

To: Faculty Senate
From: Malcolm P. Frisbie
Date: 3 May 2010
Re: Regent's Report

19 April 2010, Regular Quarterly Meeting of the Board of Regents

The Board received a number of updates at its quarterly meeting. On the financial side, VP Newsom reported that the university is on track in spending and revenue relative to its 2009-10 budget. We will overspend in the area of student financial aid in the neighborhood of \$2-2.5 M. This is an anticipated overspending. This problem began last year when we overspent by \$4.5 M in this budget line. Corrective measures were put in place for this year, and those measures are reducing the budget imbalance in this line, although the imbalance cannot be eliminated in one year since ECU must honor continuing commitments that it made to students last year. This line is being monitored and ECU remains within the scope of its overall budget. This assessment was corroborated in a report made by VP Conneely, who also reported that Enrollment Management is creating a five-year strategic plan via its Enrollment Management Advisory Committee. That plan will set a goal of increasing university enrollment to 18,000 within five years. Enrollment Management is also reviewing data on financial aid expenditures to determine which programs are less effective in terms of recruitment and retention, with an eye toward reallocation of financial aid monies into the more effective programs.

James Street reported on four large capital projects that are under way on campus. Both the Performing Arts Center and Phase I of the New Science Building are approximately 67% complete, with project completion dates in Summer 2011. The Noel Studio for Academic Creativity is approximately 75% finished and should become operational in August of this year. Walters Hall is on schedule to reopen in August. Combined, the projects represent over \$110 M worth of construction and renovation, creating over 300,000 square feet of new space and greatly enhancing space in a large dormitory and the library. We should feel very lucky to be moving ahead so positively in the midst of a difficult economic climate.

The Board took a number of actions, including several personnel related actions. As you all know, we extended President Whitlock's contract for one year (until July 2014), which keeps him at the maximum 4-year period allowed for presidential contracts. The Board feels that President Whitlock is doing an outstanding job leading this institution – a steady hand in difficult economic times, who is also guiding us forward on many fronts. There is sentiment on the Board that President Whitlock's performance deserves to be recognized with increased compensation – we didn't offer President Whitlock a large contract (relative to other presidents) at the time of his initial appointment because of the unusual situation we were in when he was hired. Constrained budgets have made it difficult to rework the financial side of his contract since then. The Board honors the President's position that increasing his salary at this point is not appropriate until economic conditions allow for similar recognition of the contributions of other members of the ECU team – faculty and staff.

It was an honor and a pleasure to join the unanimous votes approving Pat Costello (Mathematics & Statistics) as our newest Foundation Professor and approving Emeritus Faculty status for Dorothy Carter (Foreign Languages & Humanities), David Elias (English & Theatre), Rebecca King (Foreign Languages & Humanities), Theodor Langenbruch (Foreign Languages & Humanities), Bruce MacLaren (History), Barbara Ramey (Biological Science), Doug Rogers (Communications), Julien Bolling (Special Education), Joanna Dickey (Curriculum & Instruction), Martin Diebold (Special Education), Brenda Foley (Associate Degree Nursing), Ella Hunter (Baccalaureate & Graduate Nursing), and Susan Willis (Family & Consumer Sciences). What knowledge, experience, and ECU history is represented by this group!

The Board approved 32 program revisions and one new program (Certificate in Financial Literacy) that came through the Senate and CAA. It also approved revisions to the Policy on Policies and the creation of the Authorization for Regulations Policy, both of which had been recommended by the Senate. The Board also approved a Green Purchasing Policy that originated with CRES (Committee for Responsible Environmental Stewardship) and was vetted by a number of campus groups including the Administrative Council. The Green Purchasing Policy establishes that "green purchasing" is a value of the university and suggests options that should be considered when making purchases for the university. The Board approved an On-Line Learning Model for Distance Education that was presented by Provost Vice. The full model will be presented to the Board in June; what we saw and acted upon were some of the broader principles that the full model will establish. This includes a set of desired outcomes by 2015 (increases in retention and graduation rates and enrollment for the

university, use of increased revenue generated by the increased enrollment to enhance academic and university infrastructure, and others), guidelines for deciding which programs to launch, a commitment to growing infrastructure to support programs, establishment of an e-campus coordinator, and distribution of net revenue (45% to the college, 45% to the university, and 10% to Academic Affairs).

In financially related actions, the Board approved a contract with a new external auditing firm, Crowe Horwarth, which takes over from Deloitte and Touche. ECU has received timely and helpful service from Deloitte and Touche, however, sound financial practice dictates that the external auditing firm be changed every five years or so. Crowe and Horwarth presented a comprehensive bid package with a very reasonable fee proposal. We look forward to working with our new auditors.

The Board meeting occurred before the Legislature and Governor have agreed to a state biennial budget, and before the CPE's meeting to establish tuition ceilings for the state institutions. Therefore, the Board authorized its Executive Committee to act on its behalf in setting new tuition rates to the maximum allowed by the CPE. There was strong indication that the maximum authorized by the CPE would be in the 4-6% range. Later that week, CPE did, indeed authorize the comprehensive universities to increase tuitions by up to 5%, so ECU's base tuition rate will go up by 5%. We will use the same targeted tuition and non-resident tuition multipliers as in the past (1.58 and 2.74%, respectively). ECU will change its charges for online course work to a per credit basis (regardless of whether or not the student is otherwise full- or part-time), and that charge will be 130% of the base tuition rate. Also, the Board approved a 5% increase in residence hall rates (rates were not increased last year), a 2% increase in meal plan rates, and an additional \$12 recreation fee for students taking 5 or more credits.

In order to simplify the property and other relationships among ECU, the ECU Foundation, and the Arlington Association, the ECU Board, with the blessing of the ECU Foundation Board, transferred the Arlington house and about 15 acres to the Foundation (the Foundation already held the rest of the Arlington property). The Arlington Board is looking at changes to the Arlington bylaws that are necessitated by this transfer and some other changes that will enable Arlington to operate in a more businesslike fashion. In terms of service to members, these changes should not be perceptible. The Arlington Board will consider the bylaws changes at its 17 May meeting.

The ECU Board will next convene for a regular quarterly meeting on 7 June 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,
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