

To: Faculty Senate
From: Malcolm P. Frisbie
Date: 5 May 2008
Re: Regent's Report

22 April 2008, Regular Quarterly Meeting of the Board

The Board of Regents met on 22 April 2008 for a regular quarterly meeting.

Informational Items

- The Board heard a financial status report for the University. Our tuition revenue is running about on pace with last year's, which is a bit below projected tuition revenue. Thus, we will likely end the fiscal year with a shortfall for tuition revenue, as we did last year. But, we remain in good position with respect to the overall budget picture. We will use a more conservative tuition revenue prediction as we build the budget for next year.
- The Board heard a report from the chair of the EKU Foundation board. We continue to make progress on realizing the capital campaign goal of \$25M. The Foundation value is currently at \$22.5M. Foundation investments declined recently, due to poor performance of the US economy. Our investments fared substantially better than the Standard & Poor's index (7% decrease vs. 9% decrease), so relatively speaking, our portfolio is performing well.
- Two representatives from Siemens Building Technologies reported on EKU's performance contract with them. This is an exciting, \$22M, 12-year project. Siemens will provide campus-wide energy efficiency improvements and address deferred maintenance issues in six target buildings (Stratton, Campbell, Burrier, Combs, Coates, and Jones Buildings). These efforts will provide annual energy cost reductions of at least \$2M, which is guaranteed by Siemens. Improvements will target things like more efficient lighting, heating and cooling, and ventilation; and water conservation. Siemens estimates that it can help the University reduce its CO₂ emissions by 76M lbs., its nitrogen oxide emissions by 123K lbs., and its emissions of SO₂ by 404K lbs. over the life of the contract. This is the largest such contract in the state to date.

Action Items

- The Board approved all 10 items that came to it from the Council on Academic Affairs.
- The Board approved the tenure and promotion recommendations that came to it following review and recommendation at the departmental, college, and university levels.
- The Board approved recommendations for emeritus status for five retiring faculty members: Paul Blanchard (Government), Rick Clewett (English & Theatre), Richard Freed (English & Theatre), Un-Chol Shin (Foreign Languages & Humanities), and Richard Givan (Criminal Justice & Police Studies).
- The Board approved two new Foundation Professorships for Elizabeth Hansen (Communications) and Robert Mitchell (Psychology).
- The Board approved a tuition increase for 2008-09 of 8% (tuition and mandatory fees). This will result in an increased charge of \$228 per credit hour for in-state undergraduates (\$246 for graduate students). The increase for out-of-state students will be \$615/credit hour (undergraduate) and \$674/credit hour (graduate students). In addition, the new tuition structure calls for a \$128/credit hour (\$346 for out-of state undergraduate students) for each credit hour at 17 or more hours per semester. The corresponding surcharge for graduate students will be \$184/credit hour (\$505 for out-of-state graduate students) for each hour at 13 or more hours per semester.

Part of the thinking on the surcharges is that this will put in place incentive for students to register only for the number of hours that they truly intend to pursue, and reduce the inefficiency of use of university resources that stems from students registering for more hours than they want to carry, "shopping around", and then dropping one or more courses part way into the semester.

The 8% tuition increase will result in a projected increase of \$7.3M in tuition revenue. The CPE recommended a 6% tuition increase for the regional universities prior to the onset of the belt-tightening measures of the state (3% reduction in 07-08 appropriation, 3% additional reduction in the 08-09 appropriation). The CPE proposal would have resulted in a tuition revenue increase for the University of \$9.5M because they applied the increase to additional fees that the Board action last week does not affect. So, our proposed increase of 8% is less than the CPE's proposed increase of 6%! Most other Kentucky institutions are proposing increases of 8 or 9%; the community college system is proposing increases of 13%; Murray is proposing an increase of 6%. EKU, then, looks to be keeping its costs to students down better than some other institutions in the state and will likely remain in the middle of the pack in terms of tuition and fee cost to its students.

- The Board approved residence hall rate increases that average 10%. This will result in increased costs to students of \$216-256 for a single room, depending on the particular facility, and increases of \$103-175 for double rooms. Student Affairs intends to use some of the increased revenue to carry out some maintenance and upgrade work in the residence halls.
- The Board approved a dining rate increase of 4.5% for 2008-09. This rate was negotiated with Aramark some time ago, and looks particularly good in light of more recent increases in food and other prices.
- The Board approved the re-engagement of Deloitte and Touche as external auditors for the University for 2008-09.

The Board will next convene on June 2, 2008 for a regular quarterly meeting.

Please feel free to contact me for further information about any of these items or to discuss topics of concern to you.

Respectfully submitted,

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