

December 2010

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Board of Regents, Murray State University

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**Minutes of the Quarterly Board of Regents Meeting
Murray State University
Friday, December 10, 2010
1 p.m. – Jesse Stuart Room – Pogue Library**

The Board of Regents of Murray State University (MSU) met on Friday, December 10, 2010, in quarterly session in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. Chair Constantine Curris called the meeting to order at 1:07 p.m. and welcomed members of the University community, news media, general public and those viewing the proceedings via the Internet.

Roll Call

The roll was called and the following members were present: William Adams, Marilyn Buchanon, Constantine Curris, Sharon Green, Susan Guess, Kirby O'Donoghue, Jack Rose, Phil Schooley, Harry Lee Waterfield II and Stephen Williams. Absent: Jerry Sue Thornton (due to inclement weather).

Others present were: Randy J. Dunn, President; Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to the Board of Regents; Tom Denton, Vice President for Finance and Administrative Services and Treasurer to the Board of Regents; Bonnie Higginson, Provost and Vice President for Academic Affairs; Don Robertson, Vice President for Student Affairs; Jim Carter, Vice President for Institutional Advancement; Jay Morgan, Associate Provost for Graduate Education and Research; Renae Duncan, Associate Provost for Undergraduate Education; Bob Jackson, Associate Vice President for Institutional Advancement; John Rall, University Counsel; Joshua Jacobs, Chief of Staff; and members of the faculty, staff, students, news media and visitors.

**AGENDA
Meeting of the Board of Regents
Murray State University
Jesse Stuart Room – Pogue Library
December 10, 2010
1 p.m.**

1. **Roll Call**
2. **Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents
September 17, 2010***
3. **Public Participation**
4. **Report of the President** **Dr. Dunn**
5. **MSU Spotlight: Office of Student Disability Services** **Mrs. Wilson
Mrs. Clemson**
6. **Report of the Chair** **Dr. Curris**
7. **Report of the Constituency Regents** **Dr. Rose
Mr. Schooley
Ms. O'Donoghue**
8. **Report of the Treasurer*** **Mr. Denton**
(Quarterly Financial and Investment Reports)
9. **Report of the Registrar*** **Ms. Collins**
(December 2010 Conferral of Degrees)
10. **Comprehensive Campaign Update** **Mr. Jackson**

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| 11. <u>Naming Proposal*</u> | Dr. Dunn |
| A. School of Agriculture | |
| 12. <u>University Student Appeals Board Appointments*</u> | Dr. Dunn |
| 13. <u>Policy Changes*</u> | Dr. Dunn |
| A. <i>Faculty Handbook</i> | |
| 1. Section 1.4.2.2 Article III | |
| 2. Section 1.5 (Section 6.6 of the BOR <i>Operating Policies</i>) | |
| B. <i>Personnel Policies and Procedures Manual</i> | |
| 1. Payroll – Policy Number III B | |
| 2. Pay Plan – Policy Number III E | |
| 14. <u>Personnel Changes*</u> | Dr. Dunn |
| A. Staff Leaves of Absence Without Pay | |
| 15. <u>Committee Reports/Recommendations (Action Items Only Listed)</u> | |
| A. Academic Affairs | Dr. Thornton |
| B. Audit and Compliance | Mr. Waterfield |
| 1) Audited Financial Statements – General | |
| a. General Financial Statement for Year Ended June 30, 2010 | |
| b. Management Letter | |
| c. Independence Letter | |
| d. House Bill 622 Compliance Report for Year Ended June 30, 2010 | |
| e. Kentucky Lease Law Compliance Report for Year Ended June 30, 2010 | |
| f. Business Performance Analysis (including Representation Letter) | |
| 2) Audited Financial Statement – Federal Funds | |
| a. U.S. Office of Management and Budget Circular A-133 for Year Ended June 30, 2010 | |
| 3) Annual Financial Reports – Athletic | |
| a. National Collegiate Athletic Association (NCAA) Independent Accountants Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for Year Ended June 30, 2010 | |
| b. Murray State University Athletic Foundation Compilation for Year Ended June 30, 2010 and 2009 | |
| C. Buildings and Grounds | Mr. Adams |
| 1) Engineering-Physics Space Planning | |
| D. Enrollment Management and Student Success | Mrs. Buchanon |
| E. Finance | Mr. Williams |
| F. Institutional Advancement | Mrs. Guess |
| G. Regional Services | Mrs. Green |
| H. Committee of the Whole | Dr. Curris |
| 16. <u>Other Business</u> | Dr. Curris |

(*Indicates Board Action Item)

**Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents
September 17, 2010, approved**

Mr. Williams moved, seconded by Mr. Adams, that the Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on September 17, 2010, be approved as submitted. Motion carried.

Public Participation

Chair Curris reported there were no signees for the Public Participation portion of the meeting.

Report of the President

Dr. Dunn reported the following:

People

- **Major Gifts**

- Norma Pickard Stephenson (1950 alumnae) was recognized as one of the University's 20-consecutive-year donors, representing dedication and consistency as an annual giver.
- RacerThon pledges are up 3.1 percent with nearly 33 percent participation in comparison to 26 percent last year.

- **Recent Administrative Appointments**

- Melanie Ellingsworth, Director of Development for the College of Education and University Libraries

- **Sorority Recognition**

- At a recent national meeting the MSU Chapter of Sigma Sigma Sigma captured 2nd place – the highest national award for a Murray State chapter. MSU student Kelly Dick won the Tri Sig signature award – the *Mabel Lee Walton Leadership Award*.

- **Recent Books Authored by MSU Faculty and Staff**

- Gerry Muuka, Ed., College of Business (COB), *The Challenge of Change in Africa's Higher Education in the 21st Century*
- Crystal Rae Coel Coleman (COB), *Speaking with Ease: Handy Tips and Highly Practical Examples for Public and Employment-Related Presentations*
- Roger M. Weis and Robert F. Long, College of Health Sciences and Human Services, *Leading and Managing Nonprofit Organizations*
- Melanie McCallon, Institute for International Studies, *Faculty-led 360 Guide to Successful Study Abroad*

Programs

- MSU designated with *Level V Doctoral Degree Granting Institution* status by the Southern Association of Colleges and Schools-Commission on Colleges (SACS-COC). Dr. Morgan was responsible for submission of the University's application for status change and the voluminous associated attachments and was recognized for his efforts.
- MSU and the West Kentucky Educational Cooperative have partnered to secure a \$200,000 grant from the Kentucky Council on Postsecondary Education (CPE) for Senate Bill 1 (SB1) implementation, with College of Education and content area faculty working to redesign courses around the new content standards established through SB1. This work will continue to ensure teachers accepting positions in the schools are equipped to meet the new standards.
- An on-site reaccreditation visit by the Technology Accreditation Commission of the Accreditation Board for Engineering and Technology took place in October for the *Civil Engineering Technology Program*.
- *Racer Writing Center* in Waterfield Library scheduled 377 individual consultations for fall 2010 (400 possible sessions). The Center was made possible through a gift from Dr. Jesse Jones and has experienced phenomenal subscription and success. The University's focus for quality enhancement for institutional accreditation under SACS is writing and the Center represents a complement to work taking place as the University approaches reaffirmation of institution-wide accreditation in 2014.

Policy

- The University is awaiting the outcome of a difference of opinion from the House and Senate but there is some belief that MSU could receive a federal earmark. United States Senator Mitch McConnell's office has reached out to Murray State and, while not promising any action, indicated the importance of the University's request for a mobile health unit is understood not only in terms of what it would mean for the institution but the benefit it would bring to the west Kentucky region. MSU advocated for a rural mobile health unit which would be housed at the University but would travel throughout the 18-county service region to provide service delivery and health care in areas of highest need.
- The CPE is playing an aggressive role in establishing a Strategic Agenda for 2011-15 and setting forth a program of goals and objectives that would define the institution's work strategically. It is especially important to undertake this discussion now, in terms of work the MSU Board is

currently involved in, to determine how the institution proceeds strategically over the coming years. Institutions would be asked to enter into a *Memorandum of Agreement* with the CPE around fulfilling what that body views as important for the Strategic Agenda. Dr. Dunn read the following from a draft memorandum: “The Strategic Agenda serves as a guide for institutional plans and missions. Institution boards shall approve and implement strategic plans that are developed in coordination with local employers, civic leaders, campus constituents and other postsecondary institutions in the region and consistent with our strategic agenda. In addition, boards shall periodically evaluate the institution’s progress in implementing its mission, goals and objectives that conform to that Strategic Agenda and ensure that budgeting, planning and other processes are aligned.” A set of draft metrics has been developed and there are currently 12 indicators that would drive each board’s strategic planning. This issue needed to be called to the Board’s attention, although discussion has taken place with Chair Curris, but additional review is necessary particularly as it pertains to the roles and authority of both the institution and the CPE. There is some question of where institutional authority ends and how far CPE authority reaches in terms of defining institutional strategic plans when it is clear Kentucky universities are not part of a “system” but rather a coordinated body of schools.

Point of View

Dr. Dunn presented the following statement from Scott R. Schulick and Cynthia E. Anderson – “On Track for the Future: A Case Study in Strategic Finance,” – which appeared in *Trusteeship* (November/December 2010):

“The key to optimizing our efforts and resources is alignment in two directions. First, we are aligning our desired future with our mission, the expectations of our key constituencies, a realistic assessment of our resource potential and the contributions of our faculty, staff and administration. Then, having defined the desired future, we are aligning our resources, activities, priorities and decisions toward achieving that desired future.”

Confirmation was provided that the university presidents have been following the development of the CPE document and Carl Prestfeldt, Director of Fiscal Planning and Analysis, serves as the University’s representative on the CPE work group. A meeting will be held in mid-January with the CPE and university presidents where this issue will be the sole topic of discussion in order to address the growing set of questions which have arisen as a result of this work. The Board will be kept apprised as this work continues. University Counsel John Rall was asked by the MSU Board to review its authority, that of other boards and the authority of the CPE so there is a clear statutory understanding of the responsibilities of each body.

MSU Spotlight: Office of Student Disability Services

Director Velvet Wilson and Associate Director Cindy Clemson, Office of Student Disability Services, have built from the ground up a student services program vitally needed for many years on the Murray State campus. Student disability accommodation needs were being met but the necessity arose to centralize this work in one office. Mrs. Wilson presented the following:

- Federal mandates – such as Section 504 of the Rehabilitation Act enacted in 1978 – have prompted the movement of students into postsecondary education. Mrs. Wilson was hired in 1984 as a part-time employee for a federal TRIO program – Student Support Services. At that time there was a need to provide services for students with physical disabilities and the Department of Education mandated that the University not duplicate services. An agreement was put in place whereby Student Support Services would serve students with physical disabilities and the Learning Center would serve students with learning disabilities. The universities were also required to initiate a Section 504 compliance person who worked out of the MSU Affirmative Action Office (as it was known at that time) – currently the Office of Equal Opportunity – resulting in three departments serving students with disabilities.
- Mrs. Clemson was hired in 1993 and worked with students through the Services for Students with Learning Disabilities Office. At that time there were approximately 50 students with documented disabilities and last year when the offices were combined over 400 students were utilizing University services. Combining these offices was a positive move and students with disabilities now know how to secure help with a disability related issue.
- In October 2009 the Office of Student Disability Services was established as the operational unit to combine all accommodations for students with learning disabilities. This move occurred at the same time the Americans with Disabilities Act (ADA) of 1990 was amended – which governed the provision of services for students with disabilities. Information was provided in the

supplemental notebook regarding the ADA amendment which expanded and broadened the definition of individuals considered to have a disability. Students with learning disabilities were included in addition to individuals with more hidden disabilities (chronic and health impairments and mental and emotional disabilities). The amendment broadened the number of students receiving assistance from the office and during the fall 2010 semester a total of 544 students were served. Statistics show approximately one in ten students on the MSU campus have a disability, with the office currently serving slightly over one-half of that total number.

- The office provides ADA-mandated accommodations with the greatest number of accommodations being for testing – 237 students received testing accommodations this semester alone. The office provides parking accommodations for students with mobility impairment as well as required classroom accommodations. Note takers are provided for students if warranted and housing accommodations, especially for students with chronic health issues, are addressed. The number of required accommodations continues to steadily increase.
- The office has been most successful with offering enhanced services through project mentor and 176 students have utilized this service representing a private one-on-one tutoring arrangement. The fee for this service is \$15 per hour but the state Department of Rehabilitation will cover the cost for eligible students. The office offers Project PASS – a program for freshmen to help them be successful by providing three semesters of study skill instruction and additional one-on-one tutoring with staff. Students also move into the residential colleges early in order to have more time to become better acquainted with campus.
- Enhanced services offered through the Office of Student Disability Services have been tremendously successful. The office has an unprecedented 79 percent freshman retention rate and a graduation rate of 71 percent (both with enhanced services and accommodations).
- Work continues to identify additional accommodations which can be provided to students. An example cited was a student in a wheelchair desiring to study abroad and the lack of available resources to provide this accommodation. Through additional work with the Study Abroad Office accommodations necessary to arrange for two international trips for students with disabilities this upcoming year were put in place.
- The parent of a former student who utilized services offered by these offices provided funding for ten scholarships each semester for students who do not meet Department of Rehabilitation qualifications making them eligible to have their mentoring fees paid.
- With an increased number of students being served, the Office of Student Disability Services will require additional resources and staff. Two requests have recently been received for students with hearing impairments for a sign language interpreter which is an accommodation the University is legally required to provide.
- Work continues with the extended campuses but providing accommodations at distant locations is difficult. In addition to training that will be taking place there will be additional resources required. There has been an increase in the number of veterans returning to college which will increase the need for services from the Office of Student Disabilities Services as well as from the Counseling and Testing and Psychological centers.
- During fall 2010 the office sponsored five audio conferences through the Association on Higher Education and Disability relating to the amendment act and how it will impact colleges and universities. Areas which have been covered include accessible design, facilities, physical environment, policies for virtual environments and web accessibility, with a final audio conference on documentation planned shortly. Who the University is required to provide disability services to not only impacts the Office of Student Disability Services but could affect the employment aspect as individuals with disabilities are hired by the institution.

Dr. Dunn expressed appreciation to Mrs. Wilson and Mrs. Clemson and their staff for successfully consolidating this work into one office in just over a year.

Report of the Chair

Chair Curris indicated there would be no report from the Chair.

Report of the Constituency Regents

Regent Rose stated the next phase of strategic planning the Board is entering into with Chair Curris' leadership will provide an opportunity for all to participate in the process. Faculty members continued to work this semester toward maintaining enhanced high academic standards and Faculty Senate President Peggy Pittman-Munke and Vice President Johan Koren were introduced. Dr. Munke reported for the third year she is President of the Coalition of Senate and Faculty Leadership (COSFL) – the state faculty senate leadership organization – and has worked diligently to ensure faculty are represented on all major CPE committees. COSFL was fortunate to have faculty representation on the CPE Strategic Planning Committee and are now often called upon to provide input into many of the decisions related to academic issues from a faculty

perspective. Dr. Munke has also been provided with a Leadership Development Internship at the CPE – one of only four granted to the universities statewide – including the flagship universities, community colleges and regional universities. Dr. Munke was the only intern asked to continue for another year and through this work is shaping the new statewide transfer policy. She has been invited to co-chair the statewide group to secure a foundation grant for the five majors most often chosen by community college transfer students.

Dr. Koren serves as Coordinator of the Library Media Program for school librarians in the College of Education and, according to SB1 provisions, school media librarians are one of the most crucial aspects of furthering this bill, particularly those areas pertaining to lifelong learning. He also serves as Chair of the Rules, Elections and Bylaws Committee which plays an important role in the Faculty Regent election and in conducting administration evaluations. He serves as Faculty Senate representative to the Information Technology Advisory Committee and has participated in the Europe in Transition seminar to Regensburg, Germany. Dr. Koren encouraged the Board to continue to support international education, especially now that this type of opportunity is being expanded to include students with disabilities.

Regent Schooley reported Staff Congress hosted the annual faculty and staff Children's Christmas Party last Saturday and a video was shown highlighting the success of the event which attracts between 100 and 200 participants each year. Approximately 250 faculty and staff attended the annual Staff Reception and appreciation was expressed to Staff Congress President and Executive Director for Regional Stewardship Gina Winchester for ensuring a successful event. On behalf of the staff of MSU, Mrs. Winchester thanked the Board for supporting salary adjustments for over 550 non-exempt employees as a result of work over the last two years. Those salary adjustments have not gone unnoticed and the Board was encouraged to continue to make adjustments so salaries for all non-exempt staff can be adjusted to the median pay range for their grade – or at least above the minimum. This will ensure as new staff members are hired the University is moving forward with regard to salary levels. Regent Schooley reported 676 individuals (55 percent) participated in the Staff Survey and results will be presented at the next quarterly meeting.

Regent O'Donoghue provided updates on campus life over the past semester, including the establishment of a new Center for Student Involvement which includes Greek life, campus organizations and student government. Several guest speakers were hosted, including Blake Mycoskie, founder of TOMS Shoes, who spoke on entrepreneurship and Olympic gold medalist Jackie Joyner-Kersey who spoke on motivation and philanthropy. The Center for Student Involvement has branded a new athletic student section called "The Stampede" where students wear blue and gold for games and participate in various traditions. The Student Government Association (SGA) Executive Council attended the national conference on *Ethics in America* which was held at West Point Military Academy. A new SGA website has been established – SGA.com – and is geared toward engaging students on various issues as well as keeping them informed about what is happening on campus. A new text emergency service is in place which students can sign up for on myGate that will enable them to receive a text via cell phone in the event of an emergency. Upcoming highlights include the Dave Barnes Concert and increased involvement in the recruitment process.

Information was provided in the supplemental notebook regarding an initiative the SGA pursued this semester – 24/7 hours at Waterfield Library – as well as extended hours the week before and the week of final examinations. Dean of University Libraries Adam Murray and Chief Facilities Officer Kim Oatman helped provide these extended services. The SGA worked with Facilities Management, Dean Murray and Public Safety to provide workers for the extended hours and feedback from students who took advantage of the increased Library hours was extremely positive. Over 100 students were present between 4:30 and 5:30 a.m. and some brought their sleeping bags. Daily 3,700 students visit the Library and although those numbers did not fluctuate greatly during the extended hours, students were allowed to remain for a longer period of time which was crucial to studying for final exams. The number of students taking advantage of the extended hours put the Library over capacity in terms of there being enough tables for them to utilize and at 11:30 p.m. on Saturday 117 students remained in the Library. The Board was asked to take into consideration current facilities and the fact that the Library is already over capacity as it pertains to the ability to adequately serve students within the current building. Academic advising is also an important issue being reviewed by SGA through the Presidential Commission on Retention.

Report of the Treasurer, accepted

Mr. Denton reported a lengthy discussion took place during the committee meetings and highlighted the following with regard to the three-month financial reports:

- With regard to the balance sheet as of September, 30, 2010, and total assets, taking into consideration all funds, the University increased \$6.7 million over this point last year (mainly in cash and operations and investment earnings).
- With regard to liabilities, the University decreased approximately \$700,000 with the largest portion of that decrease being due to paying off some bonds.
- There was a \$7.5 million increase in net assets.
- With regard to the General Fund, state appropriations are less this year than prior year due to a timing difference pertaining to the transfer of ARRA funds (federal money substituted for state appropriations).
- With regard to net student tuition and fees, the University is at \$33.4 million compared to \$58.9 million annual budget (57 percent of net tuition and budget), indicating the fall semester tuition budget will be met.
- With regard to expenditures (also due to timing difference), the University is down \$600,000 to \$700,000 in the institutional support line due to worker's compensation last year being paid in the first quarter but not being paid until the second quarter this year.
- With regard to the General Fund, the University remained approximately the same as last year – \$22.5 million net increase.
- With regard to the auxiliaries fund overall the University experienced a \$4.6 million increase (approximately \$300,000 less than this time last year) although it is still very early in the year. With regard to the three main auxiliary units, Food Services is up \$84,000; Housing Services is approximately \$300,000 less due to bond payments increasing in the current year and the University Bookstore is down approximately \$100,000.
- With regard to investments (realized earnings), if the value of equities changed that is not reflected because this figure represents actual earnings. Interest rates were not as favorable and there was \$223,000 in earnings in the current fund compared to \$549,000 in prior year. Endowments are up \$104,000 compared to \$64,000 last year and plant funds are down \$18,000 compared to \$55,000 in prior year.

Dr. Rose moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period July 1, 2010, through September 30, 2010, as presented. Mr. Williams seconded and the motion carried.

(See Attachment #1)

Report of the Registrar, accepted

Mr. Williams moved that the Board of Regents ratify the awarding of degrees to individuals on December 10, 2010, as recommended by the Office of the Registrar. Ms. O'Donoghue seconded and the motion carried.

(See Attachment #2)

Comprehensive Campaign Update

Mr. Jackson reported *Hold Thy Banner High: The Campaign for the Students of Murray State University* is progressing well. Campaigns are rallying events for universities and help institutions develop new initiatives, make points of pride known to the public and demonstrate the positive momentum of colleges and universities. Approximately 50 percent of funds raised in this campaign will be used to establish scholarship endowments. Campaigns provide an opportunity to recognize generous alumni of this University as well as friends to the institution who give of their time and treasure. The campaign began on January 1, 2005, and will end on December 31, 2012. The lead \$3.6 million gift was provided by Dr. Jesse D. Jones from Baton Rouge, Louisiana. Currently there is \$4.1 million in pledges outstanding and as of November 30, 2010, there have been ten gifts over \$1 million and 53 gifts over \$100,000. MSU faculty and staff have donated over \$600,000 and last year over 73 percent of the faculty and staff in the College of Business participated in the campaign, with 58 percent of employees in the College of Humanities and Fine Arts participating. There were a number of administrative and academic units at or above the 50 percent participation rate. Currently the comprehensive campaign has

raised \$55 million, indicating the University is progressing well toward achieving and perhaps surpassing the campaign goal of \$60 million. Calendar year 2010 gifts were up about 43 percent. Approximately 12,000 gifts will be processed by the Office of Development and funds will then be sent to the MSU Foundation, which represents an increase of 9.2 percent.

In 2005 when the comprehensive campaign began approximately 1,000 scholarships (\$819,000) were awarded from the Foundation from privately endowed funds. Today that number is approaching 1,800 scholarships which equates to \$1.8 million and will be used to provide access and opportunity for students.

Mr. Jackson introduced special guests Cindy Hutson (wife of former Dan Hutson II), Sue Hutson (wife of former Dan Hutson, Sr.) and Cindy's daughter – Annie Foreman. A few weeks ago a dedication was held where Cindy announced an institution-changing gift which will positively influence the MSU School of Agriculture. She donated a 160-acre farm (located three miles from the heart of campus) which has been part of the campaign *Case Statement* from the beginning and a priority of this Board for many years. A few days ago Sue also completed a major gift to the institution. The Hutson family is a wonderful family that has been very generous to this University and the School of Agriculture and the farm donation represents a perfect research and laboratory farm. Dean of the School of Agriculture Tony Brannon expressed appreciation to the Hutson family for this transformative gift that will assist many MSU students in obtaining an agriculture degree. The Board also expressed appreciation to the entire Hutson family.

Mr. Jackson further reported:

- Approximately one-third of the CFSB gift approved at the last Board meeting has been received and the remaining two-thirds will be received by calendar year end. Signage is already in place at the CFSB Center.
- The University received a large gift from the Selman and Katherine Franzman estate in Louisville, Kentucky (established by Barbara Beasley – 1960 alumnae who passed away this past year) amounting to \$1.38 million for scholarships in the College of Education. This represents the largest gift ever to the college and has been structured in a way so that more than \$50,000 will be available for application in the spring for recruiting education majors for next fall.
- Last year Dr. Jones made a \$1 million gift for research and laboratory equipment and to date most of the equipment has arrived on campus. This represents a transformative gift for the science campus and will be housed in the Chemistry Building – Jones Hall – placing MSU on par with many Research I institutions.
- Dr. Garth and Pat Petrie recently made a generous recent gift for scholarships.
- David and Ashley Dill established the *Dill Distinguished Professorship of Accounting*.
- Betsy and Jerry Shroat made generous gifts to the Department of Theatre and a new stage in Johnson Theatre was dedicated a few weeks ago with the balance of the gift being used for Theatre scholarships.
- Scholarships have been provided by Mike Hamilton and David Alexander from Ernst & Young for the Department of Accounting.
- The Doran family made a very generous gift which was used to renovate the Pullen House on the Pullen Farm.
- Mr. Garrett of Winter Haven, Florida, who has been very generous to the School of Agriculture, made an additional major gift a few weeks ago in addition to a major estate gift provision in continuing support of the Agriculture Campaign for Research and Education of Students (ACRES) campaign.
- Murray State lost a great friend and wonderful alumnus recently – Dr. Johnny Russell – who made a number of gifts to the institution over the last few years with the balance of his estate also being gifted to the University.
- Estate and gift planning has been a major part of changes taking place in the Office of Development over the last five years and some of the largest gifts an institution receives will come from estates. The Development staff has spent a great deal of time working with alumni, donors and friends on a daily basis. The Board may not be familiar with some donor names because the alumni do not live in the area and an example includes the Clarke Estate (Illinois).
- *Bucks for Brains* funds have been matched with one-half of funding being provided to STEM areas. Much of this funding has been provided for scholarships which has assisted the University in leveraging other major gifts.
- The Department of Accounting initiated the \$2.5 million E³ campaign. Large gifts continue to be received which will enhance accounting programs and scholarship offerings. Chair of the Department of Accounting Don Chamberlain and MSU Foundation Executive Director Tim Miller have provided invaluable assistance in this area.

- The ACRES campaign has exceeded its goal with many individuals stepping forward to accomplish this work, including Dean Brannon and Paul Radke, Associate Director of Gift Planning.
- There are currently 67 members of the 1922 Society but this number continues to grow. This legacy scholarship endowment for children and grandchildren of alumni has been especially well received and work will begin this summer to complete the 1922 Society walkway on the Science Campus.
- *Hold Thy Banner High* has very much been a campus effort and has included deans, faculty, staff, the President, Board of Trustees and Board of Regents. During campaigns individuals are called upon to undertake work they would not normally do and all have been willing to step up and participate in the necessary fashion to ensure the success of the effort. The Development staff has done an excellent job implementing many changes over the past few years and appreciation was expressed to MSU alumni who have been very generous and have enabled the University to do great things.

Naming Proposal, approved

Mr. Jackson indicated today is a monumental day in the history of Murray State University and advancing a naming opportunity for an academic unit of any college or university is a rare event and has never been done in Murray State's history. The Hutson family means a great deal to agriculture not only in the Murray community and the region but also in the United States where Dan Hutson II built the third largest John Deere dealership in America. Dan Hutson, Sr. built a company which served as the platform for the John Deere dealership and many other companies. He was a pillar in this community and has historically been a great supporter of this institution. His father, Nicholas Hutson, founded the Hutson Company – the platform for the other spinoff companies – at the same time Dr. Rainey T. Wells founded Murray State University. Cindy and Sue Hutson over the last many months have contemplated not only this farm gift but Sue made another significant gift this week and Cindy is working on additional gifts to MSU. The Hutson family has truly changed agriculture in this region and the country and appreciation was expressed to the family for this gift which represents a lasting legacy at Murray State. It is an honor to advance to the Board a recommendation to name the MSU School of Agriculture the *Hutson School of Agriculture*. Dr. Miller thanked the Board and Mr. Jackson and indicated this is a great gift to the University that many have worked to bring to fruition. This marks the first time an academic unit has been named at the institution and a lot of prestige is involved with the initiative. The deans of the remaining colleges were challenged to pursue similar opportunities. Dr. Brannon expressed appreciation to the Hutson family for their faith that the name will be upheld and indicated the School of Agriculture looks forward to moving to the next level.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University and the University Committee on Naming of Facilities, Programs and Activities, approve the naming of the School of Agriculture at Murray State University, the *Hutson School of Agriculture*, in honor, recognition and appreciation to the Hutson family and their unwavering support. Dr. Rose seconded and the motion carried.

Cindy Hutson indicated education was extremely important to her husband, Dan, and she did not initially complete college because she married and raised a family. Dan insisted she go back to Murray State to obtain her college degree which she did in 1990. Education was very important to Dan and it is an honor for her and Sue to be able to provide this gift to MSU. They cannot think of a better way to honor the memory of Dan, Dan, Sr. and Nicholas and the entire family is privileged to be so honored.

Dr. Dunn indicated this fall the University has received the largest gifts in its history to athletics, the College of Education and the School of Agriculture. He expressed appreciation to the staff of the Office of Development, indicating it takes many individuals to cultivate these types of gift. Without alumni and donors such as the Hutson family the University would not be the institution that it is today.

Agriculture Task Force recommendations, discussed

Regent Adams reported over one year ago the *Agriculture Task Force* made a presentation to the Board which outlined the desire to have a number of projects completed for the growth and betterment of the School of Agriculture. One of those projects was the acquisition of a farm and this gift is another example of good things happening through hard work. Although the purchase

of a farm did not happen on the day the *Task Force* made that recommendation, some of the initiatives are happening now. The *Task Force* also recommended enhancement, improvement and renovation of laboratory space in the Carman Pavilion, and in response to whether that work has been completed Dr. Dunn reported good progress has been made in this regard. Patience and perseverance pays off and the farm has always been one element forwarded in the *Case Statement* for the campaign. While different approaches could have been undertaken to achieve this objective, with the Hutson's generosity the University was able to achieve acquisition of a laboratory farm. If that had not happened, the University would still be working toward accomplishing this goal. Carman Pavilion has been addressed and the University was able to put in place a per credit hour fee as part of the *Task Force* recommendation. The University now has a farm for laboratory expansion which provides Dean Brannon with additional revenue to work with. The School of Agriculture has made good progress with regard to enrollment growth which was achieved through the dual enrollment course initiative the SOA led statewide. The ACRES sub-campaign has also been successful and other colleges have been encouraged to undertake similar work. The SOA was the second to step up – following the Department of Accounting – and indicate a willingness to take on this type of work through the ACRES campaign as well as through various programming projects currently taking place. Where investments are made to fulfill initiatives the University must allow growth and excellence to take place and more great things will result from the *Hutson School of Agriculture*. These successes would not have happened without Dean Brannon's leadership and Mr. Radke's hard work on many gifts, in addition to work which has taken place within the entire collegiate unit.

University Student Appeals Board Appointment, approved

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, appoint the following faculty and students to the University Student Appeals Board for the terms indicated:

Faculty: Three-year term (2010-13)

- Rory Goggins, Assistant Professor, Department of English and Philosophy
College of Humanities and Fine Arts
- Kevin Miller, Assistant Professor, Department of Chemistry
College of Science, Engineering and Technology

Students: One-year term (2010-11)

- Baly Barlow, Chase Brasher and Kayla Clark

Mrs. Guess seconded and the motion carried.

Policy Changes, approved

Faculty Handbook – Section 1.4.2.2 Article III

Mr. Jacobs reported the first recommendation being presented to the Board pertains to a policy change in the *Faculty Handbook* related to election of the Executive Committee. This recommendation was forwarded by the Faculty Senate and represents changing the date for members' election to the Faculty Senate Executive Committee from September to May.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the revision to Section 1.4.2.2 Article III in the *Faculty Handbook* to allow the Faculty Senate to elect three at-large members to the Faculty Senate Executive Committee in May of each year. Mr. Waterfield seconded and the motion carried.

(See Attachment #3)

Faculty Handbook – Section 1.5 (Section 6.6 of the BOR Operating Policies)

Mr. Jacobs reported the second recommendation being presented to the Board relates to changes to both the *Faculty Handbook* and the Board of Regents *Policy Manual*. The Board has acted on a number of changes to policy since the *Policy Manual* was digitized and a process put in place to revise the policies contained within. Review of these policies continues and has reached the point where they must be synched as the operating documents of the institution. Identical

language was missing from these policies as a result of independent editing over the years and a lack of communication between editing bodies. Over the past two years Mr. Jacobs has worked with the Faculty Senate to sync the standing committee section of Board and Faculty Senate policy as well as the advisory committees of the institution. This represents the first step in evaluating language contained in both documents in an attempt to obtain a consistent version across campus that individuals can use as a reference tool in completing their daily tasks. Many of the changes are non-substantive and represent matching language. There have been two Faculty Senate presidents over the past two years, in addition to multiple chairs of the Handbook and Personnel Committee, and all are supportive of making these changes, linking the documents, and continuing to work together both within the administration and Faculty Senate as well as with Staff Congress and the Student Government Association to create consistent institutional policies.

Dr. Dunn indicated while the recommended changes are minor, the committee structure is at the heart of the University's shared governance and whether standing or advisory in nature, these committees must be working in order to provide leadership, policy guidance and direction to the institution. This work must not be allowed to be sidetracked due to various University documents containing language that does not match or which creates uncertainty regarding committee memberships that could become more involved in the work of the University. Chair Curris indicated this represents a laborious, difficult and extensive task and complimented Mr. Jacobs and the members of the Faculty Senate for their efforts. Mr. Jacobs recognized the efforts of Steve White, former Faculty Senate President, for his involvement in this endeavor and Chair Curris asked whether any substantive change to policies previously adopted by this Board are being recommended. Mr. Jacobs indicated Section 6.6 has been adopted by the Board and the only substantive change would be the addition of a representative to the standing committees for the University Libraries and the School of Nursing.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the changes in both the *Faculty Handbook* and the Board of Regents *Policy Manual* to align the content of both documents as presented. Dr. Rose seconded and the motion carried.

(See Attachment #4)

Dr. Dunn reported two recommended policy changes relate to the *Personnel Policies and Procedures Manual* as a result of new decisions and protocols put in place during Banner implementation. Tom Hoffacker, Director for Human Resources, indicated current policy states supplemental payroll will be used to pay staff in the event of an error or any type of delay in an individual receiving pay. Human Resources has changed the way this situation is handled and is now providing payroll loans and moving away from processing an entire extra payroll in order to correct such errors. The *Personnel Policies and Procedures Manual* states supplemental payroll will be done and Board is being asked to remove this particular language from the policy.

In addition, as part of the non-exempt compensation plan and the program being revised effective January 1, 2011, the consultants remarked about the way the University determines the pay rate for new employees. When a person arrives at the University they are paid at the minimum of their pay grade with no ability to change that practice due to policy. Human Resources is requesting the policy language be deleted to allow for new employees from outside the University to be paid at a rate higher than the minimum of their pay grade which will provide flexibility in hiring, particularly for those positions considered "difficult" to fill by nature.

Personnel Policies and Procedures Manual – Payroll – Policy Number III B and Pay Plan – Policy Number III E

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposed removal of the policy statements involving supplemental payroll processing in the *Personnel Policies and Procedures Manual – Payroll – Policy Number III B* and further approve the proposed revisions involving non-exempt staff pay in the *Personnel Policies and Procedures Manual – Pay Plan – Policy Number III E*. Mrs. Guess seconded and discussion followed.

In response to a request for the definition of a payroll loan, Mr. Hoffacker explained this represents approximately 65 percent (due to deductions) of a person's total pay amount. In the next payroll run the person is paid accurately – essentially twice – minus the 65 percent pay that has already been provided. This represents a means of making a correction without having to undertake an entire payroll “run.” In response to a request for clarification regarding whether an individual can be hired from outside the University at an hourly rate higher than an employee already working at the institution and if a current staff member applying for the same position would be limited to the 5 percent per pay grade increase, Mr. Hoffacker indicated that scenario is possible but pertains to the *Promotion Policy* which is a separate policy not being recommended for change. The policy states when a person transfers from one university job to another for every grade they increase the employee receives a 5 percent pay increase or the minimum of the pay grade, whichever is higher. The policy could be contemplated for change in the future. Regents Rose and Schooley indicated this represents a policy which should be reviewed in order to ensure fairness to current University employees. Dr. Dunn reported an issue arises when the University cannot deviate from the minimum starting pay rate in order to hire a qualified individual from outside the institution but the pros and cons of that current policy could be reviewed at a later date.

Chair Curris indicated he earlier received a motion and a second and the motion carried.

(See Attachments #5 and #6)

Staff Leaves of Absence Without Pay, approved

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay as listed below:

<u>Name</u>	<u>Department</u>	<u>Effective Dates</u>
Adams, Hoyt	Facilities Management	10/01/10-11/30/10
Clark, Shirley	Facilities Management	09/01/10-12/31/10
Garland, Anna	Facilities Management	09/08/10-09/12/10
Johnson, James	Dining Services	10/15/10-11/06/10
Lindsey, Della	Dining Services	09/01/10-11/30/10
McDonald, Rita	Facilities Management	10/07/10-11/01/10
Olive, Glendale	Procurement Services	10/25/10-11/07/10
Pritchett, Gaynell	Facilities Management	08/31/10-09/10/10
Roberts, Timothy	Facilities Management	08/03/10-12/17/10
Ross, Anita	Dining Services	09/22/10-10/11/10
Stephenson, Vicky	Facilities Management	11/12/10-12/31/10
Wells, Mary	Facilities Management	09/27/10-12/09/10

Mrs. Green seconded and the motion carried.

Committee Reports/Recommendations

A. Academic Affairs – Dr. Thornton – No report.

B. Audit and Compliance – Mr. Waterfield

Audited Financial Statements – General and Federal – and Annual Financial Reports – accepted

Mr. Waterfield reported the Audit and Compliance Committee met during the morning committee sessions and two representatives from the auditing firm of RubinBrown were present and reported on the audit of the University and for various entities within the institution. MSU received an unqualified opinion – a clean opinion – but a few minor recommendations were made and are currently being addressed.

On behalf of the Audit and Compliance Committee, Mr. Waterfield moved that the Board of Regents, upon the recommendation of the President of the University, accept the following:

General Audited Financial Statements for 2009-10

- a. General Financial Statement for Year Ended June 30, 2010
- b. Management Letter
- c. Independence Letter
- d. House Bill 622 Compliance Report for Year Ended June 30, 2010
- e. Kentucky Lease Law Compliance Report for Year Ended June 30, 2010
- f. Business Performance Analysis (including Representation Letter)

Audited Financial Statements – Federal Funds

- a. U.S. Office of Management and Budget Circular A-133 for Year Ended June 30, 2010

Annual Financial Reports – Athletic

- a. National Collegiate Athletic Association (NCAA) Independent Accountants Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for Year Ended June 30, 2010
- b. Murray State University Athletic Foundation Compilation for Year Ended June 30, 2010 and 2009

Mr. Williams seconded and the motion carried.

(See Attachments #7 – #15)

The Committee also received a report from the University's Internal Auditor – Amy Sasseen.

C. Buildings and Grounds – Mr. Adams

Mr. Adams reported the Buildings and Grounds Committee participated in discussion which involved future planning for the Engineering and Physics Building. At the present time there is approximately \$811,000 remaining in that account and whether the University should continue to plan for the facility as per the original plan or if it should make a request to use those funds for renovations was considered. The agenda item did not require action but consensus was reached that the University should continue to pursue the planned construction of the Engineering and Physics Building as outlined in the Campus Master Plan and utilize the \$811,000 in question to continue that process. The Engineering and Physics Building will remain as the University's number one capital construction project priority.

Chair Curris clarified the question before the Board is whether it is required to take action with regard to expenditure of the \$811,000 or whether previous authorization is sufficient. Dr. Dunn indicated previous authorization is sufficient for purposes of expending the funds and Board action would not be required. Chair Curris reported the Board is not changing the intended use of those funds and has accepted the report of the Committee.

D. Enrollment Management and Student Success – Mrs. Buchanon

Mrs. Buchanon reported the Enrollment Management and Student Success Committee received an enrollment report from Fred Dietz, Executive Director for Enrollment Management, and Shawn Smee, Director for Recruitment. Minority enrollment is up 15 percent, international enrollment is up 2.7 percent and graduate and high school dual credit enrollments also increased. The administration must be mindful there has been a decrease in FTE over the last four years and vigilant work must continue to address this issue. The University's graduation rate has decreased and work must also continue in this area. The University can be successful in this work – as has been evidenced through the Student Disability Services Office which has a retention rate of 79 percent and graduation rate of 71 percent.

E. Finance – Mr. Williams – No report.

F. Institutional Advancement – Mrs. Guess – No report.

G. Regional Services – Mrs. Green – No report.

H. Committee of the Whole – Dr. Curris

Chair Curris indicated the Committee of the Whole met during the morning and discussed the vision of where it wants the University to be within five years. Everyone recognizes that nine members have been on this Board for 15 months or less which represents a very unusual turnover. Time was spent formulating thoughts as to where this Board sees the University heading. The exercise Board members participated in prior to discussions resulted in a considerable amount of consensus. No action was taken during the committee meeting but discussions regarding the future strategic direction of Murray State will continue during the BOR Retreat which will be held in conjunction with the quarterly meeting in February 2011.

Other Business

Dr. Dunn reported discussion occurred during the morning committee session in regard to branding as part of the strategic direction for Murray State. The University has undertaken a comprehensive rebranding effort which had its genesis a couple of years ago. This work resulted in subsequent changes pertaining to the use of social media and the website as well as changes in the *University Magazine*. A review of broadcast production services has also taken place with the University receiving acknowledgement of this work. Mr. Carter reported the Kentucky Council for the Advancement and Support of Education (CASE) is the statewide professional organization serving advancement professionals at all levels working in alumni relations, communications and development at more than 70 colleges, universities, private secondary and elementary schools and other educational organizations. While there were 140 submissions for awards during the recent CASE meeting, MSU received 13 awards, including:

University Communications

- Grand Champion – *Roundabout U*
- Grand Champion – MSU official site web design and implementation
- Grand Champion – *Points of Pride* annual report
- Award of Excellence – *The Review* tabloid
- Award of Excellence – *The Blue and Gold* magazine
- Special Merit – *Roundabout Murray* internal newsletter
- Special Merit – Student recruitment publication “Your World to Explore”

Development

- Award of Excellence – Printed publication 1922 Society direct mail item
- Award of Excellence – Web design and implementation for development campaign
- Award of Excellence – Printed publication for ACRES campaign for Hutson School of Agriculture
- Special Merit – Printed publication for campaign case statement direct mail item
- Special Merit – Printed publication for E³ Accounting Department fundraising

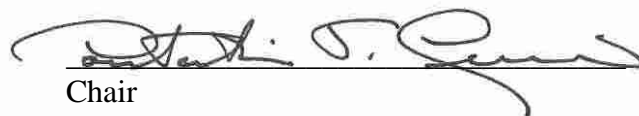
Alumni Affairs

- Award of Excellence – Web design and implementation for alumni site

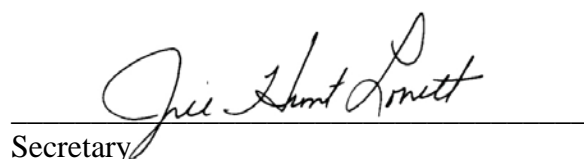
At Regent Thornton’s request, Chair Curris reported the new head of the American Association of Community Colleges – a nationwide organization – is Dr. Walter Bumphus who has two degrees from this institution and was one of the first African-American students at MSU as well as an instructor before he advanced toward doctoral work.

Adjournment

Mr. Williams moved that the Quarterly Meeting of the Murray State University Board of Regents adjourn. Mrs. Guess seconded and the motion carried. Adjournment was at 3 p.m.



Chair



Secretary