



Board of Regents

SPECIAL BUDGET APPROVAL MEETING

June 27, 2014 ~ 8:30 a.m. (CDT)

***Mass Media & Technology Hall
Cornelius A. Martin Regents Room***



WESTERN KENTUCKY UNIVERSITY
Board of Regents ~ Special Budget Approval Meeting
June 27, 2014 ~ 8:30 a.m. (CDT)
Mass Media and Technology Hall ~ Cornelius A. Martin Regents Room

AGENDA

- Call to Order (*Mr. J. David Porter, Chair*)
 - Roll Call (*Dr. Melissa B. Dennison, Secretary*)
 - Approval of Minutes - April 18, 2014 Second Quarterly Meeting (*Mr. J. David Porter*)
-

1. FINANCE AND BUDGET COMMITTEE (*Mr. John W. Ridley*)

Action Item:

- 1.1 Approval of the 2014-15 Operating Budget including the Tuition and Fees Schedule
[pp 1-8 and separate attachment]
-

2. NOMINATING COMMITTEE (*Mr. Gil Johnson*)

Action Item:

- 2.1 Recommendation / Election of 2014-15 BOR Slate of Officers **[p 9]**
-

3. OTHER BUSINESS

Calendar dates:

- Retreat – **July 24 at 11:00 a.m.** (*National Corvette Museum*)
 - Third Quarterly Meeting – **July 25 at 8:00 a.m.** (*Augenstein Alumni Center – Guillaume Executive Board Room*)
 - Opening Convocation – **August 22 at 8:00 a.m.** (*Van Meter Auditorium*)
 - Committee Meetings – **September 26 at 11:30 a.m.** (*MMTH – Regents Room*)
 - Fourth Quarterly Meeting – **October 24 at 9:00 a.m.** (*MMTH – Regents Room*)
 - Committee Meetings – **December 12** (*MMTH – Regents Room*)
 - Commencement – **December 13** (*Diddle Arena*)
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4. ADJOURNMENT

2014-15 OPERATING BUDGET AND TUITION AND FEES SCHEDULE

REQUEST:

Approve the 2014-15 Budget including the Tuition and Fees Schedule.

FACTS:

The *WKU 2014-15 Budget* is WKU’s financial plan for the fiscal year beginning July 1, 2014 and ending June 30, 2015, and it includes the Operating Budget and Capital Budget. The budget document includes the following components:

- Narratives by area that summarize Strategic Plan priorities;
- Revenue Summary;
- Expenditure Summary by Organizational Area (Unrestricted, Auxiliary Enterprises and Restricted) and Program Classification Structure (PCS);
- Expenditure Detail by unit (not included in the Summary Budget); and
- Capital Budget.

The Operating Budget includes Educational and General (E&G) and Auxiliary Enterprises revenues and expenditures. E&G revenue consists of unrestricted revenue – primarily state appropriation and tuition and fees – and restricted revenue (e.g., federal and state funds for student financial aid and for grants and contracts). Unrestricted funds are established to account for resources which may be utilized at the discretion of the governing board. Restricted funds are separately identified resources for which external donors or agencies place limitations on how the funds may be used. Auxiliary Enterprises revenue is from the self-supporting activities of WKU such as housing (reimbursed costs from the Student Life Foundation), food services, and bookstore operations.

The Capital Budget provides a listing of major capital and lease/purchase projects, funding sources, and the current status of these projects. It is noted that the General Assembly authorizes a maximum funding for each project for a biennium. However, depending on funding available, some projects may be completed at less than the authorized amount.

The 2014-15 Operating Budget and the dollar and percent increases, in comparison to the 2013-14 budget, are as follows:

	2014-15 Budget	Dollar Incr/Decr	Percent Incr/Decr
Total Budget	\$392,297,000	\$(1,662,000)	(.4%)
Total E&G	368,508,000	147,000	0%
Unrestricted E&G	307,126,000	3,899,000	1.3%
Restricted E&G	61,382,000	(3,752,000)	(5.8%)
Total Auxiliary Enterprises	23,789,000	(1,809,000)	(7.1%)

Total Budgeted Revenue by Source

	<u>Amount</u>	<u>Pct of Budget</u>
Tuition and Fees	\$191,246,000	48.8%
State Appropriations		
Operating	69,804,800	17.8
Kentucky Academy for M&S	2,844,600	.7
Restricted Funds		
Grants and Contracts	18,100,000	4.6
Student Financial Aid	43,282,000	11.0
Self-generated Funds		
(including carry forward)	43,230,600	11.0
Auxiliary Enterprises	23,789,000	6.1
TOTAL	\$392,297,000	100%

At its April 29, 2014 meeting, the Council on Postsecondary Education approved a resident, undergraduate tuition and mandatory fee ceiling for academic years 2014-15 and 2015-16 that equate to a maximum increase of 8.2 percent over the two years for WKU. CPE gives each institution flexibility in determining all nonresident, online and graduate rates. WKU’s 2014-15 Tuition and Fees Schedule, which is included with this agenda item, has been submitted for CPE approval at its June 20, 2014 meeting. WKU’s resident, undergraduate tuition and mandatory fees will increase \$209/semester for a total increase of 4.8 percent.

With the exception of undergraduate distance learning and nonresident domestic graduate tuition rates, a five percent rate increase is recommended. The undergraduate distance learning rate will increase 4 percent with the multi-year goal to return to the distance learning rate being 20 percent higher than the resident undergraduate tuition rate. For 2014-15, this rate will be 21.5 percent of the resident undergraduate tuition rate. WKU’s goal is to gradually increase the graduate nonresident domestic tuition rate and eliminate the graduate nonresident international tuition rate. The proposed rate increase for graduate nonresident domestic is 8 percent. There is no proposed mandatory student fees (Student Athletics and Student Centers) increase for FY 2015.

The Operating Budget includes projected revenue based on the 2014-15 tuition and fees rates, actual fall 2013 enrollment and projected growth in Navitas Pathway Program completers and continued growth in nursing and physical therapy. The budget includes tuition and fees totaling \$191,246,000, an increase of \$9,166,000 or 5 percent. Tuition and fees account for 48.8 percent of the total budget and 62.3 percent of the unrestricted E&G budget.

In regard to state funding for WKU, the following state appropriation changes are included in the enacted 2014-2016 Biennial Budget:

	<u>2014-15</u>	<u>2015-16</u>
Base Operating Funds		
KERS Employer Contribution	\$1,330,500	\$0
1.5% Reduction	(1,106,300)	0
Gatton Academy of Mathematics and Science	0	2,000,000
Total	\$224,200	\$2,000,000

Restricted Fund budgets from grants and contracts and federal and state student financial assistance programs comprise 15.6 percent of the total budget. Grants and contracts revenue is projected to decline by \$1,975,000 or 9.8 percent primarily due to the loss of federal grants and contracts.

Budgeted student financial assistance is projected to decline by \$1,777,000 or 3.9 percent. This change in funding reflects a reduction in Pell Grant due to an estimated decline in the number of eligible recipients. In contrast, there is a projected increase in the state-funded College Access Program due to more students meeting the priority deadline and securing funds before the State funds are all allocated.

The Auxiliary Enterprises revenue estimates are reduced by \$1,809,000 or 7.1 percent for FY 2015. In FY 2014 approximately \$1,500,000 of the revenue was projected Apple computer sales from our new Apple Campus store. However, department computers are currently bought through the Purchasing Department and not through the WKU Store as originally projected. FY 2015 estimates reflect current year WKU Store sales and a more accurate projection for the WKU Store's Technology Department sales. Additionally, Student Life Foundation reimbursements will increase due to opening additional apartments.

2014-15 Budget Reduction/Base Reallocation Plan

WKU is achieving a budget reduction and base reallocation of approximately \$5.3 million that will allow us to adjust WKU's budget in recognition of the 1.5 percent state appropriation cut, a decline in FY 2014 tuition receipts and the small balance of funding required to meet the FY 2015 funding commitments. The single most significant component of the budget balancing plan is the planned privatization of WKU Health Services. Successful privatization of WKU Health Services will make approximately \$1.1 million available for reallocation or over 20 percent of the total needed for a balanced budget. An administrative reorganization will contribute an additional \$166,000 to offset reductions. Budget reduction/base reallocations are being achieved through the following actions within divisions:

Academic Affairs, \$3,107,905

Academic Affairs is eliminating salaries and benefits in a number of vacant faculty positions and eliminating the following budgets: stipend salary and benefits and the Provost's budgets for classroom improvements and teaching and research equipment funds. The division is increasing revenue from DELO incubator programs moved to base and from various programs offered at the CHHS Health Science Complex. Finally, Academic Affairs is absorbing a portion of the reduction through the Summer School budget, a move which will not impact the summer course schedule.

Athletics, \$79,959

Athletics is reducing contingency funds in Athletic Facilities that are held for repairs and maintenance. Further, Athletics will be reducing team air charter flights. Athletics will eliminate men's tennis to ensure a balanced Athletics budget while honoring the current commitments to students receiving grants-in-aid for this program.

Chief Diversity, \$891

Chief Diversity Officer is reducing Diversity travel funds, general and administrative expenses, and supplies.

Chief Facilities Officer, \$467,086

Chief Facilities Officer is reducing general operating funds in Environmental Health and Safety, campus maintenance, central plant, building services in the Department of Facilities Management, and utilities budgets as a result of energy conservation initiatives.

Development and Alumni Relations, \$6,030

Development and Alumni Relations is reducing salary and benefits available to hire Assistant Director of Donor Acquisition and Retention.

Finance and Administration, \$20,917

Finance and Administration is eliminating the permanent Vehicle Replacement budget and relying on one-time funds to replace vehicles. In addition, non-personnel budgets are being reduced across the division.

Information Technology, \$189,179

Information Technology is reducing all non-personnel budgets by 3% with the exception of the IT Capital Budget being reduced by 11%.

President and General Counsel, \$9,272

President’s Home general operating supplies and maintenance and repair funds will be reduced.

Public Affairs, \$2,493

Public Affairs is reducing general operating funds.

Research, \$41,675

Research is reducing travel and supplies budgets as well as cutting funds for student and faculty research.

Student Affairs, \$95,736

Student Affairs is reducing operating, travel and training budgets, contingency lines, salary savings, WKU Police Department fuel, and Student Government Association and Campus Activities support. Also, the division is shifting costs to revenue generating operations to minimize impact of service reductions.

Total \$4,021,143

Expenditure Highlights

2014-15 Fixed Costs and Recurring Commitments

Fixed cost projections were calculated as part of the 2014-16 biennial budget request process. Throughout legislative sessions, these projections have been revised to support the need for continuing state funding and the need for a modest tuition rate increase. Approximately \$1.3 million in state funding is being provided for the Kentucky Employee Retirement System (KERS) employer rate increase. It is estimated that retirement systems rate increases will cost approximately \$2.5 million excluding the cost increase to be paid for by grants and contracts, revenue dependent units and auxiliary enterprises. The remainder of the fixed cost increases will be funded by a combination of projected increases in tuition revenue and divisional reallocations.

The following unavoidable cost and recurring commitment allocations are included in the 2014-15 Operating Budget:

Cost of Living Adjustment	\$1,488,600
Academics (library books/subscriptions, faculty promotions, minority faculty hiring plan)	567,000
Retirement Systems Rate Increases	2,533,000
Student Financial Assistance (scholarships/waivers/grants in aid)	4,233,000
Health Insurance, Increase Effective January 2014	1,004,000
Contractual Obligations (leases, debt, maintenance and IT software contracts)	799,000
Police Radio System and CAD System	69,000
Permanent Budget, Military Services Coordinator and Support Position	112,000
Quality Enhancement Program (QEP evidence and argument)	50,000
International Students Support Services	200,000
Other Operating Expenses	140,000
Subtotal	\$11,195,600
<u>Program Allocations</u>	
Nursing Growth including DNP	(41,000)
Physical Therapy Doctoral Program	844,000
DELO Programs	1,253,000
Summer School	(221,000)
International Students Support (tuition surcharge)	50,000
Cohort Programs from DELO to departments	894,000
Subtotal	\$2,779,000
TOTAL	\$13,974,600
PROJECTED STATE APPROPRIATION & TUITION REVENUE INCREASE	
State appropriation (KERS)	\$1,330,500
Fall/spring tuition (including EdD)	9,591,000
International tuition surcharge (undergraduate students)	50,000
DELO distribution to Central Budget	894,000
Nursing Growth/DNP/DPT	803,000
Summer	(221,000)
DELO registration fees	1,253,000
TOTAL INCREASE	\$13,700,500
Expenditure Reallocations Necessary to Balance Budget	\$ 274,100

Capital Budget Summary

The Capital Budget includes legislatively-authorized capital projects that will be under way next year or are currently under way including the source of funding, estimated cost, and the status of each respective project. Projects with a scope less than \$600,000 do not require General Assembly approval and are not included in the Capital Budget. Many projects with a scope of less than \$600,000 will address deferred maintenance needs and classroom improvements.

The 2014-16 Biennial Budget includes state bonds (\$48 million) to complete the Science Campus.

Most of the capital projects reflect legislative authorization; projects started at an amount less than the authorized amount are displayed at the intended scope. Projects authorized but not funded to date or scheduled for FY 2015 are identified separately.

The Capital Budget totals \$185,960,500 from all sources of funds.

TUITION AND MANDATORY STUDENT FEES SCHEDULE (PER SEMESTER)

<u>Student Level/Enrollment</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Summer 2015/ Rate per Credit Hour</u>
Undergraduate			
Resident*	\$4,361	\$4,570	\$381
Nonresident	11,124	11,676	973
International	11,448	12,000	1,000
Incentive	5,784	6,072	506
Graduate (Per Credit Hour)			
Resident	490	515	515
Nonresident, International	962	962	962
Nonresident, Domestic	640	691	691
Doctorate, Nurse Practitioner (Per Credit Hour)			
Resident	590	620	620
Nonresident	737	775	775
Doctorate, Physical Therapy (Per Credit Hour)			
Resident	590	620	620
Nonresident	737	775	775
Professional MBA**			
Continuing Students	4,794	5,034	
New Students	5,034	5,285	
Distance Learning (Per Credit Hour)**			
Undergraduate	445	463	463
Graduate (Excluding DNP and DPT)	588	618	618
Active Military (Per Credit Hour)**	250	250	250
Dual Credit (Per Credit Hour)**	70	70	70
WKU On Demand (Per Credit Hour)			
Undergraduate	363	381	381
Graduate	490	515	515

Mandatory Student Fees:

Student Athletics Fee	\$212
Student Centers Fee	\$60
Student Centers Fee, DSU	
Renovation Bonds	\$70

*Resident rate increase of 4.8 percent.

**Mandatory student fees are not assessed to these students.

RECOMMENDATION:

President Gary A. Ransdell recommends that the Board of Regents approve the 2014-15 Operating Budget including the Tuition and Fees Schedule.

MOTION:

Approve the 2014-15 Operating Budget including the Tuition and Fees Schedule.

2014-15 BOARD SLATE OF OFFICERS

REQUEST:

Election of the 2014-15 Board Officers, and appointment of Treasurer.

FACTS:

The following Regents served on the Nominating Committee for the 2014-15 Board Slate of Officers recommendation:

Dr. Phillip W. Bale
Dr. Melissa B. Dennison
Mr. Gillard B. Johnson

RECOMMENDATION:

The Nominating Committee and President Gary A. Ransdell recommend the following Slate of Officers for 2014-15:

Mr. J. David Porter - Chair
Mr. Frederick A. Higdon - Vice Chair
Dr. Melissa B. Dennison - Secretary
Ms. K. Ann Mead - Treasurer

MOTION:

Approval of the 2014-15 Board Slate of Officers.



WESTERN KENTUCKY UNIVERSITY

Board of Regents ~ Committee Meetings

June 27, 2014 – *approximately 9:30 a.m. (CDT) / following the 8:30 a.m. Budget Approval Meeting*
Mass Media and Technology Hall ~ Cornelius A. Martin Regents Room

AGENDA

FINANCE AND BUDGET COMMITTEE (*Mr. John W. Ridley*)

Action Items:

- FB-1 Approval of Personnel Actions [p 1 and attached reports]
- FB-2 Approval of University Reserve Allocation for the Renovate Science Campus Phase IV Project [pp 2-3]
- FB-3 Approval of FY 2015 Audit Plan [pp 4-11]

Information Items:

- Quarterly Internal Audit Report [p 12]
- FY 2015 Estimated Cost of Attendance [p 13]

EXECUTIVE /CLOSED SESSION - as provided in KRS 61.810(1) for the purpose of discussing information derived from competitive proposals under KRS 45A.085.

ACADEMIC AFFAIRS COMMITTEE (*Dr. Phillip W. Bale*)

Action Items:

- AA-1 Approval of a Master of Science in Environmental and Occupational Health Science [pp 1-6]
- AA-2 Approval of a Bachelor of Arts in Paralegal Studies [pp 7-14]
- AA-3 Approval of Graduate Certificates
 - AA-3.1 Global Pathways to Sustainability [pp 15-19]
 - AA-3.2 Business Sustainability [pp 20-23]
 - AA-3.3 Communicating in Healthcare [pp 24-27]
- AA-4 Approval of Undergraduate Certificates
 - AA-4.1 Food Science [pp 28-30]
 - AA-4.2 Interactive Training Design [pp 31-35]
 - AA-4.3 Bowling Green Chamber of Commerce “An Urgent Call to Action” Programs
 - AA-4.3.1 Automation Certificate [pp 36-38]
 - AA-4.3.2 Manufacturing and Logistics [pp 39-41]
 - AA-4.3.3 Manufacturing Processing and Technology [pp 42-44]
 - AA-4.3.4 Six Sigma and Quality [pp 45-47]
 - AA-4.4 Advanced Professionalism [pp 48-54]
- AA-5 Approval of an Undergraduate Minor in Citizenship & Social Justice [pp 55-61]
- AA-6 Approval of the School of Kinesiology, Recreation & Sport [p 62]
- AA-7 Approval of University Distinguished Professor for 2014 [p 63]
- AA-8 Approval of Emeritus Faculty Appointments [p 64]

Information Items:

- Big Red Scholarship Video
- Enrollment Report (*Dr. Brian Meredith*)
- International Student Teaching (*Dr. Fred Carter*) [p 65]
- Scholar Development Final Report (*Dr. Audra Jennings*) [p 66]

**MINUTES
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY**

June 27, 2014

• **CALL TO ORDER**

Required statutory notice having been given, the special budget approval meeting of the Board of Regents of Western Kentucky University was held in the *Cornelius A. Martin Regents Room* of the Mass Media and Technology Hall on the Western Kentucky University campus. The meeting was called to order by Chair J. David Porter at approximately 8:45 a.m., (CDT).

• **ROLL CALL**

The following Regents were present, representing a quorum of the Board:

Mr. J. David Porter, Chair	Mr. Gillard B. Johnson III
Mr. Frederick A. Higdon, Vice Chair	Mr. James Kennedy, Staff Regent
Dr. Phillip W. Bale	Dr. Patricia H. Minter, Faculty Regent
Ms. Keyana Boka	Mr. John W. Ridley
Dr. Melissa B. Dennison, Secretary	Mr. Laurence J. Zielke
Ms. Cynthia Harris	

Others in attendance included the following:

Dr. Gary A. Ransdell, President
Mr. Howard Bailey, Vice President for Student Affairs
Dr. Gordon C. Baylis, Vice President for Research
Dr. Randy Capps, Parliamentarian
Ms. Kathryn R. Costello, Vice President for Development & Alumni Relations
Dr. A. Gordon Emslie, Provost and Vice President for Academic Affairs
Mr. Gordon Johnson, Chief Information Technology Officer
Ms. Julia McDonald, Assistant to the President for Board & Executive Relations
Ms. K. Ann Mead, Senior Vice President for Finance and Administration
Dr. Brian Meredith, Chief Enrollment & Graduation Officer
Dr. Richard C. Miller, Vice Provost / Chief Diversity Officer
Mr. Bryan Russell, Chief Facilities Officer
Mr. Todd Stewart, Director of Athletics
Ms. Robbin Taylor, Vice President for Public Affairs
Ms. Deborah T. Wilkins, General Counsel

In keeping with the policy of the Board, the agenda for the meeting and information and materials pertinent to items thereon had been mailed in advance of the meeting to members of the Board.

Page numbers reflect where the items are located in the meeting agenda book.

1. FINANCE AND BUDGET COMMITTEE – ACTION ITEM

- 1.1 Approval of the 2014-15 Operating Budget including the Tuition and Fees Schedule
[pp 1-8 / budget book]

MOTION

Motion to approve item 1.1 was made by Regent Zielke and seconded by Regent Higdon.

DISCUSSION

Regent Patti Minter:

I don't think anyone on this board is under the illusion that this is budget situation is anything other than unpleasant, and I think we are also aware that it could be far worse. For that I am grateful.

As always, the cuts have fallen disproportionately on the academic mission; and to those who would say that Academic Affairs is the largest part of the budget and therefore the cut would logically be proportionally bigger, my reply is this: let us not forget that this is a university that we are governing, a place where teaching, research, and service ARE what we do, where the life of the mind is the paramount consideration. I've spoken to the Board before about the concerns that I and my faculty constituents have about the university's priorities and how monies are spent on too many things that promote entertainment or brick-and-mortar over education. I have also shared with you that we have long been living beyond our means, or well on our way to doing so. If we are not at that point today, and we may well be there, then I think we are dangerously close to being there.

This budget before us will provide a 1% across the board salary increase for all faculty and staff with a \$500 floor. Anything is better than nothing, but I have two serious concerns:

1) Faculty salaries remain below benchmark, and as faculty leaders and the Senate have discussed with President Ransdell many times in public forums, it would take several years of larger percentage increments to get us where we need to be. Before 2007, when the money was available to make those investments in faculty and staff salaries, the President and this Board chose to use the money for other things, namely brick-and-mortar and non-academic pursuits. Faculty and staff representatives to the Benefits Committee have repeatedly asked for greater contributions to employee benefits, and that investment did not happen either (although that negotiation remains ongoing for the coming calendar year). There is no question, however, that increased benefits costs, from premiums to copays, have eaten up most employees' small raises in the past few years and leave people further behind than they were,

particularly if they cover dependents. Since the difficult financial times have hit the Commonwealth, we've had to navigate diminishing state appropriations and pass much of this on to our students in tuition increases. But at the same time, we did not stop spending money on non-academic pursuits, from athletics to buildings and our obligation list has grown. Last year's vote to fund debt service on a building with international student tuition revenue, which pulls 1.6 million dollars a year out of our tuition revenue, represents the culmination of this unfortunate trend. And while this budget contains \$9,166,000 of new revenue. It also cites "unavoidable" costs of \$4,233,000 for student financial assistance (scholarships, waivers, grants in aid). It is by far the largest fixed cost increase cited in the document - representing nearly 37.8% of the total fixed cost increases (of \$11 million) and half of every tuition dollar generated. It is nearly 3X more than the 1% "cost of living" increase provided to WKU employees. This is a demoralizing situation, because after all who does the work of teaching, directing, and mentoring this small percentage of high-achieving scholarship students, student athletes, and students on waivers? The faculty and staff do.

This leads to my second point:

2) The budget we have before us contains a major cut to the Academic Affairs budget. 2 Million dollars out of the 3.1 Million dollar cut to the Academic Affairs budget, according to Provost Emslie, represents 26 vacant faculty positions that have now been captured to cover this cut, and to use as part of the funding for the raise. Those are real cuts, future jobs for which we will not hire, positions that are now gone and can only be added back in better budgetary times, if ever. What does this say about the priority that we give to the academic mission?

We must invest in our human resources—in our faculty and staff--if we are really serious about becoming a leading university with international reach, instead of just saying that we are. Only with an appropriately compensated faculty and staff whose contributions to the university's mission are recognized in meaningful ways will this will ever happen. I urge the university's decision makers and this board to take this opportunity to rethink our spending priorities, and to invest in our human resources. It is the best potential we have for a good return on investment.

Regent John Ridley:

Thank you, Regent Minter for your comments. I am only speaking for myself as Chair of the Finance and Budget Committee, I would appreciate if you could share your narratives with me in advance so I have the opportunity to research some of those concerns before the meeting and can be prepared to answer your questions. I really do appreciate you advocating on behalf of the faculty and staff; however, I am a little surprised that you are now advocating for the loss of potential jobs and those are bodies and individuals that we don't even have anything to do with.

Regent Patti Minter:

I am not advocating for the loss of potential jobs, that's exactly the point Regent Ridley. In order to balance the budget and in order to fund a salary increase, we've reached the point where we have to cut potential jobs to do it.

Regent John Ridley:

I would like to point out to you that this Board and administration has been extremely sensitive of

cutting jobs and we have done that and watched other universities within our peer group do that in sweeping measures so I do want that to be brought to the attention of this group. Also, you used the word entertainment in your comments - can you define what you mean by that?

Regent Patti Minter:

The point is that entertainment broadly speaking is that which does not actually move forward the academic mission. The faculty's favorite example is athletics but there are plenty of other things as well. I know there is always talk about how we have to be competitive and I agree, but why does it always have to pertain to athletics? We should also be competitive with our academic programs and faculty and staff salaries.

Regent John Ridley:

I appreciate your comments and clarification Regent Minter and I would suggest that we contain further comments pertaining to salaries within the structure and setting of our Committee meetings. I would like to add one thing for you to think about. It's a slippery slope when someone uses the word "entertainment" in a public forum. There are folks who do not think that dance, theatre, a guest speaker; readings of literature are forms of entertainment. I would like for you to consider when you use the word entertainment, that it is a very sweeping inclusion of lots of choices. I don't know that it's an accurate statement to say "entertainment" for the sake of academics. I think we have academics in the theatre, arts, music department and many other areas that are also entertainment.

Regent Patti Minter:

Yes, we absolutely do and I consider that in those. Things that are part of the life, the mind, and the culture.

Regent John Ridley:

Thank you for your comments, Regent Minter. Are there any other comments?

Regent Freddie Higdon:

Given the significance of tuition to the budget, can we get assurances that our enrollment numbers are still tracking to support the projection on tuition for this year?

Ms. Ann Mead:

I believe we have an enrollment report under the Academic Affairs Committee, I'm not aware of exactly where we are on enrollment.

Regent Freddie Higdon:

It is significant, so if we are not tracking it, we need to be as I think it's appropriate to know that.

Ms. Ann Mead:

We are budgeting at the fall 2013 enrollment level, so I understand to the degree that we don't meet last fall's enrollment, then we could be faced with another budget reduction but all signs are in the right direction at this point. It's hard to project fall enrollment numbers in June with registrations still pending.

President Gary Ransdell:

First time, full-time freshman numbers are encouraging. Our biggest challenge continues to be non-traditional, part-time students on our regional campuses not exclusively, but in large measure because that's the primary population on our regional campuses. The enrollment profile is very complex and includes lots of things but generally speaking, I would suggest that our biggest challenge is retaining our non-traditional, part-time students. That's the demographic that hit us the hardest for the current year. Will we have a growing enrollment this year? It's hard to tell at this point but that is as much a result of retention as it is recruitment. We are tracking it closely and will continue to do so.

Regent Freddie Higdon:

I understand the banter back and forth but from a simplistic standpoint, are the enrollment numbers supporting our projections at this point?

Ms. Ann Mead:

Currently, yes.

Regent Phillip Bale:

I have a comment with regard to Regent Minter's concerns which I think she presented very nicely and as Chair of the Academic Affairs Committee, I share some of those concerns. I hope that we do keep the academic mission foremost in our minds at all times and it's easy to get lost in a nearly \$400 million budget. I think there are other means of recognizing faculty and academics other than just dollars and we would propose that we all keep that in mind and continually find ways to recognize that. I think we have to say that WKU has made tremendous progress with strong leadership and the achievements of our students is spectacular.

Regent Gil Johnson:

I have an observation on what's been said here today by everybody. I look at the mission of this university and what we do as a three-legged stool and there are three parts to that: academics, athletics, and brick and mortars. You take one of those legs away and the stool collapses. When we take a look at this, we cannot forget that each of these individual units depends upon the other for success and I think that is part of the budget process that has to be considered.

Regent Keyana Boka:

I know there are a lot of tough decisions made during this process but the burden of holding up

this “three-legged stool” is on students with close to 50% of the total budget coming from tuition and fees, it is a burden for some students and I have concerns about the financial threshold for all students.

Regent John Ridley:

I want to thank Ms. Ann Mead and her staff for their hard work during this tough budget process. It is not an easy process and we appreciate your dedicated efforts.

VOTE / ACTION TAKEN

Approved with majority of votes / Regent Minter and Regent Boka voted No
 Not Approved **Other** _____

2. NOMINATING COMMITTEE – ACTION ITEM

2.1 Recommendation / Election of 2014-15 BOR Slate of Officers [p 9]

MOTION

Motion to approve item 2.1 was made by Regent Zielke and seconded by Regent Ridley.

VOTE / ACTION TAKEN

Approved **Not Approved** **Other** _____

3. OTHER BUSINESS / ANNOUNCEMENTS

Chair Porter announced the following upcoming dates:

- Retreat – **July 24 at 11:00 a.m. (National Corvette Museum)**
 - Third Quarterly Meeting – **July 25 at 8:00 a.m. (Augenstein Alumni Center–Guillaume Executive Board Room)**
 - Opening Convocation – **August 22 at 8:00 a.m. (Van Meter Auditorium)**
 - President’s Gala – **September 5 (Downing Student Union)**
 - Committee Meetings – **September 26 at 11:30 a.m. (MMTH – Regents Room)**
 - Fourth Quarterly Meeting – **October 24 at 9:00 a.m. (MMTH – Regents Room)**
 - Committee Meetings – **December 12 (MMTH – Regents Room)**
 - Commencement – **December 13 (Diddle Arena)**
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4. ADJOURNMENT

With no further business, Chair Porter adjourned the meeting at approximately 10:45 a.m. (CDT).

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 special budget approval meeting held June 27, 2014, in the Cornelius A. Martin Regents Room in the Mass Media and Technology Hall 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).



Mr. J. David Porter, Chair
WKU Board of Regents

Approved on

October 31, 2014



Dr. Melissa B. Dennison, Secretary
WKU Board of Regents

Approved on

October 31, 2014