22 September 2008, Special Meeting of the Board

The Board met briefly in a special session on 22 September for the purpose of considering a resolution to authorize the use of general receipts to meet our obligations under the Siemens Energy Savings Performance Contract. You will recall that the Siemens project is a partnership in which Siemens guarantees to help the university realize at least $27 million in energy cost savings over a twelve-year period. The project will be paid for by the guaranteed savings; additional savings will accrue to the university. The resolution that the Board considered, and passed, deals with the financing of that project. The agreement is one that was recommended to us by Peck, Shaffer & Williams, the University’s bond counsel. The details of the Siemens package have been worked out over the last several months through negotiations involving James Street, our legal representatives, state personnel and legal counsel, and Siemens personnel. I am pleased that we have finalized the paperwork to make this exciting project a reality.

29 September 2008, Governor’s Conference on Postsecondary Education Trusteeship

The Governor’s Conference is an annual meeting organized by the CPE for university administrators, trustees and regents, legislators, and CPE personnel. EKU was well represented this year, with five members of the Board, several of our administrators (President, Provost, Executive VP, VP for Student Affairs, and others), and some faculty (Mixon Ware, Nancy McKenney, Karen Janssen) participating.

One highlight of the conference was seeing EKU’s Jerry Cook (Physics and Astronomy) presented with the Acorn Award, recognizing the outstanding professor in the Commonwealth’s four-year institutions. (There is also an Acorn Award for two-year institutions.) Jerry becomes the fourth EKU professor so honored since the award’s inception in 1992. (EKU’s other recipients are Merita Thompson, Hal Blythe, and Charlie Sweet.) Congratulations to Jerry.

Several themes seemed to emerge at this year’s meeting. CPE included a report about transfer students in the packet of materials that we all received at registration. While the number of students transferring from two-year institutions into four-year degree programs has grown over the last decade, CPE emphasizes that Kentucky needs to greatly increase the rate of transfer if we are to reach our “double the numbers” goal by 2020. EKU attracts the third largest contingent of transfer students in the state (after the combined entity of independent colleges and universities and UK). CPE points to several barriers to successful transfer that need to be addressed: inadequate advising, limited financial aid (including aid for things like relocation, housing, childcare), accessibility (particularly in the timing of course offerings), curricular barriers (specifically, that many technical curricula at the two-year schools include courses that do not apply to four-year degrees). EKU has been proactive on several of these fronts. For example, we have an academic transfer advisor on the BCTC campus and we have worked out some transfer pathways for specific technical programs with BCTC. I think we will feel continued pressure to increase our on-line offerings (the use of technology in instruction came up in several other contexts, as well) and to develop further agreements for transfer of programs with KCTCS. CPE’s report specifically mentions rewarding institutions that have been successful in the transfer arena in its funding recommendations.

Governor Beshear addressed the conference and spoke forcefully of the need for Kentucky to reenergize its higher education reform efforts. He, and just about every other representative from the executive and legislative branches of government who spoke, addressed funding of higher education. Obviously, last year’s budget machinations did not leave many feeling satisfied either with the process or the outcome. Funding concerns focus on two elements: affordability for students and the uncertainty of funding from the perspective of the institutions. The second element makes it very hard for institutions to plan effectively, which decreases the efficiency and effectiveness with which they can manage their resources. The
affordability issue is an obvious one. Our packets included a report from the Delta Cost Project, a Washington, D.C. group that is looking at higher education cost across the nation. The Delta Project points out that while tuition has risen dramatically over the last decade at institutions like EKU, spending per FTE has increased much more slowly. Direct costs per FTE, which are largely salaries and benefits in the Delta analysis, have actually declined since 1988. Increased revenue from tuition is being used to make up for lost appropriations and to increase spending for financial aid, and to a lesser degree, for research and service. Delta notes that spending per FTE has grown more slowly than inflation over the last decade or so, and spending per degree completion has grown even slower.

The governor floated the idea of appointing a bipartisan task force to look at the problem of funding higher education in Kentucky. Several people during the course of the day talked about the need to change the evaluation criterion for higher education from “accountability” to “productivity”. This is apparent in the Delta report, with its presentation of data on spending per degree completion, and in the CPE’s transfer report, with its emphasis on degrees produced for transferring students. We also saw this come into focus last year when CPE commented on the number of degrees produced as it reviewed the universities’ tuition increase requests. It is clear that productivity will be a focal point for the task force as it considers revisions to the funding process. EKU will need to continue its efforts to attract more students and to provide the support and experiences for the students that it does bring through its doors to allow them to persist and achieve success in our programs. All of the Commonwealth’s universities and colleges will need to work to help the task force, legislators and executive branch personnel, and the CPE focus not just on the importance of degree production, but also on the importance of degree quality. As the Delta Project points out, educational quality is a much harder thing to measure. As such, it may slide from view as the focus shifts to more quantifiable aspects of higher education. We have work to do!

Planning has begun for a Board retreat to be scheduled in mid-November or early December.

The Board will next convene for a regular quarterly meeting in January 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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