

MINUTES
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY

August 17, 2001

AGENDA ITEM 1 - Call to Order

Required statutory notice having been given, the third quarterly meeting of the Board of Regents of Western Kentucky University was held in the Regents Room of the Wetherby Administration Building on the Western campus. The meeting was called to order by Chair Bale at approximately 9:05 a.m., CDT.

AGENDA ITEM 2 - Invocation

The invocation was provided by Mr. Mike Dale, Assistant Vice President for Budget and Research, Academic Affairs.

AGENDA ITEM 3 - Roll Call

Mr. Howard E. Bailey
Ms. Kristen T. Bale
Ms. Leslie R. Bedo
Mr. Robert Earl Fischer
Ms. Lois W. Gray
Ms. Peggy W. Loafman
Mr. Cornelius A. Martin
Professor Mary Ellen Miller
Mr. James B. Tennill, Jr.
Ms. Beverly H. Wathen

Mr. Ronald Sheffer was absent.

Others in attendance included President Gary A. Ransdell; Ms. Liz Esters, Secretary; Dr. Barbara Burch, Provost and Vice President for Academic Affairs; Mr. Fred Hensley, Chief Public Affairs Officer; Mr. Tom Hiles, Vice President for Development and Alumni Affairs; Dr. Richard Kirchmeyer, Vice President for Information Technology; Ms. Ann Mead, Chief Financial Officer; Mr. John Osborne, Associate Vice President for Campus Services; Dr. Wood Selig, Athletics Director; Dr. Gene Tice, Vice President for Student Affairs and Campus Services; and Ms. Deborah Wilkins, General Counsel.

AGENDA ITEM 4- Reorganization of the officers of the Board of Regents applying to the offices of Chair, Vice Chair, and Secretary

Chair Bale appointed a Nominating Committee at the June 29 Board meeting

composed of Ms. Peggy Loafman, Chair, Mr. Howard Bailey, and Mr. James Tennill.

Ms. Loafman placed in nomination the names of Ms. Bale, Ms. Gray, and Ms. Esters for the offices of Chair, Vice Chair, and Secretary. The motion was seconded by Mr. Fischer. With no discussion and no other nominations from the floor, the motion carried unanimously.

AGENDA ITEM 5 - Committee appointments for 2001-2002

Ms. Bale indicated she will be contacting Board members individually to determine

the committee structure for the upcoming year.

AGENDA ITEM 6 - Approval of minutes

Chair Bale presented the minutes of the April 27, May 6, and the June 29 meetings

for approval without reading inasmuch as copies were mailed to members of the Board prior to the meeting. Motion for approval was made by Mr. Fischer, seconded by Mr. Martin and carried unanimously.

AGENDA ITEM PRA-7.1 - 2002-2003 Tuition Schedule

REQUEST: Approval of the 2002-03 Tuition Schedule, effective summer semester 2002.

FACTS: At its May 21, 2001 meeting, the Council on Postsecondary Education approved the Tuition-Setting Guidelines for the next biennium. The Guidelines state that institutions are to establish its own tuition rates consistent with the Guidelines. The Guidelines include the following parameters for setting rates:

- Undergraduate rates must be higher for non-Kentuckians than Kentuckians, excluding reciprocity agreements. [Reciprocity agreements allow non-Kentuckians to enroll at Kentucky (in-state) rates.]
- The rates should move institutions toward producing tuition and fees revenue at consistent levels across institutions. KCTCS, LCC, and KSU's tuition and fees policies should move the institutions toward producing revenue that is at least 30 percent of the total public funding for each institution. The tuition and fees policies of the remaining institutions should move those institutions toward producing revenue that is at least 37 percent of the total public funding for each institution. Institutions with tuition and fees revenue below these recommended standards should act to increase that percentage over the biennium. These institutions must at least maintain the current percentage of tuition and fees revenue in public funding during the 2002-04 biennium.

The proposed tuition rates for 2002-03 are listed below in the recommendation. Consistent with the tuition and fees recommendations approved by the Board of Regents, the 2002-03 Tuition Schedule reflects the following:

- The elimination of the \$25 per course extended campus fee (Owensboro and Glasgow) and the combining of tuition and mandatory student fees into one rate structure;
- The differentiation of tuition rates by student level and by residency;
- The maintenance of full-time tuition rates which allow undergraduate students to enroll in more than 12 credit hours and graduate students to enroll in more than 9 credit hours at no additional cost [for the majority of courses, an individual course is equivalent to 3 credit hours];
- Tuition rates that remain significantly lower than many of the institutions with which Western Kentucky University competes for students and rates that reflect our sensitivity to the importance of economic access to postsecondary education (See Attachment B); and
- A shared funding responsibility between the state and the students for the maintenance and enhancement of educational quality; and
- Western Kentucky University's *Strategic Plan* commitment to be the best comprehensive public institution in Kentucky and among the best in the nation and to ensure the funding (public and private) necessary for Western to achieve this commitment.

The Council on Postsecondary Education (CPE) staff has presented to its Board its analysis of public funds per full-time student (FTE), based on fall 1998 enrollment and 1998-99 funding at Kentucky universities and at the respective benchmark universities. Public funds include state appropriations and tuition and fees revenue. The data show:

- At \$7,813 per FTE student, Western Kentucky University had the lowest funding level of any of the Kentucky universities or benchmark universities.
- Only Eastern Kentucky University's, Northern Kentucky University's, and Western Kentucky University's public funding per FTE student placed them last among the respective benchmark universities.
- Western Kentucky University was funded at 78 percent of the CPE funding objective for Western. This equated to \$2,165 per student less than the goal or approximately \$26 million less the amount needed to fund the University's base budget. Western is highly successful in its efforts to raise private funds for scholarships and "a margin of excellence." However, private funds are not intended to supplant the necessary basic operating funds--the University's base budget.

Although the above data do not reflect the state funding increases provided by the 2000 General Assembly, the data also do not reflect Western's FTE enrollment growth of 530 students between fall 1998 and fall 2000. Western is anticipating an additional increase in enrollment in fall 2001. This enrollment growth shows Western's firm commitment to the state's goal of increasing enrollment and retention of students.

The enrollment growth and associated costs, without an essential level of state funding, creates a considerable strain on the University in terms of market faculty salaries, equipment, professional development funding, and class sizes. Attachment C shows Western's fall 2000 average faculty salaries by rank in comparison to benchmark medians. These data show that the faculty market adjustment pools, allocated in 1999-2000 and in 2000-01, have helped close the gap between Western's faculty salaries and the average faculty salaries at the benchmark universities. However, in 2000-01, it would have taken approximately \$830,000 plus associated fringe benefits to have achieved the goal of reaching the

midpoint of comparable universities.

Western has a premier faculty, which adds quality and value to the Western experience. Fair faculty compensation is part of the cost of a quality education at Western. It is the intent of the Administration that the tuition revenue generated from the proposed 2002-03 Tuition Schedule be tied to providing a four percent salary pool in the next budget. This action reaffirms our resolve to continue to recruit and retain faculty of sufficient quality to sustain Western's reputation as Kentucky's premier comprehensive university. Approval of the 2002-03 Tuition Schedule reflects our resolve to ensure high quality for competitive cost.

As previously stated, funding of the base budget is a partnership between the state and the students. It is the intent of the Administration to work diligently to secure the necessary state funding of this institution's base budget during the 2002 General Assembly.

RECOMMENDATION: President Gary A. Ransdell recommends that the Board of Regents approve the following 2002-03 Tuition Schedule, effective summer semester 2002.

2002-03 Tuition Schedule
Semester Charge for Full-Time Students
Effective Summer 2002

	<u>Kentucky Resident</u>		
	Approved 2001-02	Proposed 2002-03	Semester \$ Increase
<u>Student Classification</u>			
Undergraduate	\$1,422	\$1,560	\$138
Community College	\$1,287	\$1,404	\$117
Graduate	\$1,522	\$1,719	\$197
 <u>Non-resident</u>			
<u>Student Classification</u>			
Undergraduate	\$3,712	\$3,996	\$284
Undergraduate, Tuition Incentive Program	\$1,722	\$1,956	\$234
Community College Community College, Tuition Incentive Program	\$3,307	\$3,600	\$293
Graduate*	\$1,652	\$1,752	\$100
	\$1,522	\$1,890	\$368

*2001-02 tuition rate is \$3,607 with \$2,085 being awarded as a graduate fellowship. For 2002-03, nonresident graduate assistants will receive a fellowship for the difference between resident and non-resident tuition.

Note: undergraduate and community college per-credit hour rates are determined by dividing by 12 and graduate per-credit hour rates are determined by dividing by 9.

MOTION for approval of the 2002-03 Tuition Schedule, effective summer semester 2002, was made by Mr. Fischer and seconded by Ms. Loafman.

President Ransdell commented, "Our proposal is that we dedicate every penny of the increase in tuition to the salary pool to lock in at least a 4% increase next year, fiscal year

2002-03, the next year of the biennium. If we are able to have an increase in appropriations, which we're certainly going to pursue, particularly given our enrollment growth, and the encouragement from the State to grow our enrollment and the commitment that the State would, indeed, fund that enrollment growth, if we get an increase in state appropriations for the next biennium, we would then have the very high priority to come back and add another percent or two to this four percent salary pool. There is no way to know that; and I simply cannot in good conscious go in to the next budget cycle without knowing that we are going to be able to have a reasonable salary increase for our employees. We simply cannot face another one or two or three percent year; now, four percent is not anything that anyone is going to jump up and down and celebrate, but it is a satisfactory base boost to our compensation capacity."

Mr. Bailey commented that all employees of the University need to be aware that, realistically, unexpected fixed costs in the next eight or nine months could impact the decisions that have to be made regarding the percentage of increase that employees would receive.

President Ransdell responded, "If I make a commitment that we do a four percent increase, we'll do a four percent increase; and if we get a continuation budget for example where everybody gets the same addition that they got last year, which would be very problematic for Western given our enrollment growth, we would actually be in a budget cutting model with a continuation budget in order to fund fixed costs and whatever else may have to be funded in next year's budget if we tie all of this money to a salary pool. Even with that, it would be my recommendation that the budget you would approve, with a continuation budget in the worse-case scenario, (or it's possible we could face a budget cut with the State, I wouldn't rule that out if State revenues continue to decline) my resolve would be to follow through with this four percent increase for faculty and staff even if it meant a budget cut. I feel strongly about compensation for our employees."

Mr. Fischer's motion to approve the tuition increase carried with Regent Bedo voting nay.

**PRA-7.2 REQUEST: Recommendation for final authorization for the renovation of Diddle Arena and related properties by the City of Bowling Green and authorization to enter into a Property Improvement Agreement.
(Revised 8/17/01)**

RECOMMENDATION: The President recommends that the Board of Regents authorize him to take any and all actions necessary to effectuate the proposed renovation of E.A. Diddle Arena by the City of Bowling Green through the issuance of general obligation bonds, including but not limited to, execution of a Property Improvement Agreement.

The University will retain ownership of E.A. Diddle Arena and all other athletic-related facilities and properties originally proposed for transfer to the City, with the debt service and the City's other costs to be paid from student activity fees collected by the University.

BACKGROUND:

On May 6, 2001, the Board of Regents approved a resolution which authorized and empowered the President to negotiate the transfer of E. A. Diddle Arena to the City of Bowling Green and to bring forth for the Board's final approval a formal recommendation and all documents related to that transfer. In accordance with that Resolution, the President submitted those documents contained in the attached informational packet: "E.A. Diddle Arena Project."

Under the funding arrangement proposed in the recommendation, it is no longer necessary to convey any of the University's property to the City of Bowling Green, and the University would retain ownership of E.A. Diddle Arena and all other athletic-related facilities and properties originally proposed for transfer.

President Ransdell commented, "With the communications we've had at the last couple of Board meetings regarding the need to renovate Diddle Arena and the extensive discussions we've had for the last eighteen months or so with State Government, particularly the Finance and Administration Cabinet, we have been in close communication with the State Auditor, with the Attorney General, with CPE; as there was some discomfort with members of this Board, there was some discomfort from members of State Government with transferring the deed to Diddle Arena—not that we couldn't prove that it was legal to do and could have done it that way—but there was discomfort with the precedent-setting nature of transferring the title to a building. That had not been done in Kentucky before, so there was some discomfort about the precedent, and there were no statutes to guide such a procedure. There were statutes that gave the Board authority to buy, sell, or otherwise dispose of property, and there's some surplus property provisions that Finance and Administration Secretary needed to be concerned about. With recent legislation, not the least of which is the performance contracting legislation that was approved during this last General Assembly which allows the University and state agencies to contract with a private entity to finance work on campus and pay that contractor back over time with energy savings, the nature of that legislative proviso caused us to go back and rethink this recommendation. We explored the possibilities and went to Crit Luellen in the Governor's Office and to Kevin Flanery, the Finance and Administration Secretary

Monday morning and then with Representative Jodie Haydon, Chairman of the Capital Projects and Bond Oversight Committee and his staff on Monday afternoon and made a different proposal. Much to my pleasure, there was a great sense of relief and a spirit of ‘Great, let’s get it done!’

“You have before you a revised action agenda 7.2 which shows a recommendation, background, and a motion; it also shows a summary, as of yesterday, on this transaction; it shows the time line, and it shows the actual proposed agreement with the City.”

“Changes in the recommendation are: the proposed agreement with the City is for the financing and renovating of Diddle Arena. They would issue the bonds and be solely responsible for the repayment of those bonds with no obligation or exposure whatsoever to the State. They are general exposure bonds on the good faith and credit of the City of Bowling Green and the taxing authority of the City of Bowling Green. We would then have as a line item in the Athletic Department budget, an annual payment to the City of Bowling Green to cover the debt service on those bonds. The City of Bowling Green would then contract for the architects and engineering work, the actual construction work on the project would be between April and September of 2002. That allows the current RFP procedures to stay on track with the time lines you see in the recommendation. What this does is several things—first of all, it takes the issue of deed transfer off the table; it takes any question about control or ownership of the Arena off the table. It also allows us to reconnect the student fees passed in the fall of 2000 to this project, and the bond agencies are very pleased about the security of a student payment that is more secure than ticket sales, suite leases, or other revenue programs.

We had a conference call to Secretary Flanery yesterday; and Secretary Flanery, Mayor Jones, and I will go arm in arm next Tuesday with a recommendation to proceed to the Capital Projects and Bond Oversight Committee. The City Commission meets immediately thereafter to proceed with the bond provisions.”

“The summary you see in front of you—one other thing this calls us to do, since we’ll be keeping the arena, *we’ll be going back in October to amend our six-year capital plan to go through the Capital Planning Advisory Committee with the improvements to a state building. When we thought we wouldn’t own the building that wasn’t needed; now we need to do that. In the first two weeks of the Legislative Session, we will have to then*

get legislative authority for a construction project, which we have already talked with our local legislative delegation, and the Finance Secretary will ensure that that is done. As long as that is done before the actual construction begins, which will not be until the end of March, then we are okay. This is all covered in the summary.”

Mr. Fischer made a motion, seconded by Mr. Tennill that the Board of Regents authorize and empower the President to take any and all actions necessary to effectuate the proposed renovation of E.A. Diddle Arena by the City of Bowling Green including but not limited to execution of a Property Improvement Agreement which substantially conforms to the proposed Agreement.

Following a lengthy discussion in which Board members expressed concern with having just received the multi-paged revised recommendation at the meeting, suggestions were offered for the rewording of the motion that would stipulate no transfer of deeds or conveyance of property; the addition of student parking to the proposed renovation of E.A. Diddle Arena and related facilities; the addition of a phrase that payments would come exclusively from the Athletics Department revenues, and a stipulation that the Agreement would come back to the Board of Regents for final approval.

As a result and with the unanimous agreement of the Board, Mr. Fischer and Mr. Tennill offered the **revised motion** *“That the Board of Regents authorize and empower the President to take those actions necessary to effectuate the proposed renovation of E. A. Diddle Arena and related athletic facilities including student parking by the City of Bowling Green, ~~including but not limited to~~ and, subject to **final** Board approval, execution of a Property Improvement Agreement which substantially conforms to the proposed Agreement. This motion does not include the authorization to convey any University real property and requires that the Agreement shall be restricted to payments to the City of Bowling Green exclusively from Athletics Department revenues.”*

The motion carried with Professor Miller voting nay.

PRA-7.3 REQUEST: Approval of the division of the Department of Educational Leadership into two departments and naming them the Department of Counseling and Student Affairs and the Department of Educational Administration, Leadership and Research

FACTS: The programmatic realignment in the College of Education and Behavioral Sciences calls for the division of the Department of Educational Leadership into two departments. This realignment will also result in a closer alignment of school administrator preparation with

the School of Teacher Education.

RECOMMENDATION: President Ransdell recommends approval of the division of the Department of Educational Leadership into two departments and those departments being named *Department of Counseling and Student Affairs* and the *Department of Educational Administration, Leadership and Research* effective upon final approval by the Board of Regents.

Motion for approval of the division of the Department of Educational Leadership into two departments to be named *Department of Counseling and Student Affairs* and the *Department of Educational Administration, Leadership and Research* effective upon final approval by the Board of Regents was made by Ms. Bedo, seconded by Mr. Bailey, and carried unanimously.

PRA-7.4 REQUEST: Approval of the title *State Climatologist Emeritus* of Mr Doral Glen Conner

FACTS: Mr. Doral Glen Conner, a recently retired faculty member in the Department of Geography and Geology, has served with distinction as the State Climatologist for the Commonwealth of Kentucky from April, 1978 through June, 2000. This proposed title will recognize Mr. Conner's distinguished public service contributions.

RECOMMENDATION: President Ransdell recommends the designation of the title of *State Climatologist Emeritus* for Mr. Doral Glen Conner.

Motion for approval of the title "*State Climatologist Emeritus*" for Mr. Doral Glen Conner was made by Professor Miller, seconded by Mr. Martin, and carried unanimously.

PRA-7.5 REQUEST: Approval to add an additional item (number 16) to the fifteen items listed under the Tuition and Fees Policy which received Board approval on 6/29/01. The recommended addition, which is bolded, would become effective Fall, 2001. (Approved Items 1-15 are effective Fall, 2002.)

Tuition & Fees Policy Recommendations

(Effective Fall, 2002)

(Approved 6-29-01)

1. Consolidate tuition and mandatory fees. The University should continue to account for mandatory fees through line item budgeting. Units should receive increases at least equal to the HEPI level when tuition is increased by at least that amount. Programs needing new or additional funding should make their case before the Budget Council. The Budget Council will make recommendations to the Administrative Council; the Administrative Council to the President; and the President to the Board of Regents. If adjustments are recommended and approved, the combined tuition and fees rate should include consideration of the needed funds.
2. Maintain flat rate tuition structure for undergraduate and BGCC students taking 12 or more credit hours per semester and for graduate students taking 9 or more credit hours per semester.

3. Use the full-time resident undergraduate rate for combined tuition and fees as the key element in setting future rates. In establishing a new year's rate structure, first determine the amount of increase for the full-time resident undergraduate students.
4. Set full-time nonresident undergraduate and BGCC rates for combined tuition and fees as 2.75 times the corresponding full-time resident rates in 2002 and 2.5 times after 2002. The University should use scholarships to recruit highly qualified nonresident undergraduate students.
5. The University could set full-time graduate rates for all nonresident students as 1.2 times the full-time resident graduate rates. As an alternative, the University should use fellowships to reduce the net cost for nonresident graduate students to a rate equivalent to 1.2 times the full-time resident graduate rates. Nonresident graduate assistants should continue to receive fellowships equal to the difference between resident and nonresident graduate students.
6. Tuition Incentive Program (TIP) rates should become 1.25 times the corresponding full-time resident rates.
7. Set full-time BGCC rates for combined tuition and fees as .90 times the corresponding full-time resident undergraduate rates. This rate needs to be monitored for competitiveness with the KCTCS tuition rate and space availability.
8. Set full-time resident graduate rates for combined tuition and fees as 1.10 times the corresponding full-time resident undergraduate rates.
9. Part-time students would pay an hourly rate calculated by dividing the full-time rate for combined tuition and mandatory fees by 12 for undergraduate and BGCC students and by 9 for graduate students.
10. Extended campus fees should be abolished as a separate fee. Any units receiving current allocations from extended campus fees should continue to do so through allocation of combined tuition and fee dollars.
11. Course fees should remain separated from tuition and fee calculations. Approved course fees should be listed in the schedule bulletins, collected and allocated as in the past.
12. The University should consider establishing a separate combined tuition and fees rate for individual programs such as the University's MBA program. These special rates should only be approved on a very limited basis.
13. The University should seek to increase the overall quality and diversity of its student body by using scholarships or fellowships as appropriate or by extension of the Tuition Incentive Program. These efforts should not be used just to attract more nonresident students.
14. The University should review its tuition refund and drop/add policies. These policies should be changed to guard against the inefficient use of resources caused by "course shopping" by students.
15. Considering that the recommendations above involve some changes to current practices, the University should consider phasing in any approved rate structure by establishing a maximum amount of increase any student would pay from one year to another if they maintained similar classification, residency, and full or part-time status.

16. Upon recommendation by the Provost, in consultation with the Chief Financial Officer, and with the approval of the President, tuition adjustments may be made to selectively support the recruitment of specific individuals or targeted groups, consistent with the mission and priorities of the University, effective Fall, 2001.

FACTS: When the tuition guidelines were presented to the Board for approval at the June meeting, one item was not included on the recommended guidelines document that had previously been recommended by the committees working on these guidelines. This item was omitted because it was anticipated that we would be able to handle these types of adjustments within the current set of guidelines and institutional accounting processes. However, it now appears that this particular guideline is needed. It is an important one if we are to have the flexibility and capacity to respond that is essential in enhancing our recruiting efforts while simultaneously enhancing the quality of our student body.

RECOMMENDATION: President Ransdell recommends the addition of Item #16 to the Tuition and Fees Policy approved on June 29, 2001. (Item 16 to become effective Fall, 2001.)

Motion for approval of the addition of Item #16 to the *Tuition and Fees Policy*, approved on June 29, 2001 (to become effective Fall, 2001) was made by Professor Miller, seconded by Mr. Tennill, and carried unanimously.

PRI-7.1-7 The Board was given informational updates on the following items:

- Innovation/Commercialization Center real estate transaction;
- Fall Enrollment Projection;
- Presentation of graduates of the new International Journalists Training Program;
- Development Year-End Totals;
- Media Report;
- McLean Hall update and summary of other construction projects.

AGENDA ITEM 8 - Recommended personnel actions since April 27, 2001

Chair Bale reappointed Dr. Randall Capps as Board Parliamentarian and Ms. Ann Mead as Treasurer.

RECOMMENDATION: President Gary A. Ransdell recommends approval of the personnel actions since April 27, 2001. Those actions are listed in the next sixteen pages.

The recommended personnel items were presented by Chair Bale. Motion to approve the recommended personnel actions was made by Mr. Martin, seconded by Mr. Fischer and carried with Mr. Bailey and Professor Miller abstaining.

AGENDA ITEM 9 - Other Business

- Resolution of appreciation for Governor Paul E. Patton

Resolution

WHEREAS, The Governor of Kentucky has continuously shown his commitment to and his support of postsecondary education in the Commonwealth; and

WHEREAS, The Governor of Kentucky has demonstrated his support of Western Kentucky University's vision, priorities and programs; and

WHEREAS, The Governor of Kentucky was instrumental in the development and passage of House Bill 1 in 1997 which led to sweeping reform of the postsecondary education system in the Commonwealth; and

WHEREAS, The Governor of Kentucky was a proponent of increased based funding for Western Kentucky University in the 2000-2002 biennium; and

WHEREAS, The Governor of Kentucky has repeatedly demonstrated his commitment to Western Kentucky University;

THEREFORE BE IT

RESOLVED, on this 17th day of August 2001, that the Western Kentucky University Board of Regents wishes to formally and publicly acknowledge the significance of the Governor's support of this University and expresses its appreciation to

Governor Paul E. Patton

for his commitment to exempt Western Kentucky University and postsecondary education in the Commonwealth from budget reductions during the 2001-2002 fiscal year.

Ordered at Bowling Green, Kentucky, this 17th day of August in the year of our Lord two thousand one.

/s/ Kristen T. Bale, Chair

Gary A. Ransdell, President

- Resolution of appreciation for Mr. Fred W. Hensley

RESOLUTION

WHEREAS, Mr. Fred W. Hensley began his career at Western Kentucky University in 1980 as Director of Public Information; and

WHEREAS, during his tenure at Western, he has served the University as

Director of Public Information (1980); Director of University Relations (1989); Vice President for Institutional Advancement and Executive Director of the WKU Foundation (1998); and Assistant to the President for Public Affairs (1998-99); and

WHEREAS, among his accomplishments, Mr. Hensley developed and implemented Western's first integrated marketing plan. During his tenure as Executive Director of the WKU Foundation, total giving and scholarship support increased by 70%, and he developed the infrastructure for a comprehensive major gifts campaign. He also created Western's first governmental relations program; and

WHEREAS, on August 31, 2001, Mr. Hensley will retire from his current position as Chief Public Affairs Officer; and

WHEREAS, he has been named Senior Vice President for Advancement and Marketing at Michigan Technological University; and

WHEREAS, Mr. Hensley has a long and distinguished career at this Institution and is held in the highest esteem by this Board; his colleagues at Western and within the State; members of the Legislature with whom he has been closely associated; members of the Bowling Green community where he has lived and served willingly in numerous civic capacities and where he and his wife, Mary Jane, have reared two wonderful children, Drew and Anne-Walker; and

WHEREAS, his loyal and dedicated service for over twenty years has made significant and lasting contributions to this University and this community; and

WHEREAS, such leadership and dedicated efforts are deserving of special recognition; Therefore, be it

RESOLVED, that the Board of Regents of Western Kentucky University in a meeting on August 17, 2001, does hereby express its appreciation to Mr. Fred W. Hensley for his devotion and dedication to Western Kentucky University through his exemplary career and extends best personal wishes for continued success in all life's endeavors; be it

**FURTHER
RESOLVED,** that this resolution be spread upon the minutes and that a copy thereof be presented to Mr. Hensley as an expression of the esteem in which he is held by the members of this Board.

Ordered at Bowling Green, Kentucky, this 17th day of August in the year of our Lord two thousand and one.

Kristen T. Bale, Chair
Board of Regents

Gary A. Ransdell, President
Western Kentucky University

Ms. Loafman moved and Mr. Martin seconded approval of the two resolutions.

The motion carried unanimously.

AGENDA ITEM 10 - Executive Session for the following purposes:

Ms. Gray made a motion to go into Executive Session for the following purposes:

- 1) A discussion of proposed or pending litigation involving the University pursuant to KRS 61.810(1)(c);

- 2) Deliberations and discussion related to future acquisition or sale of real property by the University, pursuant to KRS.61.810(1)(b). The reason for the closed session is that public discussion and publicity of proposed real property acquisitions or sales would likely affect the value of the specific property to be acquired or sold; and
- 3) Discussions which might lead to the appointment or dismissal of an individual employee, as provided under KRS 61.810(1)(f). The nature of the business to be discussed is a confidential personnel matter pertaining to an individual employee.

The motion was seconded by Mr. Fischer, and carried.

The Board, accompanied by President Ransdell, Ms. Esters, Dr. Barbara Burch, Mr. Fred Hensley, Mr. Thomas Hiles, Dr. Richard Kirchmeyer, Ms. Ann Mead, Mr. John Osborne, Mr. Wood Selig, Dr. Gene Tice, and Ms. Deborah Wilkins went into Executive Session at approximately 12:30 p.m.

Returning from Executive Session at approximately 1:50 p.m., Ms. Bale stated, “The Board is now returning to open session. The subject of the discussions and deliberations during closed session were restricted to those in the motion, and no formal action was taken by the Board in closed session.

AGENDA ITEM 11 - Approval of and authorization to purchase 2377 Nashville Road and 2381 Nashville Road, Bowling Green, Warren County, Kentucky.

RECOMMENDATION: The President requests authorization and approval to purchase property owned by William Mayhew, Jr., and his wife, Noka Mayhew, located at 2377 Nashville Road and 2381 Nashville Road for the sum of \$300,000.00.

FACTS: The University has entered into a Sales and Purchase Contract with the property owner for the acquisition of the above referenced property, subject to approval and authorization of the Board of Regents for the purchase.

A revised appraisal of the properties evidences the properties have a combined fair market value of \$285,000.00. The owner is currently in bankruptcy, and the trustee for the Bankruptcy Court has agreed to approve the sale of the property by the Mayhews for the combined price of \$300,000.00, pending formal approval by the Bankruptcy Court.

Recognizing that the appraisal of real property is not an exact science, the University is permitted to purchase this property for a sum greater than its appraised value, based on the following:

1. As illustrated by the attached map, this property is surrounded by existing University property and, once acquired, will increase in value due to its joinder with this property;
2. Assembling this property with property currently owned by the University will provide an opportunity for the University to fully develop property currently owned by the University, on the corner of 31-W and Campbell Lane, into a variety of useful and financially beneficial opportunities; and,

3. Because of its location (i.e. immediately adjacent to property currently owned by the University), the University is a “unique” buyer for this property, and its fair market value to the University therefore exceeds what its fair market value might be on the open market.

Funds to accomplish this acquisition are to be made available from the University’s fund balance reserve which will be replenished in full when the pending development plans are realized.

Motion to authorize and approve the acquisition of 2377 and 2381 Nashville Road for a combined purchase price of \$300,000.00, which will be funded from the University’s reserve funds and replaced from the proceeds derived from the eventual development and/or disposition of the property was made by Mr. Tennill and seconded by Mr. Fischer. The motion carried with Mr. Martin and Mr. Bailey voting nay.

With no further business to conduction, motion to adjourn was made by Mr. Fischer, and seconded by Mr. Tennill. The meeting adjourned at approximately 2 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 third quarterly meeting held August 17, 2001, on the campus of Western Kentucky University, 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
10-26-01

Kristen T. Bale
Chair
10-26-01

Elizabeth W. Esters
Secretary
10-26-01