AGENDA ITEM 1 - Call to Order

Required statutory notice having been given, the Special Budget Committee of the Board of Regents of Western Kentucky University was held in the Regents Conference Room of the Wetherby Administration Building. The meeting was called to order by Mrs. Peggy Loafman, Chair, at approximately 3:30 p.m. CDT.

AGENDA ITEM 2 - Roll Call

All members of the committee were present, namely:

Mrs. Peggy Loafman, Chair
Mr. C.C. Howard Gray
Dr. Ray Mendel
Mr. Burns Mercer
Mr. Ray Preston

Additional members of the Board in attendance were Mr. Rob Evans; Mrs. Joy Gramling; Mr. Earl Fischer, and Mr. Fred Mudge.

Also attending were President Thomas C. Meredith; Mrs. Liz Esters, Staff Assistant to the President and Secretary to the Board of Regents; Dr. Robert Haynes, Vice President for Academic Affairs; Dr. James Ramsey, Vice President for Finance and Administration; Mr. Robert Rutledge, Vice President for Institutional Advancement, and Dr. Jerry Wilder, Vice President for Student Affairs.

AGENDA ITEM 3 - Discussion regarding the percentage distribution of dollars to various categories

Mrs. Loafman thanked the members of the Board for taking time from their busy schedules to participate in the meeting and stated that she felt it was appropriate to begin by addressing the mission of the Committee, noting that Dr. Ray Mendel had asked the Board to look at the allocation of budget dollars to the various categories and to review that process. Because of that request, Board of Regents Chair Earl Fischer established this Committee to look at the process. She noted that the Committee was not here to prove anyone right or wrong but to review the facts to be presented, to ask questions, to discuss the information, and to make a determination as to whether or not the University is on the right track--going in the right direction-- and to make a recommendation or a finding of facts to the full Board of Regents.

In response to Earl Fischer's question about participation in the meeting by Board members outside the Committee, Chair Loafman noted that questions and comments were
welcomed; however, any vote would be limited to members of the Committee.

Mr. Fischer stated, "I, for one, thought your comments were right on target, especially as people get to looking at figures and getting ready for a meeting. I know that, within the ranks sometimes, it gets taken as some kind of search, or that we are going in a different direction, but from the Regents that we've heard from getting ready for this meeting, I think everybody just wants to find out what path we are on and to see if there is an adjustment or some fine tuning needed. For one thing, this University has done so much in the last two or three years--so many positive things--it is just a good time to pause and catch our breath and see where we are."

Mr. Preston stated that it was his "understanding that the purpose of this Committee was to examine the allegations by Dr. Mendel that sufficient funds aren't allocated to instruction and to review what we have done previously, look at the circumstances in which it was done, and determine whether we are comfortable with the allocations we made. It is my understanding from the data that I am reasonably familiar with that, all things considered, Western Kentucky University has shown an upward trend over the past three years in allocating funds for instruction. This was done in view of some very, very difficult circumstances; and particularly the raises for the faculty over the past two years were given at a real sacrifice to other parts of budget. I recognize that when the cut comes, everybody is willing to have everybody else's department cut, but not theirs. I personally am very proud of the fact that Western has shown an upward tendency; and in comparing the data with Middle Tennessee and with Eastern, I can find no problems at all with our position at this time."

Mr. Mercer inquired about the content of the report that the Committee would offer back to the Board of Regents. Chair Loafman responded that it was her understanding that, if the Committee felt a change was needed in the direction of the allocation of dollars, the Committee would make that recommendation to the Board.

Mr. Fischer stated that that was the intent of the Chair when appointing the Special Committee. The conclusion would be, in general, "Is this University moving in the right direction with its budget but not specifically by category."

Mr. Mudge stated that, "It was my understanding that the Committee was to develop a set of credible data from the data that is available to present to the Board for the Board to make the analyses on the direction to take. The Committee would take the conflicting information that is on the table today and put it in a form that is credible for the Board to examine."

Mr. Fischer felt the Committee should agree to a conclusion or recommend something (with supporting data) to the Board upon completion of its work.
Mr. Gray felt it was necessary for the Committee to develop a written Mission Statement to have in front of the Committee as an operating tool.

Dr. Mendel stated, "I hope that the issues that I've raised in regards to spending patterns in the budget are not interpreted as allegations so much as they are interpreted as concerns, and the forum for raising what I think are the most fundamental questions that we, as a Board, should be dealing with. In that context, I think it is important--at least my feeling is--that the measured success of this Board in carrying out our mission is not in so much the magnitude of the problems that we identify as it is in the efficacy of the solution that we come up with in dealing with those problems. That's what I hope we will focus on."

The following mission statement was approved by the Committee:

MISSION STATEMENT

The mission of the Special Committee on Budget Distribution is to review past historical financial data provided by Regent Ray Mendel and by President Thomas Meredith and analyze percentages of distribution in terms of "Western XXI and "Moving to a New Level While Keeping Old Traditions." The Committee will review, study, and analyze the materials and make a recommendation or statement of conclusion to the full Board on the budgeting priorities. (9/19/94)

A discussion followed regarding a timeframe under which the Committee should work in evaluating the data provided.

Mr. Gray stated, "I don't know that today is quite the time to get into all of the different facts. I feel very uncomfortable trying to make a decision about any of this today. I feel that we should take this information and give it to the staff to analyze and bring it back to the Committee in some form that the Committee can go through, with the Mission Statement, and draw a conclusion."

Mr. Mercer agreed with Mr. Gray's suggestion stating, "I would like to see the administration and Dr. Mendel have an opportunity to meet and see if they can come to a mutual conclusion as what numbers we should be looking at, bring that data before this Committee, and let us take a look at trends, etc."

A motion was made by Mr. Gray and seconded by Mr. Mercer to ask Dr. Mendel and President Meredith to consolidate their information; let the staff determine their differences, and bring forth to the Committee a document that would outline the areas of agreement and disagreement, the reasons for disagreement, the directions the University has gone in the past and the direction that, it seems, we need to go in the future. The motion carried with Regent
Mendel voting nay.

The Committee will meet again on October 5, at 9 a.m. in the Regents Conference Room.

With no other business to come before the Committee, motion for adjournment came from Mr. Gray and was seconded by Mr. Preston. The meeting adjourned at 4:30 p.m.