



**WKU**<sup>®</sup>

**WESTERN KENTUCKY UNIVERSITY**

**Board of Regents ~ Third Quarterly Meeting**

**July 26, 2013 ~ 8:00 a.m. (CDT)**

**Mass Media and Technology Hall ~ Cornelius A. Martin Regents Room**

**AGENDA**

- Call to Order (*Mr. J. David Porter, Chair*)
- Invocation (*Mr. Tony Glisson, Director of Human Resources*)
- Oath of Office (*Mr. J. David Porter, Chair*)
- ❖ Keyana Boka, Student Regent
- Special Recognitions / Presentations (*President Gary A. Ransdell*)
- Roll Call (*Dr. Melissa B. Dennison, Secretary*)
- 2013-14 Committee Appointments and Meeting Schedule (*Mr. J. David Porter, Chair*)
- Approval of Minutes
- ❖ First Quarterly Meeting - January 25, 2013
- ❖ Special Called Meeting – April 1, 2013
- ❖ Second Quarterly Meeting – April 26, 2013
- ❖ Special Budget Approval Meeting – June 21, 2013

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## **1. ACADEMIC AFFAIRS COMMITTEE**

### **Action Items:**

- 1.1 Approval of a Kitchen and Bath Undergraduate Certificate [pp 1-4]
- 1.2 Approval of Consolidation of Three University College Academic Units Into the School of Professional Studies [pp 5-6]
- 1.3 Approval of Name Change to The Graduate School [p 7]
- 1.4 Approval to Create Center for Financial Success [pp 8-13]
- 1.5 Approval of University Distinguished Professor Appointments [p 14]
- 1.6 Approval to Create Center for Faculty Development [p 15]

### **Information Items:**

- Enrollment Report (*Provost Gordon Emslie and Dr. Brian Meredith*)
- Faculty Handbook (19<sup>th</sup> edition) (*Provost Gordon Emslie and Mr. Mac McKerral*) [p 16]
- Clinical Experiences and Practices in Teaching (*Dean Sam Evans*) [p 17]

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## 2. EXECUTIVE COMMITTEE

### Action Items:

- 2.1 Approval of Revisions to WKU Mission Statement [p 18-19]
  - 2.2 Approval of Addendum to Athletic Employment Contract / Ray Harper [p 20 and attached addendum]
  - 2.3 Approval of Addendum to Athletic Employment Contract / Michele Clark-Heard [p 21 and attached addendum]
  - 2.4 Authorization and Approval to Purchase Property located at 1590 Normal Street [p 22 and attached map]
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## 3. FINANCE AND BUDGET COMMITTEE

### Action Items:

- 3.1 Approval of General Receipts Bonds [pp 23-24 and attached Resolution]
  - 3.2 Approval of Reimbursement Resolution [p 25 and attached Resolution]
  - 3.3 Approval of Personnel Actions [pp 26-58]
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## 4. PRESIDENT'S REPORT (*Dr. Gary A. Ransdell*)

- Alumni and Development Year-End Report (*Ms. Kathryn Costello*) [pp 59-63]
- Media Year-End Report (*Ms. Robbin Taylor*)
- Research Year-End Report (*Dr. Gordon Baylis*)
- Athletics Year-End Report (*Mr. Todd Stewart*) [separate report enclosed]

### **EXECUTIVE / CLOSED SESSION**

- Legal Update
    - Pending Litigation (*Ms. Deborah Wilkins*)
    - Property Transactions (*President Gary Ransdell and Mr. John Osborne*)
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## 5. OTHER BUSINESS (*Mr. J. David Porter, Chair*)

Upcoming calendar dates:

- Opening Convocation – August 23 at 8:00 a.m. (*Van Meter Auditorium*)
  - CPE Governor's Trusteeship Conference – September 12-13, times TBD (*Louisville Downtown Marriott*)
  - President's Circle Street Fest – September 20 (*Augenstein Alumni Center*)
  - Committee Meetings – September 27 at 9:00 a.m. (*The Medical Center / WKU Health Science Building*)
  - Fourth Quarterly Board Meeting – October 25 at 8:00 a.m. (*MMTH – Regents Room*)
    - The Hall of Distinguished Alumni – October 25 at 11:30 a.m. (*Sloan Convention Center*)
    - Homecoming Parade – October 25 at 5:00 p.m.
    - Board Dinner – October 25 at 6:30 p.m. (*Downing Student Union*)
  - Homecoming – October 26 at 3:00 p.m. (*Houchens L.T. Smith Stadium*)
  - Committee Meetings – December 13
  - Commencement – December 13
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## 6. ADJOURNMENT

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

**July 26, 2013**

- **CALL TO ORDER**

Required statutory notice having been given, the third quarterly 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 8:00 a.m., (CDT).

- **INVOCATION**

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

- **OATH OF OFFICE / PRESENTATIONS**

The Constitutional Oath of Office was administered by Chair Porter to Ms. Keyana Boka, Student Regent from Bowling Green. President Gary A. Ransdell presented Ms. Boka with the official Regent's pin which was designed specifically for members of the Board.

President Ransdell presented Regent Jim Johnson with a personalized gift of appreciation for his service on the Board from 2007-2013.

President Ransdell presented Regent Freddie Higdon with a personalized gift of appreciation in recognition of serving as Chair of the Board from 2011-2013.

- **2013-14 COMMITTEE APPOINTMENTS AND MEETING SCHEDULE**

Chair Porter distributed the 2013-14 meeting schedule and committee appointments.

- **ROLL CALL**

The following Regents were present:

Mr. J. David Porter, Chair	Mr. Jim Johnson
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  
Ms. Julia McDonald, Senior Administrative Assistant  
Ms. K. Ann Mead, Vice President for Finance and Administration  
Dr. Richard C. Miller, Vice Provost / Chief Diversity Officer  
Mr. John Osborne, Vice President for Campus Services and Facilities  
Dr. Robert Owen, Vice President for Information Technology  
Mr. Todd Stewart, Director of Athletics  
Ms. Robbin Taylor, Vice President for Public Affairs  
Ms. Deborah T. 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 to members of the Board.**

- **MINUTES**

The minutes of the first quarterly meeting held on January 25, 2013; the special called meeting held on April 1, 2013; and the second quarterly meeting held on April 26, 2013, were presented for adoption. The minutes of the special budget approval meeting held on June 21, 2013 were deferred until the October 25, 2013 meeting.

**MOTION:**

**Motion to approve the minutes of the meetings held on January 25, April 1, and April 26 was made by Regent Minter and seconded by Regent Johnson.**

**VOTE / ACTION TAKEN: Approved unanimously Not Approved Other \_\_\_\_\_**

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

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**1. ACADEMIC AFFAIRS COMMITTEE – ACTION ITEMS**

**MOTION:**

**Regent Dennison made a motion to add the following information items from the Board Retreat agenda:**

- Regional Campuses Update – Academic Affairs Information Item
- SACS Reaccreditation Update – Academic Affairs Information Item
- Cost Containment Report for CPE – Finance and Budget Information Item

**Motion was seconded by Regent Johnson.**

**VOTE / ACTION TAKEN: Approved unanimously Not Approved Other \_\_\_\_\_**

Regent Dennison recommended combining items 1.1 - 1.5 for action, there were no objections.

- 1.1 Approval of a Kitchen and Bath Undergraduate Certificate [pp 1-4]
- 1.2 Approval of Consolidation of Three University College Academic Units Into the School of Professional Studies [pp 5-6]
- 1.3 Approval of Name Change to The Graduate School [p 7]
- 1.4 Approval to Create Center for Financial Success [pp 8-13]
- 1.5 Approval of University Distinguished Professor Appointments [p 14]

**MOTION:**

**Motion to approve items 1.1 – 1.5 was made by Regent Kennedy and seconded by Regent Minter.**

**VOTE / ACTION TAKEN: Approved unanimously Not Approved Other \_\_\_\_\_**

1.6 Approval to Create Center for Faculty Development [p 15]

**MOTION:**

**Motion to approve item 1.6 was made by Regent Zielke and seconded by Regent Ridley.**

**VOTE / ACTION TAKEN:** Approved Not Approved Other \_\_\_\_\_

**ACADEMIC AFFAIRS COMMITTEE – INFORMATION ITEMS**

- The Enrollment Report was provided by Provost Gordon Emslie and Dr. Brian Meredith.
  - Revisions to the Faculty Handbook (19<sup>th</sup> edition) were presented by Provost Gordon Emslie and Mr. Mac McKerral.
    - Note: Regent Zielke inquired about why this was not presented as an action item.
  - An overview of Clinical Experiences and Practices in Teaching was provided by Dean Sam Evans.
  - A Regional Campuses Update was provided by Dean Dennis George.
  - The SACS Reaccreditation Update was provided by Provost Gordon Emslie and Vice Provost Richard Miller.
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**2. EXECUTIVE COMMITTEE – ACTION ITEMS**

Chair Higdon asked if any Regents would like to remove an item for discussion. Regent Minter requested removing items 2.2, 2.3, and 2.4 for further discussion.

2.1 Approval of Revisions to WKU Mission Statement [p 18-19]

**MOTION:**

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

**VOTE / ACTION TAKEN:** Approved unanimously Not Approved Other \_\_\_\_\_

2.2 Approval of Addendum to Athletic Employment Contract / Ray Harper [p 20]

**MOTION:**

**Motion to approve was made by Regent Zielke and seconded by Regent Johnson.**

**DISCUSSION:**

Regent Minter:

I have a question for Mr. Stewart. We had talked at the Committee meeting about the funding source for this contract; can you tell us where we are right now with the funding source, please?

Mr. Todd Stewart:

We are fine because what we've done over the last five years is we have accrued all of our NCAA Tournament revenues into a separate fund to be used toward coaches' salaries so it serves as an escrow fund so-to-speak and that is what we are pulling Ray Harper's increase from. We are raising private funds to replenish that fund.

**VOTE / ACTION TAKEN:** Approved (10-1) Not Approved Other \_\_\_\_\_

**Regent Minter voted nay.**

2.3 Approval of Addendum to Athletic Employment Contract / Michele Clark-Heard [p 21]

**MOTION:**

**Motion to approve was made by Regent Zielke and seconded by Regent Johnson.**

**DISCUSSION:**

Regent Minter:

Is this funded through the same NCAA revenue stream as Coach Harper's?

Mr. Todd Stewart:

No. This is strictly private dollars.

**VOTE / ACTION TAKEN:** Approved unanimously Not Approved Other \_\_\_\_\_

2.4 Authorization and Approval to Purchase Property located at 1590 Normal Street [p 22]

**MOTION:**

**Motion to approve was made by Regent Zielke and seconded by Regent Johnson.**

**DISCUSSION:**

Regent Minter:

I take it that an agreement was reached without resorting to eminent domain?

President Ransdell:

Correct.

Regent Minter:

If this is approved then the site clearance would begin in January?

Mr. John Osborne:

Correct.

**VOTE / ACTION TAKEN:** Approved (8-3) Not Approved Other \_\_\_\_\_

**Regents Boka, Kennedy and Minter voted nay.**

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### 3. FINANCE AND BUDGET COMMITTEE – ACTION ITEMS

Regent Minter requested items 3.1 and 3.2 be removed for further discussion. Vice President Mead stated that 3.3 is exempt from Consent Agenda because it did not flow through the Finance and Budget Committee on June 21.

#### 3.1 Approval of General Receipts Bonds [pp 23-24]

#### **MOTION:**

**Motion to approve was made by Regent Zielke and seconded by Regent Higdon. Approval of a resolution authorizing the issuance and sale of approximately \$37,000,000 General Receipts Obligations (Renovate Downing University Center Phase III and International Center / Honors College Project) of Western Kentucky University and approximately \$7,000,000 General Receipts Refunding Obligations of Western Kentucky University pursuant to the trust agreement dated as of December 1, 2006, with a requirement of present value of a five percent savings; and authorizing WKU Board of Regents Treasurer, K. Ann Mead, to accept the lowest bids, award the bonds, and report back to the Board the results of said actions.**

#### **DISCUSSION:**

Regent Zielke:

I have a question on the refunding. It says 2006 Series-A and that seems to be a very short time period to be refunding, so you are going to have a premium.

Vice President Mead:

When we drafted the agenda item, it was to give us that latitude but we do not see any feasible way for that. I would request that if this is approved, we leave it to have the flexibility in case there is a change in the market but we do not anticipate that to be the case.

Regent Zielke:

I think the Board needs to be advised on what the present value savings would be before you go forward with the refunding because at some point it's just not economically good for the university. So rather than have a blanket agreement, I think there needs to be a parameter. If you delegate it to the Chair of the Finance Committee, I'm fine with that. We just need to make sure it is economically makes sense for the university. I think the present value savings should be at least five percent.

Regent Higdon:

I would agree. I'm sure we can amend the motion accordingly.

#### **AMENDMENT TO MOTION:**

**Regent Zielke requested to amend the motion to state that the Board Treasurer, Ms. Ann Mead must show/confirm that it will be at least a five percent present value savings before refunding.**

**VOTE / ACTION TAKEN ON AMENDMENT TO MOTION:**

Approved    Not Approved    Other \_\_\_\_\_

**DISCUSSION:**

Regent Minter:

I have several serious concerns about this agenda item based on decisions and trends of the past four years. Those of you on the Board in October 2009 will remember that then-Student Regent Kevin Smiley and I voted against an agenda item that used Academic Affairs monies from DELO to purchase property on Normal Street known as Colonial Courts for \$573,000. This property was to be used for visiting international scholar housing, which it is, and a future space for International Student Support Services. Regent Smiley observed at the time that surely tuition monies could be better used for the benefit of **all** students, and I objected to using Academic Affairs monies for brick-and-mortar projects instead of the academic mission for which tuition is increasingly the only funding stream as state funding decreases. At the time, we were assured that this was a one-time-only deal, that we would never make a habit of using Academic Affairs or tuition monies for anything other than those things which benefit the academic mission and all of our students. We also heard for the first time about something called Navitas, a program that would recruit international students in large numbers and would produce \$10 M in revenue. So when the two buildings in front of Colonial Courts were eventually pulled down, the ones the Board was told would be used for ISSS, in their place there would be a new International Center paid for in cash with Navitas revenue. Today, the promised revenue stream from Navitas has not materialized and no one talks about the \$10M number anymore. But the proposed building is still with us, having grown to a \$22M project that is now an Honors College/International building with a proposed funding stream from international student tuition. If the 2009 board action was a slippery slope, the action before us today is jumping without a net with very serious consequences if the projections fail to materialize.

There are several reasons we should not to approve this project today. First and foremost, we cannot afford this; our revenue stream is uncertain at best in this challenging economic climate. The documents we've seen show clearly that to literally build this house upon international student tuition revenues is to build it upon sand, as it is highly volatile and there is some evidence we are pricing ourselves too high to sustain our enrollment. When we discussed this in committee, we were told that if this revenue stream falls short, then the money will simply be taken from somewhere else in the budget. Given that we made a very large cut to balance our current budget, it is not acceptable to take on such a risk. If this passes, even if we reach our international student projections, the debt service still diverts tuition money which the university could otherwise use for a host of other needs which remain underfunded or unfunded. It seems unwise to allow this building to trump all other needs at WKU.

As both Regent Dodds' committee statement and Honors College graduate Reeves's open letter to the Board point out, this project will not recruit future Honors students to WKU nor will it retain them. Students are not asking for it. It is not a student priority to build an administrative building that further separates Honors College and international students from the rest of the student body and intensifies resentment over perceived favoritism. My experience as a faculty member working with Honors College students is consistent with their observations—other academic, financial, and housing-related opportunities bring Honors students to WKU. There are many other solutions to

create a dignified home and comfortable workplace for our Honors College which cost far less and apparently were not seriously explored. And I share the concerns that the high tuition for international students may hurt enrollment and unfairly places the funding burden on international students without impacting the Honors College students who will share the space. Constructing a building that further separates these two student populations, a space almost as large as our biggest classroom edifice, will deepen the cultural divide between Honors and non-Honors students and threatens to become a retention problem as resentment builds. And to what end? A building will not help anyone get into law or medical school, or win a prestigious scholarship, or study abroad. Only solid funding for the academic mission will. And if the debt service draws money away from academic funding priorities such as upkeep for existing academic spaces, recruitment and retention of excellent faculty and staff with competitive salaries and benefits, it will hinder all of our action plan goals.

To conclude, this is the slippery slope I was worried about four years ago. The promised revenue streams did not materialize, and our financial position has not improved. I don't think any of us want to look back in a year and say that we should have been more prudent in mortgaging the university's future and tying the hands of our academic and administrative leaders, both present and future. This project can wait, and it can be revised to become a floor in a state-bonded building such as the future college of business or moved into our former alumni house—both of which would be impressive spaces appropriate for administrative offices and meeting areas. We should not take tuition money to pay for debt or for brick-and-mortar, even for the noblest project, and we should not take it only from one group to benefit another group which bears none of the financial burden. We should not spend money we do not have from an unreliable revenue stream. Finally, we should not authorize the bonds for this project simply because we already have the land, an asset which we can hold until better times come that it can be used wisely. Therefore, I urge this Board to vote no on this motion and to pass instead an amended motion to authorize only the sale of the student center agency bonds—the building formally known as DUC.

Regent Boka:

This is my first time voting on this Board so I did a little research on this issue. First of all, I applaud the vision and mission for a new Honors College and International Center building. However, I do question the funding for this building in such a challenging fiscal environment. As the student representative, I am weary of the tipping point that can be reached when tuition costs outweigh the ability for students to pay for it, especially for full-paying international students who are attracted by the low cost of WKU and I just would not want to see that weakened in the future. That is a great advantage that we have at this university and so I ask the Board to just keep that in mind in our shared goal of maintaining growth and improvement at WKU.

President Ransdell:

I would add that this does not affect the out-of-state pricing point for domestic or international students. That is set by CPE policy. We are simply designating a portion of the out-of-state margin for Navitas only students and those numbers are in hand.

Regent Zielke:

Don't you think this is a necessary part of our mission statement as a University with International Reach? And John has got this building all designed, right?

President Ransdell:  
It's about half-way designed.

Regent Zielke:  
And you believe this will enhance the university and its reputation to provide quality education?

President Ransdell:  
I do.

Regent Zielke:  
Call the question.

**AMENDED MOTION:**

**Motion to approve was made by Regent Zielke and seconded by Regent Higdon. Approval of a resolution authorizing the issuance and sale of approximately \$37,000,000 General Receipts Obligations (Renovate Downing University Center Phase III and International Center / Honors College Project) of Western Kentucky University and approximately \$7,000,000 General Receipts Refunding Obligations of Western Kentucky University pursuant to the trust agreement dated as of December 1, 2006, with a requirement of a present value savings of five percent; and authorizing WKU Board of Regents Treasurer, K. Ann Mead, to accept the lowest bids, award the bonds, and report back to the Board the results of said actions.**

**VOTE / ACTION TAKEN:  Approved (8-3)  Not Approved  Other \_\_\_\_\_**  
**Regents Boka, Kennedy, and Minter voted nay.**

3.2 Approval of Reimbursement Resolution [p 25]

**MOTION:**

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

**VOTE / ACTION TAKEN:  Approved (8-3)  Not Approved  Other \_\_\_\_\_**  
**Regents Kennedy and Minter voted nay. Regent Boka abstained.**

3.3 Approval of Personnel Actions [pp 26-58]

**MOTION:**

**Motion to approve was made by Regent Kennedy and seconded by Regent Dennison.**

**VOTE / ACTION TAKEN:  Approved  Not Approved  Other \_\_\_\_\_**

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#### **4. PRESIDENT'S REPORT (*Dr. Gary A. Ransdell*)**

- An Alumni and Development Year-End Report was provided by Ms. Kathryn Costello.
  - A Media Year-End Report was provided by Ms. Robbin Taylor.
  - A Research Year-End Report was provided by Dr. Gordon Baylis.
  - An Athletics Year-End Report was provided by Mr. Todd Stewart.
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#### **5. OTHER BUSINESS (*Mr. J. David Porter, Chair*)**

Upcoming dates:

- Opening Convocation – **August 23 at 8:00 a.m.** (*Van Meter Auditorium*)
  - CPE Governor's Trusteeship Conference – **September 12-13, times TBD** (*Louisville Downtown Marriott*)
  - President's Circle Street Fest – **September 20** (*Augenstein Alumni Center*)
  - Committee Meetings – **September 27 at 9:00 a.m.** (*The Medical Center / WKU Health Science Building*)
  - Fourth Quarterly Board Meeting – **October 25 at 8:00 a.m.** (*MMTH – Regents Room*)
    - The Hall of Distinguished Alumni – **October 25 at 11:30 a.m.** (*Sloan Convention Center*)
    - Homecoming Parade – **October 25 at 5:00 p.m.**
    - Board Dinner – **October 25 at 6:30 p.m.** (*Downing Student Union*)
  - Homecoming – **October 26 at 3:00 p.m.** (*Houchens L.T. Smith Stadium*)
  - Committee Meetings – **December 13**
  - Commencement – **December 14**
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**Meeting adjourned for lunch at approximately 12:00 p.m. (CDT)**

**Returned from lunch at approximately 12:45 p.m. (CDT)**

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#### **CLOSED / EXECUTIVE SESSION**

Motion to go into a closed / executive session as provided in KRS 61.810(1) for purposes of discussing pending litigation against the University, and property transactions was made by Regent Freddie Higdon, seconded by Regent Patti Minter, and unanimously approved. The Board went into closed / executive session at approximately 1:00 p.m. (CDT).

At approximately 2:30 p.m. (CDT), Chair Porter returned the Board to open session:

“The Board has now returned to open session. The discussions and deliberations during the closed session were restricted to those stated in the motion, and no formal action was taken by the Board in closed session.

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## 6. ADJOURNMENT (*Mr. J. David Porter, Chair*)

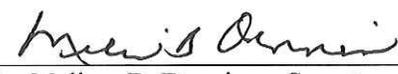
With no further business, motion to adjourn was made by Regent Kennedy, seconded by Regent Minter, and carried unanimously. The meeting adjourned at approximately 2:40 p.m., (CDT).

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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 third quarterly meeting held July 26, 2013 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 10-25-13

  
\_\_\_\_\_  
Dr. Melissa B. Dennison, Secretary  
WKU Board of Regents  
Approved on 10-25-13