

3-31-1992 12:00 AM

1992-03-31

Board of Regents, Murray State University

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MINUTES OF THE MEETING OF THE BOARD OF REGENTS
Murray State University
March 31, 1992

The Board of Regents of Murray State University met March 31, 1992, in special session in the Auditorium, Collins Center, on the campus of Murray State University. The meeting was called to order at 6:15 p.m. by Chairman Kerry B. Harvey. Mr. James O. Butts, member of the Board of Regents, gave the invocation.

Upon call of the roll, the following members answered present: Mr. C. Dean Akridge; Mr. James O. Butts; Dr. James W. Hammack, Jr.; Mr. Kerry B. Harvey; Mr. Willie R. Kendrick; Mr. Tom Osborne; Mr. Thomas R. Sanders; and Mr. Bart Schofield. Absent: Mr. Randy Hutchinson and Mrs. Virginia Strohecker. The Chairman stated a quorum was present to conduct business.

Present for the meeting were Dr. Ronald J. Kurth, President of the University; Mrs. Sandra M. Rogers, Secretary of the Board; Mr. Don Kassing, Treasurer of the Board and Vice President for University Relations and Administrative Services; Dr. James Booth, Provost and Vice President for Academic and Student Affairs; Mr. James Overby, General Counsel; faculty; staff; members of the news media and visitors.

Chairman Harvey stated that the meeting was called as a continuation of the budget process.

President Kurth stated that the Board was asked to convene in pursuit of our common goal of achieving the best possible budget guidelines for the preparation of next year's budget. At the Board's meeting on March 17, new revenues of about \$2.0 million were authorized reducing the impact of the decrement on programs and people to about \$2.5 million. Academic Affairs would carry about \$1.3 million and University Relations and Administrative Services would carry about \$1.0 million. As a result of two forums with students, and a resolution offered by the Faculty Senate, additional adjustments to the guidelines were recommended as follows:

Recommendation #1.

- A. That the Regents approve an additional reduction in budget of \$300,000 in non-instructional areas, these savings to be added to the instructional budget in Academic Affairs.
- B. That the first \$100,000 in utility savings afforded by the recent TVA discount to the University be placed in the instructional budget for Academic Affairs.
- C. That savings in utilities afforded by the TVA discount in excess of \$100,000 be used to finance the new on-line computer system for the University Library.

Mr. Sanders moved to approve Recommendation #1. Dr. Hammack seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Kendrick, yes; Mr. Osborne, yes; Mr. Sanders, yes; Mr. Schofield, yes; and Mr. Harvey, yes. Motion carried.

President Kurth presented Recommendation #2.

In addressing the increasing financial burden of athletics, particularly football, President Kurth addressed the course of long-range planning on which he embarked some time ago. It consists of working in cooperation with our sister universities in the Ohio Valley Conference to develop cost savings measures. Should these efforts not be effective, then he proposed to bring to the Board recommendations for new alternatives for the structure of Murray State's inter-collegiate competition. He requested that the Board specifically endorse his continuing on the above course.

Dr. Hammack moved to approve Recommendation #2. Mr. Butts seconded.

In response to questions regarding the type policies being discussed to be changed, President Kurth stated that with the OVC Presidents he would like to propose various cost savings measures. He could only guess at what some of those might be.

Mr. Sanders requested that the Board be apprised of changes before the actions are taken.

President Kurth stated that he would bring that kind of a measure before the Board for a vote as that would be a policy measure which exceeds the authority of the President.

There being no further discussion, the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Kendrick, yes; Mr. Osborne, yes; Mr. Sanders, yes; Mr. Schofield, yes; and Mr. Harvey, yes. Motion carried.

President Kurth presented Recommendation #3.

He stated in the course of the discussions over the last few weeks the Board and the University administration have heard reference to a number of figures which represent a shift over the last decade in the percentage of university funds from instructional programs to non-instructional programs. He recommended that the Board approve his examining the numbers behind those percentages leading to an understanding of the trend and possible recommendations to the Board for new policies.

Dr. Hammack moved that: A) the Board endorse a study of the shift in percentage of the budget spent on instruction, and B) the Board endorse a study of the athletics budget and determine the true cost of athletics. Mr. Akridge seconded the motion.

To clarify part B of the motion, Mr. Harvey added that the study would include such things as scholarship athletes producing funding through the formula, for example, if you assume that those athletes wouldn't otherwise be at Murray State. The athletic programs produce revenue and there surely is a tie between private giving and some of these programs; there are walk-on athletes who come here, for example, to walk on to the football team or the baseball team or other sport that pays tuition, room and board and produce formula funding.

He further stated that on the other hand, on the other side of the issue, there may be costs that are caused by the programs that are not reflected in the budget, for example, how is overhead attributed to the various departments on campus if at all? A good place to start in analyzing what we need to do in the future is to figure out where we are now. It's been at least several years since that's been done if at all.

Mr. Osborne expressed strong support of the motion and encouraged that the analysis be made available to the Board as soon as possible. He expressed frustration in not being able to put the total picture together as to where the trends are in each area whether it is instructional or non-instructional.

Mr. Harvey requested that the study start with a baseline budget of five or ten years ago and produce some historical trends using essentially the same budget form and keep the functions in the same area. It is very difficult to follow the budget historically as the functions are shifted from department to department.

Question was called for and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Kendrick, yes; Mr. Osborne, yes; Mr. Sanders, yes; Mr. Schofield, yes; and Mr. Harvey, yes. Motion carried.

President Kurth presented Recommendation #4.

He recommended that the Board approve the recommendation of the President to allow remaining carry forward accounts, now in the hands of the Deans and Directors, to remain there, unencumbered, for their use in meeting fiscal year 1992-93 operating expenses.

President Kurth informed the Board that in the last budget year, he taxed carry forward funds 10 percent trying to build up a reserve for the University. In the light of current events, he recommended that those carry forward accounts be in their hands unencumbered to meet operating expenses.

Mr. Schofield moved to accept recommendation #4 as presented by President Kurth. Dr. Hammack seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Kendrick, yes; Mr. Osborne, yes; Mr. Sanders, yes; Mr. Schofield, yes; and Mr. Harvey, yes. Motion carried.

Upon call for other issues, Mr. Schofield moved that the Board of Regents adopt a policy whereby any non-teaching position earning more than \$25,000 annually shall be automatically eliminated from the next fiscal year budget after such position becomes vacant unless the Board of Regents approves filling the position upon recommendation of the president together with written support establishing that the function at issue cannot be practically completed by the use of existing employees, through the use of merging positions, increasing responsibilities or other such managerial decisions.

Mr. Sanders seconded the motion and discussion followed.

When asked for clarity of the motion, Mr. Schofield stated that basically it would combine some positions and add responsibility on some others.

Mr. Sanders moved to table the motion until the May meeting. Mr. Kendrick seconded.

Mr. Harvey further explained that if one of these positions were to be open, that the presumption would be that we would get that function done through the use of existing personnel thus reducing costs by natural attrition. We would not have a bureaucracy that grows until the next tough budget and people have to be laid off, which is a very difficult process as we all know, but by the same time, recognizing that if the job needs to be filled, the administration has the flexibility to do it. The approach simply requires that from the bottom up the first effort is to get the job done with existing personnel and not new hires.

Dr. Hammack further clarified that it basically proposes a review of positions of that type as they become vacant to determine the need for that position.

President Kurth expressed confusion of the implications of the motion if adopted.

Members of the Board were impressed with the concept and goals of the proposed policy and urged the Board's support and endorsement after the administration has had a chance to study its impact on the University.

There being no further discussion, the roll was called and the following voted to table the motion: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Kendrick, yes; Mr. Osborne, yes, but I like it; Mr. Sanders, yes; Mr. Schofield, no; and Mr. Harvey, no. Motion carried.

Mr. Butts requested that the above motion be on the agenda at the May meeting of the Board of Regents.

Dean Gary Boggess, on behalf of the Deans, and Dr. Winfield Rose, on behalf of the Faculty Senate Finance Committee, expressed appreciation and support of the recommendations made at the meeting.

Dr. Hammack expressed appreciation to the administration and the Board for the attention to the concerns of the faculty over the instructional programs at the University and the aid that has been given for maintaining the tradition on educational roles in the Commonwealth.

Executive Session

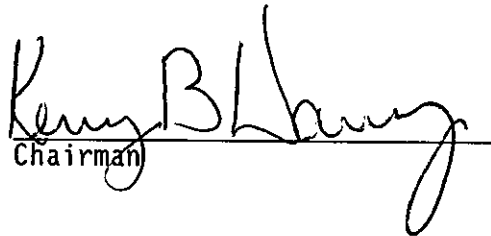
Mr. Butts moved that the Board convene in Executive Session to discuss a specific personnel matter. Mr. Sanders seconded and the motion carried.

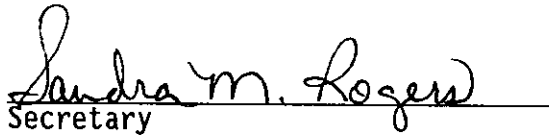
The executive Session began at 6:45 p.m. and ended at 7:25 p.m.

Meeting Adjourned

The Chairman declared the Board in Public Session. Chairman Harvey stated that there was discussion on a specific personnel matter; however, no action is required by the Board at this time.

There being no further business to come before the Board, Mr. Osborne moved that the meeting be adjourned. Mr. Sanders seconded and the motion carried. The meeting adjourned at 7:30 p.m.


Chairman


Secretary