To: Faculty Senate
From: Malcolm P. Frisbie
Date: 1 February 2010
Re: Regent’s Report

25 January 2010, Regular Quarterly Meeting of the Board of Regents

The Board elected Gary Abney as its new chair and Craig Turner as its new vice chair. Hunter Bates, who served as chair for the past five years or so, will rotate off the Board when his term expires this spring. Mr. Abney has served on the Board for 11.5 years, including serving as vice chair for the last couple of years. He is an EKU alumnus with a long and active affiliation with the university. He is a lifelong Richmond resident, currently working in real estate after an earlier career in banking. Mr. Turner is also an EKU alumnus. He resides in Lexington. He is the founder of a medical instrument and supply firm and is involved in several other businesses. He has recently served as chair of the finance committee of the Board. The Board had strong leadership under Mr. Bates. I am confident that we will continue to have very strong leadership under Mr. Abney and Mr. Turner.

The Board heard updates on the Foundation from its chair, and on the University from VP Newsom. The Foundation has seen about 25% growth this year and continues to grow in number of donors, which is welcome news after the financial downturn over the prior year. The University is on target in terms of revenue and expenditure rates in comparison to our status at this same time last year. Therefore, the expectation is that we will finish the fiscal year on a solid financial footing. One problem we had last year was a large expenditure overrun in student financial aid. The university has taken steps to correct that problem, but because financial aid often entails a multiyear commitment to students, that problem will not disappear this year. We should expect an expenditure overrun in the $2-3M range on the financial aid line of the budget. This is a reduction from last year’s overrun and can be handled within University resources. Overall, VP Newsom predicts that we will maintain an unrestricted fund balance of around $6M – enough of a safety cushion, without being unnecessarily large.

Also on the financial front, the Board formally accepted the audit report for the year ending 30 June 2009. The Finance Committee received the report and spoke directly with the auditors (Deloitte and Touche) in November. I provided a more detailed report of the audit at that time. The take home message is that the auditors concluded that the University is doing a very good job of tracking and reporting its financial picture. That is good news for us financially, and it also speaks very highly to the careful work that our financial branch is doing on our behalf. The Board has begun the process of selecting another auditing firm to take over from Deloitte and Touche this spring. It is standard practice to change external auditors at least every five years.

In personnel actions, the Board approved RTP applications from four individuals. On the Academic Affairs front, the Board approved 53 (count ’em!) program revisions, three new programs, and six program suspensions. All are items that had been recommended through the Faculty Senate. The Board also approved revisions to the University’s Hazing Policy and changes to the Student Government Association Constitution, particularly in the portion pertaining to the Judicial Branch.

You may have read in the newspaper that the Board approved two new capital projects – a hotel to be associated with the new Performing Arts Center and a communications tower. Yes and no. Those projects are possibilities, but have not yet been fully appraised. Nevertheless, in order to investigate the feasibility and advisability of these projects further, state regulations require that they be incorporated into the state budget – even if no state monies will be used. We approved these projects so that planning may go forward, but the university has not yet committed to either project.

The Board will next convene for a regular quarterly meeting in April 2010.

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

Respectfully submitted,
Malcolm P. Frisbie
622-1507 / malcolm.frисbie@eku.edu