

To: Faculty Senate  
From: Malcolm P. Frisbie  
Date: 4 February 2009  
Re: Regent's Report

26 January 2009, Regular Quarterly Meeting of the Board

The Board had a productive day at its quarterly meeting last week. We heard two interesting and inspiring reports, one about EKU's recent designation by the Carnegie Foundation as a Community Engagement institution and the other about EKU's forming CRAFT (Center for Renewable and Alternative Fuel Technologies). The Carnegie classification is a distinction that is very hard to achieve. EKU was recognized in both possible categories (Curricular Engagement and Outreach and Partnerships). The CRAFT is a newly forming center that is part of our biotechnology alliance with General Atomics, which is generating interest from across the country and internationally.

The Board also received a report on the recently concluded audit (fiscal year 2008). The auditors issued an "unqualified opinion", which means that they found no substantial irregularities in EKU's accounting practices. The auditors did make a number of suggestions of ways to improve our internal bookkeeping and financial management practices. Those recommendations are being put into place.

Also on the financial end of things, VP Newsom provided the Board with a financial update. At mid year, we appear to be in good financial shape. We are in about the same position this year as we were last year at this time in terms of percentage of revenues realized and expenditures completed. Last year we were able to add approximately \$3M to the fund balance at year's end, so the present indications are that we are on track to finish this year in a similar position. Obviously, we cannot run on "autopilot" for the remainder of the year. As we all know, the governor has asked universities to prepare for a possible 4% mid-year budget reduction. Recently, information coming from Frankfort suggested that we need to be ready for a possible 6.7% mid-year reduction. So, we will continue to monitor expenditures closely and to institute cost savings measures where we can, but sound financial planning and management has positioned us to meet the coming demands as well as can be hoped.

The Board was updated on capital projects. Phase I of the New Science Building was successfully bid in December, and construction should begin on that project any day now. The University will use up to \$5.6M of its resources over the course of the next two years to enable this project to go forward. Phase II of the Business and Technology Center also successfully bid in December and construction is already underway across the Bypass. The Ron and Sherry Lou Noel Library Studio is moving ahead in the design phase, and a Stratton Building addition is moving into the programming and design phase. The Board authorized the sale of up to \$12M in bonds to renovate Walters Hall and to complete the renovation of the intramural fields. It is testament to our good fortune at having received funding for some of these projects, to the generosity of EKU alumni, and to sound internal financial management that we are able to keep moving forward – as we must – even in economically difficult times.

On the academic side of the house, the Board approved a host of proposals that came to it via the Senate and other recommending bodies. Included in the recommendations approved by the Board were policies governing syllabuses, teaching faculty qualifications, baccalaureate degree requirements (changed to 120 hours), Latin honors, and transfer of credits to EKU after academic dismissal. The Board approved the 8 policies that the Senate discussed at length which are tied to procedures and administration of outside funding through the Office of Sponsored Programs. Seven program changes submitted by the Council on Academic Affairs were approved (4 program revisions, creation of 2 new minors, and elimination of 1 MS degree program).

Much of the morning session was devoted to discussions with potential consultants who would help the Board carry out its administrative review of President Whitlock. Two firms responded to the Board's request for proposals to facilitate this review. Both offers were impressive in their scope, and also in their price tags. Senate Chair Ware and Vice-chair Taylor joined the Board's Executive and Academic Affairs

Committee to interview representatives of the two firms and to discuss the merits of those two proposals. On the basis of the interviews and the ensuing discussion, the Board decided to ask both firms for their "best and final offers", and has sent to the firms an addendum to its original request for proposals which describes some limitations of the extent of the work that the Board wishes the consultant to carry out. The Board has set a limit of \$20,000 for fees and administrative expenses for the consultant's services. Based on the original proposals and on experience with a consultant during the last presidential review, this figure appears to be one that will get us a very comprehensive and informative review, without some "bells and whistles" that are not essential. There is strong feeling on the Board that a comprehensive review facilitated by someone with some distance from the University will be helpful to both the President and the Board as they together work to set direction and goals for the President and the University. With Mixon and John's help, the Senate Executive Committee's effort to survey the faculty will be integrated with the consultant's efforts so that the faculty voice can be heard as effectively as possible.

The Board's Executive and Academic Affairs Committee will meet in the next week or two to review best and final offers and to potentially engage one of the consultants to begin work on the presidential review.

The Board will next convene for a regular quarterly meeting on 24 April 2009.

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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