

MINUTES
OF THE SPECIAL BUDGET COMMITTEE
OF THE BOARD OF REGENTS

October 5, 1994

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 9:10 a.m. CDT.

AGENDA ITEM 2 - Roll Call

The following members of the committee were present:

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

Mr. Burns Mercer was absent.

Additional members of the Board in attendance were Mrs. Kristen Bale, Mr. Rob Evans, and Mrs. Joy Gramling.

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 - Disposition of minutes of meeting of September 19, 1994.

Mrs. Loafman presented the minutes of the earlier meeting. A motion for approval of the minutes as mailed was made by Mr. Preston, seconded by Mr. Gray and carried.

AGENDA ITEM 4 - Discussion regarding the percentage distribution of dollars to various categories

Board members had received a confidential working paper prepared, as directed by the Special Committee at its last meeting, by the staff in the university budget office. A lengthy discussion followed with overhead presentations by Regent Mendel.

Vice President for Finance and Administration, Dr. Ramsey stated that he had not been asked previously to make a presentation; therefore, he didn't have charts, pictures, etc. to present. He noted that he was involved in preparing the

document forwarded to the Committee. Dr. Ramsey stated, "We were given a task to perform, and the task that we felt we were to perform was in response to the motion made at the last meeting. The 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 the disagreement, the directions the University has gone in the past and the direction that it seems we need to go in the future." That's what we have tried to do, and we knew that this would be a very difficult task. We knew that it would be a task that would make no one happy. We tried to perform this task to the best of our ability. "

"We assume that your goal in all this process was to review data and information to help you set budget priorities and goals as we move forward, and we think that this is your responsibility as members of the Board of Regents. We firmly believe that, if this process helps us define these goals and priorities as we move forward, then this process, as long and as difficult as it has been, will have been a very valuable process. We tried in working with Ray to develop a methodology of looking at the past, looking at the present, and looking to the future; and again that was our direction that you made in your motion."

"I would like to make a couple of points. For the time period 1988-'93, as we reviewed the budgets, as we reviewed the financial statements, we could not find where the Board of Regents for Western Kentucky University at that time explicitly defined budget goals. There were no specific set-out goals by the Board of Regents. Clearly, we could find no discussion of comparisons with institution "a" and institution "b," and I think we've got to keep that in context; secondly, I think that we've got to remember that we, as an institution didn't develop the Strategic Plan until 1990-91 to define the direction that we head in the future."

"With regard to the present, and Ray yesterday gave me the data that he just presented to you, I really don't want to comment on it because I haven't had a chance to study it thoroughly. I do believe that there are some categories that should have been pulled out that, perhaps, Ray didn't pull out but again I haven't done the detailed analysis on that yet. I won't make any specific comments, but with regard to the present, let me remind you that you, as a Board, did explicitly define budget priorities for this institution for the 93-94 year and again for the 94-95 year. For 93-94, the goals and budget priorities that you defined were faculty

salaries, minority student recruitment and retention, and technology. We believe that we have allocated resources consistent with those priorities for 93-94. We believe, that as an institution, we have made progress in faculty salaries, and that's using Council on Higher Education data. For FY 94-95, your budget priorities were salaries more broadly defined; minority student recruitment and retention, and again technology, and operations and maintenance as a budget priority. Again, we believe that, to the best of our ability, the allocation of resources mirrors those budget priorities that you as a Board established."

"In terms of the future, there's a lot going on, and I'm really glad that most all of us sitting here had the opportunity to attend the session Sunday and Monday in Lexington. You heard the discussion of the Council on Higher Education's Strategic Plan for this state. That strategic plan has not yet been defined; there is a major policy issue on the horizon--it's not a black and white issue, but I think it's being portrayed as a black and white issue of access versus quality. Western has been in the forefront on the quality side, and we are one of the lone rangers in that discussion. That whole issue is out there and is going to have an impact on the future of Western Kentucky University. Performance funding is out there, and Senate Bill 109 and accountability are out there, and then the President's vision statement, "Moving to a New Level" is out there. It seems that what we need to do at this point in time is try to put all of those things together and come up with what Dr. Shirley from Southern Colorado, who spoke at the conference, called an "Operational Plan" or a "Business Plan" and define where we want to be as we move forward. It's going to take time to do that, it's a challenge, but if you as a Board of Regents direct us to do that, we will do the very best that we can, bring that back to you, and you tell us if that is consistent with the priorities that you envision for this institution."

Regent Gray, suggested that the Committee adopt a statement that could be proposed to the Board. He introduced a working statement which was reworded by the Committee to the final statement.

Following a period of rewording and rewriting Mr. Gray's original statement, Regent Mendel moved acceptance of the wording in the resolution that follows. The motion was seconded by Ray Preston and carried unanimously.

RESOLUTION

WHEREAS over the past five years some increase has occurred in instructional spending; and

WHEREAS we would expect that amount to be higher inasmuch

as the institution is now on a sounder fiscal footing than it was prior to 1988; and

WHEREAS the Special Budget Committee of the Board of Regents, after reviewing information supplied by President Meredith and information supplied by Regent Mendel, believes that additional funds need to be directed into instruction, research, and libraries.

NOW THEREFORE BE IT RESOLVED that specific and measurable goals and timetables need to be established within PCS categories in order that we can measure the benefits of spending dollars in those categories, all in keeping with *Western XXI* and "*Moving to a New Level While Keeping Old Traditions*," as finally adopted; and

BE IT FURTHER RESOLVED that President Meredith develop an Operational Plan which coordinates Western's move toward quality, *Western XXI*, and "*Moving to a New Level While Keeping Old Traditions*" and that while priorities established by the Board will guide the budget development process for 1995-96, the Operational Plan will be incorporated into the budget development process for 1996-97 and beyond.

With no further business to come before the Committee, motion for adjournment came at 11:55 a.m.

Secretary's Note: Audio and video tapes of the meeting in its entirety are on file.