



Dr. Richard E. Day

Professor, Educational Foundations

EKU Faculty Regent

Eastern Kentucky University, Combs Building, Room 100

521 Lancaster Ave, Richmond, Kentucky 40475

To the Faculty Senate:

2 March 2018

**EKU Board of Regents
Friday April 6th, EKU Center for the Arts,
House Stage, 9am**

Folks,

The EKU Board of Regents met in regular session on Monday February 26th.

On Feb 28th, Governor Bevin named **Laura Schulte Babbage**, of Lexington, to fill the vacant position on the **EKU Board of Regents**. Babbage is currently a chaplain for KentuckyOne Health/St. Joseph Hospital and corporate social responsibility chair of Babbage Cofounder.

Babbage holds a Master of Divinity degree from Lexington Theological Seminary (2007), as well as a Master of Arts degree in International Business from the University of Kentucky (1992) and a Bachelor of Science in Nursing degree from Eastern Kentucky University (1981).



She currently serves on the EKU College of Business Advisory Board, the Catholic Action Center Board of Directors, and the CPE Oversight Committee. Her past community service includes work on the Mayor's Commission on Homelessness, Big Brothers/Big Sisters of the Bluegrass, and the Lexington Catholic High School Board of Trustees. Laura is married to former

Kentucky State Auditor and Secretary of State, (and former ECU Student Regent and Eastern Progress editor) Bob Babbage and they have three children, Robert, Julie and Brian.

The Board retained its existing **officers for 2018** including Chair – Craig Turner; Vice Chair – Alan Long; Secretary – Dana Fohl; and Treasurer – Barry Poynter.

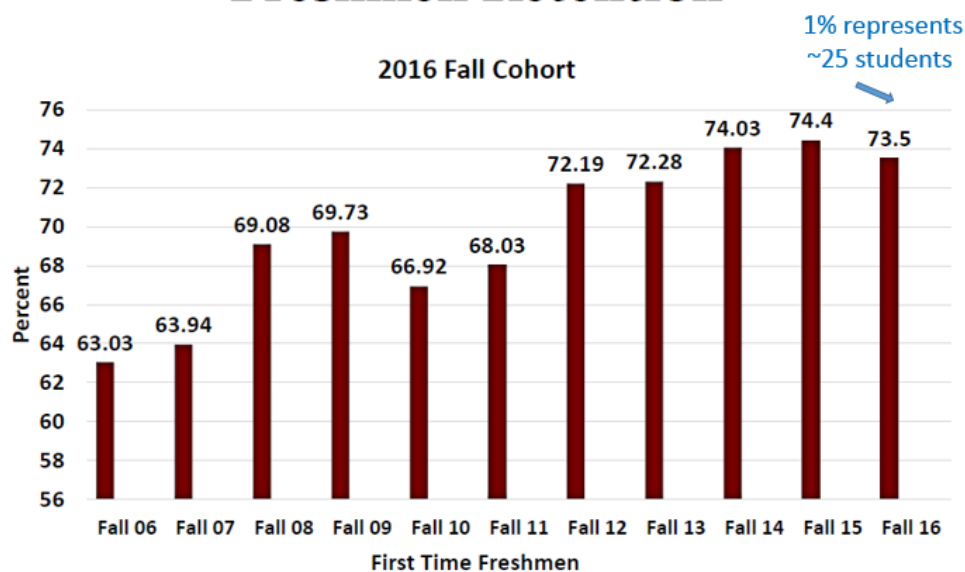
The **ECU Budget Review Committee** continues its work and plans to report their recommendations to the President on March 9th. A handful of strategies remain in discussion with the VP's and their reporting units. So far, the strategies included in the committee recommendation would reportedly yield 91% of the \$25M goal. **Recommendations will be presented to the Board of Regents at the April 6th meeting** and an Implementation Team will be appointed by May 1st.

Given the scope of budget issues we are facing this spring the Board agreed to delay final action on **Sabbaticals** until it could be considered within the context of everything else.

We have some reason for optimism regarding the impact of the **tuition freeze** on Fall 2018 enrollment. As you know, the Board supported the president's recommendation and froze tuition for next year and our enrollment management folks have made that a part of every recruitment tool we use. Evidence suggests that our message is getting out. As President Benson reported to the Faculty Senate recently our Fall-to-Spring retention numbers are up in terms of transfer students and new enrollees for the current semester. At the same time, Gene Palka reported that we are ahead in terms of admitted students and students signing up for orientation. These data are not determinative, but they are good signs.

Freshmen Retention data for the 2016 Fall Cohort showed a slight dip of just under one percent, representing a loss of approximately 23 students from fall to fall. But we are still running ahead of our CPE goals and up ten percent over the decade. The **4-year graduation**

Freshmen Retention



Based on CPE standard: New, first time, 4 year degree-seeking freshmen

EKU

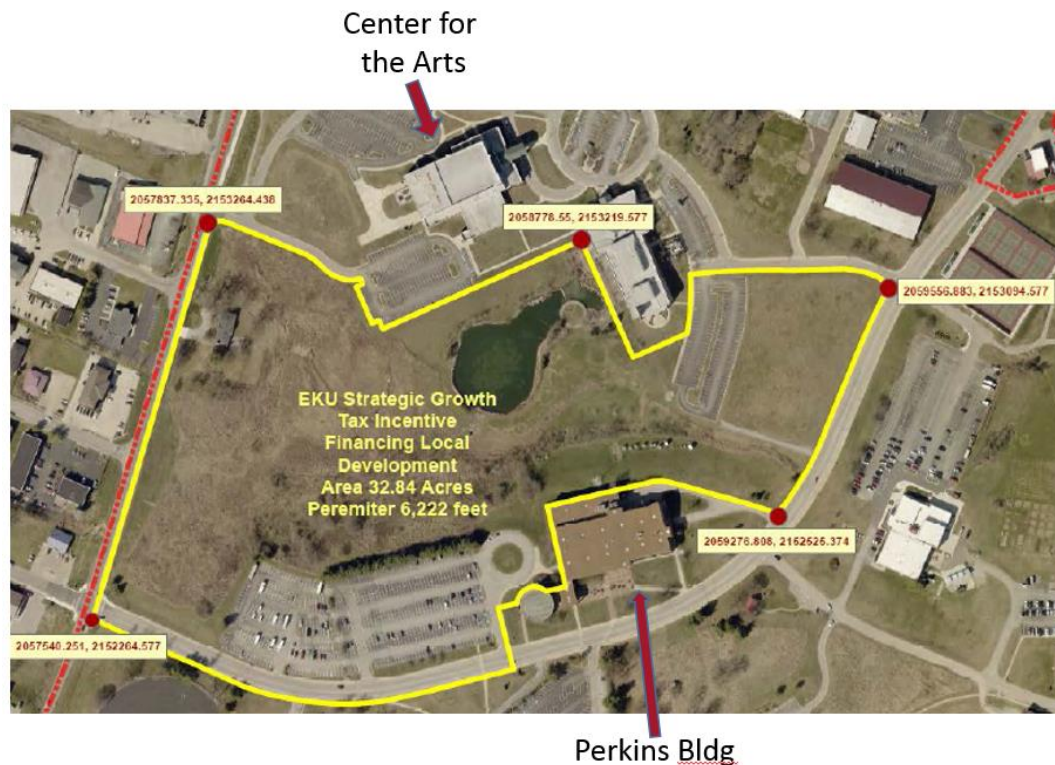
rate is 29.98 percent, almost seven percent above our CPE goal. The five-year graduation rate stands at 46.96 percent, about ten percent above our goal.

Based on the successful partnership between ECU and the City of Richmond in developing the Eastern Scholar House, the Board of Regents approved a proposal to develop a low to moderate-income assisted living facility, in a **proposed new TIF district**, in partnership with a private developer and operator. The project calls for assistance to **at least 100 low-income seniors** who will live in the facility and be a part of our community. A development of this type would be the first of its kind in Kentucky and could provide a blueprint for future projects by creating a clinical learning space for several of ECU's signature programs including nursing, occupational therapy, nutrition, and recreation.

The project could generate as many as 60 new jobs (20 targeting ECU students) and create approximately \$20 million in new construction activity.

The proposed TIF district would forego up-to 20 years of municipal tax (approximately \$200k per year) for reinvestment into economic development. All taxes for school, emergency services and other critical services will be paid on the development. ECU would have no financial or operational responsibility or risk for this project and funding for capital expenditures would be provided by the Kentucky Housing Corporation.

The filing of HB 453 has raised some concerns since its passage would eliminate the mandatory **post-secondary education tuition waiver** across all post-secondary institutions for faculty and staff. Tuition waivers are an important and valuable benefit to faculty - but that benefit is not well-distributed. Those who benefit, benefit greatly, while many of their colleagues receive no benefit from waivers at all. I have heard from faculty members who greatly value the benefit and I have heard from those who feel other priorities should take precedence over sustaining this unfunded mandate.



Enrollment Targets

Some argue that the marginal costs of adding a given student to a class is virtually zero, and therefore, there is little or no cost to the university. But from an accounting standpoint, the costs are quite real. EKU, like all public universities, must follow Government Accounting Standards (GASB) when accounting for revenue and expenses. Universities are required to record both the tuition revenue and the scholarship expense related to these waivers. For any student in one of these programs, tuition (revenue) is recorded, and a waiver scholarship (expense) is recorded. While EKU budgets about \$2 million for this expense, actual annual expenses are running over \$3 million.

If the legislature ends the post-secondary waiver program, the amount of funds that EKU has budgeted toward the program could be eliminated from the budget. This would lower our \$25 million target for budget cuts. David

McFaddin suggested to the Board that it would then be left to each institution to decide what we want to offer our own employees, either at our own institution, or at other institutions. He noted that tuition reimbursement programs are prominent in private sector businesses.

The Board received a new personnel “**Turnover Report**” showing HR activity from November 2017 to January 2018. The data show a net reduction of 12 positions, over all categories of employee, for a net change of - \$171,080. Among full-time faculty five new hires were reported against three terminations for a net gain of 2 faculty positions, a net of + \$90,118. Among Administrators/Deans there was one new hire (in Engagement & Regional Stewardship) against two terminations for a net change of -\$176,853.

At the same time, **Operating Expense data** reported by Finance VP Barry Poynter showed that Academic Affairs expenses are running \$1,596,296 behind 2017 levels due to the implementation of austerity measures.

Vice Provost Tim Forde presented data from **EKU’s Diversity, Equity and Inclusion Plan**, one of only three such plans currently approved by CPE. The plan focuses on three areas: Opportunity, Success and Impact. It recognizes that maintaining a diverse student body is essential to a meaningful campus experience, that EKU commits to making that experience successful, and that includes assuring an inclusive and supportive environment on campus.

Performance Metric: Undergraduate Enrollment	Baseline 15-16	AY 16-17	AY 17-18	AY 18-19	AY 19-20	AY 20-21
Black/African American	5.70%	5.79%	5.85%	5.91%	5.97%	6.03%
Latino	2.40%	2.51%	2.58%	2.66%	2.74%	2.80%
URM	10.9%	11.08%	11.29%	11.52%	11.75%	12.0%

Performance Metric: Graduate and Professional Student Enrollment	Baseline 2015-16	AY 16-17	AY 17-18	AY 18-19	AY 19-20	AY 20-21
URM	9.90%	10.03%	10.13%	10.23%	10.34%	10.44%

In support of the effort to continually improve the enrollment of a diverse student body, the Board approved the **Pell Plus** program - a pilot project designed to attract students with high financial need by offering in-state tuition to students in two targeted areas in southwest Ohio and southern Florida. The 5-year pilot will be limited to 100 students. Pell Plus would make students eligible to compete for in-state merit aid (using the in-state matrix; i.e. 3.0+ HS GPA/ 23+ ACT for Fall 2018, 21+ ACT for Fall 2019). Students would still be eligible to stack Rodney Gross Diversity scholarship, Trailblazer First Generation award, or departmental awards as appropriate. Participating students would be required to commit to sustained engagement in an on-campus activity of the student's choice and to graduate in 4 years.

Respectfully submitted,



Richard

