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Board of Regents, Murray State University

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MINUTES OF THE MEETING OF THE BOARD OF REGENTS
Murray State University
March 17, 1992

The Board of Regents of Murray State University met March 17, 1992, in special session in the Board of Regents Room, Wells Hall, on the campus of Murray State University. The meeting was called to order at 2:50 p.m. by Chairman Kerry B. Harvey. Mr. James 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. M. Randy Hutchinson; Mr. Thomas R. Sanders; Mr. Bart Schofield; and Mrs. Virginia N. Strohecker. Absent: Mr. Willie Kendrick and Mr. Tom Osborne. The Chairman stated a quorum was present to conduct business.

Present for the meeting were: Dr. Ronald J. Kurth, President; 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; Mr. James Overby, General Counsel; Mr. Jim Vaughan, Special Assistant to the President; Mr. Dwain McIntosh; Director, University Information Services; Ms. Debbie Wagoner, President, Staff Congress; Mr. Ray Conklin, President, Faculty Senate; members of the MSU Rodeo Team; faculty, staff, members of the news media, and visitors.

President Kurth read a letter from Regent Tom Osborne expressing regrets for not being present due to closing arguments in a trial. He wished the President and the Regents the best during this critical period of Murray State University.

Fulbright Leave of Absence, Approved

President Kurth stated that Dean Phil Bryan had been selected to receive a Fulbright Administrators Grant which will allow him to study and observe educational developments and international education in the Federal Republic of Germany.

Mr. Akridge moved that the Board of Regents, upon the recommendation of the President of the University, approve a Fulbright leave for Phil Bryan for the period April 13, 1992, through May 29, 1992. Mr. Schofield seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey, yes. Motion carried.

Executive Session

Mr. Sanders moved that the Board convene into Executive Session for the purpose of discussing personnel matters and matters that involve litigation. Mrs. Strohecker seconded.

Mr. Harvey stated for the benefit of the press and guests that discussions that bear directly on the future employment opportunities of particular specific personnel are appropriate for Executive Session.

Objection was expressed by Mark Shaver, Courier Journal reporter, stating that it was his understanding of the Public Meetings law that discussions on the budget situation and its impact on classes of people and groups of people would have to be discussed in public session. The personnel exemption is for discussion on an individual case.

When asked for advice from Mr. James Overby, General Counsel, he stated he was unaware of the subject of the discussions in Executive Session; however, he assumed they would be discussing individuals, which comes within the purview of the definition of going into Executive Session. He added that another matter of possible litigation would be brought before the Board, which is a clear right of the Board to go into Executive Session.

Mr. Shaver pointed out that discussions with Mr. Harvey indicated that they would discuss the budget's impact on line items, which he interpreted as how the budget impacts the university.

Mr. Harvey clarified that line items mean people and people fill lines. It is uncomfortable to discuss budget cuts period, but many uncomfortable decisions have been made all of which have been in public session. He indicated that he might be wrong of his interpretation of the law; however, he was more interested in protecting the employees of the University who are involved.

Chairman Harvey further stated that discussion on the budget guidelines will be later on the agenda in the public meeting. The process is that the general guidelines will be established and the administration will work that through on a line by line basis and the final budget will come before the Board for passage in its May meeting.

Upon call for a vote on the motion to convene into Executive Session, the motion passed.

Regent Willie Kendrick joined the meeting at 3:15 p.m.

The Executive Session began at 2:58 p.m. and ended at 4:35 p.m.

Public Session

To accommodate the crowd, the Board reconvened in public session at 4:55 p.m. in the auditorium of the Collins Center on the campus of Murray State University.

Mr. Harvey stated that during the Executive Session, the Board discussed several matters that related to potential personnel actions. Also discussed was litigation which is now pending against the University regarding Title 7 litigation. Mr. Overby reported on the status of that litigation.

Mr. Sanders moved that the Board authorize Mr. Jim Overby, University General Counsel, to represent Murray State University as well as any individuals named or who may be named individually in that particular litigation. Mrs. Strohecker seconded and the motion carried.

Basketball Coach's Contract

Mr. Sanders moved to approve the head basketball coach, Scott Edgar's, contract and authorize the President to execute the contract on behalf of the University. Mr. Butts seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey yes. Motion carried.

(See Attachment #1)

Committee Reports/Recommendations

Finance/Audit Committee - Mr. Harvey.

Mr. Harvey stated that the Finance/Audit Committee met on March 7 in Lexington in connection with the OVC Tournament. The committee met for five hours wherein the Finance/Audit Committee received a presentation from the administration and had a very extensive discussion about the current budgetary situation, specifically about the most efficient way to reach the targeted cuts that have been imposed upon the University by state government. As a part of that discussion, the Finance and Audit Committee voted to make several specific recommendations to the Board of Regents which would relate to raising additional revenue to help offset the budget shortfall.

The following recommendations resulted from the Finance and Audit Committee meeting on March 7, 1992.

Fee Increases, ApprovedHousing Rates

Mr. Harvey stated that the Finance and Audit Committee recommended to the Board the increase in the housing rates.

For the Finance and Audit Committee, Mrs. Strohecker recommended that the Board of Regents, upon the recommendation of the President of the University, approve the following rate schedule for Housing effective with the 1992 Summer Sessions and the 1992-93 Academic Year:

	<u>1992 Summer Sessions - per 5 weeks</u>		
	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
Double Room	\$ 135	\$ 151	12%
Private Room	205	230	12%

	<u>Academic Year 1992-93 - per semester</u>		
	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
Double Room	\$ 525	\$ 585	12%
Private Room	790	885	12%
Woods Hall Double	490	550	12%
Woods Hall Private	735	820	12%

	<u>College Courts - effective July 1, 1992 - per month</u>		
	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
One Bedroom	\$ 240	\$ 270	12%
Two Bedroom	290	325	12%

Mr. Akridge seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey yes. Motion carried.

Dining Rates

Mr. Harvey stated that the dining rates as presented are recommended by the Finance and Audit Committee.

Mrs. Strohecker moved that the Board of Regents, upon the recommendation of the President, approve the following rate schedule for Food Services effective with the 1992 Summer Sessions and the 1992-93 Academic Year:

<u>Option</u>	<u>1992 Summer Sessions - per 5 weeks</u>			
	<u>Current</u>	<u>Proposed</u>	<u>\$ Increase</u>	<u>% Increase</u>
Any 5	n/a	n/a	n/a	n/a
Any 10	\$185	\$185	n/a	n/a
Any 15	200	230	\$ 30	15%
Any 19	210	242	32	15%

<u>Option</u>	<u>1992 Summer Sessions & 1992-93 Academic Year - Cash at Door</u>			
	<u>Current</u>	<u>Proposed</u>	<u>\$ Increase</u>	<u>% Increase</u>
Breakfast	\$3.75	\$ 4.00	\$.25	7%
Lunch	4.25	4.50	.25	6%
Dinner	5.00	5.25	.25	5%

<u>Option</u>	<u>1992-93 Academic Year</u>			
	<u>Current</u>	<u>Proposed</u>	<u>\$ Increase</u>	<u>% Increase</u>
Any 5	n/a	\$360	n/a	n/a
Any 10	\$630	630	n/a	n/a
Any 15	680	782	\$102	15%
Any 19	720	828	108	15%

Mr. Akridge seconded the motion. In response to Mr. Schofield's inquiry as to whether the minimum balance of \$200 will be required, Mr. Bauer responded that it would be required. Upon roll call, the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, no; Mrs. Strohecker, yes; and Mr. Harvey, yes. Motion carried.

Chairman Harvey stated that the discussion of the student activity fee would be deferred until later on the agenda. Mr. Harvey emphasized for the guests and the press that the fee increases were not matters discussed in Executive Session. These were matters discussed extensively in the Finance Committee meeting in Lexington. They were reminded that the recommendations were from that committee.

Incentive Grant Surcharge

Mr. Sanders moved that the Board of Regents, upon the recommendation of the President, increase the current Incentive Grant Surcharge from \$200 to \$400 per semester, effective for the 1992-93 Academic Year. Mr. Butts seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey, yes. Motion carried.

Summer Orientation Fee

Mr. Butts moved that the Board of Regents, upon the recommendation of the President, approve increasing the Summer Orientation fee for students from \$35 to \$40, effective Summer 1992. Mrs. Strohecker seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey, yes. Motion carried.

Admission Application Fee

Mrs. Strohecker moved that the Board of Regents, upon the recommendation of the President, approve instituting the admission application fee, effective July 1, 1992, with the fee being \$10 for the original application and \$5 for any reapplication. Mrs. Strohecker seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey, yes. Motion carried.

Shield Fee

Mr. Sanders moved that the Board of Regents, upon the recommendation of the President, approve increasing the price of the Shield from \$20 to \$22, effective July 1, 1992. Mr. Akridge seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey, yes. Motion carried.

Curris Center Fees

Mr. Butts moved that the Board of Regents, upon the recommendation of the President, approve the following Curris Center fee increases for 1992-93:

1. Bowling Class Activity Fee (PHE 102)
 Present Fee: \$20
Proposed Fee: \$25
 Justification: This fee has not been raised since the bowling lanes were installed in 1982. The proposed increase is for rising costs of maintenance and equipment.
2. Pool Rate (University Groups)
 Present Fee: 2 cents per minute per table
Proposed Fee: 4 cents per minute per table
 Justification: The university use rate has not been increased since 1981. The proposed increase is for rising costs of maintenance and supplies.

3. Banquet Room Rental

Present Fee: No charge if a meal is involved.

Proposed Fee: \$25

Justification: The Curris Center incurs the cost of setup for all ballroom functions. The present policy provides no revenue for most ballroom functions.

Mr. Schofield seconded the motion and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker, yes; and Mr. Harvey, yes. Motion carried.

1992-93 Budget Guidelines

Chairman Harvey asked President Kurth to brief the Board on the 1992 Budget Guidelines.

President Kurth referred to the Faculty Senate and Staff Congress Resolutions. He further stated that he had sent a copy of his testimony to the House and Senate of the General Assembly to the Board of Regents.

President Kurth reviewed the Budget Reduction Analysis and stated that this is the largest decrement that Murray State University has faced in its history. Murray State's state appropriation for fiscal year 1992-93 will be \$3.2 million less than the original appropriation for the current year. When increases in fixed costs and other funding priorities are included, the University estimates that a \$4.5 million equivalent reduction in funding support must be met. The decrement must be accommodated through reductions in spending or by decreasing its impact through an increase in revenues. The tuition rate increases approved by the Council on Higher Education will only provide an estimated \$66,000 in new revenue.

He stated that he instructed the two vice presidents to enter the problem of reducing expenditures in the same way that money had been allocated from the appropriated source, which would be 52 percent in Academic Affairs, 6 percent in Student Affairs, and 41 percent in University Relations and Administrative Services. Once a vice president was convinced that he was at the limits of decrements in the interests of the University's mission, they then returned to the opening assumptions and modified them.

Following lengthy discussions and presentations by the vice presidents, the following actions were taken.

Student Activity Fee

Mr. Schofield moved that the Board of Regents approve increasing the Student Activity Fee \$45 per semester as recommended by the Finance and Audit Committee. Mr. Sanders seconded.

Mr. Kendrick moved to amend the motion to increase the Student Activity Fee \$75 per semester. Mr. Akridge seconded.

Discussion ensued on the proposed amendment. Mr. Schofield stated that the Board discussed the increase extensively in Lexington. An increase of \$75, \$100, and \$50 was discussed and the Board decided on \$45 as a good compromise.

Mr. Sanders expressed support for the \$45 increase as recommended by the Finance and Audit Committee.

Dr. Hammack stated that he did not see the vote in Lexington as an agreement; it was merely a proposal. He emphasized that although he understood the concern about a small percentage of the students who will have difficulty affording a higher increase, a much greater percentage of the students would be the losers if the academic programs of the instructional mission of the institution is undermined. He further stated that he thought the increase should be higher than \$75.

Mr. Schofield expressed disagreement that a larger increase was going to effect more than a small percent of the students, emphasizing that everyone is going to have to pay, full-time, part-time and even summer school students.

Mr. Hutchinson moved to table the motion until after the discussion on the salary cuts and the medical co-payments. Dr. Hammack seconded.

Mr. Harvey stated that the Board had talked about the student activity fees a long time in Lexington and emphasized that it is not going to get any easier. At some point, the Board has to start plugging in some numbers and move forward.

Upon call for the a vote on the motion to table the amendment and the motions, the motion failed.

Further discussion ensued on the amendment. President Kurth stated that he strongly recommends to the Board an increase in student fees.

Upon call for further discussion, Dr. Hammack proposed an amendment to the amendment to increase the student activity fee \$100 per semester. Mr. Butts seconded.

Mr. Harvey stated that given the budgetary problems, student fees have to be increased; however, he felt the compromise of \$45 reached in Lexington represents a good balance.

During discussion on the amendment to the amendment, Mr. Hutchinson stated that to place the burden entirely on the back of the faculty and staff is grossly unfair; it is going to have to be borne by the students, by the faculty, and by the administration. He further stated that he would support a \$75-\$100 increase.

President Kurth informed the Board of two other statistics that might help people in thinking about this. The first statistic is that in the state of Kentucky, up until the time of this budget decrement they were financing 74 percent of the costs of education for each student. The decrement has backed that down to 71 percent. A second statistic is that Murray State is one of the finest bargains that one can find and that's reflected in the statistics, as well as the quality programs, the cost of an education at Murray State University is 44 percent of the cost of the average 4-year public institution in the United States.

Upon call for question and a vote on calling the question, the motion passed.

Upon call for the vote on the amendment to the amendment to increase the student activity fee by the rate of \$100 per semester. The following voted: Mr. Akridge, no; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, no; Mr. Schofield, no; Mrs. Strohecker, no; and Mr. Harvey, no. The amendment to the amendment failed.

Further discussion ensued regarding the athletic program and the revenue generated by the increase in tuition.

Mr. Harvey stated that question has been called and asked for a vote of those in favor of deciding the question, motion passed.

Upon call for the vote on the amendment to the main motion to increase student activity fee by \$75 a semester, the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, no; Mr. Schofield, no; Mrs. Strohecker, no; and Mr. Harvey, no. The amendment to the main motion carried.

Upon call for the vote on the main motion as amended which is to amend the student activity by \$75 per semester, the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, no; Mr. Schofield, no; Mrs. Strohecker, no; and Mr. Harvey, no. The motion carried.

Mr. Butts moved to approve the recommendation of the Finance and Audit Committee which was approval of establishing a part-time Student Activity Fee for undergraduates taking 7 to 11 hours and for graduates taking 5 to 8 hours to be 50% of 1992-93 Student Activity Fee for the 1992-93 academic year, and the summer student activity fee for students taking 6 hours or more to be 25% of the normal activity fee, effective Summer 1992. Mr. Kendrick seconded the motion.

After further discussion, the roll was called and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson, yes; Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, no; Mrs. Strohecker, yes; and Mr. Harvey. Motion carried.

Salary Decrement, Approved

Chairman Harvey stated that the next item of business was the discussion of the decrement in faculty and staff salaries and/or a co-payment of health insurance by Murray State employees.

Dr. Hammack responded that before proceeding to talk about such drastic measures as salary cuts, health insurance co-payments, serious consideration should be given to the athletic budget.

Dr. Hammack moved that we reduce the supplement to the athletic budget, the support to the athletic funding from student activity fees and the E & G by \$300,000. Mr. Hutchinson seconded.

Recess

Mr. Sanders moved and Mr. Butts seconded to recess for ten minutes. The motion carried. The meeting recessed at 6:50 p.m.

Reconvened

Chairman Harvey reconvened the meeting at 7:10 p.m.

The Board heard statements from Dean Joe Cartwright from the College of Humanistic Studies, Dean John Thompson from the College of Business and Public Affairs, Dean Gary Boggess from the College of Science, Dean Jan Weaver from the College of Education, and Dean Tom Auer of the College of Industry and Technology throughout the evening.

Dr. Hammack restated his motion proposing that \$300,000 less support be provided from student activity fees and E & G funds for athletics than was provided last year.

Chairman Harvey entertained a question asking how the motion differs from the administration's proposal.

Mr. Kassing responded by emphasizing that one of the President's first charges to him when he arrived on campus was reducing the spending pattern of the intercollegiate athletic program. He further reviewed a series of documents which included a letter to Dr. Kurth reflecting efforts to have the intercollegiate athletic council consider the proposed athletic budget; a letter from Dr. Karl Hussung, Chairman of the Intercollegiate Council, recommending the budget; the 1992-93 proposed Athletic Budget; Athletic Income; 1992-93 Scholarships document; and NCAA Standards.

(See Attachment #2)

He directed attention to the document "Athletic Budget," stating that current definition means NCAA compliance and NCAA commitments, and OVC membership. For example, in order to protect Murray State's status as a Division I basketball program, we have to have seven men's and seven women's sports at Murray State. Softball has to be added next year in order to comply with that and this budget reflects that.

On the revenue side the current institutional support, which essentially goes back to the agreement that was made two years ago within the institution; the current student fee support, which goes back

to the 1981 action of the Board of Regents; athletic department revenue, which is primarily gate receipts, and Racer Club donations, and the sum is approximately \$2.5 million or approaching \$2.6 million and leaves a difference of about \$700,000 between what we would label the definition of intercollegiate athletics at Murray State and the ability of the institution's gate and booster club support. If we did not seek additional funding to make up that difference in programs, we would probably be creating a \$600,000-\$700,000 deficit. The University does not have the capacity to do that in its budget condition. We are recommending that the spending pattern of the intercollegiate athletic program be reduced from \$3.129 million to \$2.8 million or approximately \$329,000 reduction. That's about a 10% reduction. If we go beyond that point, we would probably jeopardize our OVC membership and our NCAA status Division I school.

Dr. Kurth added that during his first few months as President of Murray State, scrutiny of financial documents uncovered deficits in the Athletic Department budget, recurring in previous years, which had been covered through transfers of carryforward funds. Those deficits were revealed and the Athletic Department was directed to manage to budget, which required that an accurate, cost-of-business budget be established. The issue was referred to the Intercollegiate Athletic Council which was composed of faculty, staff, student, alumni, and community representatives. The budget recommended by the Council has been accepted by the President. Great progress is being made to reduce the spending pattern, but it is incremental progress.

He further stated the temptation among some is to diminish our athletic commitments. He emphasized that there is a real problem with the cost of athletics, particularly football, but there is no solution in moving too haphazardly into a condition where we simply cannot heal certain pains. We have to think about different constituencies for the University and all of those constituencies are important to us, no matter how we individually may feel about the support of athletics.

Dr. Hammack emphasized that he did not make the motion idly without recognizing the importance of the sports program. This budget crisis is the greatest crisis this university has faced in its history and focuses on the question of what we can afford and what we cannot afford.

Mr. Hutchinson stated it was his personal opinion that long-term, long-range NCAA athletics is important to Murray State. However, he further stated that he believes that this school should take the lead in the OVC to determine what needs to be done to go to Division III football.

President Kurth stated that at the last meeting of the Presidents of the OVC, he initiated the formation of, and will serve on, a committee of Ohio Valley Conference presidents to determine ways to reduce the cost of football programs of member institutions.

Upon call for question and a vote on calling the question, the motion passed.

Following extensive discussion, Mr. Harvey called for the vote on the motion to provide \$300,000 less support from student activity fees and the E and G funds for athletics than was provided last year. Motion failed.

President Kurth reviewed documents which compared the effects of a reduction in salary to the final retirement of faculty and staff members, a document which gives an impact on the pension of faculty and staff members, an overall chart showing the effect of the 3 percent reduction and subsequent 3 percent increase on university salary base payroll, and a document which represents donations by faculty and exempt and salaried staff.

(See Attachment #3)

The point to be made by comparing these documents is that a salary cut has a long term effect on the retirement pay of all those whose salary is cut; whereas, meeting the cost of our revenue target by

sharing in health insurance co-payments does not have that effect. While there is an increase in cost to employees and that includes faculty, exempt and non-exempt staff of meeting insurance co-payment cuts, it is less ultimately than the effect of decrements in wages measured against retirement income throughout the remainder of an employee's life.

Further, President Kurth recommended to the Board that it consider health insurance co-payments as a better option for meeting the revenue target than an across-the-board percentage decrease in pay.

On behalf of the Staff Congress, Debbie Wagoner, President, expressed objection to the health insurance co-payments. However, the Staff Congress supports a 1 percent salary decrease to help offset the health insurance. She further stated that it was the feeling of the Staff Congress that the decreases should be handed out in percentages in the same way that the increases were given in the good years.

In response to questions raised regarding the faculty's preference on insurance co-payments as opposed to percentage cuts in salaries, Mr. Ray Conklin, president of the Faculty Senate, responded that the Faculty Senate passed a Resolution that they vehemently opposed any kind of pay cut or any kind of co-payment to insurance.

He further stated that he would like to compliment the Board on the progress made in the last five years in salary increases and if we're going to continue to hire quality faculty we need to try to move in that direction.

Mr. Hutchinson moved that a 2 percent salary cut be taken across the board and that the additional shortfall be borne by the various departments as follows: 1 percent-president's office, 52 percent-academic affairs, 6 percent-student affairs, 41-percent university relations. Dr. Hammack seconded the motion.

Dean Weaver requested that the Board propose a deduction in salary rather than a reduction in the base pay.

More discussion ensued regarding athletics.

Vice President Kassing assured the audience and the Board that the athletic budget is being cut \$300,000, that's over 10 percent cut in the spending in the intercollegiate athletic program.

He further stated that the argument that was put before the Board and before the campus community is that we have commitments to the OVC Conference and NCAA memberships and the budget that has been presented will allow us to continue that while other incremental cost reductions are reviewed.

Chairman Harvey reminded the audience that this Board and this administration has heard pleas in the past about faculty and staff salaries. Over the last two and one-half years, the average increment in faculty and staff salaries has been close to 25 percent.

Mr. Hutchinson stated that he believed the \$2.4 million target was too high and stated that the \$2 million plus figure will be more realistic. Dr. Hammack agreed that the figure was too high, adding that more money could be obtained through Vice President Kassing's area--athletics and Breathitt Veterinary Center, and the Student Affairs area.

Mr. Schofield pointed out that before the vote was taken on the student activity fee increase, \$2.4 million wasn't too high and asked why the figure is suddenly too high. He stated that he was prepared to vote on the 2 percent decrement on salaries.

Mr. Hutchinson stated that he was compelled to respond about the concept that athletics is being put above academics. The goals of the vice presidents, including the vice president of academic affairs, was to come in with a number with which the University could live and not

lose accreditation of programs and not eliminate academic programs that are essential to the University. That same task was put to the athletics department: what is the minimum amount with which the University could live and still operate within the NCAA guidelines? The allocation for athletics is not an amount that will permit us to operate at a maximum level so we can compete with the best teams, but to continue to operate within the guidelines of the NCAA.

Vice President Kassing assured the Board that the budget presented reflects NCAA compliance, NCAA membership, OVC compliance and scheduling.

Recess

Mr. Sanders moved, Mr. Schofield seconded, to recess at 9:00 p.m. Motion carried.

Reconvened

Chairman Harvey reconvened the meeting at 9:20 p.m.

Dr. Hammack moved to amend the motion on the floor by striking out the words 2 percent salary cut and inserting the words 2 percent one-year deduction. Mr. Akridge seconded and the motion carried.

Chairman Harvey questioned the legality of using a deduction as opposed to a reduction.

It was noted that a one-year deduction would not affect the base for the University and thus affect the increment in state appropriations to that base.

Upon call for the vote on the main motion as amended which would read that a 2 percent one-year deduction in salaries across the board be made and that the additional shortfall be borne by the various departments as follows: 1 percent-president's office, 52 percent-academic affairs, 6 percent-student affairs, and 41-percent university relations. Mr. Akridge seconded and the motion carried.

The Board was assured that the one-year deduction would raise the same amount of revenue as the reduction and the only difference is that the 2 percent deduction will be reinstated the following year.

Zero Based Budgeting Recommended

Mr. Harvey moved that the next biennial or the next annual budget for FY 1993-94 be zero based. Mr. Sanders seconded.

Discussion followed and Chairman Harvey stated that the Board would like to find 2 percent through internal reallocations to give back the salary deduction, which has to be done through some sort of internal reallocation process. Other issues the Board will have to address includes athletic spending and health insurance costs and the appropriate form to do that is through a zero base budget process.

Mr. Hutchinson expressed support for the recommendation and moved to table the motion until the May meeting. Mr. Schofield seconded and the motion carried.

Debbie Wagoner, President of Staff Congress, requested that the Board entertain adopting a policy that in all the personnel reductions any persons who lose their jobs because of the budget cuts be given first consideration in any vacant positions.

Mr. Harvey requested that the administration and Board study the policy to be brought up again at the May meeting as the layoffs won't occur until July 1.

Rodeo Team Presentation

After hearing a presentation from David Sharp, president of the MSU Rodeo Club, regents advised club members to meet with insurance agents to try and cover the risk to the satisfaction of university officials.

Auditors Contract, Renewed

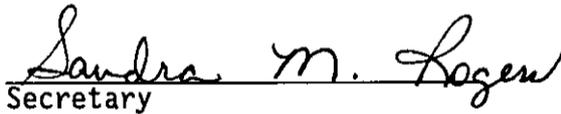
Mr. Don Kassing and Mr. Tom Denton have recommended that Coopers and Lybrand's contract be renewed. The renewal cost reflects a 2.99 percent increase in the consumer price index for the period November 1990 through November 1991 plus \$1,500 to perform additional requirements of the newly mandated audits for federal financial assistance programs (OMB Circular A-133) as opposed to the previously required A-110 audit. The cost increases are in accordance with the cost escalation terms of the initial contract.

Mr. Akridge moved that the Board of Regents, upon the recommendation of the President, authorize the renewal of the contract with Coopers and Lybrand for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 1992, at a cost of \$54,870. This renewal is in compliance with the terms of the original contract (number 632-691) issued April 10, 1990. Dr. Hammack seconded and the following voted: Mr. Akridge, yes; Mr. Butts, yes; Dr. Hammack, yes; Mr. Hutchinson (had left); Mr. Kendrick, yes; Mr. Sanders, yes; Mr. Schofield, yes; Mrs. Strohecker (had left); Mr. Harvey, yes. Motion carried.

Meeting adjourned

Dr. Hammack moved that the meeting adjourn and seconded by Mr. Kendrick. Motion carried. Adjournment was at 10:30 p.m.


Chairman


Secretary

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Sandra M. Rogers
Secretary

A:EDGAR.91
3/4/92

OFFER OF EMPLOYMENT

Scott Edgar

August 1, 1991 -- June 30, 1995

WHEREAS, Murray State University is desirous of maintaining a strong basketball program with an appropriate balance between athletics and academics, and

WHEREAS, Murray State University is committed to the notion of providing an initial period of job security. This job security will enable the coach to make a commitment to come to Murray and establish a program, and

WHEREAS, it is believed that such an initial period of stability reflects the University's commitment to the notion that a Head Basketball Coach should be given a solid opportunity for success, and

WHEREAS, Murray State University needs some flexibility because of the ever-present possibility of alumni pressure, the lack of success, or considerations not capable of measurement at the present time, and

WHEREAS, Murray State University is now desirous of employing a Head Basketball Coach, and

WHEREAS, it has been deemed to be mutually advantageous to employ Scott Edgar from August 1, 1991 through June 30, 1995,

NOW, THEREFORE, in consideration of the premises, and the mutual promises contained herein, Murray State University, subject to the approval of the Board of Regents, is pleased to offer Scott Edgar a contract of employment under the following terms and conditions:

MURRAY STATE UNIVERSITY AGREES:

- A. To employ SCOTT EDGAR in the position of Head Basketball Coach for the period August 1, 1991 through June 30, 1995, but subject to the provisions of this contract.
- B. To pay to Scott Edgar a minimum salary of SIXTY THOUSAND AND NO/100 (\$60,000.00) DOLLARS per year. Salary for the period August 1, 1991 through June 30, 1992 will be prorated, based on the annual salary figure of SIXTY THOUSAND AND NO/100 (\$60,000.00) DOLLARS.
- C. To assign job responsibilities for the period commencing August 1, 1991 through June 30, 1995 consistent with the duties of Head Basketball Coach, subject to the provisions of this contract.
- D. To compensate Scott Edgar for reasonable expenses for his move to Murray, Kentucky. Should a sponsor or patron donate for this purpose, any donations/contributions shall accrue to the benefit of Murray State University.
- E. To ensure that Scott Edgar have access to an automobile for his personal use pursuant to a lease

arrangement. The University obligates itself to pay a maximum amount of FIVE HUNDRED (\$500.00) DOLLARS per month to this end; provided, however, that said sum shall be offset by amounts donated to this end or should the lease be effectuated for a lesser sum.

F. To cause an assessment of SCOTT EDGAR's job performance to be made between March 20 and April 1 of each year. A committee consisting of the Vice President for University Relations and Administrative Services and the Athletic Director will conduct this assessment. The written assessment and recommendation will be compiled by the Vice President for University Relations and Administrative Services. This recommendation will be presented to the President of the University who will make the final recommendation. The University will notify SCOTT EDGAR on or before May 10th of each year of its decision in this connection. Following the annual assessment SCOTT EDGAR will be advised as to the continuing nature of his employment as Head Basketball Coach. Job security as Head Basketball Coach is provided for the first three (3) years of this contract.

Should the University's decision be favorable to continued employment of SCOTT EDGAR as the Head Basketball Coach, he will be continued in that position for the next year. Reemployment as head basketball coach shall be automatic for the first three (3) years of the contract regardless of the assessment absent termination for cause.

The mechanism for achieving this objective will be in the form of a letter advising Coach Edgar of his status and his rate of pay. Such assessment and recommendation will be made during each year of the term of this contract.

This contract does not create an employment right beyond four (4) years; no extension or renewal shall create a contractual right to employment beyond four (4) years.

Should the University decide not to continue employment of Scott Edgar for the fourth year of original contract, Scott Edgar is given the right and option to accept ten (10) months' severance pay. Assistant coaches shall have the right and option to accept severance pay through August 31.

In the event the University's decision is against continued employment as Head Basketball Coach beyond the four-year term of this contract together with any earned extension, Scott Edgar will be so advised. In this latter event, employment will continue at Murray State University throughout the initial contract term or extension retaining all rights and privileges to coach for the time remaining on this contract or to accept severance pay as defined elsewhere in this contract. The rights of assistant coaches will be handled as set forth hereinbefore.

G. The University recognizes the possibility for additional income which SCOTT EDGAR may negotiate for and obtain from such sources as speaking engagements, television and radio appearances--endorsement of products

associated with athletic events (i.e. shoe contracts), and clinics. This recognition by the University acknowledges the benefit to the athletic program and the University as a whole arising out of such exposure. Advertising contracts must be reviewed by the Vice President for University Relations and Administrative Services. Any promotion or contract must take into consideration the University's public relations posture. Should a question arise as to the feasibility of promotional activities or sponsorship contracts, such question will be resolved by mutual agreement.

No right recognized under this section shall extend to matters contrary to NCAA or conference regulations.

H. The University recognizes the need to set out precisely its obligations with respect to bonuses for athletic success on the part of its athletic support staff, specifically:

1. Ohio Valley Conference Competition--

Coach Scott Edgar shall receive a bonus of TWENTY FIVE HUNDRED AND NO/100 (\$2,500.00) DOLLARS for each year during the course of this contract, or any renewal hereof, in which Murray State University wins the Ohio Valley Conference regular season championship.

2. National Collegiate Athletic Association
(NCAA) Tournament--

a. Coach Scott Edgar--

i. If Murray State University qualifies to enter NCAA tournament competition, Coach Edgar will receive an additional gross amount equal to two (2) months' pay.

ii. If Murray State University should win the first game, Coach Edgar will receive an additional amount of SIX THOUSAND AND NO/100 (\$6,000.00) DOLLARS.

iii. Should Murray State University win the second game, Coach Edgar will receive an additional amount of NINE THOUSAND AND NO/100 (9,000.00) DOLLARS.

b. Full-time assistant coaches. Trainer. Part-time Coaches, and Secretary--If Murray State University qualifies to enter NCAA competition, these individuals will be compensated as follows:

i. Full-time assistant coaches shall each receive an additional gross amount equal to one and one-half (1½) months' pay.

ii. Trainer shall receive an additional gross amount equal to one (1) month's pay.

iii. Part-time coaches shall receive an additional gross amount equal to one (1) month's pay.

iv. Secretary shall receive an additional gross amount equal to one month's pay.

Any bonus earned pursuant to this section H of this contract shall be paid on or before May 1 of that year. All bonuses shall be paid solely from funds derived from competition in the National Collegiate Athletic Association Tournament. No state funds are to be used to supplement NCAA funds should the NCAA proceeds be insufficient.

I. Should Scott Edgar be found in violation of NCAA regulations, the University reserves the right to take disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedure (NCAA Constitution 3-2-(g)). Should Scott Edgar be found to be involved in deliberate or serious violations of NCAA regulations, such action may include suspension for a period of time, without pay, or termination of Coach Edgar's employment (NCAA Constitution 3-6-(h)). In the event of any such suspension or termination, the University may, within its sole discretion, employ Scott Edgar in such job responsibilities as will allow the University to take advantage of his talents.

SCOTT EDGAR AGREES:

A. To fulfill the duties of Head Basketball Coach pursuant to the terms of this contract at Murray State University at a minimum salary of SIXTY THOUSAND AND NO/100 (\$60,000.00) DOLLARS a year for the period August 1, 1991 through June 30, 1995.

B. To provide adequate notice to Murray State University should he resign to accept other employment.

C. To abide by the NCAA Constitution and by the rules and regulations of Murray State University.

D. To review with the Vice President for University Relations and Administrative Services any advertising contract negotiated with media services.

E. To distribute to basketball support staff out of NCAA proceeds bonuses as set forth in H.1. and H.2. of this contract at pages 5-7.

IT IS MUTUALLY UNDERSTOOD AND AGREED:

A. That Scott Edgar shall have his contract extended for an additional one-year period for each year during the course of this contract in which Murray State University wins the regular season Ohio Valley Conference championship. The committee referred to in F Page 3 shall have the option to recommend extension of the contract for one additional year even though the University has failed to win the regular season Ohio Valley Conference championship.

B. That at no time shall this contract exceed a maximum period of four (4) years.

C. That in the event employment of Scott Edgar is continued by Murray State University in a capacity other than as Head Basketball Coach beyond the term of this contract and any renewal or extension thereof, such employment shall be on an annual basis.

D. That should Scott Edgar resign his position as Head Basketball Coach to accept other employment, this contract will terminate and all rights and obligations under it will cease except for any bonuses that may be due.

E. That Murray State University recognizes that Coach Edgar needs four years of job security (three years as Head Coach to establish a program, plus one year job security as represented by the right of severance pay for ten (10) months). It is also recognized and agreed that there are circumstances under which the University would be compelled to terminate based on cause, prior to the expiration of the term, or buy out the contract based on considerations such as lack of success, alumni pressure, or considerations not already susceptible to a detailed checklist.

F. That the University will support the concept of a summer boy's basketball camp. The boys' basketball camp will be planned and organized by a committee consisting of the Vice President for University Relations and Administrative Services, the Athletic Director and the Center for Continuing Education. This committee will consult with Coach Edgar in an effort to work out the details of this camp.

G. That this contract is subject to all applicable Kentucky statutes and decisional law.

H. That following the expiration of this contract and any extension thereof, the employment of Scott Edgar shall be for a one year term unless mutually agreed otherwise.

Witness our hands this 10th day of March, 1992.

MURRAY STATE UNIVERSITY

By Ronald J. Kurth
Ronald J. Kurth
President

ACCEPTANCE

I hereby accept employment at Murray State University as Head Basketball Coach upon the terms and conditions as set forth in the above Offer of Employment.

Witness my hand this 10th day of March, 1992.

Scott Edgar
Scott Edgar

STATE OF KENTUCKY)
) SS.
COUNTY OF CALLOWAY)

I, Sharion A. Bailey, a Notary Public in and for the County and State aforesaid, do hereby certify that the foregoing OFFER OF EMPLOYMENT was duly acknowledged before me in said County by RONALD J. KURTH, President of MURRAY STATE UNIVERSITY, to be the act and deed of MURRAY STATE UNIVERSITY and his act and deed acting in his official capacity as President of Murray State University, all of which is certified to the proper office for record.

Given under my hand and seal on this, the 10th day of March, 1992.

Maurice A. Baile
NOTARY PUBLIC, KENTUCKY AT
LARGE, WITH COMMISSION FILED
IN CALLOWAY COUNTY, KENTUCKY

My Commission Expires:
August 27, 1994

(AFFIX NOTARIAL IMPRESSION SEAL)

STATE OF KENTUCKY)
) SS.
COUNTY OF CALLOWAY)

The foregoing ACCEPTANCE was acknowledged before me this 10th day of March, 1992, by SCOTT EDGAR.

Given under my hand and seal on this, the 10th day of March, 1992.

Maurice A. Baile
NOTARY PUBLIC, KENTUCKY AT
LARGE, WITH COMMISSION FILED
IN CALLOWAY COUNTY, KENTUCKY

OR

NOTARY PUBLIC, CALLOWAY
COUNTY, KENTUCKY

My Commission Expires:

August 27, 1994

(AFFIX NOTARIAL IMPRESSION SEAL)

I certify that the foregoing instrument was prepared by me.

James O. Overby
JAMES O. OVERBY, Legal Counsel
Murray State University
Murray, KY 42071



MURRAY STATE UNIVERSITY

Interoffice Communication

Subject: ATHLETIC BUDGETS, 1992-93
Date: February 28, 1992
To: Dr. Ronald J. Kurth, President
From: Mr. Don Kassing, ^{DWK} Vice President
for University Relations and Administrative Services

Enclosed you will find for your consideration and presentation to the Regents, the proposed athletic budget for 1992-93.

Mike Strickland and I have worked on this for a number of months and feel we have a handle on what the base budget is to operate athletics at the current level as well as the funding and cuts necessary to operate within the current environment.

We have met with the Athletic Council on three occasions to discuss the proposed budget. We have had further discussions with Karl Hussung and Louis Beyer and anticipate a favorable recommendation at a meeting of the full council the week of March 2-7.

The attached material includes what we consider the base budget with reductions in scholarships built in, the proposed 1992-93 athletic budget with cuts identified, a break out of scholarships with recommendations for future years and a listing of athletic income for the coming year with a proposal to raise ticket prices.

This budget will necessitate a reduction in expenditures of over 10% from the spending pattern of the last four years. As pointed out in the notes, this budget will require a reduction in personnel (full and part-time) scholarships (in-state, out-state match, 5th year program, summer school) and a operating reduction of 25% in administrative areas and 10% in the sport operating budgets.

MURRAY STATE UNIVERSITY
Interoffice Communication

Subject: *Recommendations From the Intercollegiate Athletic Council*

Date: March 5, 1992

To: Dr. Ronald J. Kurth, President

From: Dr. Karl F. Hussung, Chairman *KFH*
Intercollegiate Athletic Council

At a meeting in November, the Intercollegiate Athletic Council reviewed the 1991-92 budget for intercollegiate athletics and the ways being implemented to reduce the projected deficit. Since that time the Council has been involved in developing a proposed budget for 1992-93. Members of the Council in preliminary discussions agreed that the Department of Athletics must be required to operate within future budgets. With that in mind, a budget recommendation has been developed which, if approved, should not only be controllable but should enable Murray State to remain among the leading institutions in the OVC and continue to fulfill its mission to athletics.

On March 4 the Council voted five in favor and one opposed to recommend the attached budget for 1992-93 and the supporting documents related to athletic income and scholarships. Although this proposal recommends an increase in budgeted institutional support of \$253,000 (\$153,000 from an increase in student fees and \$100,000 from the General Fund), it represents a small reduction in the actual institutional support for this year if the anticipated \$300,000 deficit is included. Noting that the proposed budget was conservative relative to income from contributions and contained no income credit from guarantees at all, the Council unanimously amended the budget recommendation to include the provision that one-half of the net income from guarantees and one-half of the gifts above the budgeted gift support (based on 75% of the previous three year average) be placed in an athletic scholarship endowment fund (reserved) with the proceeds from the endowment to be used to reduce university support for athletic scholarships.

Dr. Ronald J. Kurth, President
March 5, 1992
Page 2

In addition, please note that the proposed budget includes:

- (1) an increase in the in-state to out-of-state scholarship ratio in all sports but men's basketball;
- (2) a ticket increase of \$1.00 for football and basketball which is expected to generate \$44,000 in additional revenue;
- (3) a reduction in football scholarships from 65 in 1992-93 to 60 in 1993-94 and 58 in 1994-95 which should keep MSU within five of the maximum number allowed by the NCAA for Division IAA institutions;
- (4) inclusion of three scholarships for women's softball that will go into effect in 1993-94; and
- (5) increases in scholarships in sports other than football and men's and women's basketball to meet the NCAA Division I minima of 25 scholarships for both men and women in those sports.

ATHLETIC BUDGET

1992-93

BASE BUDGET: To remain at current definition of athletic program.

Scholarships	\$1,013,280	(a)
Salaries	1,026,148	(b)
Benefits	291,156	
Operating	799,100	
	<u>\$3,129,684</u>	

(a) With scholarships changed from 145 out-of-state to 99 out-of-state and 46 in-state (savings of \$123,280)

(b) No salary increase for athletics

REVENUE FOR 1992-93:

Current Institutional Support	\$1,661,000
Current Student Fees	285,000
Athletic Department Revenue	451,000
Racer Club	150,000
	<u>\$2,547,000</u>

Additional University Support	253,000
General Fund \$100,000	
Student Fees \$153,000	
	<u>\$2,800,000</u>

PROPOSED BUDGET FOR 1992-93:

	<u>Base Budget</u>	<u>Reductions</u>	<u>Proposed Budget</u>
Scholarships	\$1,013,280	\$ 78,416 (a)	\$ 934,864
Salaries	\$1,026,148	\$ 137,353 (b)	\$ 888,795
Benefits	\$ 291,156	-----	-----
Operating	\$ 799,100	\$ 113,915 (c)	\$ 685,185
	<u>\$3,129,684</u>	<u>\$ 329,684</u>	<u>\$2,800,000</u>

- (a) In addition to in-state, out-state reduction, includes major reduction in 5th year program and summer school.
- (b) Includes benefits. Possible reduction of eight to ten positions. Also includes reduced money for student workers, game workers, and tutors.
- (c) Includes 25% cut in administrative costs and 10% sport operating budget.

ATHLETIC INCOME

	<u>Budget</u> <u>1991-92</u>	<u>Projected</u> <u>1991-92</u>	<u>Proposed</u> <u>Budget</u> <u>1992-93</u>
Tickets, Men's Basketball	\$140,000	\$145,000	\$173,000
Tickets, Football	62,000	55,000	60,000
Tickets, Women's Basketball	3,000	1,000	2,000
Service Charge, Tickets	2,500	1,400	2,000
Concessions	52,000	52,000	52,000
Program Sales	6,000	5,000	6,000
Program Ads	12,000	9,700	10,000
Radio	5,000	4,500	5,000
Television	3,000	800	2,000
Advertising, Arena	4,000	4,900	5,000
Advertising, Stadium	2,000	350	1,000
Advertising, Tickets	3,000	4,000	3,000
Merchandise Sales	5,000	5,000	5,000
OVC Income	125,000	125,000	125,000
	<u>\$424,500</u>	<u>\$413,650</u>	<u>\$451,000</u>

Proposed budget includes ticket increase of \$1.00 for football and basketball (additional revenue of \$44,000)

SCHOLARSHIPS

1992-93

COST:	IN-STATE	OUT-OF-STATE
1991-92	4100	6700
1992-93	4476	7156

		<u>1991-92</u>	<u>1992-93</u>
FOOTBALL (a)	45 out-of-state 20 in-state	\$ 301,500 82,000	\$ 322,020 89,520
		<u>\$ 383,500</u>	<u>\$ 411,540</u>
M-BASKETBALL (b)	14 out-of-state	93,800	100,184
BASEBALL	6 out-of-state 4 in-state	\$ 40,200 16,400	\$ 42,936 17,904
		<u>\$ 56,600</u>	<u>\$ 60,840</u>
M-TRACK	4 out-of-state 3 in-state	\$ 26,800 12,300	\$ 28,624 13,428
		<u>\$ 39,100</u>	<u>\$ 42,052</u>
W-TRACK	5 out-of-state 4 in-state	\$ 33,500 16,400	\$ 35,780 17,904
		<u>\$ 49,900</u>	<u>\$ 53,684</u>
M-TENNIS (c)	4 out-of-state 1 in-state	\$ 26,800 4,100	\$ 28,624 4,476
		<u>\$ 30,900</u>	<u>\$ 33,100</u>
GOLF (d)	2 out-of-state 1 in-state	\$ 13,400 4,100	\$ 14,312 4,476
		<u>\$ 17,500</u>	<u>\$ 18,788</u>
RIFLE	2 out-of-state 1 in-state	\$ 13,400 4,100	\$ 14,312 4,476
		<u>\$ 17,500</u>	<u>\$ 18,788</u>

W-BASKETBALL	8 out-of-state 5 in-state	\$ 53,600 20,500	\$ 57,248 22,380
		<u>\$ 74,100</u>	<u>79,628</u>
W-TENNIS	3 out-of-state 2 in-state	\$ 20,100 8,200	\$ 21,468 8,952
		<u>\$ 28,300</u>	<u>30,420</u>
VOLLEYBALL	4 out-of-state 4 in-state	\$ 26,800 16,400	\$ 28,624 17,904
		<u>\$ 43,200</u>	<u>\$ 46,528</u>
SOFTBALL (e)	2 out-of-state 1 in-state	\$ 13,400 4,100	\$ 14,312 4,476
		<u>\$ 17,500</u>	<u>\$ 18,788</u>
		<u>\$ 851,900</u>	<u>\$ 914,340</u>
5TH YEAR	10 out-of-state	\$ 67,000	\$ 71,560
SUMMER SCHOOL	5 in-state	\$ 20,500	\$ 22,380
CHEERLEADERS	Books	\$ 5,000	\$ 5,000
		<u>\$ 944,000</u>	<u>\$1,013,280</u>

- (a) Due to timing of recruiting season, the 45-20 ratio will most likely not work in 1992-93, but will have to be incorporated into the 1993-94 fiscal year.

Recommendation: Current NCAA rules allow 70 scholarships (Murray 65) but will drop over the next two years. To maintain a difference of five from the maximum, football scholarships should be adjusted thusly:

1993-94	NCAA	65	Murray	60	(42 out	18 in)
1994-95	NCAA	63	Murray	58	(40 out	18 in)

- (b) Due to NCAA rules, maximum scholarships will drop to 13 in 1993-94 for men's basketball.

Recommendation: Murray State should continue to provide for all 13 scholarships to be out-of-state.

- (c) Due to NCAA rules, maximum scholarships will drop to 4.5 in 1993-94 for men's tennis.

Recommendation: Murray State should provide for tennis scholarships at a ratio of 3.5 out-of-state and 1 in-state.

- (d) In order to maintain NCAA standards of 25 scholarships beyond football and basketball.

Recommendation: Golf be expanded in 1993-94 to 2.5 out-of-state and 1 in-state.

- (e) Softball will not be required in 1992-93.

Recommendation: Scholarships be built in as they will be required in 1993-94.

NCAA STANDARDS (25 scholarships)
Men and Women Beyond Football and Basketball

	<u>1992-93</u>	<u>1993-94</u>
<u>MEN</u>		
Baseball	10	10
Track/CC	7	7
Tennis	5	4.5
Golf	3	3.5
	<hr/> 25	<hr/> 25
<u>WOMEN</u>		
Volleyball	8	8
Track/CC	9	9
Tennis	5	5
Softball	3	3
	<hr/> 25	<hr/> 25

- (a) In addition to in-state, out-state reduction, includes major reduction in 5th year program and summer school.
- (b) Includes benefits. Possible reduction of eight to ten positions. Also includes reduced money for student workers, game workers, and tutors.
- (c) Includes 25% cut in administrative costs and 10% sport operating budget.

CHART 1

5 Year Comparison of Impact on \$30,000 Salary

0 Increase -vs.- 3% Decrease in Year 1

YEAR	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
	Base Salary	1	2	3	4	5
% OF CHANGE		0 or -3%	+3%	+4%	+3%	+3%
ILLUSTRATION A - NO CHANGE						
\$ Amount Change in Salary		0	900	1,236	964	993
Total Salary \$	30,000	30,000	30,900	32,136	33,100	34,093
ILLUSTRATION B - 3% REDUCTION						
\$ Amount Change in Salary		-900	873	1,199	935	963
Total Salary \$	30,000	29,100	29,973	31,172	32,107	33,070
\$ Difference A -vs.- B		900	927	964	993	1,023
\$ Cumulative		900	1,827	2,791	3,784	4,807

CHART 2

Pension Impact

	Earnings Total 5 Years	5 Year Average	30 Years 60% of Average	20 Years 40% of Average	10 Years 20% of Average
A 0% Cut	\$160,229	\$32,046	\$19,228	\$12,818	\$6,409
B -3% Cut	\$155,422	\$31,084	\$18,654	\$12,434	\$6,217
Difference Annually			\$574	\$384	\$192
% of Original Cut (carried through the pension for life)			64% of Cut	43% of Cut	21% of Cut

CHART 3

Impact of 3 % Reduction and Subsequent 3% Increase

Year	University Salary Base Payroll	% of Change	\$ Amount of Change	Impact - New Salary
1	3,000,000	-3%	\$90,000	\$2,910,000
2	\$2,910,000	+3%	\$87,300	\$2,997,300
3	\$2,997,300	+3%	\$89,919	\$3,087,219

CHART 4

Impact of Salary Cut -vs.- Donation

CUT		
% of Pay Reduction	\$ Amount (Benefit to University)	Impact on Faculty
1	1,000,000	All Out of Pocket * (from Faculty)
2	2,000,000	
3	3,000,000	

*See previous illustration of 5 year examples for continuing individual (faculty) cost to salary and pension. NOTE: Negative impact to continue throughout lifetime employment and pension.

CHART 5

Donation

% of Pay Reduction	\$ Amount (Benefit to University)	Out of Pocket (Faculty)		Initial Savings to Faculty Salary & Pension Plans
		-28%	2%	
1	1,000,000	720,000	700,000	300,000
2	2,000,000	1,440,000	1,400,000	600,000
3	3,000,000	2,160,000	2,100,000	900,000

NOTE: Out of pocket amount equal in both Cut and Donation. Benefits accrue in state federal tax relief instead of cut in income and future benefits to salary and pension for faculty. Federal and state tax relief help pay for reduction.