

To: Faculty Senate
From: Malcolm P. Frisbie
Date: 15 September 2008
Re: Regent's Report

2 June 2008, Regular Quarterly Meeting of the Board

The Board of Regents met on 2 June 2008 for a regular quarterly meeting. President Whitlock distributed a comprehensive review of that meeting to the university community via email on 5 June, and I will not redo that report here. Rather, I will highlight a couple of items that I think are of interest to the Senate.

During the June meeting, the Board handled the bulk of the budget work for the upcoming year, including approving the \$213 million dollar operating budget for the University, setting the guidelines for salaries and benefits (1.5% + \$500 raises), increasing the faculty/staff scholarship benefit to 12 h per semester, and setting tuition for undergraduates, graduates, and at Model Lab School (e.g., 7% increase for resident undergraduates, 8% increase for resident graduates, 9.5% at Model). Our 2008-09 budget reflects a decrease of \$5 million in state appropriations. The Board had approved tuition increases in the April meeting, subject to approval by the CPE. Even though our proposed tuition increases were less, in dollar amount, than those recommended by the CPE prior to the 2008 legislative session, CPE did not approve our proposed increases (of approximately 8%) in April. Thus, the Board needed to pass revised tuition rates in June. The overall budget package is, I believe, a sound one. I appreciate the efforts of the President to see that a reasonable sum of money was directed toward compensation of faculty and staff, even in financially difficult times. I agree with the President that it is important to help those in the university community whose salaries or wages are lowest, and for whom inflationary pressures are more difficult to withstand. The \$500 across the board raise and the enhanced faculty/staff scholarships are two efforts to do that.

The Board was pleased to learn that ECU will close its capital campaign 9 months early (on 30 September 2008), having reached its goal of \$25 million. On to the next campaign!

The Board approved all 7 items that came to it via the Council of Academic Affairs. These included 3 new programs (professional certificate in Correction Intervention Studies; accelerated "3+2" BBA/MBA ; new major in Globalization & International Affairs) and 3 program revisions (Women and Gender Studies, MAED in Secondary Education, Computer Science).

The Board approved a contract extension of one year for President Whitlock. His contract now continues to July 2011. I was pleased to support this motion for several reasons. First, in less than one year on the job, President Whitlock has helped to bring a sense of calm (but not complacency) to the University. He has guided us through a difficult financial year. He has begun some administrative reorganization and changes to how we conduct business. He has helped us successfully wrap up our capital campaign. Clearly, we are moving ahead effectively. An additional year will allow President Whitlock to undertake additional initiatives that he might not begin or complete otherwise. Second, the President must be evaluated after his second year. With only a three-year contract, the results of that evaluation would be known sometime in his third year, allowing him little time to make adjustments based on that feedback. President Whitlock has expressed his desire that that evaluation be a productive one – built on real and thoughtful input from across the University community. I think we will carry out a much more valuable evaluation because of the lengthened term of office. And, I believe, Doug Whitlock will take the results of his evaluation to heart and he will modify how he leads us over that 3rd and 4th year.

6 September 2008, Regular Quarterly Meeting of the Board

The Board of Regents met on 6 September 2008 for a regular quarterly meeting. President Whitlock distributed a comprehensive review of that meeting to the university community via email on 10 September. I was unable to attend the Board meeting because of a prior, out-of-town commitment. Here, I call your attention to several of the items discussed or acted upon at the meeting.

VP Newsom shared good financial news with the Board: for the fiscal year that ended 30 June, University revenues finished 1% above predicted revenue and expenses totaled only 91% of our projected expenditures. This generated a surplus of \$3.6 million for the year, which helps the University replenish its unrestricted fund balance ("rainy day fund") and which may also permit the University to undertake new, or support on-going, initiatives.

Associate VP Street reported on progress on capital projects that are underway. The Manchester campus building is 80% complete and looks as though it will be completed ahead of schedule (in January 2009). Clay Hall renovations were completed in time for fall move-in, and the intramural field renovations, while somewhat behind schedule, are slated for completion late this fall. Both the new science building and the second phase of the Business and Technology center have run into budget problems, stemming in large measure from the extreme volatility in steel, petroleum, and other commodity prices, which in turn has created a very difficult bidding market. Both projects are being revised in preparation for being sent out to bid later this fall.

Congratulations to VP Joey Foster (University Development), who no longer needs to preface his title with *Interim*.

In action items, the Board:

- Approved two amendments to the Faculty Handbook that came through the Senate (to place the VP for Financial Affairs on the Senate's Budget Committee and to add the New Senator Orientation Committee to the Senate's list of standing committees)
- Approved the merger of the Kentucky Center for History and Politics with the Institute of Government to form the Kentucky Institute of Public Governance and Civic Engagement, under the leadership of Joe Gershtenson
- Approved changes to the language and provisions of the First-Time Freshman Admissions policy, contingent upon approval by the Senate. These revisions are necessary to bring the University into compliance with new CPE requirements. The Board took up this issue before the Senate had a chance to review them because it will not meet again until January, and the University needs to have its policy in place before then. The hope is that the Senate, too, will approve of, and pass, the revisions. If the Senate decides against approval of the proposed revisions, then an alternative will need to be sent to the Board for action.
- Authorized the signing of several financing documents necessary to complete the Siemens Energy Savings Performance Contract. This is an exciting and innovative program in which the University partners with Siemens, at no additional cost to the University, to reduce energy consumption. The program will be paid for with guaranteed energy cost savings. Initially, the program called for \$22 million in savings over a 12-year period. As the partnership details were being worked out, it became clear that additional savings could be achieved, and the scope of the project has been increased to \$27 million, making ours the largest such partnership in Kentucky, and one of the largest in the country.

The Board will next convene in January 2009 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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