

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

February 23, 2018

CALL TO ORDER

Required statutory notice having been given, the first quarterly meeting of the Board of Regents of Western Kentucky University was held in the *Cornelius A. Martin Regents Room* at Jody Richards Hall. The meeting was called to order by Chair Phillip W. Bale, at approximately 9:00 a.m. (CT).

ROLL CALL

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

Regents Present:

Dr. Phillip W. Bale, Chair	Mr. Gillard B. Johnson III, Vice Chair
Miss Andi Dahmer	Mr. Jason L. McKinney
Dr. Claus Ernst	Mr. John W. Ridley
Mr. Frederick A. Higdon, Secretary	Dr. Tamela W. Smith
Mrs. Julie Harris Hinson	

Regent Absent:

Mr. George Nichols III
Mr. J. David Porter

APPROVAL OF MINUTES

The minutes from the fourth quarterly meeting held on October 27, 2017 were presented for adoption.

MOTION

Motion to approve the minutes from the October 27, 2018 fourth quarterly meeting was made by Vice Chair Gil Johnson and seconded by Secretary Freddie Higdon.

VOTE / ACTION TAKEN

Approved Not Approved Other _____

CONSENT AGENDA STATEMENT:

Chair Phillip W. Bale announced that the committees of the Board met on January 26, 2018, and discussed each item on their respective agendas. Each committee recommended submitting their agenda items to the full Board for consent vote / approval, with the exception of AA-4 which shall be discussed for separate vote.

ACADEMIC AFFAIRS

Action Items

- AA-1 Approval of Graduate Certificate in Scientific Data [pp 1-5]
- AA-2 Approval of Sabbatical Leave Requests [pp 6-7]
- AA-3 Approval of Emeritus Appointment [p 8]

MOTION

Motion to approve items AA-1, AA-2 and AA-3 was made by Regent Claus Ernst and seconded by Vice Chair Gil Johnson.

VOTE / ACTION TAKEN

Approved Not Approved Other_____

- AA-4 Approval of Honorary Doctorate Award [p AA-4]

MOTION

Motion to approve an Honorary Doctorate Award for Dr. Beverly Davenport (AA-4) was made by Chair Phillip Bale and seconded by Secretary Freddie Higdon.

VOTE / ACTION TAKEN

Approved Not Approved Other_____

EXECUTIVE

Action Items

- EX-1 Approval of Naming Designated Rooms / Areas [p 9]
- EX-2 Approval of Resolution of Appreciation in honor of Dr. Barbara G. Burch [pp 10-10A]
- EX-3 Approval of Addendum to Athletic Employment Contract–Mr. Rick Stansbury [pp 11-11A]

MOTION

Motion to approve items EX-1, EX-2 and EX-3 was made by Secretary Freddie Higdon and seconded by Vice Chair Gil Johnson.

VOTE / ACTION TAKEN

Approved Not Approved Other_____

FINANCE AND BUDGET

Action Items

- FB-1 Acceptance of the Auditor's Report and Financial Statements for the fiscal year ended June 30, 2017 [pp 12-13]
- FB-2 Acceptance of the WKYU-TV and WKYU-FM Radio Audits for the fiscal year ended June 30, 2017 [p 14]
- FB-3 Approval of the 2017-18 Operating Budget Revisions [p 15]
- FB-4 Approval of Personnel Actions [p 16 and attached reports]
- FB-5 Acceptance of the Second Quarter Statement of Revenue and Expenditures [pp 17-17A]

MOTION

Motion to approve items FB-1, FB-2, FB-3, FB-4 and FB-5 was made by Regent John Ridley and seconded by Regent Tamela Smith.

VOTE / ACTION TAKEN

Approved Not Approved Other _____

Information Item

- Dr. Indudeep Chhachhi presented a summary of the Budget Council's recommendations for the Budget Stabilization Plan. [Addendum A]

President Timothy C. Caboni provided comments regarding the course of action for each recommendation—accept, reject, evaluate, or forward to the Strategic Planning Committee for consideration through the strategic planning process. [Addendum B]

President Caboni comments:

Thank you Indu. I want to compliment Dr. Chhachhi on his leadership throughout this process. This is a difficult task. He and the members of the Budget Council have devoted more than 100 hours to this work, over and above their regular jobs. I'm appreciative of the time, energy and thoughtfulness that has gone into crafting these recommendations, and I'm pleased to say that the vast majority of them I am accepting as recommended.

There are a few policy changes that are included that I believe are best left to the Strategic Planning process, so I will forward those to our Strategic Planning Committee for consideration and possible inclusion in the strategic plan. And there are a handful of recommendations that have merit but need to be further evaluated to determine the larger effect and how best to proceed. There is only one recommendation that, in part, we simply cannot do.

So from here, I'm going to go through each of the recommendations, and then we'll discuss your questions and thoughts on this process, and the outcome.

1. **Regional Campuses:** In order to best meet the needs of the local communities and the student populations we serve through our regional campuses, we will return the regional campus management to DELO.

Embedding our regional efforts in the organization that provides online degrees and short-term corporate engagement will enhance the flexibility and speed with which we can respond to market demands and best meet the needs of the communities and students we serve through regional campus education. – **Agree, and we have a strategy to maintain our commitment to regional education and workforce development.**

2. **Construction Projects:** Until the budget is balanced, freeze new building and renovation projects that add fixed costs to the university's operating budget. – This is the one recommendation we cannot accept. I appreciate the spirit, and I understand why the Budget Council made this recommendation, however, I simply cannot commit to something that will restrict our ability to take advantage of the asset renewal pool that is currently being considered in Frankfort, which could result in our ability to access state matching funds for critical needs capital projects, or the potential to attract private support.

The Second part, however - Develop a policy that requires a full assessment of and plan for budgeting ongoing operating costs (maintenance, utility costs, depreciation, etc.) in addition to the construction and financing costs. – **We Agree and will certainly do this.**

3. **Cell Phones:** Eliminate cell phone plan allowances to reflect that any work-related cell phone usage typically does not impose any incremental costs. – **Partially agree** – we will reduce the cell phone allowance budget by \$100,000, but I want to maintain an allowance for those employees on the lower end of the pay scale whose job duties require them to maintain a cell phone for work purposes.

By implementing these various recommendations, we will reduce our total budget by \$15 million. So let me now distill this down for the big things that I want you to fully understand we will do as a result of this collective effort.

The first is Regional Campuses. Most of the savings will be created through finding efficiencies and removing duplication within the current organizational structure of our regional campuses. Returning them to DELO will ensure that our focus is more market driven and oriented toward student service while ensuring that we maintain our strong commitment to building the workforce that those communities need.

Number two - the University College will be dissolved by July 1. The academic programs in University College will go to their natural homes in the remaining colleges across the University. Those things within University College that are duplicative of other support systems across campus will go away. Those things that we retain will be integrated, either into Student Affairs or other appropriate places.

Last, and most importantly, all of these recommendations from the Budget Council will result in a significant reduction in our total workforce at WKU.

As you are aware, several months ago we initiated a hiring slow-down and began a stringent review process to capture vacant positions as part of this budget reduction effort. Had the University started doing this last spring when the severity of our budget situation was becoming clear, perhaps we would be in a better position today. As of now, there are about 50 vacant positions that will be eliminated. Another 90 to 100 filled positions are likely to be eliminated as we implement the Budget Council recommendations. Many will be in the areas I've just mentioned. Others are yet to be determined.

Vice Presidents and Deans will begin to make those decisions in the next few days, and we expect to have a finalized list of eliminated positions by mid-March. I know that there will be a lot of angst among our employees about which positions are in question, but we simply must give the Vice Presidents and Deans time to review the detailed recommendations. They are closest to their operating units and will be best situated to make final determinations about what their divisions and colleges can withstand.

I know this is painful. Unfortunately, this is only the first phase. As I have described to you, this first \$15 million is largely the result of cumulative enrollment decline and the decision made last spring to fill a budget hole with one-time dollars and carry forward funds.

The next challenge for us will come in April when we know the results of the state budget, which is likely to include a significant reduction in our state appropriation and a huge increase in our employer contributions to the state pension systems.

We will also have a better sense in April of our likely fixed cost increases. And, to be realistic, we will plan for another year of enrollment decline.

Again, I thank the Budget Council for their service. This is what shared governance looks like.

This is a difficult time in the life of our institution. Our fortitude and our leadership will be tested. This is certainly not what I envisioned for my first year as President. But we can't stick our heads in the sand and not deal with it. This is what we must do if we are to be completely transparent about our financial situation. Making these tough decisions now will put WKU on a path to a more sound financial footing next year and beyond.

OTHER BUSINESS / ANNOUNCEMENTS

Chair Bale asked Regents to make note of the following upcoming calendar dates:

- Committee Meetings ~ April 27, 2018
- President's Investiture Ceremony ~ April 27, 2018
- Second Quarterly Meeting ~ May 11, 2018
- Special Budget Approval Meeting and Committees ~ June 22, 2018
- Retreat ~ August 2, 2018
- Third Quarterly Meeting ~ August 3, 2018
- Committee Meetings ~ October 26, 2018
- Fourth Quarterly Meeting ~ December 7, 2018

Chair Bale closing statement:

The fiscal realities facing WKU are as stark as they are unavoidable. No amount of soaring rhetoric will extract the pain or ease the suffering that individual loss of employment inflicts. Yet, it remains the primary responsibility, indeed duty, of this body and this administration to make the necessary changes to insure the sustainability of this great institution. While the task ahead may seem somber and unpleasant, the stakes are much too high to shirk this duty or to dwell on the negatives, but instead all members of this university must unite in our efforts to evolve and meet the challenges facing us head on.

It is my opinion, and I hope that of others, that we must also renew, reinvigorate, and re-express our belief that higher education and liberal arts remain critical to the maintenance of an informed, educated citizenry and a free nation. We must resist with all of our might any notion that would devalue or discourage the pursuit and attainment of a higher education degree. Perhaps like never before, we must all be champions for the virtues upon which our country was founded and upon which the health and vitality of the republic depends.

Within the short span of less than eight months President Caboni has given us every reason to have confidence in his ability to lead us thru these turbulent waters. The processes which have been implemented pertaining to both the budget council and the ongoing strategic planning mission have been, as much as possible, inclusive, comprehensive, and thoughtful. Still, neither he nor anyone else can affect the necessary changes unassisted. It will require more than a passively supportive board and administrative staff. Faculty, students, and staff, all of whom represent the life blood of our university, will remain central to our success in this process of reformation. Alumni, the greater Bowling Green community, and entire WKU family must be engaged and active participants in our quest for ever higher ground.

So in closing, on behalf of The Spirit which sets WKU apart from all others, let each and every one of us rally to the cause, summon the best of our angels, and dare to be an example that others who are similarly challenged may wish to emulate.

ADJOURN

MOTION TO ADJOURN:

Motion to adjourn the meeting was made by Vice Chair Gil Johnson and seconded by Regent Julie Harris Hinson.

VOTE / ACTION TAKEN

Approved Not Approved Other _____

The meeting adjourned at approximately 10:15 a.m. (CT).

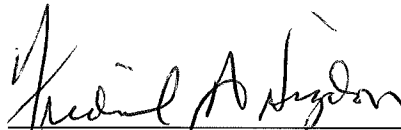
CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein above set forth an accurate record of the first quarterly meeting held February 23, 2018, in the *Cornelius A. Martin Regents Room* at Mass Media & Technology Hall, 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).



Dr. Phillip W. Bale, Chair
WKU Board of Regents

Approved on May 11, 2018



Mr. Frederick A. Higdon, Secretary
WKU Board of Regents

Approved on May 11, 2018



Budget Stabilization Plan

Budget Council Background

- Informal Advisory group to the President
- Redefined Responsibilities (August, 2017)
 - Primary charge: managing the current (\$15M) shortfall

February 23, 2018

Guiding Principles & Cost Drivers

- Compile data and employ cost drivers that are applicable across units and divisions
- Provide rationale for budget reduction recommendations that are supported by data or common criteria
- Combine or eliminate duplicative services & positions for greater efficiencies.
- Protect existing workforce, to whatever extent we could, and to minimize negative impact on student success

February 23, 2018

Cost Drivers

Cost Driver	Changes, 5 Year Trend
Number (#) of Full-time Staff	(11%)
Number (#) of Full-time Faculty	(1%)
Number (#) of Full-time Equivalent Students	(6%)
Enrollment	(4%)
Administration:Instruction Spending Ratio	9%

February 23, 2018

Cost Drivers

College		
	SCHP	Enrollment
CEBS	(34.9%)	(32.1%)
OCSE	8%	10%
CHHS	(0.2%)	(1.3%)
GFCB	28.1%	17.5%
UC	(4.5%)	(30.2%)
PCAL	(10.7%)	(12.4%)

February 23, 2018

Summary of Main Recommendations

- Recommended over \$15M in reductions to address the current shortfall
- Recommended a series of new budgeting & spending policies to foster our long-term solvency
- Lay the groundwork for WKU to not just survive but thrive in the face of adverse state funding and demographic trends
- Going forward, use the recommendations of the Strategic Planning committee as a springboard for future budget decisions

February 23, 2018

Reduction Recommendations

- Personnel vs. Non-Personnel

	Personnel	Non-Personnel	TBD
Reduction	\$9,924,205	\$3,064,968	\$3,005,671
Total			

WKU Budget Restructuring Plan:
Recommendations to President Caboni

WKU Budget Council

February 20, 2018

Executive Summary

In the fall of 2017, WKU President Timothy Caboni redefined the responsibilities of the WKU Budget Council (the Council). The reconstituted Council, which is advisory to the President, includes four faculty members, five staff members, and one student. President Caboni asked the Council to (1) address the current revenue shortfall, (2) examine current expenditures and funding priorities, and to (3) evaluate budget models that will (4) favorably position WKU in the context of the state's performance metrics for higher education. The Council developed the following recommendations to address charges (1) and (2), and recommended hiring a consulting firm, Huron, to address charges (3) and (4).

The current (FY 2018) deficit amounts to \$10,976,000, and WKU projects an additional \$3,900,000 deficit due to projected enrollment declines this year. The President gave the Council a budget reduction target of \$15 million for FY 2019, which is approximately 5% of WKU's unrestricted operating budget. At a later stage, the Council and the campus community will need to act to address an anticipated 2018-2019 enrollment decline, state funding cuts, and an increase in required pension contributions.

The Council limited its review of the current budget to unrestricted funds. The Council did not review restricted, carry forward, and auxiliary enterprise funds. The budgeted amount under review was approximately \$300 million. President Caboni asked the Council to recommend strategic, rather than across-the-board, budget reductions in order to balance the budget. To guide its evaluation and decision-making process, the Council compiled data and developed common criteria, standards, evaluative measures, and cost saving measures that it applied across the university's divisions and units. The Council attempted to meet its charges while also advancing the central mission of the university, which is to educate WKU's students, prepare them for lifelong success, and act as an economic and intellectual engine for the region.

Summarized below are the Council's recommended budget reductions by division and type. Recommendations reflect the majority opinion of the Budget Council.

Unit	Amount	% of Total Reduction
Academic Affairs	\$7,366,584	46.1%
Athletics	\$1,346,259	8.4%
Facilities	\$609,060	3.8%
Philanthropy	\$717,320	4.5%
Finance and Administration	\$718,537	4.5%
General Counsel	\$28,807	0.2%
Information Technology	\$844,287	5.3%
Public Affairs	\$540,479	3.4%
Student Affairs	\$888,760	5.6%
President	\$85,327	0.5%
University Wide	\$646,550	4.0%
Other (F&A, assessment on revenue, etc.)	\$2,192,953	13.7%
Total	\$15,984,923	

The following table illustrates the proportion of cuts to salaries and benefits (in both vacant and currently filled positions) to operating budget cuts in the reduction total.

	Personnel*	Non-Personnel	TBD
Reduction Total	\$9,924,205	\$3,064,968	\$3,005,671

**All position eliminations effective July 1, 2018*

Unit leaders—including Deans and Vice Presidents—who are closest to activities within their division may choose to implement these cuts in a manner different from the Council’s recommendations. The integrity of the budget stabilization process, however, requires that unit leaders strictly adhere to the split between personnel and non-personnel reductions.

WKU cannot continue to employ fiscal practices that use one-time funds to fill recurring deficits, budget on unrealistic revenue projections, or spend beyond its means. These recommendations are a long overdue and necessary first step in WKU’s budget stabilization and restructuring process. The ultimate goals of the process are to achieve sustainable solvency, transparency, and accountability. Achieving these goals will take time and coordination between the President, campus leadership, and the various bodies involved in strategic planning and budget model redesign.

Finally, The Council recommends a four percent campus-wide salary increase pool. The Committee’s hope is that going forward, WKU will employ a new budget model, base its budget on realistic revenue projections, and regularly re-evaluate and balance its budget. Furthermore, the budget will continue to evolve in response to enrollment trends, the state budget (including pension pressures), and the strategic planning process. The Budget Council is optimistic that WKU will emerge from the budget restructuring process with a firm foundation for continuing success. The Council recommends a four percent campus-wide salary increase pool—that goes into effect on January 1, 2019—for FY 2019.

Scope and Objectives

The scope for this project was limited to examining the unrestricted Educational and General (E & G) budget. The total budget balance under consideration was approximately \$300 million. The Council also examined WKU's budgeting and spending policies and procedures.

These are the key objectives of these recommendations:

- Reduce the university's E & G budget by at least \$15 million in FY 2019 in order to reduce the current budget shortfall.
- Implement budgeting and spending policies and procedures that will foster WKU's long-term solvency.
- Lay groundwork for WKU to not just survive but thrive in the face of adverse state funding and demographic trends.

Budget Reduction Plan Guiding Principles

The Council adopted the following guiding principles to provide consistency and accountability to its planning and recommendations:

- Minimize negative impacts on student success, academic excellence, and the health and safety of WKU's students and employees.
- Compile data and use it to develop evaluation measures that are applicable across WKU's unit and division boundaries and other silos of administrative authority or operations.
- Identify reasonable efficiencies wherever possible.
- Implement policies and best practices that will yield long-term solvency.
- Provide rationale for budget reduction recommendations that are supported by data or common criteria.
- While achieving the objectives, avoid making recommendations that are within the decision-making scope of the ongoing strategic planning and budget restructuring processes.

Budget Reduction Cost Drivers and Cost-Saving Measures

Cost Drivers

To determine appropriate cost reduction recommendations, The Council used the Fact Book and worked with Institutional Research to compile data and develop pertinent evaluative measures and cost driver models. Data collected spanned five fiscal years.

The Council considered a wide range of approaches. It developed the following evaluative measures and cost drivers and used them to inform its recommendations on budget reductions to units outside the university's academic colleges.

Cost Driver	Changes, 5 Year Trend
Number (#) of Full-time Staff	(11%)
Number (#) of Full-time Faculty	(1%)
Number (#) of Full-time Equivalent Students	(6%)*
Enrollment	(4%)
Administration:Instruction Spending Ratio	9%**

*Excludes dual credit and on-demand students

***Actual spending on Administration has increased by 9.6% from FY 2013, while spending on Instruction has increased only 6.5%.*

The Council based recommended reductions to academic college and department budgets on long-term trends in SCHP (Student Credit Hour Production) and program enrollment. The following table shows five-year SCHP and enrollment trends by college.

College	SCHP	Enrollment
CEBS	(34.9%)	(32.1%)
OCSE	8%	10%
CHHS	(0.2%)	(1.3%)
GFCB	28.1%	17.5%
UC	(4.5%)	(30.2%)
PCAL	(10.7%)	(12.4%)

Summary of Cost-Saving Approaches

The Council applied the following cost saving and budget reduction approaches to academic and non-academic units as appropriate:

- Eliminate vacant faculty and staff positions.
- Combine or eliminate duplicative services, positions, or programs.
- Eliminate discretionary salary contingent budgets.
- Implement a seven percent assessment on revenue from workshop and revenue dependent indexes to assist with costs incurred by the university to support their operations. The Council recommends that these indexes be exempt from any future assessment on carry forward funds.
- Eliminate cell phone plan allowances to reflect that any work-related cell phone usage typically does not impose any incremental costs.
- Reduce the current fleet of all university owned vehicles of over 250 vehicles by 25 percent in the next twelve months. Create an approval process for any new acquisitions in an effort to continue fleet size reduction and to ensure cost effectiveness versus renting or leasing.
- Make revenue-producing units revenue-dependent when practical.
- Where feasible, reorganize units so that they share support services and administration (i.e., “core services model” organization).
- Implement a seven percent cut to top-level administrative indexes to reflect the fact that WKU is a smaller organization—both in terms of number of students we serve and the number of full-time faculty and staff—than it was five years ago.

Recommendations for the FY 2019 Budget

WKU will continue to use its current incremental budgeting model as it formulates the FY 2019 budget. Until WKU implements a new budget model, the Council recommends that the President and campus leadership pursue the following strategic objectives:

- **ACCEPT** - Compensation for faculty and staff is a critical strategic priority that must be addressed during the budget stabilization and restructuring process, and even as the university right-sizes itself. The Council recommends a four percent campus-wide salary increase pool—that goes into effect on January 1, 2019—for FY 2019.

- **ACCEPT** - The ongoing budget stabilization and restructuring process should advance the institutional goals and strategies outlined by the WKU Strategic Planning Committee, the Resource Allocation, Management, and Planning Committee (RAMP), and other relevant planning bodies.

Recommended Policies, Strategies, and Procedures

WKU must implement new policies, strategies, and practices to balance and rationalize the university's budget. The overarching goals of the following recommendations are to (a) enact "best practice" policies that will encourage fiscal sustainability and accountability; (b) support WKU's strategic realignment; and (c) reduce unnecessary costs.

I. Policy Recommendations: The Budget Council recommends implementing the following: within the next 12-18 months.

- **ACCEPT - Regional Campuses:** Evaluate viability of all regional campuses. Where possible, communicate with local government leaders in each location to explore potential fiscal partnerships. However, WKU should remain fully committed to its mission of providing postsecondary throughout its service region.
- **ACCEPT - Activities-Based Costing and Resource Allocation:** Where feasible, align budget allocations to expenditures and changes in staffing and activities. Going forward, productivity data, net tuition revenue, and other appropriate metrics should drive resource allocation decisions.
- **TO STRATEGIC PLANNING - Institutional Scholarships:** Develop and implement a new strategy that balances awarding scholarships based on academic merit and financial need; focuses on enhancing student retention and persistence, and stabilizing enrollment; and results in "net revenue positive" investments in students.
- **TO STRATEGIC PLANNING - Academic Program Review:** The Academic Program Review process should be revised to incorporate measures of fiscal accountability that are related to long-term trends in programs' academic activities and demand for services. The revised Academic Program Review process should be used to restructure program budgets accordingly, on an ongoing basis. The revised Academic Program Review process should align with SACSCOC and AAUP guidelines and best practices, and be used to support the new Strategic Plan.
 - While the foundation for the Program Review should be laid as soon as possible, the formal process should begin as soon as the new Provost takes office in July 2018. One outcome of this Program Review may be to realize quantifiable savings. The Program Review should be completed by Nov. 30th 2018.
- **TO STRATEGIC PLANNING - Post Tenure Review for Faculty:** WKU's institutional success rests on faculty tenure. WKU should explore instituting a post-tenure review process that adheres to AAUP and other professional "best practices," and enhances the effectiveness of tenured faculty.
- **ACCEPT - Continuance Reviews for all University Leadership Positions:** Establish regular continuance reviews for all University leadership positions, similar to existing processes for Deans and Department heads.

- **ACCEPT - Shared Service Model:** Improve collaboration between service units, and explore a shared service center model to improve efficiency and effectiveness.
- **ACCEPT - Faculty Transitional Retirement:** In consultation with Council of Academic Deans and Human Resources, restructure the Transitional Retirement program to be responsive to future resource needs and to make it more cost-effective. For example, consider shortening the program to an initial 2 years (with possibility of an additional year, subject to review) at 50 percent of base salary and include a mandatory one-year notification period. Any faculty transitional retirement options are contingent upon university needs and approval of unit head.
- **ACCEPT - Staff Transitional Retirement:** In consultation with Human Resources, develop and implement an optional transitional retirement plan for staff. Any staff transitional retirement options will be contingent upon university needs and approval of unit head.
- **Construction Projects:**
 - **REJECT** - Until the budget is balanced, freeze new building projects that add fixed costs to the university's operating budget.
 - **ACCEPT** - Develop a policy that requires a full assessment of and plan for budgeting ongoing operating costs (maintenance, utility costs, depreciation, etc.) in addition to the construction and financing costs.
- **ACCEPT - Inter-Office Charging:** Implement a policy stating that units should not cover any budget reductions-increasing charges to other units for services performed. (Parking Services is excluded because going forward they will be revenue dependent, and current parking fees are below benchmarks.)
- **EVALUATE / TAKE UNDER ADVISEMENT - Administrator Salaries:** Implement a policy stating that as contracts or employee agreements are created for senior administrators with academic rank (i.e. EEO 10), position salaries should be bifurcated into a core faculty salary with an administrative supplement. At the conclusion of administrative service and departure from the administrative role, the salary calculation for those who return to faculty status will not include the administrative increment. The core faculty salary may not then be higher than the highest faculty salary of their same rank in their tenure home.
- **ACCEPT - Revenue-Dependent Units:** Where feasible, make revenue producing units revenue dependent. Implement a 7% assessment on actual revenue from revenue dependent and workshop indexes to assist with operating costs incurred by the university on their behalf, and revise the Carry Forward policy as appropriate.

II. Division-specific recommendations. The Budget Council recommends that WKU consider implementing the following strategies, taking into consideration the new Strategic Plan and budget model.

- **ACCEPT -Travel:**
 - Explore new policies or practices to reduce travel costs. New software (such as Concur) or outsourcing of travel services may reduce travel expenses and standardize travel spending behaviors for more efficient tracking and processing of travel expense vouchers.

- Review faculty-led Study Abroad options, policies, and procedures.
- **ACCEPT - DELO:** Reevaluate DELO's governance structure for more accountability, and reevaluate revenue sharing and definition of effort.
- **Enrollment Management:**
 - **TO STRATEGIC PLANNING -** Hire expert consultants to examine WKU's Enrollment Management structure and strategies, with an eye toward consolidating EM personnel, strategies, and practices and increasing their effectiveness.
 - **ACCEPT -** Consolidate enrollment management and student-facing units under a single organizational structure.
- **ACCEPT - Fees:** Conduct a comprehensive evaluation of all university and academic fees with an eye toward simplification, transparency, and reduction where feasible.
- **TO STRATEGIC PLANNING - Internationalization Programs:** Programs, offices, and personnel associated with WKU's international foci (both "outbound" and "inbound" programs) should be reviewed, with an eye toward consolidating personnel, strategies, and services that are redundant, and where synergies could advance the overall internationalization agenda.
- **TO STRATEGIC PLANNING - Advising:** Review advising structures for effectiveness and efficiency.
- **ACCEPT - Foundations:** Find efficiencies through examining operations of and possible organizational combinations of WKU Research Foundation, the Office of Research and Creative Activity and the Center for Research and Development.
- **ACCEPT - Philanthropy:** Any post-capital campaign bonuses must be funded by campaign dollars.
- **Athletics:**
 - **ACCEPT -** Ensure institutional support for Athletics is addressed in the RAMP process in the development of a new budget model.
 - **EVALUATE / TAKE UNDER ADVISEMENT -** The growth in per athlete athletic spending should not outpace the growth in per student academic spending.
- **EVALUATE / TAKE UNDER ADVISEMENT - Office of Internal Audit:** The Board of Regents is encouraged to consider moving the reporting structure of the Office of Internal Audit to report administratively directly to the WKU President while reporting functionally to the Board of Regents.
- **Admissions and Recruitment:**
 - **TO STRATEGIC PLANNING -** Tuition Strategy: Consider implementing new tuition structures including:
 - Incremental tuition: Charge additional tuition to undergraduate students who enroll in more than 16 credit hours of coursework in a semester.
 - Differential tuition: Explore implementing new tuition structures that take into account cost of instruction/delivery of programs and student demand.

*BoC Follow-up**

- **ACCEPT** - Undergraduate Admissions: To enhance retention and persistence, revise admission policies/practices to end admission of undergraduate students with CAI scores below 60.
 - **EVALUATE / TAKE UNDER ADVISEMENT** - WKU should explore the implications of raising the CAI threshold to 65 or higher.
- **Human Resources:**
 - **TO STRATEGIC PLANNING** - Standardization: Standardize the processes and policies for awarding staff compensation adjustments and reclassifying positions. Standardize position descriptions and pay grades for similar positions across campus.
 - **ACCEPT** - Personnel Actions Approval Committee (PAAC): Continue to use PAAC to control personnel costs strategically until WKU fully implements the new budget model.
- **Purchasing:**
 - **ACCEPT** - Continue to evaluate spending in order to reduce unnecessary purchasing and Personal Services Contracts (especially during the final three months of the fiscal year).
 - **ACCEPT** - Reduce number of WKU owned vehicles by 25% (from more than 250). Create a process by which any new acquisition will be approved in an effort to continue fleet size reduction and to ensure cost effectiveness versus renting or leasing.
- **ACCEPT FOR OVER A CERTAIN SALARY / EVALUATE REST - Cell Phones:** Eliminate cell phone plan allowances to reflect that any work-related cell phone usage typically does not impose any incremental costs.



WESTERN KENTUCKY UNIVERSITY
Board of Regents ~ First Quarterly Meeting
February 23 – 9:00 a.m. (CT)
Jody Richards Hall ~ Cornelius A. Martin Regents Room

AGENDA *(revised 2-21-18)*

- Call to Order (*Dr. Phillip W. Bale, Chair*)
 - Roll Call (*Mr. Frederick A. Higdon, Secretary*)
 - Approval of Minutes (*October 27, 2017 meeting*)
-

1. ACADEMIC AFFAIRS (*Mr. John W. Ridley*)

Action Items:

- AA-1 Approval of Graduate Certificate in Scientific Data [pp 1-5]
 - AA-2 Approval of Sabbatical Leave Requests [pp 6-7]
 - AA-3 Approval of Emeritus Appointment [p 8]
 - AA-4 Approval of Honorary Doctorate Award [p AA-4]
-

2. EXECUTIVE (*Chair Bale*)

Action Items:

- EX-1 Approval of Naming Designated Rooms / Areas [p 9]
 - EX-2 Approval of Resolution of Appreciation in honor of Dr. Barbara G. Burch [pp 10-10A]
 - EX-3 Approval of Addendum to Athletic Employment Contract – Mr. Rick Stansbury [pp 11-11A]
-

3. FINANCE AND BUDGET (*Mr. Gillard B. Johnson III*)

Action Items:

- FB-1 Acceptance of the Auditor's Report and Financial Statements for the fiscal year ended June 30, 2017 [pp 12-13]
- FB-2 Acceptance of the WKYU-TV and WKYU-FM Radio Audits for the fiscal year ended June 30, 2017 [p 14]
- FB-3 Approval of the 2017-18 Operating Budget Revisions [p 15]
- FB-4 Approval of Personnel Actions [p 16 and attached reports]
- FB-5 Acceptance of the Second Quarter Statement of Revenue and Expenditures [pp 17-17A]

FINANCE AND BUDGET (*Mr. Gillard B. Johnson III*)

Information Item:

- Budget Stabilization Plan **[p 18]**
-

4. OTHER BUSINESS / ANNOUNCEMENTS (*Chair Bale*)

- Committee Meetings ~ April 27, 2018
 - President's Investiture ~ April 27, 2018
 - Second Quarterly Meeting ~ May 11, 2018
 - Commencement ~ May 11-12, 2018
 - Special Budget Approval Meeting and Committees ~ June 22, 2018
 - Retreat ~ August 2, 2018
 - Third Quarterly Meeting ~ August 3, 2018
 - Committee Meetings ~ October 26, 2018
 - Fourth Quarterly Meeting ~ December 7, 2018
 - BOR Holiday Dinner ~ December 7, 2018
-

5. ADJOURN