24 April 2009, Regular Quarterly Meeting of the Board

The Board had a productive day at its quarterly meeting 10 days ago. Some of the more pleasurable actions of the Board were approving the promotion and tenure recommendations submitted by the President, approving Joe Molinaro (Department of Art and Design) as EKU's newest Foundation Professor, and approving the naming of two EKU facilities. The athletic training facility in the Moberly Building will be named in honor of Dr. Bobby Barton, long-time trainer. The new academic building in Manchester will be named in honor of Sen. Robert Stivers, who has been instrumental in making construction of that facility possible, in furthering education in Manchester, and in service to the region.

The Board approved 46 curriculum related items, including the EKU Now! Program (combines Dual Credit and Jump Start programs), a modification to the stopping out policy, a new policy governing recording of double majors, and moved the effective date for the 120h graduation to Summer 2009 (from Fall 2009).

The Board heard a report by James Street on the University's master plan, which was recently completed with the help of the Perkins and Will planning firm. The master plan will guide development of, and changes to, campus over the next 30-40 years. From my perspective, one of the most intriguing features of the plan is its creation of a central pedestrian pathway which will run north-south through campus, including crossing over the Bypass on a pedestrian overpass.

Much of the Board's business was financially related. VP Newsom presented a financial update for the university. We are at about the same position in terms of both revenue and expenditures as we were at this time last year. Last year we closed the fiscal year with a small positive budget balance, so we are in a good position again this year. The EKU Foundation also provided a reassuring report. While the value of the Foundation's investments decreased by about 30% last year, that loss is smaller than the losses realized by many foundations. Investment value began to recover in March and has continued recovering in April. The Foundation's assets total about $36 M. Even more impressive, the number of donors to the Foundation increased last year by about 16%. The Chairman of the Foundation Board was effusive in his praise of the work that President Whitlock and VP Joey Foster have been doing on the development front.

The Board approved three rate recommendations which are central to the budget which is being developed for 2009-2010. Tuition will increase next year an average of 4%, which is the maximum tuition increase that was authorized for EKU by the CPE. The approach to graduate tuition will be different next year. First, we will charge by the credit exclusively. Second, we will no longer offer “targeted tuition” rates for some out-of-state graduate students. Third, the non-resident tuition rate (per credit hour) will decrease. So, the cost for enrolling in EKU graduate programs will go down for many non-resident students who are not on an assistantship. We are hoping that this will make EKU a more workable option for more out-of-state students. Residence hall rates will remain unchanged next year. Residence halls are auxiliaries, and pay for themselves. They have accumulated a healthy fund balance over the last several years. Keeping the rates unchanged will still generate a small fund balance this year. The fund balance will be used to continue residence hall improvements, however, this year, those plans will be scaled back a bit in an effort to help offset the rising tuition cost to students. Meal plans will go up approximately 5%. This increase was negotiated with Aramark, our meal plan provider. Last year's meal plan rates were extremely reasonable, in part due to our fortunate timing of negotiations (i.e., just before food prices rose sharply). This year, the rate increase is again favorable, and is less than the average rise in food costs for southern states. So, while the total package will cost students more in 2009-2010, the University has been able to hold the cost escalation down quite well in a difficult economy.

Executive VP Moberly and Joann Ewalt briefed us on the activities of their respective councils (Financial Planning for Mr. Moberly, Strategic Planning for Dr. Ewalt). While we are in the first run through of this
new planning and budgeting structure, and while formation of the SPC lagged behind formation of the FPC, these two groups are both up and running now. Both council chairs reported an effective working relationship between the two groups. We will need to continue to fine tune the budgeting and planning processes, but the signs are encouraging that we have in place a basic structure that will allow for more frequent and consistent flow of information and input as we build the university budget.

The Board approved budget guidelines under which the FPC, with input from the SPC, will build the 2009-2010 university budget recommendations. Some of the key aspects of the budget guidelines include planning for an additional 3% reduction in state appropriations (we absorbed a 2% mid-year reduction in appropriations this year, and absorbed an additional 2% budget reduction when we put in place measures to deal with a possible 4% reduction. That second 2% is now available to us for use next year); reducing investment income estimates by 50% (to $500,000) to reflect the depressed financial market; holding salaries at 2008-09 levels; maintaining employment benefits at current levels; allocating additional money ($2.4 M ) to cover utility cost increases, energy management debt service, facilities service contracts, and property insurance increases; and increasing financial aid by $1.7 M. Within these parameters, the FPC (with input “bubbling up” from academic and other units) and the financial side of the administration are working on fleshing out a detailed budget, which will be presented to the Board at its June meeting.

On a somewhat different note, the Board passed a resolution affirming the importance of the tenure system to Eastern. This resolution grew out of some conversations that the President and I had about the importance of tenure. I was concerned that, because tenure has been discussed at some other institutions recently, there might be some unease on our campus about whether the tenure system is seen as a valuable component of the academy. The obvious facet of the tenure system is its mission to protect academic freedom (including freedom of speech and freedom of choice in scholarly pursuits). The president perceptively pointed out the additional importance of tenure to the functioning of a meaningful system of shared governance. The resolution that was passed will be distributed to all faculty – I believe we are waiting on an officially signed copy. No doubt, you will discern in the smooth phrasing, the President’s hand in drafting the resolution. While the Board’s action is symbolic, I hope you will agree that in this case, the symbolism is significant.

The presidential evaluation is progressing smoothly. Dr. Steven Portch was on campus all day on April 28th, meeting with focus groups comprised of faculty, staff, students, and community leaders. Dr. Portch also will conduct some telephone interviews of state leaders and others. The faculty survey instrument closed on April 29th after having been reopened for a second week. Data from the survey will be reported to the Senate Executive Committee during the week of 4 May. Dr. Portch will discuss his preliminary findings and recommendations with the Board in a telephone conference during the Board’s June meeting.

The Board will next convene for a regular quarterly meeting on 8 June 2009, in conjunction with the dedication ceremony for EKU’s new Robert Stiver’s Building, on the Manchester Regional Campus.

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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