

MINUTES OF MEETING OF THE EXECUTIVE COMMITTEE  
BOARD OF REGENTS  
WESTERN KENTUCKY UNIVERSITY  
September 4, 1981

Required statutory notice having been timely and properly given, a meeting of the Executive Committee of the Board of Regents of Western Kentucky University was held on Friday, September 4, 1981, at 4 p.m., CDT, in the Regents Conference Room of the Wetherby Administration Building on the Western campus. Mr. John David Cole, Chairman, at whose request the meeting was called, presided.

All members were present; namely,

Dr. William G. Buckman  
Mr. Joe Bill Campbell  
Mr. Ronald W. Clark  
Mr. John David Cole

Also present were Dr. Donald W. Zacharias, President; Dr. James L. Davis, Vice President for Academic Affairs; Mr. Harry Largen, Vice President for Business Affairs and Treasurer; Dr. John D. Minton, Vice President for Student Affairs; Mrs. Mary Sample, Secretary; Dr. Paul B. Cook, Assistant to the President for Resources Management and Director of the Budget; Dr. Randall Capps, Assistant to the President and Parliamentarian; Mr. William E. Bivin, University Attorney; and Mr. Fred Hensley, Director of Public Information.

Chairman Cole announced that the purpose of the meeting was to receive and give consideration to the 1982-84 Biennial Budget Request summary to be submitted to the Council on Higher Education. Providing explanatory comments, President Zacharias read the following statement:

The purpose of this meeting is to give members of the Board of Regents' Executive Committee a summary of Western's 1982-84 Biennial Budget Request. Let me say at the outset, it is not easy to be optimistic about a budget for the next two years at a time when we have experienced three cuts in our state appropriation totaling approximately \$5 million. Despite the lack of positive action from elected officials to improve the revenue picture, Western's administration and our faculty and student leadership are determined to present as forceful a campaign as we can organize to see that higher education's needs are clearly and accurately presented. We intend to be persuasive.

Whether by design or accident, the Frankfort strategists seem intent upon looking for ways to put higher education on the defensive. Governor Brown has spoken openly about challenging higher education to perform better than it ever has before. I welcome that challenge if it means that once he is convinced that our faculty and staff are dedicated, hard-working people he will help us give the people of the Commonwealth the kind of educational system they need by providing us the necessary funds. If the current policy is a tactic to cut more services, reduce access to programs, and let the educational system deteriorate into mediocrity, then I hope we can find a way to show how destructive that economic loss will be to the economic and business development this state so proudly claims it wants.

In presenting this budget request to you today, we are following instructions and guidelines from the Council on Higher Education. Because we recognize the need to request funds only for necessities, we are not asking for funds for any new programs.

We hope to recover some of the \$5 million lost during the budget reduction of the current biennium. These funds will be used to meet fixed costs in utility increases and provide salary increases for all university personnel. In the last two years salaries have improved but not nearly as fast as inflation has eroded them.

The average annual compensation for faculty at Western is \$1,311 below the median for the benchmark institutions. The salaries and wages for classified employees are below the average for the South Central Kentucky area as reflected in salary surveys by Associated Industries of Kentucky. A comparison of the salary increases at Western over the past two years and the Consumer Price Index (CPI) shows that salaries have failed to keep up with the CPI.

This budget request represents what Western needs and deserves if it is to carry out its mission in an acceptable manner.

I want to be sure that members of this committee and the university community understand that the Department of Finance and the Office for Policy and Management have an approach that differs greatly from the Council's guidelines. The budget request approved by the Council for Western will have to be submitted to the Department of Finance, using their guidelines. We received those guidelines on August 26, 1981.

The Department of Finance is assuming that there will be no new dollars for next year. In Governor Brown's memorandum to all state agencies, which accompanies the Department of Finance guidelines, he says, "No more dollars can be requested by executive agencies in fiscal year 1983 than were received in fiscal year 1982 (after our budget cuts) to continue current programs." The guidelines provide for a 7.5 percent "limited growth cap" for fiscal year 1984.

If the Council, the Prichard Committee, and the universities are unable to change the executive and legislative leaders' beliefs about the need for new revenue to fund our programs, we appear headed for another session of reducing personnel, services, and programs. Under these conditions I ask for the help of the Board in conducting a persuasive campaign to inform the public about our needs, but I want everyone to know that until the executive budget is prepared we must act on the assumption that we will have no increase in funds for 1982-83. In the coming weeks I will be working with our administrators and other leaders to devise a plan to cope with such a financial emergency. I believe we have demonstrated what Western needs, but until someone is willing to propose a way to raise more revenue, we are destined to sacrifice more programs and services.

The plan being developed by the Council in conjunction with the Office of Civil Rights will have budgetary implications. We are expecting the Council to request funds to support the plan.

In the extensive discussion which followed the President's statement, a number of points relating to the development of the biennial budget, including the problems of inflation and diminishing resources, were discussed and pertinent comments were received from members of the Board, a number of which are summarized below:

Dr. Buckman: Expressed appreciation for the priority given to faculty salaries and pointed out the importance of obtaining and retaining competent faculty. He commented, however, that despite priority treatment, salaries at Western remain below the benchmark median. He pointed out that the lack of funds has brought about a decrease in academic quality as evidenced by larger classes and

inability to meet demand for certain classes and that the situation will worsen as the financial shortage becomes more severe. He expressed agreement with the statement of the President.

Mr. Clark: Felt that the public must support with conviction and collectively persuade legislators, at the risk of their political future, to effect increased taxation in the form and amount necessary to support education at the level needed.

Mr. Campbell: Pointed out that two factors are at work in the lack of funds for education, one of which is the economic recession and the other is the public's perception of education which involves a lack of appreciation of higher education and what it does for the economic development of the state. Since the general public holds the belief that higher education is overstaffed and the employees are overpaid and underworked, they see no need for increased funds. As long as the recession lasts the only alternative is to convince the public that the problems of education are the public's problems and to educate the public of the need to support legislation to effect tax increases that will provide adequate revenues for education. He concluded by saying that we must continue to work hard and involve nonfaculty people in the cause as never before.

President Zacharias: Called attention to the fact that one of the reasons for the appointment of the Committee of 75 was to inform key individuals of problems and needs. He also added that at the present time the public is not willing to support any form of tax increase but expressed the hope that that could be changed.

Mr. Cole: Felt the situation could be looked at from two perspectives: (1) In looking from the Board to the legislature, attempts could be made to rally public opinion to support more dollars for higher education through the efforts of the University, the Prichard Committee, and others. However, the plans announced by the Finance Department to submit a balanced budget with a zero increase to the legislature coupled with the expected inflation rate of 10 percent would result in the University experiencing a decrease in actual purchasing power for the 1982-83 school year. Stating a willingness to work toward trying to change public opinion, he was very pessimistic about the success of such efforts. (2) In looking from the Board to the campus, every effort had been made to retain quality faculty members and salaries had been given priority; however, under prevailing conditions, salary increases for the coming year would be unrealistic. Mr. Cole agreed that the present budget cut had had a significant impact on the quality of education. In order to make up the loss, he felt a number of things would have to take place including adoption of admission standards which would eliminate the need for certain faculty and administrators thereby developing savings.

Dr. Zacharias: Reported that he and other administrators would be looking at every aspect of the budget in an effort to identify the issues. Such issues include consideration of salary increases and programs that presently exist that can be eliminated. He pointed out that even though the University continues to operate, the loss of \$5 million over a two-year period has required that a number of services be eliminated which has affected the academic quality and service areas of the University. He expressed appreciation for the cooperation experienced in making adjustments and was confident of its continuation as the future issues are faced.

Mr. Campbell: Commented that because the University continues to operate, the public does not perceive the situation and the difficulties the University is experiencing nor does it comprehend the importance of the loss of qualified faculty. He suggested that it may take something as drastic as cutting down the football program or the elimination of the Department of Agriculture to bring the public to a realization of the problems higher education is facing.

Mr. Cole: Suggested that if we were to adopt admission standards that would reduce the enrollment from 13,000 to 8,000 such would have an awakening effect with substantial savings.

Mr. Clark: Felt that reduction of students by limiting enrollment would not solve the problem as less money would be available for use.

Mr. Cole: Said he would not suggest that the problem was that simple; however, this would get the problem before the public.

Dr. Zacharias: Pointed out that there are two strategies regarding limiting enrollment: (1) Putting into effect an enrollment cap by limiting the number of students accepted; and (2) Use of a form of selective admissions which would cut down on enrollment. He also pointed out that statistics show that the state receives its greatest return for dollar invested in higher education on the campuses of Western and Eastern, a fact which the Council recognized and for which it has made some equity adjustment.

President Zacharias then reviewed in detail the budget request as outlined below and additional information was provided by Dr. Cook, Mr. Largen, and Dr. Davis.

SUMMARY  
1982/84 BIENNIAL BUDGET REQUEST

The format for requesting support for the 1982/84 biennium was developed by the Council on Higher Education. Universities can request support for new programs planned for 1982/84 or expansion of existing programs. The rate of the inflationary increases was established by the Council. Western's proposed request is only for expansion of existing programs.

A summary of the proposed request in priority order follows:

Item	Request	
	1982/83	1983/84
1. Inflationary Increases		
Personnel	\$3,844,125	\$4,228,538
Operating Cost	779,166	857,083
Utilities	415,950	478,343
Library Books	58,200	64,020
Increases were calculated at 10% for each item except utilities, which were calculated at 15%. The percentages were established by the Council. The calculations were based on the original budget for 1981-82.		
2. Salary Adjustments	1,405,796	140,580
This request is for catchup money for faculty and staff.		
3. Social Security	235,834	90,638
The request is for the increases resulting from changes in the FICA tax.		
4. Computer Science	31,060	69,100
Provides for one additional faculty in the first year and two in the second year.		
5. Replacement of Part-Time Faculty	243,000	267,300
These funds would provide full-time faculty positions to replace part-time faculty. The request is to phase in the plan over the two-year period.		
6. Computing Equipment for Instruction	255,000	-0-
7. Computing Equipment for Instruction, Research, and Administrative Use	105,000	-0-

Item	Request	
	1982/83	1983/84
8. Coal Technology Equipment	\$ 37,964	-0-
9. Coal Petrology One faculty position.	35,000	3,000
10. Graduate Assistantships Funds requested to increase level of assistantships by \$500 over the two-year period.	50,000	55,000
11. Nursing Add one faculty position for continuing education.	22,000	2,200
12. Health Program Add one faculty position.	21,200	2,000
13. Faculty Development Funds are requested to support seminars, classes, and travel for faculty development.	40,000	4,000
14. Television Equipment Upgrade equipment in production studio.	-0-	70,000
15. Faculty Research Release time, summer stipends, and equipment.	90,000	60,000
16. Public Service Support requested to assist the area and the state in economic development.	95,000	5,500
17. Personnel Development Funds are requested to support employee training and development.	25,000	2,500
18. NMR Spectrometer Equipment for instruction and research in sciences.	-0-	85,000
Total Request	<u>\$7,789,295</u>	<u>\$6,484,802</u>

The proposed request will be reduced by the amount of the projected income from auxiliaries and other restricted sources.

An opportunity was provided for questions, comments, and a thorough discussion of the budget items. Following discussion, Mr. Campbell moved acceptance of the statement as read by the President and the 1982-84 Biennial Budget Request summary as presented. The motion was seconded by Dr. Buckman and the roll call vote was as follows:


Aye: Buckman, Campbell, Clark, Cole

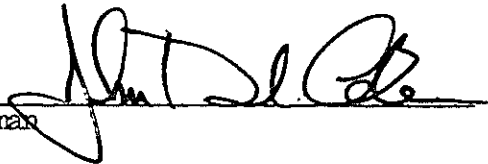
Nay: None

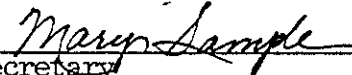
There being no further business to come before the Executive Committee, the meeting adjourned at 5:30 p.m.

CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein above set forth an accurate record of votes and actions taken by the Executive Committee of the Board of Regents of Western Kentucky University in a meeting held on September 4, 1981, 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).

  
Secretary

  
Chairman

  
Secretary