms. Beverly H. Wathen of Owensboro, Kentucky, by Ms. Liz Esters, Secretary to the Board and Notary Public. Ms. Wathen was appointed by Governor Patton to fill the unexpired term of Ms. Sara Hulse. Ms. Wathen's term will expire June 30, 2003.

AGENDA ITEM 4 - Roll Call

Ms. Kristen T. Bale
Mr. Amanda J. Coates
Ms. N. Joy Gramling
Ms. Lois W. Gray
Ms. Peggy W. Loafman
Mr. Cornelius A. Martin
Professor Mary Ellen Miller
Ms. Beverly H. Wathen

Mr. Fischer, Mr. Sheffer and Mr. Tennill were absent.

AGENDA ITEM 5 - Disposition of minutes of the October 29, 1999, and special meeting of December 17, 1999

Copies of the minutes of the October 29 and December 17, 1999, meetings were mailed prior to the meeting and were presented for consideration by Chair Martin.

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

AGENDA ITEM 6 - Committee Reports

6.1 Academics and Student Affairs, Ms. Lois Gray

Ms. Lois Gray reviewed the following items which received consideration by the Academics and Student Affairs Committee on January 7. With the Chair's approval, agenda item 6.1.4 was moved to first to be discussed in order to accommodate the schedule of faculty members in the audience who had other commitments later in the afternoon. That item, however, is left in numerical order in these minutes.

6.1.1 REQUEST: Approval to initiate a new Bachelor of Science in Applied Technology degree program.

FACTS: Western has a well-established commitment to meeting the needs of students for education and training in an efficient and effective manner. The initiation of this degree program in Applied Technology would be a good example of that commitment because it will be based on cooperation and collaboration with other post-secondary institutions to maximize opportunities for students to upgrade their education while avoiding unnecessary duplication in course offerings.

The proposed program will be a variation on the 2+2 model and will be based on articulation/transfer agreements that will be made with technical and community colleges. Candidates for the proposed bachelor's degree would be individuals who have already completed specialized technical training leading to an Associate of Applied Technology or Associate of Applied Science degree. Students admitted to the proposed program would then complete a common core of industrial technology, supervision, and team building courses, along with needed general education course work, and then graduate with a bachelor's degree.

Development of this program proposal has taken place with the knowledge and cooperation of the Kentucky Community and Technical College System (KCTCS) leadership and discussions for specific articulation agreements are already well advanced with Elizabethtown Community College and Elizabethtown Technical College. Other KCTCS institutions in Owensboro and Bowling Green have also expressed interest. We anticipate that, once approved, this will prove to be a popular program throughout this region of the state and possibly beyond.

To facilitate access to the program, Western plans to incorporate extended campus, KCVU, and other distance education delivery systems to bring this program to place-bound students. This will be particularly beneficial because it is anticipated that many of the students interested in this program will already be employed.

Adoption of this program will advance goals contained in the University's Strategic Plan including: **Strategic Goal 1: Increasing Student Learning, and Strategic Goal 4: Enhancing Responsiveness to Constituents.**

RESOURCE IMPLICATIONS: No additional faculty will be needed to implement this program.

RECOMMENDATION: President Ransdell recommends the establishment of a Bachelor of Science Degree in Applied Technology at Western Kentucky University effective with the Fall, 2000 semester. *Approved by the Academics and Student Affairs Committee on January 7, 2000.*

MOTION for approval to establish a new degree program, Bachelor of Science in

Applied Technology, effective Fall semester 2000, was made by Ms. Loafman, seconded by Ms. Gramling, and carried unanimously.

6.1.2 REQUEST: Approval of new Bachelor of Science degrees in Construction Engineering and Management, Electrical Engineering, and Mechanical Engineering.

FACTS: Western Kentucky University proposes to replace existing Bachelor of Science degree programs in Civil, Electrical, Electro-Mechanical, and Mechanical Engineering Technology with Bachelor of Science degree programs in Construction Engineering and Management, Electrical Engineering, and Mechanical Engineering. This change will allow the programs to be eligible for accreditation under the Engineering Accreditation Commission (EAC) of the Accreditation Board for Engineering and Technology (ABET) and will allow graduates of the programs to be candidates for registration as Professional Engineers in the state of Kentucky.

A comprehensive assessment, undertaken with the cooperation of the University of Kentucky, has revealed the fact that existing engineering programs have not met the need for fully-trained professional engineers, particularly in this region of the state. The proposed programs would address that need and would do it in a way consistent with Western's particular mission to emphasize applied research and technology in its programs. The programs are planned so that they will complement existing engineering programs at the University of Kentucky and the University of Louisville in part through their focus on the currently under served south central region of the state, and in part through a distinctive emphasis on applied study and the training of engineering *practitioners*. The programs would make a significant contribution to the economic development of the state and region as evidenced by endorsements received from many business and industry leaders.

The proposed programs will advance goals in the University's Strategic Plan including **Strategic Goal 1: increasing Student Learning** and **Strategic Goal 4: Enhancing Responsiveness to Constituents**. In addition, the adoption of these programs will directly address those aspects of the overall university mission designed to “**produce nationally and globally competitive graduates**” and to “**provide optimum service and lifelong learning opportunities for its constituents**”.

Instruction in the program will be primarily through face-to-face interactions between students and faculty, but distance learning technologies will be employed where appropriate, particularly as opportunities for collaboration with other universities in the state are developed.

RESOURCE IMPLICATIONS: Implementation of this recommendation will require additional faculty positions and increased operating budget support. External private support will be required for start-up expenses and on-going budget support will be provided through the shift of resources currently allocated to the Engineering Technology programs, through reallocations within Ogden College of Science, Technology, and Health, and through private giving.

RECOMMENDATION: President Ransdell recommends the establishment of Bachelor of Science degrees in Construction Engineering and Management, Electrical Engineering, and Mechanical Engineering effective with the Fall, 2000 semester and the phasing out of existing Bachelor of Science degrees in Civil, Electrical, Electro-Mechanical, and Mechanical Engineering Technology.
Approved by the Academics and Student Affairs Committee - January 7, 2000.

MOTION for approval to establish Bachelor of Science degrees in Construction

Engineering and Management, Electrical Engineering, and Mechanical Engineering effective Fall semester 2000, and phasing out of existing Bachelor of Science degrees in Civil, Electrical, Electro-Mechanical, and Mechanical Engineering was made by Ms. Bale, seconded by Ms. Gramling, and carried unanimously.

6.1.3 REQUEST: Approval of a new Intellectual Property Policy for Western Kentucky University.

FACTS: Western Kentucky University, like other universities, is committed to the creation and dissemination of knowledge. The university seeks to serve as a catalyst and facilitator for faculty and staff professionals engaged in pedagogical, scholarly, and service activities. The proposed Intellectual Property Policy is intended to articulate the rights and responsibilities of faculty, staff and the university with respect to the creation and dissemination of knowledge through both traditional classroom and print mediums and through newer forms of electronic communication mediums. The objectives of the policy include clarification of the university's values regarding intellectual property and the generation of new knowledge; facilitating the dissemination of new knowledge; provision of an administrative system to evaluate commercial value of discoveries and developments and help bring them to public use; provision of equitable division of interests in shared intellectual property among the creator, the university, and the external sponsor (where applicable); provision of appropriate incentives for intellectual property creators; and safeguarding of intellectual property created at or through the University.

The proposed policy is the result of a study and recommendation made by an ad hoc Intellectual Property Committee, appointed by the Provost and consisting of faculty and staff members and an outside attorney with specialized expertise in this field. Drafts of the policy were circulated throughout the campus for comment and the final version was approved by the Council of Academic Deans and the Administrative Council and recommended by the Provost to the President.

In view of changes that are taking place in the contemporary environment of higher education, particularly the impact of new technologies, it is timely for the university to adopt this proposed Intellectual Property Policy.

RESOURCE IMPLICATIONS: Adoption of this policy should result in no added costs to the university.

RECOMMENDATION: President Ransdell recommends the adoption of the proposed Intellectual Property Policy to be effective upon approval by the Western Kentucky University Board of Regents. *Approved by the Academics and Student Affairs Committee on January 7, 2000.*

MOTION for approval of the proposed Intellectual Property Policy for Western Kentucky University effective upon approval, was made by Professor Miller, seconded by Ms. Wathen, and carried unanimously. The policy is provided in the pages that follow:

Intellectual Property Policy

(Approved by the WKU Board of Regents on January 28, 2000)

I. PREAMBLE

Universities are essentially institutions committed to the creation and dissemination of knowledge. They are society's means for encouraging, fostering, and protecting both individual and collective scholarship, research, and creativity, and for sharing the results as widely as possible. Universities bear the important intellectual and cultural role of transmitting and perpetuating traditions of inquiry which society has found valuable, and of protecting them from encroachments that would obviate or distort them, or make them inaccessible to other inquirers. Universities are therefore committed to the academic life in the broadest sense of the word, beginning with their students but ultimately including all of humankind.

Notwithstanding their legal and economic status, and the accompanying privileges and responsibilities of those roles, the primary goal of universities is not financial gain. Moreover, their relation to the faculty is not a simple employer-employee relationship but rather a collaborative association in which the university serves as catalyst, facilitator, and capacitor of professionals committed to pedagogical, scholarly, and service activities. That is, the crucial and definitive interactions take place laterally among faculty members, students, and the larger intellectual and cultural world, and not vertically or hierarchically between the university and individual, isolated employees.

WKU's intellectual property policy respects these basic relationships and affirms the university's commitment to academic freedom and the fostering of a rich and vibrant public sphere in which it can flourish. Pursuit of these goals includes the recognition and protection of the intellectual property rights of faculty, staff, students, and the university, and the acknowledgment of the supportive, enabling role of the academic community. It also requires the fair distribution of any benefits arising from activities in which the university and its members are jointly engaged, including public recognition and, where appropriate, financial remuneration. The following policy attempts to articulate and balance these sometimes competing interests in a fair, manageable, and productive way.

II. OBJECTIVES

- A.** to make clear the university's values with regard to intellectual property
- B.** to encourage research, scholarship, and a spirit of inquiry, thereby generating new knowledge
- C.** to facilitate the dissemination of knowledge and technology for the benefit of the University community and the larger society
- D.** to provide an administrative system to assist faculty and staff members in bringing new discoveries and developments into public use
- E.** to provide an administrative system to evaluate, where appropriate, the commercial significance of new discoveries and developments
- F.** to provide for the equitable disposition of interests in shared intellectual property among the author, creator, developer, the university and, where applicable, the external sponsor
- G.** to provide incentives to creators in various forms, including professional development, recognition, and financial compensation
- H.** to safeguard intellectual property, so that it may receive adequate and appropriate legal protection against unauthorized use

III. COVERAGE & DEFINITIONS

- A.** This policy covers all intellectual property conceived, first reduced to practice, written, or otherwise produced by faculty, staff, or students of WKU using WKU funds, facilities, or other resources.
- B.** Intellectual property, for the purpose of this policy, is defined as the tangible or intangible results of scholarship, research, development, teaching, or other intellectual activity. Intellectual property may include but is not limited to the following categories:
 - 1.** Inventions, discoveries, or other new developments which are appropriate subjects of patent applications.
 - 2.** Written materials; exhibits; sound, video, and other media productions; computer programs; computer-based instructional materials; works of art including paintings, sculptures, and musical compositions; and all other material which may be copyrightable.
 - 3.** Tangible research materials including biological, chemical, physical, and technological products; as well as analytical procedures and laboratory methods. These may or may not be patentable or copyrightable.

The three categories above are not mutually exclusive; a given article of intellectual property may include aspects of all three categories.

IV. GENERAL POLICY

By law, all rights to intellectual properties defined in Section III, except those exempted hereafter, shall be owned and controlled by WKU. When a WKU faculty member, staff member, or student creates an item of intellectual property which, under the terms of this policy may be owned and controlled by WKU, the creator shall report the intellectual property to the Intellectual Property Committee (IPC) by completing a Disclosure Form (Attachment 1). The creator shall also: cooperate in the execution of legal documents and in the review of literature and prior art (e.g., patent searches); be given the opportunity to assist in the further commercial development of the intellectual property as defined in Section VI; and have an interest in and share in any income derived from the commercialization of such property.

- A.** In accord with the commitments expressed in the Preamble, traditional products of scholarly activity which have customarily been considered to be the unrestricted property of the author or creator are exempted from this general policy. Such traditional products include books, monographs, articles, reviews, and works of art (including paintings, sculptures, plays, choreography, musical compositions); and individual course materials such as syllabi, exams, transparencies, study guides, workbooks, and manuals. Also included are instructional software, web pages, and Internet-based instructional materials developed by faculty members in the course of their usual scholarly, pedagogical, and service activities. The latter include projects undertaken during sabbatical leaves, faculty fellowships, and other special assignment periods intended for such activities.

The exemption is also understood to encompass works produced by students, either alone or with the assistance of WKU faculty or staff, if they fall under the foregoing description. WKU will not claim ownership rights to such traditional works, and it specifically disclaims any potential rights to do so under the "work made for hire" provisions of the U.S. Copyright Act, unless there is a predetermined written agreement.

The U.S. Copyright Act defines a "work made for hire" as:

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes; and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

B Works produced in certain WKU support units (non-academic departments) whose mission includes the production of works for instructional, public service, or administrative use, and which employ designated staff or faculty for the purpose of producing such works (e.g., Career Services, Sponsored Programs, Recruitment & Admissions, Alumni Relations, Center for Instructional Technology, and similar units), are deemed to be works made for hire and, therefore, the property of WKU. Such works may include brochures, films, videotapes, telecourses, recordings, displays, drawings, slides, models, computer programs, and the like. WKU shall own and control all such works produced in such units for such purposes. Income from the use of such works shall be subject to WKU resource management and budgeting policy.

The utilization of WKU support units in order to prepare instructional materials does not automatically transform such materials into work made for hire or deprive faculty of ownership rights. Rather, it generally continues the university's traditional role of facilitating the faculty's usual teaching activities and thus falls under the exemption in IV.A. above. However, due to technical advances and other circumstances, new and exceptional cases may arise. When they do, disposition shall be made by the IPC according to the following factors: the initiation of the creative effort, control over the work's content and form of expression, and the amount of extraordinary or non-usual support afforded by the university. Creators should consult with their immediate administrative superiors in order to determine whether an official disclosure of such materials is required. The WKU support unit should discuss with the creator the ownership, use, and disposition of all instructional materials prior to their creation.

Arrangements for expertise or talent from other units, or from outside WKU, may include payments based on sales or usage of such works. Such payments are considered to be a part of the costs of production. Commercialization of such works outside WKU must be through assignment to WKU, which shall be responsible for the commercial development as defined in Section VI.

However, in recognition of the differences among these units and regular academic departments, different and unique revenue-sharing arrangements may be made with the approval of the President of WKU or his/her designated representative. Nothing in this paragraph shall limit the rights of the employees of such units to works produced or developed outside the

scope of their employment and not involving the use of WKU facilities or resources.

- C. WKU shall own and control the rights to intellectual property resulting from sponsored projects. In some instances, the provision of additional or unusual funding, background information, product samples, or confidential proprietary data by a sponsor may create a situation in which the sponsor may claim partial or complete ownership of intellectual property that might result from the sponsored project. In such cases, final disposition of the property may be negotiated as a part of the sponsored project agreement.
- D. In those cases where the final disposition of the property has not been negotiated as part of a sponsored project agreement, WKU will proceed as described in Section VI.

V. ADMINISTRATIVE PROCEDURES

- A. The legal interests of WKU and its faculty members, staff members, and students in any intellectual property, except traditional products of scholarly activity as described in Section IV.A., shall be determined in accord with this policy by the Intellectual Property Committee (IPC).
- B. The IPC shall be a standing committee appointed by the Chief Academic Officer in consultation with the Executive Committee of the Faculty Senate. Its members shall be members of the faculty and staff chosen to provide broad technical expertise across various disciplines, and an outside member with relevant expertise. Additional expertise may be sought by the IPC as needed in the consideration of a particular intellectual property matter.
- C. All intellectual property not exempted in IV.A. shall be disclosed by the creator to the Intellectual Property Committee (by completing Attachment 1) prior to public disclosure.
 - 1. If the IPC determines that the intellectual property under consideration is exempted under IV.A., it shall release the property to the creator and WKU shall not claim the property.
 - 2. The IPC may determine that WKU has a legal interest in the property but that the chances of successful commercialization are minimal or that the costs of pursuing such commercialization outweigh the income potential. In such cases the IPC shall, in writing, release the property to the creator as above.
 - 3. If the IPC determines that WKU has a legal interest in the property and judges that there is a reasonable chance for successful commercialization, it shall:
 - (a) inform the creator in writing that WKU claims ownership rights to the property;
 - (b) determine and record the rights of the creator to share in any income with WKU in accord with Section VII; and
 - (c) refer the matter to the Chief Academic Officer together with its recommendation as to appropriate courses of action.
 - (d) The creator shall execute an acknowledgment and, where applicable, an assignment of ownership rights to WKU. (See Attachment 4.)
- D. The IPC will have the responsibility for valuing the intellectual property so that WKU's interests in any subsequent negotiations are protected. The process for licensing, selling, or otherwise conveying intellectual property

will comply with any applicable federal or state statutes. With close consultation and collaborations with the creator, the IPC shall determine the appropriate method of protection of the property and, where appropriate, obtain such protection. All costs associated with these actions shall be borne by WKU, except that such costs shall be offset against future income in accord with Section VII.C. WKU will distribute any net income from commercialization in accord with this policy and the determinations of the IPC.

- E. In some cases the IPC may find that WKU has an ownership right in the creation but that the creation has not been developed to the point where a decision as to patentability or commercialization is possible. In such cases, the IPC shall place the creation in a pending status, provide the creator with reasons for taking such action and with suggestions as to additional information or data that might be helpful, and request that the creator report back to the IPC at some specified date.
- F. Except for Section V.E., if the IPC takes no action within six months after receiving the initial report of the new creation, the right to the creation shall be deemed to be released to the creator. The IPC shall keep the creator informed about its actions.
- G. WKU faculty, staff, or students may request that WKU accept, for management and commercialization, intellectual properties not originally subject to this policy. Given such a request, the Chief Academic Officer, with the advice of the IPC, shall determine if there is a reasonable expectation that the property can be commercialized successfully. If WKU accepts management and commercialization responsibilities for such intellectual property, the intellectual property shall become subject to, and shall be treated in accord with, all provisions of this policy.
- H. Intellectual property referred to or offered to WKU by third parties (“off the street”) shall be treated as any other gift offer and shall be channeled through the WKU Office of Development in coordination with the IPC. If accepted by the Office of Development, the property shall be assigned to the IPC for management in accord with appropriate parts of this policy and the terms of the gift agreement.

VI. COMMERCIALIZATION

- A. For purposes of protection and commercialization of intellectual property assigned to WKU, patent or copyright coverage may be sought, or the property may be treated as proprietary information, technical know-how, or trade secret.
- B. In seeking and developing commercialization of intellectual property, WKU, through the IPC, shall be guided by the following principles:
 - 1. The primary objective and responsibility of WKU shall be to assure that the products of its intellectual activity are brought into the widest possible use for the general benefit of society.
 - 2. Intellectual property should be treated as an asset and an appropriate return should be sought.
 - 3. Active creator participation in all commercialization efforts shall be vigorously sought.
- C. In an effort to commercialize the intellectual property, WKU will seek a variety of arrangements such as licenses, outright assignment or sale of rights, partnerships, and joint ventures. The selection of particular

arrangements will depend on the circumstances of each.

- D.** In some situations it may be in the best interest of WKU, the general public, and the creator to enter into commercialization arrangements with entities wholly or partially owned or controlled by the faculty, staff, or students who originated the property. Due to the potential of such arrangements for contributing to the economic development of the state and local areas, such arrangements may be considered and accepted, provided they are not specifically prohibited by law and that adequate provisions, including full disclosure of interests, are made to avoid or otherwise protect against conflict of interest on the part of those involved.
- E.** Commercialization of intellectual property by WKU may involve discussions and negotiations over months and sometimes years. Based on national data, the process more often fails than succeeds. If no commercialization has occurred within two years after the property has been transferred to WKU, the creator may request that all rights be transferred.

Such requests should be directed to the IPC, which shall explain what efforts have been made, what additional efforts are planned, and shall make a recommendation to the Chief Academic Officer as to disposition. If the Chief Academic Officer, in consultation with the IPC, determines that there is little chance of successful commercialization, all rights shall be transferred to the creator, and WKU shall no longer claim any rights to the property. If the Chief Academic Officer determines that WKU has undertaken reasonable efforts to commercialize and that further WKU efforts offer reasonable chances of success, the creator's request shall be denied. Such denials will be accompanied by a report summarizing the factors considered by the Chief Academic Officer in arriving at the decision. The creator may request a review of the disposition in accordance with this paragraph annually. Such requests should be directed to the IPC, which will forward a recommendation to the Chief Academic Officer.

VII. ROYALTY INCOME SHARING POLICY

- A.** Net revenue is defined as gross receipts (royalties, license fees, and other such payments received by WKU on behalf of the creator and WKU) minus necessary deductible costs (e.g., mailing or courier costs, patent enforcement, necessary travel, and auditing fees). Gross receipts refers to agreed-upon payments specified in a license or other commercialization agreement. WKU shall reserve the rights to suspend distribution of revenue when there is reason to believe that substantial deductible costs will be incurred in the future. The creator shall be informed of such decisions. An annual detailed accounting of revenue and costs shall be made available to the creator.
- B.** Except as otherwise provided through supplementation under Section VII.C., net revenues as defined in Section VII.A. derived from the commercialization of intellectual property covered by this policy shall be shared as follows: 40% to the creator and 10% to the Office of Sponsored Programs. The remaining 50% will be distributed as follows: 25% to the General Fund and 25% to the college/department or equivalent administrative unit of the creator (these two percentages may be negotiated based on actual expenditures).
- C.** The department's share shall be retained in a separate account and shall be available for expenditure by the department in accord with a budget to be approved by the Chief Academic Officer. Such funds may be allowed to build across fiscal years.

- D. The creator's rights to share in revenue as stated above (but not including the department's share) shall remain with the individual or pass to the individual's heirs and assigns for so long as net income is derived from the property.
- E. When two or more individuals have made substantial creative contributions to intellectual property, such persons will determine among themselves, in writing, the individual share each will receive. A copy of the agreement will be filed with the IPC at the time of disclosure. In the event that they cannot reach such agreement, each individual will have the opportunity to present written and oral statements to the IPC. After such presentations, the IPC will make a final determination.
- F. In certain WKU units, because of conditions of employment and the nature of work assignments, and the fact that units often assume continuing responsibilities for maintenance and periodic revision of the property, an alternate distribution of net income of employees may be appropriate. Units wherein these situations may occur should propose appropriate modifications to the distribution scale in Section VII.B. Upon approval by the Chief Academic Officer, such modifications shall be added to this policy as unit supplements. Such modifications may not increase the combined shares of the creator and the department as specified in Section VII.B., except in unusual and very specific circumstances.
- G. Creators may make a gift of all or part of their income shares to the Office of Academic Affairs to support WKU creative activities. Upon request by a creator, WKU will retain all or part of the creator's share in a separate account within the Office of Academic Affairs for expenditure in accord with the creator's wishes. The creator may restrict such gifts to any particular program or unit of WKU, as permitted by applicable law. Such requests may be limited in duration to a specific time period or to some specific future event (e.g., the creator's retirement or resignation from WKU) and may be canceled or modified by the creator at any time.
- H. This policy shall not change revenue-sharing agreements entered into prior to the adoption of this policy.

VIII. SHARING OF RESEARCH MATERIALS

There is a long tradition in some fields of sharing research materials. WKU encourages this cooperation. However, commercialization rights and product liabilities make it advisable that there be a written agreement among the parties prior to entering into any type of sharing arrangement. A suggested form letter agreement is included in this policy as Attachment 2. When significant costs to WKU are involved in producing the material, provision for the recovery of those costs not covered by sponsor support shall be considered in making a sharing agreement. A copy of any such agreement shall be maintained by the Office of Sponsored Programs.

IX. CONSULTING AGREEMENTS

- A. Any faculty or staff member engaged in consulting work or in business is responsible for ensuring that clauses in the individual's agreements are not in conflict with this policy, with WKU's Consulting Policy, or with WKU's commitments or agreements with third parties; and that WKU's rights and the creator's obligations to WKU are in no way abrogated or limited by the terms of such agreements. Questions about potential conflicts should be directed to the Office of Sponsored Programs.
- B. Faculty and staff members shall make clear to those with whom they make such agreements their obligations to WKU and shall ensure that other parties to the agreement are provided with a current copy of this policy.

X. BINDING NATURE OF THIS POLICY

The policies set forth herein constitute an understanding which is binding on WKU faculty, staff, and students as a condition of their participation in WKU research, teaching, and service programs and for their use of WKU funds, facilities, or other resources.

XI. REVISIONS AND MODIFICATIONS TO THIS POLICY

This policy and any associated attachments are subject to ongoing assessment and future modification in the light of actual experience. The version of this policy in effect at the time of disclosure is binding. Faculty members and others are therefore expected to acquaint themselves with the current version, which is kept on file at the library and the Office of Sponsored Programs, and posted on the OSP web site at

<http://www.wku.edu/Dept/Support/SponsPrg/grants/> .

ATTACHMENT 1
WKU Intellectual Property Disclosure Form

If this is a first-time disclosure, please include a Curriculum Vita of the principal creator(s).

Upon completion of this form and signature by all appropriate parties, please return to:

Dr. Phillip E. Myers, Director
Office of Sponsored Programs (OSP)
106 Foundation Building

Please download this form (at OSP: <http://www.wku.edu/Dept/Support/SponsPrg/grants/home.htm>) and provide the requested information after the relevant entries. Retain a hard copy of the completed form for your own files.

If you have any questions about this form or WKU's Intellectual Property Policy, please contact OSP at 745-4652 or Phillip.Myers@WKU.EDU.

CHECKLIST TO COMPLETE BEFORE SUBMISSION TO SPONSORED PROGRAMS

- Have all creators signed at V.1 ?
- If there is a Principal Investigator, has he/she signed at V.2 ?
- Has the creator's Immediate Administrative Superior signed at V.3 ?
- Has all appropriate supporting material been included?
- Have you included Attachment 4, if required? (See I.6.)
- Has the Curriculum Vitae of the principal creator(s) been included?
- Has a hard copy been made for your records?

WKU INTELLECTUAL PROPERTY DISCLOSURE

No. _____ (to be entered by OSP)

NOTE: Disclosures are treated as confidential information. Except for individuals engaged in the evaluation and approval process, the information will not be divulged to others without the permission of the creator(s), except as required by law.

I. PRELIMINARY INFORMATION

- 1. TITLE OF WORK: _____
- 2. TYPE OF WORK (examples: invention, software, book, article, video, film, other):
_____ .
- 3. LIST OF CREATOR(S):

<u>Name</u>	<u>Department</u>	<u>Phone</u>	<u>E-mail</u>	<u>S.S. #</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

4. Was the effort that led to this work undertaken as part of a Sponsored Project?

Yes_____ No_____ If Yes, complete (a) - (d) :

(a) WKU Grant or Project No:_____

(b) Name of sponsoring agency or company:_____

(c). Contract or Grant Period: Start: _____ End: _____

(d) Attach a copy of Grant or Contract document, if available.

5. As far as you know, does the sponsor have any claims to the creation?

Yes _____ No _____ Uncertain _____ (If Yes or Uncertain, please explain.)

6. Based on your understanding of the WKU Intellectual Property Policy, the intellectual property rights to this invention belong to and are owned by:

(a) _____ the creator(s)

(b) _____ WKU (with royalty sharing as per Intellectual Property Policy). If (a), please fill out the "Acknowledgment of WKU Ownership" form (Attachment 4).

II. DESCRIPTION OF CREATION

Brief Description (written for non-specialists): If the creation is a *copyrighted work*, describe its contents and attach a copy, if available. If the work is an *invention*, identify its novel or unusual features. (Please attach any sketches, drawings, photographs, or other materials that may help illustrate the creation.)

III. INVENTIONS

A. Record of Disclosure

1. Has the creation been described in a publication? Yes_____ No_____ Has it been described orally at public meetings? Yes_____ No_____ If Yes, provide details and attach copies of such publications or presentations.

2. Is a publication or oral presentation about the creation planned? Yes_____ No_____ If Yes, give date (estimate, if unknown) and attach copies, if available.

3. If applicable, has the creation been tested? Yes_____ No_____ Are test data available? Yes_____ No_____ If Yes, explain.

4. Are there known creations by others that are similar or related to this one? Yes_____ No_____ If Yes, describe, including information on relevant patents, publications, or presentations, if available.

5. Has information or material been disclosed to industry representatives? Yes_____ No_____ Has any commercial or non-commercial interest been shown? Yes_____ No_____ If Yes, name companies or institutions, and specific individuals and their titles, if known.

B. Evaluation

Briefly describe the technical impact this creation is likely to have on the field of endeavor.

What are the possible uses of or markets for the creation?

2. Does the creation possess any disadvantages or limitations? Yes _____ No _____ If so, can they be overcome? Yes _____ No _____ If Yes, explain.

3. Please describe the creation's current stage of development, projected timeline to completion, and needed resources.

4. Estimate the economic potential of this creation, if successfully commercialized, in terms of annual revenues:

less than \$10,000 _____

\$10-\$100,000 _____

\$100,000-\$1 million _____

over \$1 million _____

5. If the creation is of a type on which patent(s) may be pursued, do you consider it worthwhile to spend up to \$15,000 to obtain a U.S. Patent? Yes _____ No _____ (Explain.)

6. Please list individuals (on or off campus) with technical, economic, or other knowledge in the field of the creation who could be asked to provide a confidential review, assessment, or evaluation of the technical or commercial potential of this creation.

C. Conception Record

While most creators keep notes and records to document their work and discoveries, these are often in a form that is not acceptable in a patent court as a valid "conception record" to prove when the work was first conceived. By completing the following "Execution of Witness" a Conception Record is established. The date of witnessing provides a fallback position if earlier records and dates are not acceptable.

EXECUTION OF WITNESS

This invention was first explained to me by the creator(s):

_____ [witness name] _____ on the _____ (day) of _____ (month), _____ (year) and understood by me, and/or the attached disclosure was read and understood by me on the _____ (day) of _____ (month), _____ (year).

Signature of Witness

Date

IV. INFORMATION FOR DETERMINATION OF OWNERSHIP

The following information is needed for the Intellectual Property Committee (IPC) to evaluate the ownership of the Intellectual Property according to item I.6. If the committee concludes that ownership rests with WKU, you will be required to sign an Acknowledgment Form. (See Attachment 4.)

1. Were WKU resources such as facilities, equipment, materials, funds, and information, or the time or services of yourself and/or other WKU employees, used in the production

of the work or development of the creation?

Yes_____ No_____ (If Yes, describe the nature of these contributions. Note that for this purpose, Sponsored Research funds are considered WKU resources.)

2. Have you made or worked on this creation during your normal WKU working hours?

Yes_____ No_____ (Explain)

3. Do you consider this work a result of the normal activities expected of you by your appointment / employment by WKU (i.e., teaching, research, development, public service, etc.)

Yes_____ No _____ (Explain)

4. Did you have an express (oral or written) agreement with WKU to produce this creation

(e.g., Attachment 3)?

Yes _____ No _____ (Explain)

V. SIGNATURES

1. Names & Signature(s) of Creator(s):

2. If Sponsored Project funding was involved in the development of work, name and signature of Principal Investigator.

Typed Name

Typed Title

Signature

Date

3. Name and signature of Immediate Administrative Superior of the creators.

Typed Name

Typed Title

Signature

Date

ATTACHMENT 2
Agreement to Share Research Materials

Dear _____:

This is to acknowledge your request that certain research materials developed in the laboratory of _____ [researcher name(s)] _____ at Western Kentucky University be transported to your laboratory at _____ for scientific research purposes. I/we also acknowledge the implied representation that you and your associates are cognizant of any potential hazards which may exist in working with these materials. The materials concerned, which are owned by Western Kentucky University, are _____ [describe] _____.

I/we will be pleased to permit the use of these materials by you within your laboratory for our cooperative scientific research. However, I/we am/are requesting your agreement that the materials will be used only for our cooperative work, that you will bear all risk to yourself and/or any others resulting from your use, and that you will not pass on these materials, and their progeny or derivatives, to any other party or use them for commercial purposes without the express written consent of Western Kentucky University. In addition, any public or written announcement of this work and/or its results must credit Western Kentucky University as the source of these materials. You must keep us informed on a quarterly basis of any results obtained by using these materials, especially if publication in the open literature is contemplated, but also if no publication results. You understand that no other right or license to these materials, their progeny or derivatives, is granted or implied as a result of our transmission of these materials to you.

These materials are to be used with caution and prudence in any experimental work, since their characteristics are not entirely known.

If you agree to accept these materials under the above conditions, please sign the enclosed duplicate of this letter and return it to me/us. The materials requested will be sent to you upon our receipt of the signed duplicate letter.

Sincerely,

_____	_____	_____
Name & title of WKU Researcher(s)	Signature of WKU Researcher(s)	Date
_____	_____	_____
Name & Title of Researcher's Immediate Administrative Superior	Signature of Researcher's Immediate Administrative Superior	Date

I/we accept all the conditions and stipulations noted above.

_____	_____	_____
Name & Title of Requestor(s)	Signature of Requestor(s)	Date

ATTACHMENT 3

NOTE: The following agreement is not an "official" instrument for the allocation of ownership rights at Western Kentucky University (WKU). It is a draft or sample agreement provided by the WKU Intellectual Property Committee that may be a useful starting point for reaching agreement between the appropriate university officer and the individual instructor who is preparing the instructional materials for a distributed education course. **The terms of this sample agreement may be altered to reflect the actual agreement between the parties.** Any agreement of this type is also subject to the terms of the Western Kentucky University Intellectual Property Policy, which is administered by the Office of Sponsored Programs (OSP). For questions about that policy and about its possible applicability to your transaction, please contact the OSP.

**** SAMPLE **** WORK-MADE-FOR-HIRE ******
SAMPLE **
AGREEMENT

Agreement for the Production and Ownership of Distributed Education Course Materials

This Agreement is entered into as of the _____ day of _____, _____ (year) between Western Kentucky University ("WKU") and _____, a Faculty Member in the Department of _____ at the _____ campus of Western Kentucky University (the "Faculty Member").

Preamble

A. WKU desires to encourage the Faculty Member to provide his/her best quality services for the production of course materials that may be used in conjunction with a course (the "Course") to be taught from the Department of _____ and transmitted to students by various means and at various locations in a distributed learning context. The Course is tentatively entitled: "_____, " and it may be described briefly as follows:

_____.

B. WKU desires the flexibility to use the course materials in a variety of different contexts, whether through distributed learning or in face-to-face classroom education, for purposes of educating students in an efficient and meaningful manner.

C. The Faculty Member desires to produce such course materials and make them available to students in a variety of different formats, and to allow WKU to utilize the course materials in a variety of contexts and arrangements.

D. The Faculty Member wishes to grant WKU such uses of the course materials as may be allowed under this agreement. The Faculty Member also wishes to retain rights to make other specified uses of the course materials, including the production of other scholarly and creative works, as set forth in Article 2.2 below, and to retain quality control over the content of his/her creation and its reputational effects.

The parties hereby agree as follows:

I. Production of Course Materials.

1.1 Description and Purpose. The Faculty Member shall produce materials (the "Course Materials"), appropriate for teaching the Course, as described in Exhibit 1.1. (attached hereto)

1.2 Funding and Other Support. WKU shall provide the financial and staff support, and equipment, to assist the Faculty Member in preparation of the Course Materials as described in Exhibit 1.2. (attached hereto)

1.3 Deadline. The Faculty Member shall deliver to WKU the Course Materials in a completed state and suitable for use in connection with teaching the Course on or before the following date: _____.

II. Rights of Use of the Course Materials

2.1 University Rights of Use. Subject to the restrictions set forth in this Agreement, WKU shall own the copyright and have the right to use the Course Materials at the local campus where the Faculty Member is based, throughout all WKU campuses, and outside of the WKU campuses. Such rights of use are essential to the successful implementation of programs for sharing and widely disseminating courses, such as multi-campus education programs, the Kentucky Commonwealth Virtual University, and other extension or cooperative educational programs. WKU's rights include the right to reproduce, distribute, perform and transmit the Course Materials and to prepare derivative works based on the Course Materials in furtherance of WKU's allowed uses.

2.1.1 Scheduled Courses. The Course Materials shall be used only in connection with regularly scheduled courses (whether credit or non-credit) with enrolled students, and for independent study by enrolled students.

2.1.2 Outreach Programs. WKU may authorize use of parts of the full set of the Course Materials in various formats for non-credit outreach programs.

2.1.3 Sales on Fixed Media. WKU shall have the right to license, or to authorize others to license, or make other distributions of the Course Materials for instructional purposes. The period of effectiveness of any such license shall not exceed the termination date specified in Article 2.1.5 below.

2.1.4 Archival Collection. WKU may retain copies of the Course Materials for archival purposes. WKU may make archival copies of the Course Materials available to any persons. WKU has no obligation to restrict access to such archival materials. The ability of such persons to borrow or to make copies of the Course Materials will be subject to the customary standards of the library or other facility at WKU with respect to similar materials.

2.1.5 Time Limit on University Use. The right of WKU and its licensees to use the Course Materials pursuant to this Agreement shall terminate on _____ (date). The right of WKU to use the materials shall continue until that date regardless of whether the Faculty Member has remained an employee of WKU throughout that time. The parties understand that this termination date is based on the parties' best effort to project the likely viability of the Course Materials for future instruction. The parties may agree at a future date to extend or accelerate the termination date based on the continuing viability of the Course Materials or the availability of revisions and updates.

2.2 Faculty Member's Rights of Use. Throughout the term of this Agreement, the Faculty Member reserves the right to use the substantive content of the Course Materials, without further consent or approval from WKU, in any scholarly or creative works that do

not compete with WKU's actual or planned use of the Course Materials, subject to any WKU policies and procedures related to such materials and such uses as may be in effect from time to time. In particular, the Faculty Member will have the right to use the content in textbooks, journal articles, conference presentations, courses, consulting projects, and other scholarly works or professional activities.

III. Faculty Member's Rights of Control and Credit

3.1 Control of Content. The Faculty Member shall have full control over the substantive and intellectual content of the Course Materials and any derivative works, both at the time of their production and at any time during their use by WKU. As with the preparation of any other scholarly or creative works, the Faculty Member shall be expected to deliver accurate and current information.

3.1.1 Supplemental Updates. Subject to Article 3.1.2, the Faculty Member may be authorized to produce revised or supplemental materials to reflect developments or insights that come to the Faculty Member's attention following completion of the Course Materials and before the expiration of WKU's rights of use, as specified in Article 2.1.5 above.

3.1.2 Procedure for Updates. In the event that the Faculty Member becomes aware of the need to produce a supplemental update to the Course Materials, or desires to do so, he/she will notify the Director of the Office of Sponsored Programs (the "Director") in writing. Before producing such supplements at WKU's expense, the Faculty Member shall receive authorization in writing from the Director. Such authorization will permit the Faculty Member to create the supplemental materials at WKU's expense during a period of forty-five (45) calendar days after delivery of the authorization, or such other time period as specified in the authorization. If the Director recognizes a need to prepare such a supplemental update, he/she may deliver a written notice to the Faculty Member, which will authorize the Faculty Member to make such updates at WKU's expense during the subsequent forty-five (45) calendar days or such other time period as specified in the notice.

This provision deals with major updates and revisions, not with the minor emendations to and incremental development of course materials that characterize all teaching. The latter are the privilege and responsibility of the individual faculty member and will not be compensated in any additional way.

3.1.3 Pending Updates. Before updates or supplemental materials are ready for distribution with the Course Materials, WKU shall use its best efforts to negotiate with the Faculty Member regarding the continued use of appropriate portions of the Course Materials. Because the Faculty Member is responsible for the accuracy and currency of the content, the Faculty Member shall make the final decision about the content and the final decision with respect to whether or not the content is accurate and current.

3.2 Named Credit. The Faculty Member shall receive full credit as the named author or principal developer of all copies of the Course Materials prepared by or authorized by WKU. The Faculty Member has the right to remove his/her name from any copies of the Course Materials made or authorized by WKU. In the event the Faculty Member elects to remove his/her name from copies of the Course Materials made or authorized by WKU, he/she shall give reasonable notice in writing to WKU.

3.3 No Indemnification by the Faculty Member. The Faculty Member shall not include in the content of the Course Materials any content which the Faculty Member knows to constitute libel, invasion of privacy, infringement of copyright or other literary rights, or otherwise violate the legal rights of any persons who are not a party to this Agreement. Any responsibility or liability for such violations shall be treated in a manner consistent

with the customary treatment of similar violations as they may occur in the context of traditional teaching at WKU. Otherwise, the Faculty Member makes no indemnification and no warranty to WKU with respect to the appropriateness of including any content in the Course Materials. Should either the Faculty Member or the Director reasonably conclude that any of the content of the Course Materials may violate such rights of third parties, the procedure and the right to make revisions shall be consistent with the procedures set forth in Article 3.1.2 above. Pending such revisions, WKU shall have the right to remove the portions of the Course Materials that create the potential violations before making any further use of the Course Materials pursuant to this Agreement.

3.4 Credit for Teaching Workload, Promotion, and Tenure. This Agreement does not address any compensation or set any standards or make any adjustments with respect to the Faculty Member's teaching workload, course enrollments, teaching evaluations, and teaching credit for purposes of review, promotion, and tenure at WKU. These issues shall be addressed by separate agreement(s).

IV. Allocation of Revenues

4.1 Allocation Formula. Should WKU or the Faculty Member receive any revenues from the broadcast, sale, or other distribution or use of the Course Materials, the parties shall allocate the net revenue as provided by Section VII.B. of the WKU Intellectual Property Policy, or according to a separate, written agreement approved by the Chief Academic Officer. Allocable revenues shall exclude tuition and fees paid by students to take a course based on the Course Materials.

V. Copyright Ownership

5.1 WKU Ownership. WKU shall retain copyright ownership of the Course Materials, subject to the rights granted to the Faculty Member pursuant to this Agreement. At no time shall WKU assign or transfer any or all of the copyright ownership privileges associated with the course materials to any party other than the Faculty Member without the Faculty Member's consent. Nothing contained herein shall limit the right of WKU to license the course materials to third parties, subject to the terms of this agreement.

5.2 Assignment of Title. WKU's rights of use, as set forth in Article 2.1.5 above, shall terminate on the date set forth in Article 2.1.5. unless otherwise changed by mutual agreement of the parties. Upon termination of WKU's rights of use, WKU shall assign or transfer to the Faculty Member all copyrights to the Course Materials. WKU shall prepare at its expense all necessary documents of assignment or transfer.

VI. Miscellaneous Provisions

[(Optional) To be added later. This section will contain any additional general or specific contract provisions the parties wish to include in the agreement.]

_____ First & Last Name (Faculty Member)	_____ First & Last Name (Director, OSP)
_____ Signature	_____ Signature
_____ Date Signed	_____ Date Signed

ATTACHMENT 4

Acknowledgment of Western Kentucky University Ownership

As stated in the attached Western Kentucky University (WKU) Intellectual Property Disclosure Form No. _____ (Attachment 1), I/we, the undersigned, as the creator(s) of the creation described as _____ do hereby acknowledge that WKU is the owner of all rights, titles and interests in and to the creation, including any and all copyrights, patents, reissues and extensions thereof. WKU also is the owner of all rights, titles and interest in the creation even if such creation is not patentable.

I/we agree that, in accordance with the WKU Intellectual Property Policy, I/we will execute all necessary assignments as requested by WKU, its successors and assigns, in order to facilitate the filing of patent applications and/or copyright registrations. I/we will render any reasonable assistance which is requested to aid in the preparation of such applications.

Prior to the execution of this Acknowledgment, we have not granted the right or license to make, use, or sell said creation to anyone except WKU, nor have we otherwise encumbered our rights, titles, or interests in said creation. We will not execute any instrument in conflict with this Acknowledgment.

All royalties, rents, payments, or cash receipts from the sale, assignment, transfer, licensing or use of the creation shall be the property of WKU and distributed according to provisions of the Intellectual Property Policy current at the time of signature. Any share of revenues to be paid to the creator(s) shall be distributed as follows (percentages must total 100% of the creator/s royalty shares). If all creators will share equally, so indicate by listing "equal" as the percentage. DO NOT LEAVE BLANK.

IN WITNESS WHEREOF, we have hereby affixed our signatures:

Date	Creator(s) Signatures	Percentage
_____	_____	_____
_____	_____	_____
_____	_____	_____
		Total = 100%

Royalties for University-Owned Disclosures

Below is the approved cost share for property which generates royalty revenues, indirect costs, and direct expenses with one creator. WKU's Intellectual Property Policy, Article VII.B., sets royalty sharing among creators and WKU as follows: 40% to the Creator(s), 25% to the General Fund, 10% to OSP, and 25% to the College/Department or equivalent administrative unit of the Creator(s).

Invention #:	U.S. Dollar Amount
Royalty Revenue for fiscal year _____:	_____
Minus other authorized costs (see Sect. VII.A)	_____
Balance to be distributed	_____
Creator(s) -- 40%	_____
General Fund -- 25%	_____
Office of Sponsored Programs -- 10%	_____
College / Department or equivalent administrative unit -- 25%	_____

* * * * *

6.1.4 REQUEST: Approval of a new Charter of the University Senate at Western Kentucky University

[Secretary's Note: The Charter of the University Senate, as approved by the Board, is attached to the Minutes as EXHIBIT A]

FACTS: The academic governance structure of Western Kentucky University has included two components: the Academic Council and the Faculty Senate. The Academic Council was the older body and was responsible for academic program and curriculum matters. The Faculty Senate was founded in the 1970's as a forum for expressing faculty opinion on issues of importance to faculty, particularly relating to faculty status and welfare.

It has long been noted that the dual nature of Western's academic governance structure is very unusual in higher education. The recent Institutional Review (known as the Fisher Report) included a recommendation that the university seriously consider a consolidation and rationalization of its arrangements for academic governance.

In 1998, the Provost appointed a task force to consider the issue and to propose a new academic governance structure, if appropriate. The task force spent several months studying alternatives, then developed a draft proposal for a single academic governance structure. The draft was circulated for campus-wide discussion, including open forums in each college. The task force took the resulting feedback and made substantial changes in the proposal. The result is a proposed Charter of the University Senate of Western Kentucky University.

The Academics and Student Affairs Committee of the Board reviewed and suggested slight modifications to the proposed Charter for the University Senate on Friday, January 7, 2000. Those suggestions were incorporated into the proposed charter which was voted on by the faculty.

RESOURCE IMPLICATIONS: No new costs are anticipated upon implementation of this recommendation.

RECOMMENDATION: Following a two-day referendum by the faculty of Western Kentucky University which resulted in a positive vote, President Ransdell recommends approval of the new Charter of the University Senate for Western Kentucky University. *Eighty-eight percent of the faculty voted in a referendum held on January 25-26, 2000.*

Provost and Vice President for Academic Affairs Barbara Burch, at Ms. Gray's request, reviewed the results of the faculty vote on the proposed Charter for the University Senate. Dr. Burch noted that the suggestions from the Academics and Student Affairs Committee were incorporated into the document on which the 88.6% of the faculty voted. The proposal passed by a margin of 4 votes. Ms. Gray directed attention to page 39 of the agenda packet; item D, second sentence, and suggested a change in the wording to more adequately comply with state regulations. The suggested change is

reflected in bold letters; “*Examples include the selection of the President and Executive Officers, institutional budget priorities, building priorities and design of academic facilities, goals and objectives of major fund-raising efforts as related to academic matters, scholarship policies, selection of major non-academic administrators, support services related to academic functions, general policies regarding intercollegiate athletics, ~~structure and authority of campus security~~, **campus safety**, transportation and parking policies, etc.*”

Ms. Coates suggested a change in the wording found on page 35 under Item 2 - The University Curriculum Committee. The recommended change is found in bold letters

as follows: *One student senator shall **represent be selected by the Student Government Association to serve on the committee.** ~~selected by the caucus of student University Senate representatives.~~* The same wording is proposed for each of the Committees.

Dr. Arvin Vos indicated there is no objection to the proposed changes.

President Ransdell stated, “My only comment is to express the pride that I feel in our faculty for the manner in which this matter was addressed. It was an important issue for the faculty. Our faculty take very seriously their rightful role in an important voice in the life of this university. I was most impressed with the almost 89% (88.6%) participation among our faculty in this vote. They took it seriously but did not get emotional, or it did not come to a debate where passions were in any way counterproductive to the process. Strong feelings were expressed for the right and constructive reasons. I’m very pleased with the committee who created the structure, the degree to which the faculty and others across the campus were given opportunities to have input. To the extent possible, I have distanced myself from this process because this was something the faculty needed to do on their own. I look forward to working with this University Senate closely and to being a part of its creation over the course of the spring and to being an active participant in the University Senate meetings this fall.”

Professor Miller supported the faculty position and expressed her appreciation for the hard work on both sides.

Regent Coates expressed her inclination to support the current structure because student participation was at a higher level under the current structure.

MOTION for approval of the new *Charter of the University Senate* for Western Kentucky University, as amended by the Board 1-28-2000, was made by Professor Miller and seconded by Ms. Bale. This follows a positive vote of the faculty in a January 25-26, 2000 referendum which resulted in 248 (50.4%) voting for, and 244 (49.6%) voting against. The new Charter would become effective with the 2000-2001 academic year. The motion carried with Ms. Coates voting nay.

6.2 Finance and Budget Committee, Mr. Robert Earl Fischer, Chair

Mr. Fischer was present for the meeting of the Finance and Budget Committee on January 27; however, other commitments prevented his staying over for the Board meeting, and Ms. Loafman was asked to give the report of the Finance and Budget Committee

6.2.1.a Acceptance of the 1999-2000 Second Quarterly Report

The Finance and Budget Committee of the Board met January 27, reviewed the Second Quarterly Financial Report found on pages 42-43 of the agenda packet, and recommend its acceptance by the Board.

6.2.1.b Approval of revisions to the 1999-2000 Operating Budget

REQUEST: Approval of the revised 1999-2000 budget

FACTS: The proposed revisions to the Western Kentucky University 1999-2000 Combined Budget are listed below. The funding for the Adult Day Program is revenue received from Commonwealth Health Corporation for lease of the space occupied by the Adult Day Care. This funding will be used to enhance the gerontology program, the facility and for providing housekeeping for the facility. The Special Events budget is being increased due to additional revenue from events held on campus. The Kentucky English Bulletin adjustment is due to reimbursed costs for the English Department for printing the bulletin. Career Fair revenue is provided to the Career Services area for participating in the NACCF Career Fair held in Nashville.

The Program of Distinction professional services is continuing to increase its customers. We estimated for the budget process an amount that is proving to be low. These funds are considered to be revenue dependent and will not be spent unless revenue is received. The insurance reimbursement is for coverage of a major electrical failure to the Service and Supply Building.

Source

Proposed Revisions

Educational & General
Other Sales and Services

\$ 30,000

Other Sources	194,900
---------------	---------

Total	\$224,900
--------------	------------------

Use

Adult Day Programs	\$ 68,000
--------------------	-----------

Special Events	75,000
----------------	--------

Kentucky English Bulletin	2,400
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Career Fair 2000	500
------------------	-----

Program of Distinction	30,000
------------------------	--------

Insurance Reimbursement	49,000
-------------------------	--------

Total	\$224,900
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RECOMMENDATION: President Gary Ransdell recommends that revisions to the Western Kentucky University 1999-2000 Combined Budget be approved in order to increase the Educational and General budget by \$224,900.

The Finance and Budget Committee recommends the approval of the revised 1999-2000 budget.

6.2.2 REQUEST: Approval of Capital Construction Projects for Downing University Center and Garrett Conference Center

FACTS: As a result of an annual review of the University's bonded indebtedness, it has been determined that there is a reduction in required auxiliary debt service reserve accounts totaling \$256,083 and a projected surplus of \$46,112 in interest earnings, that are available for other purposes. The combined total of these two sources is \$302,195.

Downing University Center and Garrett Conference Center are both over 30 years old and have a combined total of approximately \$1.7 million in accumulated deferred maintenance and capital renewal needs. Both facilities are an integral part of our student services programs and must be maintained and supported by revenues generated by the services and activities within auxiliary services.

RECOMMENDATION: President Gary Ransdell recommends that \$302,000 be allocated from plant funds to capital improvement projects pools for Downing University Center in the amount of \$215,000 and Garrett Conference Center in the amount of \$87,000.

The Finance and Budget Committee endorses this recommendation and recommends it for approval.

6.2.3 REQUEST: Approval of the 2000-01 mandatory student fees

FACTS: Mandatory student fees are assessed for services the University considers important to a student's total development and campus experience primarily outside the classroom. Based on the Mandatory Student Fee Policy, mandatory student fees are to be adjusted annually based on the most recent Higher Education Price Index (HEPI). The annual inflationary increase will ensure that operating budgets for specific programs will be sufficient to maintain high quality services.

With Collegiate Health Care providing student health services for the campus, only \$15 of the Student Health Fee is needed to provide health education/awareness programs. Dr. Ransdell contacted Student Government Association (SGA) in October about a proposal to redirect the remaining \$17 Student Health Service Fee. Correspondence is enclosed summarizing the benefits of the redirection and SGA’s resolution approving the proposal. *The redirected fee will create matching fund pools (to match CPE funds) for teaching/research equipment and classroom improvements and funds to support student spirit groups such as the Topperettes, cheerleaders, marching and pep bands, and Spirit Masters.*

Applying the Mandatory Student Fee Policy to all fees with the current HEPI of 3.5 percent results in a \$7 fee increase for 2000-01. The proposed 2000-01 fees are as follows:

\$ 16.00	Student Athletics Fee
26.50	Title IX Compliance
15.00	Health Education and Awareness
7.50	<i>Teaching/Research Equipment Matching Fund</i>
7.50	<i>Classroom Improvements Matching Fund</i>
2.00	Student Spirit Groups (Topperettes, bands, cheerleaders, Spirit Masters)
37.50	Student Technology Fee
19.00	Preston Center and Health and Fitness Lab
11.00	Student Government Association Programming
5.50	Academic Services Fee
2.00	Other Student Fees
<u>42.50</u>	Student Centers
\$ 192.00	Total Mandatory Student Fees

Ms. Ann Mead, Chief Financial Officer, discussed the proposed recommendation and she and President Ransdell responded to related questions from the Board.

Ms. Coates stated, “I will speak in support of this. Ideally, I think that every student on campus would like to see the fee returned to them; but when this opportunity was presented to us by Dr. Ransdell, we realized the merit in it--to double our money on \$15.00 of the fee and the other \$2.00 fee we felt these groups deserved some type of funding.”

Professor Miller, while feeling the list reflected impressive needs, expressed concern for the lack of funding for the teaching needs for things like out-of-pocket expenses for travel to conferences, or to places to read papers, for entertaining prospective faculty, She felt a small portion of the fee could build a bank of money that would cover out-of-pocket expenses that faculty members incur.

In responding to Professor Miller’s question regarding the \$2.00 fee listed as “other student fees” in the list of mandatory student fees that is a part of the

recommendation, Ms. Mead reported that it was implemented during a time when the University was having budget cuts and is essentially a fee that helped to balance the budget. In order to eliminate this fee, an expenditure account would need to be reduced.

Mr. Martin asked if this could be recalculated in the 2000-2002 budget to factor this out. *President Ransdell felt there might be things in the 2000-2001 budget that might be reallocated to redirect the "other student fees of \$2.00" to a specific purpose that students feel good about and the faculty feel good about. He indicated, however, that he wouldn't want to bring anything back to the Board that Student Government didn't endorse.*

6.2.4 REQUEST: Acceptance of the Accountant's Report and Financial Statements, WKYU-TV and WKYU-FM Radio

FACTS: Annually, Western Kentucky University contracts with Baird, Kurtz & Dobson (BKD) to provide an audit of the financial statements for WKYU-TV and WKYU-FM Radio. The separate audits are required under the contractual funding arrangements of Western with the Corporation for Public Broadcasting. The financial statements present fairly, in all material respects, the financial position as of June 30, 1999 and results of operations and cash flows for the year then ended. Both of the financial statements received unqualified opinions.

RECOMMENDATION: President Gary A. Ransdell recommends that Board of Regents accept the accountants' report and financial statements, for WKYU-TV and WKYU-FM Radio for the year ended June 30, 1999.

MOTION: Accept the Accountants' report and financial statements for WKYU-TV and WKYU-FM Radio.

(Financial Report is filed in the Board's official files.)

This document was reviewed and accepted by the Finance and Budget Committee on January 28; recommended for agenda of Board of Regents.

6.2.5 Acceptance of Accountant's Report on Application of Agreed-Upon Procedures (NCAA Compliance)

REQUEST: Acceptance of the Accountants' Report on Application of Agreed-Upon Procedures (NCAA Compliance)

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

Baird, Kurtz & Dobson's review does not constitute an audit, rather provides information intended for the 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 “Independent Accountants’ Report on Application of Agreed-Upon Procedures,” as required by NCAA Bylaw 6.2.3.1 for the year ended June 30, 1999.

[Financial Report is enclosed as separate document]

Reviewed and accepted by the Finance and Budget Committee January 27, 2000.

6.2.6 REQUEST: Acceptance of the Accountant’s Report on Application of Agreed-Upon Procedures (Kentucky Auditor of Public Accounts)

FACTS: Western Kentucky University’s audit of its financial statements and system of internal controls was completed September 3, 1999. This audit was accepted by the Board of Regents at the Board’s October 29, 1999 meeting. The Commonwealth of Kentucky’s Annual Financial Statement was completed December 1999. Since Western’s financial statements are incorporated into the financial statements of the Commonwealth, the Auditor of Public Accounts requires a subsequent events letter from Western indicating from the time that Western’s audit was completed until the time that the State’s annual financial report is completed, that there were no significant changes in the financial condition of Western Kentucky University.

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

RECOMMENDATION: President Gary A. Ransdell recommends that the board of Regents accept the “Independent Accountants’ Report on Application of Agreed-Upon Procedures,” as required by the Kentucky Auditor of Public Accounts.

(Financial Report is enclosed as separate document)

The Finance and Budget Committee found this report to be acceptable and recommended for Board approval.

6.2.7 Development of the 2000-01 Operating Budget

Discussion:

Budget development is a process of allocating financial resources in a manner which will enhance Western Kentucky University’s ability to achieve its strategic goals and ensure continuation of essential services. Western Kentucky University’s 2000-01 budget priorities take into consideration the external and internal strategic expectations of the University. These include:

- *The Postsecondary Education Reform Act of 1997 and the Council on Postsecondary Education’s 2020 Vision: An Agenda for Kentucky Postsecondary Education* set forth long-term expectations for all postsecondary education institutions which include improving educational attainment of the citizens of the

Commonwealth and ensuring high quality instructional programs. Incentive funding strategies are in place to “ensure that postsecondary education’s policies and behavior are aligned with these goals and produce results.” Most incentive funds included in the Council on Postsecondary Education’s 2000-02 biennial budget recommendations have matching funds provisions.

- *Challenging the Spirit*, Western’s *Strategic Plan* for 1998-2003 includes the University’s long-range goals and objectives. The annual Report Card on the University’s progress in meeting these goals and objectives will be distributed in January. The development of Departmental Action Plans and annual reports help document the areas where changes in funding may have a direct impact on desired strategic outcomes.

2000-01 INSTITUTIONAL BUDGET PRIORITIES

Through the allocation of projected increases in tuition and state appropriations revenue and through reallocation of existing budgeted funds within divisions, Western’s 2000-01 Operating Budget will reflect the following institutional priorities (not in priority order):

- **Implement the *Strategic Plan*.** Funds are needed to achieve selected performance indicators of the *Strategic Plan*.
- **Recruit and retain quality faculty and staff.** Funds are needed to provide salary increases in recognition of outstanding performance, and to keep or improve the market competitiveness of salaries.
- **Improve our physical resources.** Funds are needed on an ongoing basis to address campus maintenance and to protect the University’s investment in plant.
- **Provide permanent funding for needs which have been met routinely by nonrecurring allocations such as fund balances.** Funds are needed for selected items which are consistent with the University’s *Strategic Plan* and for which no permanent funding has been identified in previous budgets.
- **Improve base operating and equipment budgets.** Funds are needed to respond to fiscal pressures resulting from cost increases and enrollment increases.

It is noted that the CPE 2000-02 biennial budget recommendations include Incentive Funds in the second year in the biennium. Should the enacted budget include funding in 2000-01, the University will need to consider any potential impact on the operating budget.

Draft Timetable for 2000-01 Budget Development

November 19	Faculty/Administrative Evaluations distributed
December 10	Evaluations returned to Institutional Research
January 7	Revenue estimates are distributed

January 7	Staff evaluations are distributed
January 7	Finance Committee Meeting
January 10	Revenue estimates are distributed
January 28	Board of Regents meeting – draft budget priorities
January 28	Budget Narratives/Mission Statements due from VP's
February 7	Faculty evaluations summarized and returned to Deans, Departments and Faculty
February 7	Staff evaluations are to be completed. Faculty evaluation deadlines are determined separately.
February 18	Distribute guidelines to all budget unit heads, including estimated revenue and distribution and performance increase pool to each vice president.
February 23-25	Opportunity for vice presidents to reallocate among operating budgets in their area
March 1-15	Salary adjustments will be entered on the following timetable: March 1-2 Department Heads March 3-7 Deans March 8-15 Vice Presidents
March 10	Revenue dependent expenditure budgets due to dean
March 15	Revenue dependent expenditure budgets due to vice presidents
March 20	Revenue dependent expenditure budgets due to Budget Office
March 15	Access to BDS closed – No more revisions, excluding fringe benefits and budgets are balanced
March 22	Market Adjustments for faculty provided electronically
March 15- April 13	Budget Office analyzed for technical compliance, works with VP's to verify data, and completes narrative and budget summaries
April 21	Board of Regents Finance Committee Meeting –update on budget
April 22-May 1	Budget Office formats document
May 1	Budget goes to print
May 5	Budget distributed to Board of Regents
May 19	Board of Regents Meeting

6.2.8 REQUEST: Approval of reallocation of Bond Funds and Interest Income

FACTS: Western Kentucky University had uncommitted Bond Funds and Interest Income in a Frankfort account. Approval was given by the Finance and Administration Cabinet to reallocate the funds to the Fine Arts Center carpeting replacement project. The project was included in the 1998-99 Capital Budget approved by the BOR. There is a balance left in the account of approximately \$20,000. We are asking that the Board of Regents approve using these dollars to complete the Band Room Emergency Lighting Project. An additional amount of approximately \$17,000 is needed.

RECOMMENDATION: President Gary Ransdell recommends the approval of reallocation the Bond Funds and Interest Income available in the Frankfort capital construction funds for the Emergency Band Room Lighting Project.

With the approval of the Finance and Budget Committee, Ms. Loafman moved and Ms. Gramling seconded:

Acceptance of:

- ▶ 1999-2000 Second Quarterly Financial Report;
- ▶ Accountant's Report and Financial Statements, WKYU-TV and WKYU-FM Radio;
- ▶ Accountants' Report on Application of Agreed-Upon Procedures (NCAA Compliance), and
- ▶ Accountants' report on Application of Agreed-Upon Procedures (Kentucky Auditor of Public Accounts); and

Approval of:

- ▶ 1999-2000 Operating Budget revisions
- ▶ Capital Construction Projects for Downing University Center and Garrett Conference Center;
- ▶ 2000-2001 mandatory student fees; and
- ▶ Reallocation of Bond Funds and Interest Income

Ms. Loafman's motion carried unanimously.

6.3 Special Committee on Diversity and Internationalism, Professor Mary Ellen Miller, Chair

Professor Miller reported the Committee met earlier in the day with all members present and heard two reports. Dr. John Petersen provided a report about the Study Abroad Opportunities. A handout listing these opportunities was distributed to the Board members in attendance and will be provided to those not in attendance. President Ransdell had some comments about a Chinese delegation who will be visiting Western's campus in March. The President who hosted President Ransdell's visit to China will be attending Commencement in May and attending an international thermal analysis symposium conducted by the Chemistry faculty.

The second report was from the Diversity Committee and was given by Dr. John O'Connor and Dean Howard Bailey. They had two handouts--one having to do with diversity activities on campus and other things related to CPE mandates. At the back of the packet, there is a list of activities for Black History Month in February. All were encouraged to participate in these activities.

Three things that came out of the two reports have to do with evaluations. Student evaluations of faculty now include, starting this spring semester, a statement of

anti-discrimination which says in effect “my teacher treats me fairly in terms of (a list of things); and the department head’s evaluation of faculty, starting next fall, will include a core item on diversity; and the faculty evaluation of department heads, starting next fall will include that. Professor Miller felt this to be a major step forward in diversity activities on campus.

AGENDA ITEM 7 - Presentation of personnel actions since October 29, 1999

RECOMMENDATION: President Gary A. Ransdell recommends approval of the personnel recommendations which have transpired since October 29, 1999. The actions are contained in the next seven pages.

Chairman Martin presented the personnel actions for consideration.

MOTION for approval of the personnel actions as recommended was made by Ms. Bale, seconded by Ms. Gray, and carried unanimously.

OTHER: Ms. Bale read and moved adoption of the following resolution which Mr. Martin proposed be sent to the CPE and CPE Board members as a follow-up to a suggestion by Mr. Charles Whitehead, Chair of CPE, to advance the higher education budget recommendation. The motion was seconded by Ms. Gray and carried unanimously.

RESOLUTION

Resolved: That the Board of Regents of Western Kentucky University expresses its appreciation for the priority which Governor Paul E. Patton has given postsecondary education in his budget and urges the 2000 General Assembly to approve the Governor's recommendations for postsecondary education and to continue to support the implementation of H.B. 1.

January 28, 2000, Bowling Green, KY

In addition, Ms. Bale proposed a second resolution that will let the CPE Board members know that the 2000-2001 Operating Budget is being developed in accordance with the CPE's *2020 Vision for Postsecondary Education* as well as the Postsecondary Education Reform Act of 1997 in addition to our own strategic plan. Motion for adoption of the following resolution was made by Professor Miller, seconded by Ms. Bale, and carried unanimously.

RESOLUTION

Resolved: That the Western Kentucky University Board of Regents shall develop the 2000-2001 operating budget for Western Kentucky University in such a manner so as to focus on the Council on Postsecondary Education's 2020 Vision: An Agenda for Kentucky Postsecondary Education and the Postsecondary Education Reform Act of 1997 as its guiding principles.

Agenda item 6.2.7 for the January 28, 2000, Board of Regents meeting agenda is testament to the resolve of Western Kentucky University to effect thoughtful change and to improve economic development and quality of life in the Commonwealth.

January 28, 2000, Bowling Green, KY

AGENDA ITEM 8 - Report by the President

8.1 **Enrollment update** - Reported very good progress in enrollment growth. With the fall enrollment data, the growth has been approximately 200

students each year for the past two years. Final figures will not be submitted to CPE until February; however, early figures indicate an increase of about 300-400 students for the fall semester. That number includes about 120 Freshmen; about 180 Sophomores; and approximately 30 Juniors, and down about 10 Seniors. Graduate enrollment is up about 70 students.

8.2 “Challenging the Spirit” - 1998-99 Progress Report - Distribution of the first report card for the Strategic Plan produced very favorable feedback from the Board. A commitment was made to the Board in 1988 when the plan was initiated that, once implemented, a public report of the progress would be made available. The report is not a public relations piece but rather a report card which clearly documents the progress being made in the strategic plan. Efforts will be made to combine this report for next year with the Annual Report.

8.3 Development Update - Tom Hiles, Vice President for Development and Alumni Relations, announced a gift by J. Clifford Todd, a 1950 graduate for the first-ever professorship in the College of Education and Behavioral Sciences. This support will provide a professorship in gerontology or the study of aging and will be submitted for state matching money. The state matching money has not been appropriated at this point; however, is included in the CPE's budget recommendation.

Mr. Hiles provided a power-point presentation which displayed a six-month update on development figures as follows:

- **Progress toward increasing the University's combined endowment to \$50 million by 2003** reflecting a six-month total of \$35.8 for combined endowment.
- The four-year average on returns for the total portfolio with PNC is just under 18% for equities and fixed income. This is an outstanding four-year return that reflects significant growth in private support.
- **Providing 25 new endowed faculty positions by 2003** - Actual figures to date reflect a total of 12 against the goal of 10 for the current time period.
- **Achieving a level of \$10 million a year in private gift support** - The six-month total of \$4.4 million for 2000 is more than was raised for the full year in 1998.
- **Reaching a level of \$25 million in deferred gift inventory by 2003** - shows \$29 million which more than doubles the 1998 total of \$13 million.
- **Achieving 20% participation among alumni in the University's annual giving program to 20.0% by 2003** - Current figures reflect a 10.5% participation rate. The national average is 13%.
- **Combined Endowment Assets of \$35.8 million at December 31, 1999.** This figure includes College Heights Foundation assets. The College Heights Foundation has now established many of the same investment policies as the WKU Foundation and continues to grow.

- A breakdown of private giving by category for the period 7/99 - 12/99 reflects gift totals of \$4.43 million. The breakdown is:

• Foundations	15%
• Groups & Societies	9 %
• Alumni	39 %
• Corporations	20%
• Friends	17%
- A comparison of the above percentages to last year's figures reflect an increase in every category except the "friends" category.
- Gift comparisons for 7/99-12/99 show 17% to the College Heights Foundation; 14% to the Hilltopper Athletic Foundation, and 69% to WKU and WKU Foundation.
- Private gifts of \$4.43 million for year ending 12/31/99 reflect 64% Restricted; 1.5% Unrestricted, and 34.5% for endowments.

8.4 Media Report, October 1 - December 31, 1999 - is found on pages 66-73 of the agenda packet. Dr. Ransdell noted the importance of tracking how Western is being covered.

The new brochure for the Kentucky Academy for Math and Science was provided to the Board. This will also be provided to each member of the General Assembly in the next few days. Board members were asked to communicate the importance of appropriate funding for this facility as they discuss the Kentucky Academy for Math and Science with their legislators.

8.5 Update on medical insurance - Ms. Wilkins reported that the ending calendar year funding had a deficit of \$1.07 million. Dr. Ransdell provided an update to the Board on January 19. There are several reasons why costs exceeded the original expectations: enrollment did not follow prior enrollment patterns; medical services utilization was very high--six claims exceeded the stop-loss maximum of \$75,000; the largest singular claim totaled \$258,000; and following an alarming national trend, pharmacy costs have been extremely high.

Efforts to help reduce costs for the future include: increases in co-payments and other employee-paid costs are expected to produce savings of \$250,000; work with MedBen and Center Care has been successful in reducing the network fees paid to providers (physicians and hospitals) for services; and the possibility of changing to a slightly different provider network which could possibly produce up to \$200,000 in cost savings. This is cautiously being explored; discretion must be exercised so that employees are not adversely affected. In addition, the Medical Center has offered to enhance the discounts already offered for services received at that facility.

In reviewing whether the decision to go self-insured was a bad decision, Ms. Wilkins noted the institutional expectation that coverage levels be set very high and that premiums be kept at minimal levels. With full insurance, premiums for a comparable plans would have been between 16-53% higher respectively for single and family coverage; sixteen months later, Anthem Blue Cross premiums would most likely be 8-15% higher.

Ms. Gramling commented “This is a benefit that really is working for our employees, and I hope we can continue to provide such a wonderful benefit.”

There are ongoing efforts to keep the faculty and staff informed through campus-wide e-mail and meetings as solutions are being sought for the next year.

Ms. Mead noted that in January, 2000, the University’s contribution was increased by \$15 per employee per month which will generate extra premiums to offset claims. A \$900,000 deficit in claims for 2000 is possible; however, this does not take into account the plan has been changed slightly for a higher deductible, which could offset the deficit number by approximately \$200,000. The deficit is being monitored on a monthly basis, and nonrecurring money will be required to balance the account on July 1, and some budgeted contingencies will be recommended for freezing; health insurance money budgeted in vacant positions (approximately \$200,000) will be frozen and possibly reclaimed on July 1. It is being recommended to the Budget Council that there be a significant increase in the University’s premium which will be partnered with whatever is necessary to share the cost increases.

President Ransdell complimented the Internal Auditor, Warren Irons’ work to track this program along with the many other things that he does, noting, “This is a responsibility that we take seriously, and I appreciate Warren’s work in that regard.”

8.6 Student Life Foundation - President Ransdell stated, “This project may be among the most important things we’ll do in the next five to ten years to effect the quality of life for our students.” He reported the receipt of state and federal legislation to create the 501C3 not-for-profit status of the non-affiliated Student Life Foundation, Inc. The date of March 1 has been set for closing of the transaction to transfer the deeds of seventeen of the residence halls into the Student Life Foundation, which will, at that time, issue approximately \$60 million in tax refinancing. Authorization has been received to issue up to \$75 million in bonds through Warren Fiscal Court which will be the structure to which the bonds are sold locally.”

“First Union Securities has been selected as the lead underwriter and PNC, Hilliard-Lyons, and National City Bank as co-underwriters. First Star Bank was selected as the pricing advisor, and Lewis-King has now been formally engaged to be counsel to the Student Life Foundation for the legal work in this transaction. Parker Duncan of the law firm Wyatt, Tarrant and Combs from Nashville, Tennessee, will serve as the bond counsel to the Foundation.”

“Performas, all the financial data, and all the cash flows have been sent to the Finance Cabinet in Frankfort to demonstrate the financial solvency of this transaction. This is important information for the bond-rating agencies to ensure the State that the State will have no exposure in this transaction. The Board has the authority to transfer the deeds, and the Student Life Foundation has the authority to issue tax-free financing, and they do so based on the performas produced by our residence hall occupancy levels and the room rental rates. The Student Life Foundation will quickly engage a contract with the University to manage the Student Life Foundation’s residence halls and to perform all policy-related procedures that have traditionally been in place, and to pledge the revenues from rentals to the Student Life Foundation in order to pay the debt service. It continues to be a highly unusual but creative way to immediately improve the conditions of the residence halls. Once the financing has been issued, approximately \$23 million will be used to pay the existing debt on the residence halls which is good for the State because they get that debt off the books. Between \$30-35 million will be put into the construction work over a three-year period, and the remaining money will be put into a reserve fund to provide a maintenance fund in perpetuity for the residence halls.

The initial report from Lockett-Farley Engineering Firm from Louisville on the first constructual assessment; they have projected the work that needs to be done in every hall with a suggested time line. The bad news is the total figure that needs to be done came to \$61 million immediate, and \$9 million deferred. This will have to be pared down to the low range of \$30 million.

8.7 Feasibility Study on Diddle Arena - Dr. Wood Selig, Athletic Director, provided an update on the feasibility study for Diddle Arena. He reported interest expressed by representatives of the City and County to explore possibilities for the facility including the possibility of an off-campus site. A Request for Proposal has been issued to twenty-five different companies about a month ago; seven have responded. One will be selected to take a look at (1) the market demand--is Diddle Arena the best option for the University, to renovate and rebuild Diddle, and what are the costs associated with that option; and (2) what other options exist out in the community--are there some sites off campus that make sense which can be explored to replace Diddle Arena. In the next month, the Committee of ten, will take the seven responses which have been submitted to date and analyze them, and decide on the company best suited to analyze the best direction for Western Kentucky University. The study is expected to take approximately two and one-half months to complete; and at that time, our one best course of action will be determined. No stone will be left unturned, and the final report in May should reflect the very best direction possible for Western, the City and County.

8.8 Legislative Update - Mr. Hensley noted that today is day eighteen of the sixty-day legislative process. The Governor has announced his budget recommendations earlier in the week. Board members are being provided with the weekly legislative update through this process.

President Ransdell pointed out two things that are targeted for accomplishment in addition to those items that have been recommended. The CPE budget and the Governor’s budget are consistent in recommending \$15 million in State bonding funds for replacement space for the old College High Science & Technology Hall and Snell Hall. That

project is a \$26 million project, Phase I of the larger \$46 million construction project, with the other \$20 million being to renovate the north and center wings of Thompson Complex. That \$20 million will be sought in the 2002 session, plus the \$10 million budget for equipment for all three buildings--the replacement space and the renovated space. The total is a \$56 million project. **The number one priority between now and the end of the session is to try and figure out a way to get that additional \$11 million for the Science Building. The second priority is funding for the Kentucky Academy for Math and Science.**

Dr. Ransdell stated, "We hope to do both, however, we will not discuss breaking up the higher education budget or doing anything to get that money at the expense of any other university. We hope there are other revenue streams somewhere within the State budget that we can penetrate for the \$11 million and the \$6 million nonrecurring for the Academy."

- 8.9 Board of Advisors Meeting - April 27-28, 2000 -** This will be the third meeting of this Board. The Board will be called upon to make decisions relative to important items in the strategic plan. Board of Regents members are invited to participate in this meeting. The President's Circle Gala is scheduled for the evening of April 27, and all Board members are especially invited and encouraged to attend this significant event.

With no further business to come before the Board, motion for adjournment was made by Ms. Loafman and seconded by Ms. Wathen. The meeting adjourned at approximately 3:15 p.m.

CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein above set forth an accurate record of votes and actions taken by the Board of Regents of Western Kentucky University in the first quarterly meeting held on January 28, 2000, 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
May 17, 2000

Elizabeth W. Esters
Secretary
May 17, 2000

