



WESTERN KENTUCKY UNIVERSITY  
Board of Regents  
June 25, 2010 ~ 9:00 am (CDT)

**AGENDA - Special Budget Approval Meeting**

- Call to Order (*Mr. Jim Meyer, Chair*)
  - Invocation (*Mr. Tony Glisson, Human Resources Director*)
  - Roll Call (*Mr. David Porter, Secretary*)
  - Approval of Minutes
    - ❖ First Quarterly Meeting - January 27, 2010
    - ❖ Second Quarterly Meeting - April 22, 2010
- 

**1. FINANCE AND BUDGET COMMITTEE (*Mr. David Porter, Chair*)**

**Action Items:**

- 1.1 2010-11 Tuition and Mandatory Student Fees [pp 1-3]
- 1.2 2010-11 Operating Budget [pp 4-12]

**2. NOMINATING COMMITTEE (*Dr. Melissa Dennison, Chair*)**

**Action Item:**

- 2.1 Recommendation/Approval of 2010-11 Slate of Officers [p 13]

**3. EXECUTIVE COMMITTEE (*Mr. Jim Meyer, Chair*)**

**Information Item:**

- 3.1 President Performance Appraisal

**4. OTHER BUSINESS**

- 4.1 Upcoming Committee and Board Meeting Dates
  - BOR Retreat - **July 29, 2010**
  - Third Quarterly Board Meeting - **July 30, 2010**
  - CPE Trusteeship Conference – **September 13, 2010**
  - Committee Meetings – **September 24, 2010**
  - Fourth Quarterly Board Meeting - **October 22, 2010**
  - Homecoming – **October 30, 2010**
  - Commencement – **December 18, 2010**

**5. ADJOURNMENT**

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

**June 25, 2010**

• **CALL TO ORDER**

Required statutory notice having been given, the special budget 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 Jim Meyer at approximately 9:00 a.m., CDT.

• **INVOCATION**

The invocation was provided by Mr. Tony Glisson, Human Resources Director.

• **ROLL CALL**

The following Regents were present:

Mr. Jim Meyer, Chair  
Dr. Melissa B. Dennison  
Ms. Yvette Haskins, Vice Chair  
Mr. Freddie Higdon  
Mr. Jim Johnson

Mr. James Kennedy, Staff Regent  
Dr. Patricia Minter, Faculty Regent  
Mr. J. David Porter  
Mr. Kevin Smiley, Student Regent  
Mr. Rob Wilkey

The following Regents were absent:

Mr. Larry Zielke

Others in attendance included the following WKU Administrative Council members:

Dr. Gary A. Ransdell, President  
Mr. Howard Bailey, Vice President for Student Affairs  
Dr. Richard Bowker, Vice President for Research & Dean of Graduate Studies  
Dr. Barbara Burch, Provost and Vice President for Academic Affairs  
Ms. Ann Mead, Vice President for Finance and Administration  
Dr. Richard Miller, Associate Vice President for Academic Affairs &  
Chief Diversity Officer  
Mr. John Osborne, Vice President for Campus Services and Facilities

Dr. Bob Owen, Vice President for Information Technology  
Ms. Deborah Wilkins, Chief of Staff / 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 by the President to members of the Board.**

- **APPROVAL OF MINUTES**

The minutes of the January 27, 2010 were presented for adoption, with corrections on pages 9 and 23:

**Page 9 corrections:**

**Mr. Rob Wilkey:** "That's consistent with the Kentucky Open Records Act too, I believe."

**Mr. Larry Zielke:** "We would never take action, but we've got a motion to go into closed session. That has to be voted on."

**Mr. Jim Meyer:** "We have a motion, we have a second, and we have a comment. Is the University Counsel in agreement?"

**Ms. Deborah Wilkins:** "Mr. Chairman, I don't, first of all, think that it is fair to pull this person out and discuss it publicly. But I think Mr. Zielke is right, I think it is the type of action that is exempt under the Open Records Act. We have been dinged on that once. I have to weigh in and say that I think Larry is right about that."

**Dr. Patricia Minter:** "With that said, I voted against closed session at our last meeting because I don't think we should go into closed session either. But I'm wondering why there was a change of heart this time?"

**Ms. Deborah Wilkins:** "We were voting on a contract, which includes appointment to a certain degree. We were following the statute."

**Dr. Patricia Minter:** "We were not voting on a contract last time for Dr. Kahler. It was the same thing that was pulled off the action agenda. It was the contract for Dr. Wood Selig. Dr. Selig had a contract, but Dr. Kahler does not have a contract. It was an action item exactly as we see it today."

**Page 23 correction:**

**Mr. Larry Zielke:** "My desire is that also, in fact we've not had any litigation from the Athletic Department that I know of and we've just gone through a change of a football coach and I'm not aware of any court actions. All I'm trying to do, and I take this serious, I'm like you, but when I know of a law, and as a practicing lawyer who actively litigates these clauses, I could not in good **conscience** sit here and approve an arbitration clause that I know from every soul of my body that the Kentucky courts would not enforce it. The law says, and it's in black and white that arbitration agreements between employers and employees or between their respective parties are exempt. They are invalid in Kentucky."

**MOTION/APPROVAL:**

**Motion to approve the January 27, 2010, minutes with the corrections noted on pages 9 and 23 was made by Dr. Patricia Minter, seconded by Mr. James Kennedy, and carried unanimously.**

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**1. FINANCE AND BUDGET COMMITTEE (Mr. J. David Porter, Chair)**

**ACTION ITEMS**

**Mr. David Porter recommended that the Board vote on action items 1.1 and 1.2 combined, there were no objections.**

**1.1 2010-11 Tuition and Mandatory Student Fees**

**REQUEST:**

Approve the 2010-11 Tuition and Mandatory Student Fees Schedule.

**FACTS:**

At its April 23, 2010 meeting, the Council on Postsecondary Education (CPE) approved 5 percent as the maximum resident undergraduate tuition and fees rate increase for 2010-11 at comprehensive universities. In its defense of holding the rate increase at a modest level, the CPE expressed a “general sentiment that, during this period of sustained economic stringency, increases in resident undergraduate tuition and mandatory fees should be moderate and below historical rates of increase to ensure affordability, despite recent reductions in state General Fund support for postsecondary education. For Kentucky students and families, particularly those with low to moderate incomes, it is anticipated that increases in Pell grants and institutionally provided need-based aid, and expanded postsecondary education tax credits stemming from the recently enacted federal stimulus package, will offset a portion of these increases over the next year.”

The CPE approves all tuition and fees rates; however, each institution has more flexibility in setting nonresident and graduate rates. Resident graduate tuition and fees are being increased 5 percent consistent with the undergraduate rate increase. Nonresident rates, with the exception of graduate international, are being increased 6 percent. The graduate international rate is not being increased due to market conditions and our intent to remain competitive in student recruitment.

Based on Board policy, the mandatory student fees are being increased based on the Higher Education Price Index (HEPI) which was 2.3 percent for 2009.

WKU’s 2010-11 Estimated Cost of Attendance for a Kentucky resident living on campus is \$7,552 per semester, an increase of 3.8 percent over 2009-10. Increases in housing rates range from 2.6 percent to 4.2 percent. With the exception of Pearce Ford Tower, all other rate increases are under 3 percent. Pearce Ford Tower has been renovated and the rate has been equalized with other residence halls. Meal plans are increasing by about 3 percent with the 19 Meal Plan costing \$1,320 per semester.

**BUDGETARY IMPLICATIONS:**

The projected revenue to be generated from the 2010-11 Tuition and Mandatory Student Fees Schedule is absolutely essential for balancing the 2010-11 Operating Budget and for covering most of the projected fixed cost increases of the university. Tuition and fees supports 57.5 percent of the 2010-11 Unrestricted Educational & General (E&G) budget. Furthermore, WKU must implement a reduction in state funding of \$1,123,100 in the upcoming fiscal year. Tuition rates are not being increased to offset the loss of state funds.

**RECOMMENDATION:**

President Gary Ransdell recommends that the Board of Regents approve the 2010-11 Tuition and Mandatory Student Fees Schedule.

**2010-11  
WESTERN KENTUCKY UNIVERSITY  
TUITION AND MANDATORY STUDENT FEES SCHEDULE**

<b><u>Student Level/Enrollment</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>	<b><u>Pct Incr.</u></b>	<b><u>Summer 2011/ per Credit Hour</u></b>
Undergraduate				
Resident	\$3,600	\$3,780	5.0%	\$315
Nonresident	8,892	9,420	5.9	785
Incentive	4,560	4,836	6.1	403
Graduate				
Resident	3,960	4,160	5.1	416
Nonresident, International*	9,550	9,550	0.0	506
Nonresident, Domestic	4,350	4,610	6.0	461
Professional MBA (Per 6 Credit Hours)**				
Continuing Students	4,142	4,142	0.0	690
New Students	4,142	4,350	5.0	725
Distance Learning (Per Credit Hour)**				
Undergraduate	360	378	5.0	378
Graduate	475	499	5.1	499
GoArmyEd (MOA, Per Credit Hour)**	250	250	0.0	250
Dual Credit (Per Credit Course)**	200	200	0.0	200
Independent Learning (Per Credit Hour)**				

Undergraduate	300	315	5.0	315
Graduate	396	416	5.1	416

**Mandatory Student Fees:**

Student Athletics Fee	\$205
Student Centers Fee	\$ 59

\*Full-time International graduate students will be awarded graduate fellowship of \$4,490 per semester.

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

**DISCUSSION:**

**Mr. Kevin Smiley:** “Two statistics jumped out at me when thinking about tuition. Obviously, this is a very modest increase and it is the type of increase in this kind of recessionary environment that you want to see. In the past 11 years, our tuition here at WKU has gone up about 300%. Also, our tuition last year exceeded the national average by \$180. It has increased because we are moving forward and trying to make academics a huge priority. I encourage this Board as you engage in future budget and tuition discussions, to take a good look at how we *are* moving forward and progressing and take that into consideration.”

**1.2 2010-11 Operating Budget**

**REQUEST:**

Approve the 2010-11 Operating Budget.

**FACTS:**

The *WKU 2010-11 Budget* is WKU’s financial plan for the fiscal year beginning July 1, 2010 and ending June 30, 2011, and it includes the Operating Budget and Capital Budget. The budget document includes the following components:

- Narratives by area that summarize Strategic Plan priorities;
- Glossary of Terms and Abbreviations;
- Revenue Summary;
- Expenditure Summary by Organizational Area (Unrestricted, Restricted, and Auxiliary Enterprises) 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 derived 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. Projects that are authorized but are not likely to be started in FY 2011 are separately identified.

The 2010-11 Operating Budget and the dollar and percent increases, in comparison to the FY 2009-10 budget, are distributed as follows:

	<b>2010-11 Budget</b>	<b>Dollar Increase</b>	<b>Pct Increase</b>
<b>Total Budget</b>	\$381,723,000	\$29,443,500	8.4%
<b>Total E&amp;G</b>	358,685,000	28,256,700	8.6%
<b>Unrestricted E&amp;G</b>	270,898,100	12,611,900	4.9%
<b>Restricted E&amp;G</b>	87,786,900	15,644,800	21.7%
<b>Total Auxiliary Enterprises</b>	23,038,000	1,186,800	5.4%

**Revenue Highlights**

**Total Budgeted Revenue by Source**

	<u>Amount</u>	<u>Pct of Budget</u>
<b>Unrestricted E&amp;G</b>		
Tuition and Fees	\$155,685,000	40.8%
State Appropriations		
Operating	71,090,400	18.6
Designated*	3,207,400	.8
Self-generated Funds (including nonrecurring)	40,915,300	10.7
<b>Restricted E&amp;G</b>		
Grants and Contracts	26,673,000	7.0
Student Financial Aid	56,703,000	14.9

State Fiscal Stabilization Fund	4,410,900	1.2
<b>Auxiliary Enterprises</b>	23,038,000	6.0
<b>TOTAL</b>	<b>\$381,723,000</b>	<b>100.0%</b>

\*Kentucky Academy of Mathematics and Science and state-support debt service.

Governor Steven L. Beshear called a Special Session of the General Assembly to include, among a short list of priorities, the approval of an Executive Budget for 2010-12. Through the 2010 Regular Session, there was an expectation that the biennial budget would include state funding reductions across most of state government. It was anticipated that the budget had to address a nearly \$1.5 billion projected shortfall in General Fund receipts over the next two years.

House Bill 1 was enacted by the General Assembly during the Special Session. Overall, most state agencies will receive a 3.5 percent state funding reduction in the first year and an additional 1.0 percent cut in the second year of the biennium. Postsecondary education remains an economic priority for the Administration and the General Assembly as evidenced by a 1.4 percent state funding reduction in the first year and an additional 1.0 percent cut in the second year of the biennium.

The budget includes state appropriations totaling \$74.3 million, a decrease of \$1,258,000. Funding previously appropriated to the Council on Postsecondary Education for the Regional Stewardship initiative is being allocated to the respective comprehensive universities. WKU is receiving \$268,200 in state funding; however, this represents an offsetting loss in state grants as well. Funding for state-supported bonds is decreasing \$1,408,300. There is no fiscal impact with this reduction as the bonds payments are decreasing by a like amount. Lastly, the budget includes \$1,005,200 in state funding to replace the State Fiscal Stabilization Funds (SFSF) which will be reduced in FY 2011. State Fiscal Stabilization Funds are supporting unrestricted expenditures. The funds are technically restricted funds from the Federal government. If state funding is not available in FY 2012, WKU could be faced with a budget reduction of \$4,410,900 when no State Fiscal Stabilization Funds remain.

Changes in state appropriations and State Fiscal Stabilization Funds between the original FY 2009-10 budget and the FY 2010-11 budget are summarized as follows:

<b>House Bill 406, FY 2010</b>	<b>\$83,371,600</b>
FY 2010 Proposed Increase Eliminated	(787,200)
2% Mandated Budget Reduction	(1,612,500)
Decrease in State Appropriation	(5,416,100)
Allocation of State Fiscal Stabilization Funds	5,416,100
Transfer of Regional Stewardship Funds	268,200
Decrease in State Fiscal Stabilization Funds	(1,005,200)
Replacement of State Fiscal Stabilization Funds	1,005,200
Decrease in State Appropriation (1.4%)	(1,123,100)
Reduction in Debt Service, Existing Bonds	<u>(1,408,300)</u>
<b>House Bill 1, FY 2011 (including SFSF)</b>	<b>\$78,708,700</b>



Percent Change in Operating Funds	(4.0%)
Percent Change in Debt Service	(71.9%)

The Unrestricted E&G budget represents 71.0 percent of the total budget and tuition and fees supporting the Unrestricted E&G budget represent 57.5 percent of the Unrestricted E&G budget. Thus, the most important source of unrestricted funds to meet projected fixed costs obligations is derived from tuition and fees. At its April 23, 2010 meeting, the Council on Postsecondary Education (CPE) approved 5 percent as the maximum resident undergraduate tuition and fees rate increase for 2010-11 at comprehensive universities. In its defense of holding the rate increase at a modest level, the CPE expressed a “general sentiment that, during this period of sustained economic stringency, increases in resident undergraduate tuition and mandatory fees should be moderate and below historical rates of increase to ensure affordability, despite recent reductions in state General Fund support for postsecondary education. For Kentucky students and families, particularly those with low to moderate incomes, it is anticipated that increases in Pell grants and institutionally provided need-based aid, and expanded postsecondary education tax credits stemming from the recently enacted federal stimulus package will offset a portion of these increases over the next year.”

The CPE approves all tuition and fees rates; however, each institution has more flexibility in setting nonresident and graduate rates. Resident graduate tuition and fees are being increased 5 percent consistent with the undergraduate rate increase. Nonresident rates, with the exception of graduate international, are being increased 6 percent. The graduate international rate is not being increased due to market conditions and our intent to remain competitive in student recruitment. Based on Board policy, the mandatory student fees are being increased based on the Higher Education Price Index (HEPI) which was 2.3 percent for 2009.

The Operating Budget includes projected revenue based on the 2010-11 tuition and fees rates included at the end of the budget document’s Executive Summary and actual enrollment from fall 2009. The budget includes tuition and fees totaling \$155.7 million, an increase of \$9.3 million or 6.3 percent.

The 2010-11 Operating Budget includes the following budgeted tuition and fees revenue estimate adjustments:

Tuition, Fall & Spring (including Restricted Tuition)	5,999,000
Tuition, Summer (including Restricted Tuition)	266,000
Tuition, EdD Program	111,000
DELO Tuition, Winter	(245,000)
DELO Online Learning (Fall, Spring, Winter & Summer)	1,049,000
DELO Contract Learning	839,000
DELO, Independent Learning	383,000
Student Athletics Fee	336,000
Other Student Fees	<u>554,000</u>
<b>TOTAL INCREASE</b>	<b>\$9,292,000</b>

The 2010-11 Operating Budget includes an increase of \$709,900 resulting from projected growth in sales and services and other revenue sources. Changes in self-generated revenue of

departments across campus are allocated back to the departments associated with the respective programs and activities. A majority of these programs are called "Revenue Dependent" which identifies them as programs responsible for funding all of their direct programmatic needs. Revenue Dependent programs' budgets are listed separately in the Expenditure Summary as the last listing within the Educational and General Budgeted Expenditures, Unrestricted Funds by Organizational Area.

Restricted Funds from grants and contracts and federal and state student financial assistance programs comprise 21.9 percent of the total budget. Additionally, the budget includes \$4,410,900 in federal State Fiscal Stabilization Funds – a decrease of \$1,005,200 offset by a similar increase in state appropriations. Grants and contracts revenue is projected to increase by \$1,354,000 or 5.3 percent across all sources (i.e., federal, state, and private) with the greatest opportunity being in federal funding. An increase of \$15.3 million (36.9 percent) in student financial assistance reflects actual FY 2010 awards data and projected student eligibility with an increase in Pell Grant maximum awards.

The largest budgeted increases are in the federal programs of Pell Grants (71.6 percent) and Academic Competitiveness Grants (53.1 percent). At the time that Pell Grant projections were finalized for FY 2010, regulatory changes regarding year round awards had not occurred. This summer is the first semester WKU has seen the impact. Early in summer registration, WKU has seen summer Pell Grant awards of approximately \$1.5 million in comparison to \$337,000 for last summer. Thus, the final numbers for FY 2010 may exceed the original Pell Grants estimate by over 30 percent. Pell awards are based on the Expected Family Contribution (EFC). For FY 2010, the maximum EFC was \$4,617 and it will increase to \$5,273 for FY 2011. The maximum Pell Grant award for zero EFC is increasing \$200 from \$5,350 to \$5,550. While an increase in Pell is anticipated due to the EFC/award amount changes, the most significant change will result from the regulatory change that allows multiple Pell Grant awards in one academic year. Due to the combined changes, at least 7,700 Pell Grant recipients are estimated for FY 2011.

Significant regulatory changes have occurred that impact awards for the National Science and Mathematics Access to Retain Talent (SMART) and the federal Academic Competitiveness Grant (ACG). SMART grants now may be awarded to part-time students and all foreign language majors. ACG awards are extended to part-time students also.

Eligibility for the Commonwealth's College Access Program is consistent with the EFC used for awarding Pell Grants. Due to the increase in maximum EFC used for awarding purposes, the increase in the number of eligible applicants that applied prior to the priority date of March 15<sup>th</sup>, and the absence of state budget at the time awards were made, funding for the Commonwealth's College Access Program is expected to decline approximately 16% from the original projection. At this time, the Teacher Scholarship Program is being phased out and no new recipients are being allowed; thus, resulting in an estimated reduction of \$320,000.

The Auxiliary Enterprises 2009-10 revenue estimates are being increased by a total of \$1,186,800 above the approved FY 2010 budget. The increase is accounted for primarily by increased Bookstore book and apparel sales.

***Expenditure Highlights***

Fixed cost projections were prepared as part of the 2010-12 Biennial Budget request process. Throughout the legislative session, these projections have been revised as necessary. The most significant funding concerns pertain to increases in State employee retirement system contribution rates and the lack of state funding for maintenance and operations for new facilities coming on line. A full list of estimated fixed cost increases is provided below.

With the final enacted biennial budget coming in late May, the 2010-11 Operating Budget includes the final state appropriations allotment on the revenue side; however, there was not sufficient time to make thoughtful, programmatic expenditure reduction decisions. Thus, the budget includes an expenditure budget balancing reduction entry of \$1,123,100. Decisions will be made in the summer/fall on how to reduce the budget consistent with the approved state appropriations and will be submitted to the Board of Regents for approval.

The following unavoidable cost and commitment allocations are included in the 2010-11 Operating Budget with the funding sources being the projected revenue resulting from the approved tuition rates and nonrecurring funds necessary to have a balanced budget:

**2010-11 UNAVOIDABLE COST AND COMMITMENT ALLOCATIONS**

Estimated Fixed Cost Increases

Retirement Systems	1,305,000
Unemployment Compensation	96,000
Library Books and Subscriptions Inflationary Adjustment	149,000
Contractual Obligations (Incl. Property Insurance)	381,000
Faculty Promotions	303,000
Health Insurance (1/2 yr. of FY 2010 Incr.)	260,000
FY 2011 Health Insurance (1/2 of FY 2011)	623,000
Campus Additions Maintenance/Utilities Costs	1,310,000
Scholarships/Financial Aid	1,511,000
Graduate Assistantships (resident tuition increase offset)	120,000
<b>Subtotal</b>	<b>6,058,000</b>

Other Commitments

ADA Web Sites Compliance Position	54,000
Technical Director for Newly Renovated Van Meter Hall	55,000
Restricted Tuition Programs (Technology, Health Svcs, SGA/Programming)	144,000
Parking & Transportation Revenue Allocated to P&T (Year 9 of 10)	58,000
DELO Distribution (Online, Contracts, Dual Credit & Independent Learning)	2,026,000
Education Leadership Doctoral Program	111,000
Summer School	303,000
<b>Subtotal</b>	<b>2,751,000</b>

**TOTAL** **8,809,000**

The budget includes a two percent salary increase supported by revenue generated from fall 2009 enrollment growth. Full-time employees, who were hired on or before December 1, 2009 and have fully satisfactory performance appraisals, will receive the increase effective August 1, 2010. Grant-funded employees will receive the salary adjustment if funds are approved in the respective grants budgets.

The FY 2011 budgeted expenditures, by major classification of expenditure, are summarized as follows:

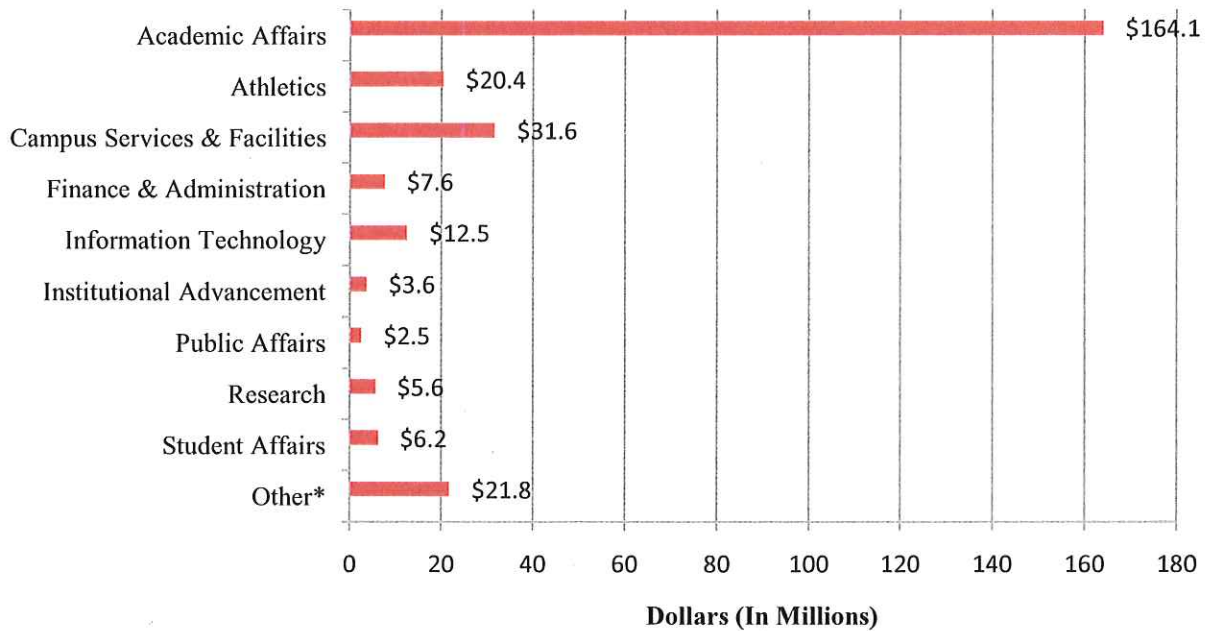
**Total Budgeted Expenditures (In Millions)**

<u>Major Classification</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary</u>	<u>Total</u>
Personnel	\$158.6	\$0.1	\$7.9	\$166.6
Operating Expenses	66.0	26.3	11.1	103.4
Budget Reduction Reserve	(1.1)	0	0	(1.1)
Utilities	9.3	0	2.9	12.2
Capital Outlay	5.1	0	0.6	5.7
Student Aid	20.3	61.4	0	81.7
Debt Service	12.7	0	0.5	13.2
<b>Total</b>	<b>\$270.9</b>	<b>\$87.8</b>	<b>\$23.0</b>	<b>\$381.7</b>

Personnel expenditures include salary and benefits for approximately 2,000 budgeted, full-time filled positions and 150 budgeted, full-time vacant positions. Also included in personnel costs are pool budgets for part-time faculty and staff, graduate assistants, and student employees. The Restricted Fund budgets for grants and contracts are budgeted in pools: instruction, research, public service, and student financial aid. Funds are allocated to specific grants and contracts once awards are made by the respective entities. Thus, the actual distribution of expenditures by major classification will likely be different than the pool budgets.

The following graph summarizes FY 2011 budgeted unrestricted E&G expenditures by organizational area. The Narrative section of the budget sets forth each division's strategic priorities for FY 2011.

### Budgeted Expenditures by Organizational Area



\*Other includes Office of the President, Chief Diversity Officer, Chief of Staff, and University-Wide.

Note: Budgeted expenditures include \$621,600 of restricted, federally-funded College Work Study and \$4,410,900 of Federal State Fiscal Stabilization Funds that cannot be separately identified.

### 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 2010-12 Biennial Budget does not include any state-funded projects for postsecondary education.

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 or scheduled for FY 2011 are identified separately.

The Capital Budget totals \$101,298,000 from all sources of funds.

**DISCUSSION:**

**Dr. Patricia Minter:** “Thank you for that excellent narrative. I just have a question about the debt service. I’m looking at page 10 of the Board packet - Action Item 1.2. The combined restricted and unrestricted debt service is \$13.2 million. Is it correct that it is 4.7 percent of the unrestricted E&G budget?”

**Ms. Ann Mead:** “That sounds about right.”

**Dr. Patricia Minter:** “While that is an overall low percentage of the total budget, I just want to caution the Board going forward, that every dollar we that put into debt service is a dollar we can’t spend anywhere else for approximately 30 years and that does remain a concern for some faculty who have seen their fellow institutions getting into such debt trouble that they can’t do the things they want to do. So, I’m making that cautionary note.”

**Ms. Ann Mead:** “That number is existing bonds except for a small amount –approximately \$1 million—that we have been holding potentially for the next renovation of DUC. This budget does not include any plans to issue any bonds in fiscal year 2011.”

**Mr. Jim Meyer:** “I would like to add that our debt service is not high. It is actually a pretty low debt service.”

**MOTION/APPROVAL:**

**Motion to approve the 2010-11 Tuition and Mandatory Student Fees, and the 2010-11 Operating Budget, was made by Mr. Freddie Higdon, seconded by Mr. James Kennedy, and carried with Mr. Kevin Smiley voting nay.**

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**2. NOMINATING COMMITTEE (*Dr. Melissa B. Dennison, Chair*)  
ACTION ITEM**

**2.1 Approval of the 2010-11 Board Slate of Officers**

**REQUEST:**

Election of the 2010-11 Board Officers, and appointment of Treasurer.

**FACTS:**

Chair Jim Meyer appointed the following Regents to serve on the Nominating Committee for the 2010-11 Board Slate of Officer recommendations:

Dr. Melissa B. Dennison - Chair  
Mr. James Kennedy  
Mr. Larry Zielke

**RECOMMENDATION:**

The Nominating Committee and President Gary Ransdell recommend that the current Board Officers serve a second term and continue their respective duties for 2010-11:

Mr. Jim Meyer - Chair  
Ms. Yvette Haskins - Vice Chair  
Mr. J. David Porter – Secretary  
Ms. Ann Mead - Treasurer

**MOTION/APPROVAL:**

**Motion to approve of the 2010-11 Board Slate of Officers was made by Mr. James Kennedy, seconded by Dr. Patricia Minter, and carried unanimously.**

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**3. EXECUTIVE COMMITTEE (*Mr. Jim Meyer, Chair*)  
INFORMATION ITEM**

**3.1 President Performance Appraisal**

Chair Jim Meyer thanked everyone for their comments and completion of President Gary Ransdell's performance appraisal. A summary copy of the appraisal was distributed to all Regents and Chair Meyer commended President Ransdell for being a great leader for WKU.

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**OTHER BUSINESS**

Chair Jim Meyer noted the upcoming calendar dates:

- BOR Retreat - **July 29, 2010**
  - Third Quarterly Board Meeting - **July 30, 2010**
  - CPE Trusteeship Conference – **September 12 & 13, 2010**
  - Committee Meetings – **September 24, 2010**
  - Fourth Quarterly Board Meeting - **October 22, 2010**
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  - Undergraduate Commencement – **December 18, 2010**
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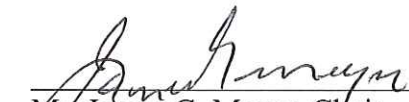
## ADJOURNMENT

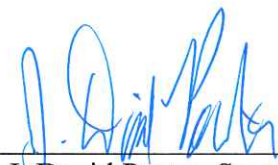
With no further business, motion to adjourn was made by Mr. James Kennedy, seconded by Mr. Kevin Smiley, and carried unanimously. Meeting adjourned at approximately 11:00 a.m. (CDT).

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## 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 meeting held June 25, 2010, 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).

  
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Mr. James G. Meyer, Chair  
WKU Board of Regents  
Approved on October 22, 2010

  
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Mr. J. David Porter, Secretary  
WKU Board of Regents  
Approved on October 22, 2010