

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

June 23, 2017

CALL TO ORDER

Required statutory notice having been given, the special budget approval meeting of the Board of Regents of Western Kentucky University was held in the *Cornelius A. Martin Regents Room* at Jody Richards Hall. The meeting was called to order by Chair, Mr. Frederick A. Higdon, at approximately 8:30 a.m. (CDT).

OATH OF OFFICE

The Constitutional Oath of Office was administered to Miss Andi Dahmer by Mr. Frederick A. Higdon, Chair of the Board of Regents. President Gary A. Ransdell presented Miss Dahmer with the official Regent's pin which was designed specifically for members of the Board.

SPECIAL RECOGNITION

President Gary A. Ransdell presented Miss Dahmer with the special pin designed specifically for members of the Board of Regents. President Ransdell thanked Mrs. Cynthia Harris for her six years of service on the Board and presented her with a personalized Cherry Hall mirror as a gift of appreciation.

ROLL CALL

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

Regents Present:

Mr. Frederick A. Higdon, Chair
Dr. Phillip W. Bale
Dr. Barbara G. Burch
Miss Andi Dahmer
Mrs. Cynthia Harris, Secretary
Mrs. Julie Harris Hinson

Mr. Gillard B. Johnson III, Vice Chair
Mr. Jason L. McKinney
Mr. J. David Porter
Mr. John W. Ridley
Dr. Tamela W. Smith

Others Present:

Dr. Gary A. Ransdell, President

Dr. Randy Capps, Parliamentarian

Ms. Julia McDonald, Assistant to the President for Board and Executive Relations

FINANCE AND BUDGET

Action Item

FB-1 Approval of the 2017-18 Operating Budget

The *WKU 2017-18 Budget* is WKU's financial plan for the fiscal year beginning July 1, 2017 and ending June 30, 2018, and it includes the Operating Budget and Capital Budget. The budget document includes the following components:

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

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

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

The 2017-18 Operating Budget and the dollar and percent increases, in comparison to the 2016-17 budget, are as follows:

	2017-18 Budget	Dollar Incr/Decr	Percent Incr/Decr
Total Budget	\$413,651,000	\$11,399,000	2.8%
Total E&G	390,819,000	11,409,000	3.0%
Unrestricted E&G	334,843,000	11,383,000	3.5%
Restricted E&G	55,976,000	26,000	.05%
Total Auxiliary Enterprises	22,832,000	(10,000)	(.04%)

Total Budgeted Revenue by Source

	Amount	Pct of Budget
Tuition and Fees	\$201,309,000	48.7 %
State Appropriations		
Operating	69,081,000	16.7
Kentucky Academy for M&S	4,822,800	1.2
Kentucky Mesonet	750,000	0.2
Restricted Funds		
Grants and Contracts	15,500,000	3.7
Student Financial Aid	40,476,000	9.8
Self-generated Funds	29,061,200	7.0
Carry Forward Funds	29,819,000	7.2
Auxiliary Enterprises	22,832,000	5.5
TOTAL	\$413,651,000	100.0 %

The Operating Budget includes projected revenue based on the 2017-18 tuition and fees rate increase, actual FY 2017 enrollment, and a projected two percent enrollment decline in FY 2018. The budget includes tuition and fees totaling \$201,309,000, a decrease of \$3,484,000 or two percent. Tuition and fees account for 48.7 percent of the total budget and 60 percent of the unrestricted E&G budget.

The FY 2018 budgeted state appropriation reflects an equity adjustment in the amount of \$2,347,900 and performance funds totaling \$3,830,200. The equity adjustment was a result of historical data revealing disparities in state support in the comprehensive sector. Therefore, the 2016-18 biennial budget recommendation included an equity adjustment for both Northern Kentucky University and Western Kentucky University. State appropriation will account for 18.1 percent of WKU's total budget and 22.3 percent of unrestricted E&G budget.

Changes in self-generated revenue of departments across campus are allocated back to the division associated with the respective programs and activities. The distribution of carry forward funds to divisions is designed to encourage thoughtful expenditure of nonrecurring funds.

Restricted Fund budgets from grants and contracts and federal and state student financial assistance programs comprise 13.5 percent of the total budget. Grants and contracts revenue is projected to increase by \$430,000 or 2.9 percent due to projected funding from all sources of grants and contracts.

Budgeted student financial assistance is projected to decline by \$404,000 or one percent. This change in funding reflects a reduction in Pell Grant. In contrast, there is a projected increase in the state-funded College Access Program due to extending the eligibility deadline and aggressive efforts on encouraging students to submit financial aid applications earlier for full consideration. The number of KEES eligible students is estimated to increase.

The Auxiliary Enterprises revenue estimates are decreased by \$10,000 for FY 2018. The slight decline is contributed to variances in sales. Within the WKU Store, there is an estimated increase in new and used book sales and a decrease in book rentals.

Expenditure Highlights

The FY 2018 budget reflects a budget adjustment to account for a four percent decline in fall and spring tuition revenue in FY 2017 and a projected decline of two percent in FY 2018. However, decisions have not been made on specific budget reductions across the campus. Such decisions will be made in the context of actual enrollment in FY 2018 and a significant strategic planning process that will occur in FY 2018.

The following unavoidable costs, recurring commitment allocations, and other programmatic adjustments (tuition base) are included in the 2017-18 Operating Budget:

Fixed Cost

	405,000
Faculty Promotions	149,000
Retirement Systems	700,000
Health Insurance Effective January 2017	210,000
FICA/MQFE Federal Requirement (½ Year)	40,000
Utilities & Maintenance and Operations	210,000
Contractual Obligations	22,000
Salary Adjustments on Degrees	100,000
Insurance	2,602,000
Student Financial Assistance	80,000
Legal Fees	175,000
Student Accessibility/Loss of State Funding	

Other Commitments and Program Allocations

	2,467,000
2% Cost of Living Adjustment (1% Jan 2017, 1% July 2017)	375,000
Growing Private Giving Support	320,000
Student Retention/Professional Advisors	159,000
Admissions Student Recruiting/Retention Initiatives	130,000
Campus & State Police Events Security	142,000
Central Contingency Fund	(210,000)
WKU Pathways	636,000
Summer School	7,000
Doctor of Education in Educational Leadership	(217,000)
International Students Support (tuition surcharge)	139,000
Doctor of Nursing	116,000
Doctor of Physical Therapy	(9,000)
Doctor of Psychology in Applied Psychology	1,187,000
DELO Registration Fees	329,000
Cohort Programs from DELO to Departments	\$10,264,000

TOTAL

Sources

Fall/Spring Tuition	\$4,304,000
State Appropriations	2,613,000
Base Reallocation	1,369,000
WKU Pathways	(210,000)
Summer School	636,000
Doctor of Education in Educational Leadership	7,000
International Students Support (tuition surcharge)	(217,000)
Doctor of Nursing	139,000
Doctor of Physical Therapy	116,000
Doctor of Psychology in Applied Psychology	(9,000)
DELO Registration Fees	1,187,000
Cohort Programs from DELO to Departments	329,000
TOTAL	\$10,264,000

Included in the fixed cost projection is a one percent cost of living adjustment, which is the third installment of a three-part phase-in of a three percent total salary increase over the 2016-18 biennium as follows: one percent on July 1, 2016; one percent on January 1, 2017; and one percent on July 1, 2017.

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 \$1,000,000 do not require General Assembly approval and are not included in the Capital Budget. Many projects with a scope of less than \$1,000,000 will address deferred maintenance needs and classroom improvements.

Most of the capital projects reflect legislative authorization; projects started at an amount less than the authorized amount are displayed at the intended scope. Projects authorized but not funded to date or scheduled for FY 2018 are identified separately.

The Capital Budget totals \$89,311,500 from all sources of funds.

RECOMMENDATION:

President Gary A. Ransdell recommends that the Board of Regents approve the 2017-18 Operating Budget.

MOTION

Motion to approve the 2017-18 Operating Budget was made by Regent Jason McKinney and seconded by Regent Barbara Burch.

VOTE / ACTION TAKEN

Approved Not Approved Other _____

NOMINATING COMMITTEE REPORT

Action Item

Election and Approval of the 2017-18 Slate of Elected and Appointed Officers

The following Regents served on the Nominating Committee for the 2017-18 Board Slate of Officers:

Mr. John W. Ridley, Chair
Dr. Barbara G. Burch
Ms. Cynthia Harris
Mr. J. David Porter
Dr. Tamela W. Smith

RECOMMENDATION:

The Nominating Committee unanimously recommends the following Regents be elected to serve as officers of the Board for 2017-18:

Dr. Phillip W. Bale - Chair
Mr. Gillard B. Johnson, III – Vice Chair
Mr. Frederick A. Higdon – Secretary

Appointment of Treasurer:

For the purpose of fulfilling the requirements of KRS 164.330 and the Board Bylaws, the Nominating Committee recommends Ms. K. Ann Mead be appointed Treasurer for 2017-18. This appointment does not alter or add to the responsibilities of Ms. Mead's position or employment at the University, does not include compensation, and may be withdrawn by the Board at any time, with or without cause.

Chairpersons for Standing Committees:

Pursuant to the Board Bylaws, the members and Chairpersons of the standing committees of the Board shall be selected by the Chair of the Board of Regents. The Nominating Committee respectfully submits the following names for consideration to serve as Chairpersons of the standing committees listed below:

Academic Affairs Committee – Mr. John W. Ridley
Finance and Budget Committee – Mr. Gillard B. Johnson, III
Student Affairs Committee – Ms. Julie Harris Hinson

MOTION

Motion to approve the 2017-18 Slated of Elected and Appointed Officers was made by Regent John Ridley and seconded by Regent David Porter.

VOTE / ACTION TAKEN

Approved Not Approved Other _____

OTHER BUSINESS

On behalf of the Board of Regents, Chair Higdon recognized President Ransdell for his remarkable 20-years of service as President of WKU and thanked him for his leadership, vision and dedication to the University. The Board presented President Ransdell with a personalized Cherry Hall mirror as a gift of appreciation.

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

- July 27 / Retreat
 - July 28 / Third Quarterly Meeting
 - August 18 / Opening Convocation
 - September 11-12 / CPE Governor's Trusteeship Conference
 - September 22 / Committee Meetings
 - October 14 / HOMECOMING
 - October 27 / Fourth Quarterly Meeting
 - December 8 / Committee Meetings
 - December 9 / Commencement
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ADJOURN

MOTION

Motion to adjourn the meeting was made by Regent John Ridley and seconded by Regent Tamela Smith.

VOTE / ACTION TAKEN

Approved Not Approved Other _____

The meeting adjourned at approximately 9:30 a.m. (CDT).

CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein above set forth an accurate record of the special budget approval meeting held June 23, 2017, in the *Cornelius A. Martin Regents Room* at Jody Richards 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).

Phillip W. Bale, M.D.
Dr. Phillip W. Bale, Chair
WKU Board of Regents
Approved on 7/28/17

Frederick A. Higdon
Mr. Frederick A. Higdon, Secretary
WKU Board of Regents
Approved on July 28, 2017



WESTERN KENTUCKY UNIVERSITY
Board of Regents ~ Committee Meetings

June 23, 2017

**Following adjournment of the Special Budget Approval Meeting held at 8:30 a.m. (CDT)
Mass Media and Technology Hall / Cornelius A. Martin Regents Room**

AGENDA

ACADEMIC AFFAIRS COMMITTEE

Dr. Phillip W. Bale, Chair
Dr. Barbara G. Burch
Ms. Andi Dahmer

Ms. Cynthia Harris
Dr. Tamela W. Smith

Action Items:

- AA-1 Approval of Graduate Certificate Economic Data Analytics [pp 1-4]
 - AA-2 Approval of Graduate Certificate Addiction Education [pp 5-8]
 - AA-3 Approval of Undergraduate Minor in Computer Animation [pp 9-12]
 - AA-4 Approval of Undergraduate Certificate in Health Informatics [pp 13-16]
 - AA-5 Approval of Undergraduate Certificate in Public Health [pp 17-20]
 - AA-6 Approval of Undergraduate Certificate and Minor in Environmental Health [pp 21-24]
 - AA-7 Approval of Undergraduate Certificate and Minor in Health Education and Health Promotion [pp 25-29]
 - AA-8 Approval of Name Change to Applied Human Sciences [p 30]
 - AA-9 Approval of University Distinguished Professor Appointments [p 31]
 - AA-10 Approval of Emeriti Appointments [p 32]
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FINANCE AND BUDGET COMMITTEE

Mr. Gillard B. Johnson III, Chair
Dr. Barbara G. Burch
Ms. Julie Harris Hinson

Mr. Jason L. McKinney
Mr. J. David Porter
Mr. John W. Ridley

Action Items:

- FB-1 Approval of 2017-18 Audit Plan [pp 1-3]
- FB-2 Approval of Personnel Actions [p 4 and attached reports]
 - Faculty Report [pp F1-F15]
 - Staff Report [pp S1-S13]
- FB-3 Acceptance of the 3rd Quarter Statement of Revenue and Expenditures [pp 5-6]

Information Item:

- Quarterly Internal Audit Report (Ms. Jennifer Miller) [p 7]
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ADJOURN
