

December 2011

2011-12-09

Board of Regents, Murray State University

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**Minutes of the Quarterly Board of Regents Meeting
Murray State University
Friday, December 9, 2011
Jesse Stuart Room – Pogue Library**

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, December 9, 2011, 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 11:34 a.m. and reported all Regents were present with the exception of Jerry Sue Thornton and Harry Lee Waterfield II.

Closed Session

Mr. Williams moved that the Board of Regents convene in Closed Session to discuss a matter which could lead to the appointment, discipline or dismissal of an individual employee, member or student pursuant to Kentucky Revised Statute 61.810(1)(f). Mrs. Green seconded and the motion carried by a show of hands. Chair Curris reported the Board does not anticipate taking any action pursuant to Executive Session. Closed Session began at 11:35 a.m. and ended at 12:30 p.m. Mr. Williams moved that the Board reconvene in Open Session. Mrs. Buchanon seconded and the motion carried.

Adjournment

The Board adjourned for lunch at 12:30 p.m.

Reconvene

Chair Curris reconvened the Murray State University Board of Regents at 1:33 p.m. He expressed regrets on behalf of Regent Jerry Sue Thornton who became ill yesterday and was forced to cancel her plans to attend. Regent Harry Lee Waterfield was also unexpectedly detained on a business matter. Confirmation was provided that a quorum is present.

Roll Call

The roll was called and the following members were present: Marilyn Buchanon, Constantine Curris, Sharon Green, Susan Guess, Jeremiah Johnson, Jack Rose, Phil Schooley, Jenny Sewell and Stephen Williams. Absent: Jerry Sue Thornton and Harry Lee Waterfield II.

Others present were: Randy J. Dunn, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations 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; Jay Morgan, Associate Provost for Graduate Education and Research; Bob Jackson, Associate Vice President for Institutional Advancement; John Rall, General Counsel; Joshua Jacobs, Chief of Staff; and members of the faculty, staff, students, news media and visitors.

AGENDA

1. **Roll Call** **Dr. Curris**
2. **Closed Session**
 - A. **Appointment, Discipline or Dismissal of an Individual Employee, Member or Student** **Dr. Curris**

Adjourn for Lunch/Reconvene Approximately 1 p.m.

3. **Minutes of the Special Meeting – Planning Retreat and Work Session August 25, 2011; Quarterly Meeting and Committee Meetings August 26, 2011; and Special Meeting of the Board of Regents October 14, 2011***
4. **Resolution of Appreciation*** **Dr. Dunn**
 - A. **William C. Adams**

5. **Public Participation**
6. **Report of the President** Dr. Dunn
7. **MSU Spotlight: Veterans Affairs** Ms. Marshall
8. **Report of the Chair** Dr. Curris
9. **Report of the Constituency Regents** Dr. Rose/
Mr. Schooley/
Mr. Johnson
10. **Report of the Treasurer*** Mr. Denton
11. **Report of the Registrar*** Ms. Roberts
(August and December 2011 Conferral of Degrees)
12. **Gifts-in-Kind*** Dr. Dunn
 - A. University Communications – Vision Velvet Paper
 - B. Telecommunications Systems Management - ADTRAN Netvanta and Total Access Networking Equipment
 - C. Hutson School of Agriculture – Arboretum Sidewalk Materials
13. **Naming Proposal*** Dr. Dunn
 - A. *Dr. Howell Clark Analytical Chemistry Laboratory* – Department of Chemistry
14. **University Student Appeals Board Appointments*** Dr. Dunn
15. **NCAA Governing Board Certification** Dr. Dunn
16. **Personnel Changes*** Dr. Dunn
 - A. Professor Emeritus Designation
 - B. Staff Leaves of Absence Without Pay
17. **Committee Reports/Recommendations (Action Items Only Listed):**
 - A. Committee of the Whole Dr. Curris
 - B. Academic Affairs Dr. Thornton
 - C. Audit and Compliance Mr.
Waterfield
 - 1) Audit Financial Statements – General
 - a. Business Performance Analysis (includes management and representation letters)
 - b. Independence/Peer Review Letter
 - c. House Bill 622 Compliance Report for the Year Ended June 30, 2011
 - d. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2011
 - e. General Financial Statement for the Year Ended June 30, 2011
 - 2) Audit Report – Federal
 - a. U.S. Office of Management and Budget Circular A-133 for the Year Ended June 30, 2011
 - 3) Audit Reports – Athletic
 - a. National Collegiate Athletic Association Independent Accountant’s Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2011
 - b. Murray State University Athletic Foundation Compilation for the Year Ended June 30, 2011
 - D. Buildings and Grounds Dr. Rose
 - 1) Razing/Demolition of Ordway Hall

- | | |
|--|---------------------|
| E. Enrollment Management and Student Success
Buchanon | Mrs. |
| F. Finance | Mr. Williams |
| G. Institutional Advancement | Mrs. Guess |
| H. Regional Services | Mrs. Green |

18. Other Business

(*Indicates Board Action Item)

Minutes of the Special Meeting – Planning Retreat and Work Session August 25, 2011, Minutes of the Quarterly Meeting and Committee Meetings August 26, 2011, and Minutes of the Special Board of Regents Meeting October 14, 2011, approved

Mr. Williams moved, seconded by Mr. Schooley, that the Minutes of the Special Meeting – Planning Retreat and Work Session on August 25, 2011, Minutes of the Quarterly Meeting and Committee Meetings on August 26, 2011, and Minutes of the Special Board of Regents Meeting October 14, 2011 be approved as submitted. The motion carried.

William C. Adams – Resolution of Appreciation, adopted

Chair Curris read the following Resolution of Appreciation aloud:

***MURRAY STATE UNIVERSITY
BOARD OF REGENTS***

RESOLUTION OF APPRECIATION

WILLIAM C. ADAMS

WHEREAS, William C. Adams has served with distinction as a member of the Board of Regents of Murray State University from July 2005 through June 2011; and

WHEREAS, he was first appointed to the Board of Regents by Governor Ernie Fletcher; and

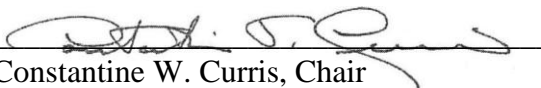
WHEREAS, William C. Adams provided invaluable leadership on the Board through service as Vice Chair of the Board of Regents from July 2009 to June 2011, as Chair of the Audit and Compliance and Buildings and Grounds committees and rendered service as a member of the Athletic, Faculty/Staff Affairs, Finance, Governmental Relations and International Relations committees of the Board of Regents; and

WHEREAS, he also provided service to Murray State University as a member of the Special Regents Task Force to Study Long-Term Planning of Farms and Facilities and Programs and Relationships, the Ad Hoc Presidential Evaluation Committee and as an ex-officio member of the MSU Foundation Board of Trustees; and

WHEREAS, William C. Adams’ service often required the sacrifice of valuable time and the contribution of many hours of difficult work which was rendered selflessly, without reference to personal inconvenience;

NOW, THEREFORE, ON THIS 9TH DAY OF DECEMBER, TWO THOUSAND AND ELEVEN, BE IT RESOLVED that the Board of Regents of Murray State University express to William C. Adams their deep appreciation for his dedicated service to the University and their abiding respect and esteem for his many contributions to the Board;

AND BE IT FURTHER RESOLVED by the Murray State University Board of Regents that this recognition of the contributions and dedication of William C. Adams be preserved in the Minutes of the Board.


Constantine W. Curris, Chair

Dr. Curris moved that the Board of Regents adopt the above *Resolution of Appreciation* for William C. Adams. Mr. Williams seconded and the motion carried.

Mr. Adams indicated it was an extreme honor as a young kid who grew up on West Olive – a block and a half from the MSU campus – to be the Regent who holds the singular honor of riding his bicycle through Wilson Hall, during class, and to also be appointed to this Board. It was a pleasure and wonderful experience to be a part of MSU and the Board of Regents and to be involved in the transition of the University leadership – with two interim and two presidents during his term – which was an interesting experience in itself. He is pleased how it turned out even though he did not vote for President Dunn. Dr. Dunn knows Mr. Adams is pleased and appreciates him. Those Regents who voted for President Dunn made a good decision that day and he is pleased about the direction in which the University is headed. He is thankful for the opportunity to be of service to this University and to the Commonwealth and he thanked Governor Ernie Fletcher for giving him the opportunity. It means a great deal being able to serve with each member present – and he has a warm feeling about all – and appreciates what the members of the Board do and knows the struggles they go through. He wishes the Board the best.

Chair Curris indicated the Board would deviate from the agenda to convene the Institutional Advancement Committee which was delayed from the morning committee meetings due to time constraints.

Institutional Advancement Committee

Susan Guess, Chair
Marilyn Buchanon
Sharon Green
Jenny Sewell
Jerry Sue Thornton

Susan Guess, Chair of the Institutional Advancement Committee, called the meeting to order at 1:45 p.m. and reported all members were present. Mr. Jackson provided the following update on *Hold Thy Banner High: The Campaign for the Students of Murray State University (HTBH)* and governmental relations issues:

- Fiscal year 2011 ended June 30 and was a record year for the University related to private fundraising. Approximately \$10.5 million in gifts was recorded – almost double from the previous year. The University is appreciative to alumni, friends and donors across the country for their significant gifts to the institution.
- When the University embarked on this mission a few years ago the original campaign goal was \$60 million. This summer that goal was exceeded and currently stands at \$63.5 million and President Dunn asked the Development Office to attempt to raise \$70 million by the end of the campaign in Fall 2012. Dr. Jesse Jones from Baton Rouge, Louisiana, provided the lead \$3.6 million campaign gift and there is \$4.6 million in pledges outstanding.
- Over \$730,000 has been given to the University by faculty and staff which is an impressive statistic.
- Recent gifts and naming opportunities include:
 - Dr. Jack and Janice Rose Gift
 - Dr. Jerry Sue Thornton Gift
 - Naming of the CFSB Center and the Hutson School of Agriculture
 - Dedication of the State Farm Financial Services Center
 - Campaign for the Hutson School of Agriculture – ACRES – which closed, far exceeding its original goal
 - Dedication of the Bill and Merry Garrett Agricultural Education and Research Center held during Homecoming
 - Work is underway with a donor in New York City for a \$1 million gift of real estate to MSU and three other institutions

- Over the course of the last few years the estate and planned giving portion of the campaign has assisted the Office of Development in its efforts and planned giving has grown from less than \$5 million to more than \$25 million over the course of the campaign. This means the University holds and will manage many charitable trusts from which the institution will benefit, including life insurance gifts and gifts and annuities – and this work did not occur a few years ago.
- Recent estate gifts naming the University in an individual's Will include:
 - Nell Hall Vickrey Estate – providing a \$500,000 gift to benefit the STEM areas – math, science, technology and engineering – to create a large scholarship endowment for the College of Science, Engineering and Technology (SET)
 - Joe Evens Estate – providing a significant gift to the institution
 - The Hilda Jones Estate – a gift which will benefit Waterfield Library
 - Johnny Russell Estate – a gift which will benefit the College of SET
 - Leon Fleming Gift
- The 1922 Society currently has 138 members who have donated a total of \$265,000 toward this scholarship initiative for children and grandchildren of alumni of this University. The 1922 Walk has been constructed on the Grand Lawn in front of the Science Complex and Jones Clock Tower. Ola Mae Farmer Calhoun – a 1929 alumnae – marked the 1922 Society's 100th member.
- Several mini-campaigns are taking place under the umbrella of the larger campaign and include:
 - Lovett Auditorium initiative which represents an example of work being undertaken to maintain facilities on campus. Over the course of the next few weeks a contract will be let to allow for improvements to Lovett Auditorium funded with private monies.
 - Department of Accounting campaign – E3
 - Baseball (Reagan Field) and basketball (Basketball Practice Facility) campaigns
 - Pogue Library initiatives
- The Office of Development maintains the records of the University after students graduate with two individuals updating addresses, phone numbers, deaths and births, etc. The database currently contains over 100,000 records.
- Dr. Jesse D. Jones recently pledged \$1 million to complete the Regional Business and Innovation Center (RBIC) on the corner of 16th Street and Highway 121. In October 2012 during Homecoming the *HTBH* campaign will close and the RBIC will be dedicated and will include a *Hall of Benefactors and Distinguished Alumni*.
- The naming of the College of Business is important to the University and the regional Case Statement included priorities established at the beginning of the campaign, including additional scholarships.

Mr. Jackson reported the following with regard to governmental relations:

- Many individuals, including Mr. Jackson and Dr. Dunn, are spending a great deal of time in Frankfort, Kentucky. A number of meetings have taken place this fall with legislative leaders – regional members of the Legislature and legislative budget staff, including Mary Lassiter, the Governor's Secretary of the Cabinet and Budget Director – to discuss the next legislative session.
- The University is internally reviewing base funding and the type of requests the institution would likely make. The Board has acted in regard to capital projects and the \$33.13 million Engineering and Physics Building has been determined to be the University's number one project which has been clearly stated in Frankfort.
- The recent Council on Postsecondary Education (CPE) budget proposal contains a 10 percent biennial budget increase request but it is not believed this will come to fruition. On behalf of all higher education institutions the CPE has also requested a \$3 billion Capital Plan over three biennial budgets under a very complicated scheme of a 60/20/10/10 plan which is based on the VFA Study and other metrics.
- The next budget cycle will be tough considering Medicaid, pension issues, state funding and ensuring K-12 education needs are met. A great deal of pressure is being placed on the Governor and the legislature as the session approaches. Members of the Governor's staff MSU representatives have met with, without question, support higher education and education in general and will make every effort possible to ensure the University is supported at the necessary level. Last week a 2 percent cut was made to most state agency budgets but higher education and K-12 education, among others, were exempted from that cut which further illustrates the Governor's support of education. Any increase of more than zero to 2 percent is not anticipated but there is a good possibility some capital projects could be funded. The Governor will deliver the *State of the Commonwealth Budget Address* within the next few weeks and more will be known at that time.
- Many issues are being addressed at the federal level in Washington, DC, but MSU is monitoring funding for the Corporation for Public Broadcasting which provides a great deal of resources to the institution to support the WKMS-FM radio station but is also an area where funding continues to be reduced. Also of concern are restrictions on charitable donations and the negative impact this would have on philanthropic giving to the institution.

In response to a Regent question regarding how much the MSU Foundation pays each year for charitable gift annuities, Mr. Jackson indicated the Foundation holds a few million dollars in

charitable trusts and charitable annuities and while he does not have the exact figure the number is considerable. A request was made for this information to be provided to the Board.

Adjournment

The Institutional Advancement Committee adjourned at 1:57 p.m.

Public Participation

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

Report of the President

President Dunn planned to give up a portion of his time for Carl Prestfeldt, Director for Fiscal Planning and Analysis, to provide an update on the performance scorecard the CPE has negotiated with the institution in terms of performance metrics applied to each institution under the CPE Strategic Agenda. In talking to Chair Curris, and given time constraints today, the decision was made to defer this discussion until the next BOR meeting because the issue is not pressing or time sensitive. Regents may review information regarding the scorecard which was presented in the Supplemental Notebook.

Dr. Dunn reported the following:

People

• Recent Appointments and Honors

- John Roark, J.D. – Director – Office of Sponsored Programs

Mr. Roark indicated it is good to be back in Murray where he received his master's degree in 1979-80 and where he lived as a small child. He was most recently employed at the University of Kentucky and looks forward to working with the Board.

- Mike Young – Assistant Vice President for Student Affairs – named Chapter Advisor of the Year by Alpha Sigma Phi International
- Information Systems highlighted as a “Model of Efficiency” by *University Business* magazine for the Off-site Disaster Recovery Program established a few years ago. The University entered into an agreement with Northern Kentucky University where they assist in housing data for MSU at an off-site location in the event of a campus disaster. This provides a cost-effective way to access this data should such an event occur.

• MSU Event Hostings

- Kentucky Academy of Science was on campus November 4-5, 2011, an event sponsored by the College of Science, Engineering and Technology which brought approximately 600 scientists to the MSU campus.
- Kentucky Engagement Conference – November 17, 2011 – sponsored by the Office of Regional Outreach which brought together various service learning and civic engagement areas for all colleges and universities in Kentucky.

• Accreditations

- Nurse Anesthetist Program received 10-year accreditation by the Council on Accreditation of Nurse Anesthesia Educational Programs (with Trover Healthcare Systems). Marcie Hobbs, Dean of the School of Nursing, reported the letter from the Council on Accreditation stated it was very unusual the 10-year accreditation required no mid-year reporting session.
- Athletic Training received continuing accreditation (through 2015-16) by the Commission on Accreditation of Athletic Training Education.

Dr. Dunn directed the Regent's attention to two pages within the CPE scorecard information. The CPE budget recommendation for the upcoming biennium for general fund support represents the budget request to be provided to the Governor in terms of support for Murray State University. It is not believed this will be the budget proposal that will move forward and if the base budget increases at all it would only be by zero to 2 percent. The University would be pleased if this is the case given the challenges of filling a large state budget deficit. The Governor protected higher education and the institutions in the 2 percent agency reduction announced last week which was another indication of his willingness to buffer state institutions as much as possible. In terms of the components which went into the funding proposal, MSU faces a continuing challenge to receive its fair share in these budget proposals. In the biennial summary provided where the CPE advanced a request of about 10 percent for new dollars,

Murray State's share was considerably less on a percentage basis compared to other institutions and work must continue to advocate for initiatives the administration is trying to accomplish on campus and needs which currently exist. A review of the components included in the CPE budget proposal must be undertaken in order for MSU to be treated more equitably.

Additional information provided included a summary of Capital Funding Requests and a recommendation of \$1 billion per biennium for three biennia and MSU's share of the total (\$3 billion over three biennia). The Board will recall discussion around this request and when initially advanced for review by the CPE Murray State would only have been able to use 10 percent of the \$3 billion allotment for new construction (over three biennia). A considerable amount of time was spent meeting with CPE staff to change thinking on that point and the figure has now been revised so MSU can use at least an amount of that share for new construction equal to the cost of the University's first priority project – the Engineering and Physics Building. The administration convinced the CPE to move from 10 percent for new construction to 23 percent to cover the cost of the Engineering and Physics Building. Given the amount of bonding the Commonwealth has historically undertaken where in a very unusual year there would be \$1 billion per biennium for all purposes – not just for higher education – it is not likely this will be something there is the ability to support but rather will be working more toward continuing to advance the Engineering and Physics Building as the number one capital request on the assumption if there is any capital done it would be to select each campus' number one priority. Updates will be provided to the Board as this issue progresses.

Report of the Chair

Chair Curris reported the Board of Regents convened at approximately 11:30 a.m. and went into Executive Session pursuant to KRS 61.810(1)(f). According to the policy adopted by the Board several years ago, a comprehensive assessment of the President's performance should occur every four to five years and this was the purpose of the Executive Session. Presidential performance evaluation work will continue at the March 2012 Quarterly Meeting. No action was taken during Executive Session.

MSU Spotlight: Veterans Affairs

Alison Marshall, Associate Director for Transfer Center/Veterans Affairs presented a PowerPoint presentation with the following highlights:

- Veterans and their families have sacrificed a great deal and the University's obligation to those individuals is of utmost importance.
- The Flag of Honor holds the names of all of those who died on 9/11 and is displayed in the Veterans Affairs Lounge.
- One of the first goals of the office was to form a veteran student organization to recognize this group of individuals and provide them with a voice on campus. This group is now an official University organization and is recognized nationally by the Student Veterans of America. It allows veteran students to be around one another, many of whom have had the same experiences, and provides a source of support and camaraderie. Ms. Marshall serves as staff advisor and Christopher Hildebrand, a Navy veteran in the Department of English and Philosophy, serves as faculty advisor. The organization meets monthly and during Spring 2012 will hold a fundraising event for the Wounded Warriors Project at Ft. Campbell, Kentucky.
- With the assistance of the Office of the President, a reception was hosted in the Veterans Affairs lounge and appreciation was expressed to Drs. Higginson and Robertson for their assistance in procuring this space. A ceremony which occurred earlier in the day on the steps of Lovett Auditorium provided an opportunity for the University to recognize those who have served and sacrificed. Members of the MSU ROTC Guard presented the colors while members of the Symphonic Wind Ensemble Brass Section played the National Anthem. Dr. Jacobs served as guest speaker for the event.
- On November 12, 2011, a tailgating event for veteran students was held prior to the football game and well over 100 students and their families attended. The Athletic Department provided free tickets to the game so veteran students and their families could attend as part of *Protect and Serve Day*.
- A new course will be offered this spring – Introduction to Creative Writing – which is being taught by Mr. Hildebrand to provide an opportunity for veteran and active students to participate in a class which will include only members of the military. They will study and discuss published works of other war veterans and the possibility of offering additional courses in the future is being considered.
- All furnishings for the Veterans Lounge were donated by local veterans and military units and citizens who wanted to ensure veterans had a comfortable place to visit. A Veterans Affairs work study student – a 20-year retired naval officer – assists in managing the lounge in addition to working

in the Veterans Affairs Office. Each day 15 to 20 veteran students utilize the lounge to relax in a comfortable environment.

- Veterans Affairs staff include Alexendra Dietz, Assistant Registrar and VA Certification Officer, who is responsible for processing and certification of veteran benefits and Ms. Marshall who is responsible for assisting veteran and adult student populations with the admissions process, providing support services, counseling and advising, transcript review and referral services.
- There is also a Veterans Affairs Office at Ft. Campbell where Ms. Marshall travels monthly to assist veterans with the transition process. Those service members transitioning out of the military need assistance with the admissions process and review transcripts, military work and other course work. These services are also offered to dependents and retirees transitioning into the civilian population and who will be taking courses on the MSU Hopkinsville campus, the main campus or through online programs.
- A new program will be previewed in the spring – the Connected Warriors Program – which is a yoga class for veterans and families designed to assist those dealing with stress management and post-traumatic stress disorder due to war-related injuries. MSU is the only institution in the country offering the program.
- A new, dedicated website has been developed to provide access to pertinent information veteran students need, including the paperwork and forms necessary for these individuals to receive educational benefits.
- For the first time a Summer Orientation Program dedicated to veteran and adult student populations was held with well over 100 attendees participating in the two sessions offered.
- The number of veterans utilizing the *GI Bill* is considerable and there was a tremendous increase between the Spring 2011 and Fall 2011 semesters. One main goal is to make the transition for these students as smooth as possible and dealing with the involved federal organizations is no easy task.
- House Bill 425 (HB 425) represents a Bill brought before the legislature earlier this year and the policy was adopted at MSU during the Fall 2011 semester. HB 425 allows post-9/11 recipients to receive resident tuition regardless of their residency status. MSU has always issued in-state tuition to Kentucky military service men and women who were either residents of Kentucky or served on a Kentucky base, but those students who come from other states are now receiving in-state tuition.
- Veterans Affairs will apply to become a member of the *Yellow Ribbon Program* in January 2012 which will provide a strong marketing tool for the office given the fact that many potential veteran students go online to see if an institution is a member of the program before they choose to apply.
- Murray State has also been named a “Military Friendly School,” marking the second year the institution has received this designation from *G.I. Jobs* which is another “go to” site for soldiers looking for schools considered as military friendly institutions.
- Many veteran students have psychological needs which should be addressed and this is evidenced on a daily basis and post-traumatic stress disorder is of significant concern. Training for Ms. Marshall and Mrs. Dietz would be beneficial in the future to ensure veteran students are being properly referred and assisted in every way possible.
- If the University wants to be competitive with other institutions expansion programs need to be addressed for the Hopkinsville campus in terms of online degrees catering to veterans wherever they are serving.
- A video was shown of Murray State University graduates currently serving in Baghdad, Iraq, as part of Operation New Dawn congratulating the Racers on their successful basketball season.
- Confirmation was provided that tuition for children of veterans is covered by federal Chapter 35 and also the Kentucky State Tuition Waiver if these individuals are Kentucky residents.

Appreciation was expressed to Ms. Marshall for an informative presentation.

Report of Constituency Regents

Faculty Regent

Dr. Rose reported all are pleased with the enrollment growth the University experienced this year. Faculty are concerned about possible issues associated with this year’s freshman class and the Board, administration and faculty should work together to determine what the issues are and what can be done to alleviate those concerns.

Discussion occurred at the last Faculty Senate meeting about Murray State University’s treatment by the CPE. The issue involves Eastern Kentucky and Western Kentucky universities having a different set of rules than those which are being applied toward Murray State in terms of how the universities can proceed in certain matters and this is troubling to the faculty. Dr. Dunn provided confirmation there are more than financial issues rising in level of concern in terms of inequitable treatment of the institutions by the CPE. Dr. Rose indicated at Murray State University, more so than at any other university, the faculty operates with the other parts of the

institution – the administration and especially the students – in a family-type atmosphere which is positive in terms of recruitment and the future success of MSU students.

In response to a Regent question regarding whether there is still an advisory group of faculty to the CPE, Dr. Rose reported the COSFL group works with the CPE and Murray State Faculty Senate President – Peggy Pittman-Munke – serves as Chair of that group this year. It is unknown how much impact this group has with the Council but it is believed an open dialogue exists. Dr. Dunn provided confirmation that Dr. Rose is reading the situation in much the same way as he does. On occasion this advisory group is asked to provide advice and weigh in on proposals but the group does not have leverage to direct policy thinking or move decisions.

Staff Regent

Mr. Schooley reported 1,206 Staff Surveys were distributed and 615 were returned for a response rate of 51 percent. A full report will likely be provided at the March 2012 Quarterly Meeting.

Staff Congress activities include the Children's Christmas Party with 110 children participating and the Staff Holiday Reception with approximately 350 staff members attending.

Student Regent

Lynsey Freeman, an MSU senior and Judicial Board Chair, reported the Judicial Board is running smoothly since transitioning from the former ticket appeals process to the new paperless system. A program is utilized through Blackboard to handle the appeals process although the Judicial Board continues to meet on a bi-weekly basis. Over 700 appeals were processed this semester and appreciation was expressed for the transition being made available; everything is moving along much more smoothly.

Betsy Banks, Student Government Association (SGA) Vice President and President of the Campus Activities Board, indicated events which have been offered on campus include:

- Hypnotist Tom DeLuca – an event well attended in Lovett Auditorium
- Various Concerts and Ben Recker as part of "The Reckoning Tour 2012" in Lovett Auditorium
- Representatives from the MTV show "The Buried Life" were on campus and this group helps individuals accomplish things on their bucket list, including playing basketball with President Barack O'Bama in addition to numerous other events which took place across the country.
- Different stress relief activities were offered in the Curris Center throughout the semester to keep students excited, happy to be on campus and involved. It is believed students who are proud of and involved in their campus will be much more successful in their studies.

Jonah Waggoner, President of the Residential College Association, indicated large events which have been held on campus this semester, include:

- Pep Rally for the first home football game
- Hanging of the Green with 300 campus and community members in attendance

Mr. Johnson reported work has been undertaken to establish the Jeanie Morgan Outstanding Student Government Association Member Scholarship, with the goal of endowing that scholarship over the next few years with no University funds being utilized for this purpose.

In February 2012 Mr. Johnson, the SGA Executive Council and 30 to 40 students will travel to Frankfort, Kentucky, to participate in the Higher Education Rally along with participants from the other Kentucky universities. The goal of the Board of Student Body Presidents is for 500 students to be in attendance to create a united front to show support for higher education.

Report of the Treasurer – Quarterly Financial and Investment Reports, accepted

Mr. Denton provided the following financial report highlights:

- With regard to the balance sheet comparing September 30, 2011, with September 30, 2010, overall cash and investments increased by \$16.7 million and included several large items: the issuance of bonds in July (\$7.5 million to renovate Elizabeth Residential College) and those funds have not yet been expended; the CFSB Center \$3.1 million contribution was received and the increase in the fund balance from operations.
- With regard to liabilities, bonds, notes and capital leases decreased by \$1.4 million primarily due to payments made.

- With regard to General Fund operations for three months of activity, there is \$34.3 million in net tuition compared to a budget of \$65.3 million but the University is on track to meet budget and perhaps have excess tuition revenues. Last year there was a substantial overage in actual versus budget in net tuition but this year it is expected to be much tighter.
- With regard to expenditures, instruction costs are \$1 million greater than prior year primarily due to salary and fringe benefits and positions which have been added in the current budget. The University is approximately in the same position this year as it was in prior year (\$100,000 less) with a \$22.4 million net increase after three months of activity.
- With regard to the auxiliary fund, Food Services is \$500,000 better off this year over last year (increase in dining plans sold), housing services are up approximately \$500,000 (increase in occupancy) and Bookstore revenue increased by \$100,000 over prior year. This represents three months of activity and timing issues could exist but it appears as though auxiliaries are up substantially over prior year.
- Interest earnings remain low.

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, 2011, through September 30, 2011, as presented. Mrs. Guess seconded and the motion carried.

(See Attachment #1)

Report of the Registrar, accepted

Dr. Rose moved that the Board of Regents ratify the awarding of degrees to August and December 2011 graduates on December 10, 2011, as recommended by the Office of the Registrar. Mr. Schooley seconded and the motion carried.

(See Attachment #2)

Gifts-in-Kind, accepted

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, accept the following donations:

- 18,000 lbs. of 70# Vision Velvet Paper valued at \$10,800 which was donated by NewPage of Wickliffe, Kentucky.
- ADTRAN Netvanta and Total Access Networking Equipment valued at \$10,160 which was donated by ADTRAN, Incorporated of Huntsville, Alabama.
- Concrete, color and liquid release for the Arboretum sidewalks valued at \$5,296.51 which was donated by Federal Materials Company of Paducah, Kentucky.

Dr. Rose seconded and the motion carried.

Naming Proposal, approved

Dr. Rose moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities Committee, approve the naming of the Analytical Chemistry Laboratory the *Dr. Howell Clark Analytical Chemistry Laboratory* in honor of Dr. Howell and Rebecca Clark. Mr. Schooley seconded.

Dr. Rose reported Dr. Clark was very special to him. The first year Dr. Clark taught Analysis in Chemistry in 1965, Dr. Rose was in the first group of students taking the class and all found him to be an outstanding professor and even more of an outstanding human being. It is exciting to be able to name part of this facility in honor of him because he has been an inspiration for so many young people, especially chemistry majors. He has also influenced members of the community in many ways and is a true, genuine human being and one of the most easy going, straightforward, honest people one will ever meet. He is pleased the Board is able to honor Dr. Clark in this way.

Chair Curris indicated during his tenure as President of MSU Dr. Clark was a Distinguished Professor. Max Carman served this University as a mathematics professor for over 30 years and on the occasion of his retirement the Max G. Carman Award for Outstanding Teaching was

established. Dr. Clark was the first recipient of the award which says a great deal about what those who taught with him thought about him and he is pleased to honor Dr. Clark.

The motion carried.

University Appeals Board Appointments, approved

Dr. Dunn reported by virtue of a change in statute the name of this committee changed from the University Student Appeals Board to the University Appeals Board.

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 Appeals Board for the terms indicated.

Faculty: Three-year term (2011-14)

- Crystal Coleman, Senior Lecturer, Department of Organizational Communication – College of Business
- Joyce Shatzer, Associate Professor, Department of Early Childhood and Elementary Education – College of Education

Students: One-year term (2011-12)

- Brooke Borders, Lynsey Freeman, Michael Shepherd

Mrs. Guess seconded and the motion carried.

NCAA Governing Board Certification

Dr. Dunn reported the National Collegiate Athletic Association and Ohio Valley Conference require certification by its member boards indicating institutional control over athletics resides with the President.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, adopt the attached National Collegiate Athletic Association/Ohio Valley Conference Certification form for athletics for academic year 2011-12. Mrs. Guess seconded and the motion carried.

(See Attachment #3)

Personnel Changes, approved

Professor Emeritus Designation

Dr. Dunn reported under Board policy within the *Faculty Handbook* the Board has the opportunity to designate the rank of Professor Emeritus for distinguished service to the University for a faculty member serving for at least ten years.

Dr. Rose moved that the Board of Regents, upon the recommendation of the President of the University, approve extending the honorary title of *Professor Emeritus of Chemistry* to Dr. Jeffrey Anderson upon his retirement from Murray State University, effective January 1, 2012. Mr. Johnson seconded and the motion carried.

Staff Leaves of Absence Without Pay

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence as listed below:

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Howard Baier	Facilities Management	09/06/11-12/09/11
Jennifer Binkley	KATE	09/06/11-10/31/11
Jessica Darnell	CFSB Center	08/29/11-09/07/11
Amber Harris	Center for TSM	09/22/11-10/07/11

Emily Hill	Health Services	12/02/11-01/02/12
Ronny Hollingsworth	Facilities Management	09/08/11-09/12/11
Anthony Jones	Facilities Management	10/10/11-10/17/11
Anthony Jones	Facilities Management	10/24/11-10/28/11
David Lucas	Dining Services	11/29/11-12/31/11
Ronnie Olive	Facilities Management	09/02/11-09/05/11
Ronnie Olive	Facilities Management	09/09/11-09/13/11
Gary Pace	Facilities Management	08/09/11-09/18/11
Cynthia Parrish	Dining Services	10/18/11-12/12/11
Rena Pivoras	Dining Services	08/18/11-10/03/11
Crystal Riley*	Transfer Center	10/17/11-11/04/11
Anita Ross	Dining Services	10/06/11-11/15/11
Scott Scarbrough	Facilities Management	08/06/11-08/22/11
Scott Scarbrough	Facilities Management	09/12/11-09/15/11
Mattie Smith	Facilities Management	08/03/11-08/09/11
Michael Smith	Facilities Management	08/05/11-08/15/11
Horace Tharpe	Facilities Management	07/07/11-07/15/11
Mary Wells	Facilities Management	10/19/11-11/30/11

*Intermittent Leave

Mr. Schooley seconded and the motion carried.

Committee Reports/Recommendations

Committee of the Whole – Dr. Curris – No report.

Academic Affairs – Dr. Thornton – No report.

Audit and Compliance – Mr. Waterfield

On behalf of the Audit and Compliance Committee, Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, accept the following general, federal and athletic audit reports:

General

- Business Performance Analysis (includes management and representation letters)
- Independence/Peer Review Letter
- House Bill 622 Compliance Report for the Year Ended June 30, 2011
- Kentucky Lease Law Compliance Report for the Year Ended June 30, 2011
- General Financial Statement for the Year Ended June 30, 2011

Federal

- U.S. Office of Management and Budget Circular A-133 for the Year Ended June 30, 2011

Athletic

- NCAA Independent Accountant's Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2011
- Murray State University Athletic Foundation Compilation for the Year Ended June 30, 2011

Mr. Williams seconded and the motion carried.

(See Attachments #4 – #11)

Chair Curris reported the University received an unqualified audit. There were a couple of suggestions for improvement which are being taken under consideration but the University received a clean audit. The auditors complimented Murray State staff and the strong financial condition of the University.

Buildings and Grounds – Dr. Rose

Dr. Rose reported four of five members of the Buildings and Grounds Committee were present with Mr. Waterfield being absent. The Committee began with a tour of Ordway Hall led by Kim Oatman, Chief Facilities Officer. For several months the determination of how to handle this facility has been before the Board and it is time for the BOR to take definitive action. Following the tour and Mr. Oatman's presentation, the Board engaged in considerable discussion and the Buildings and Grounds Committee approved advancing the recommendation which follows to the Board by a vote of 3 to 1. It is likely a unanimous decision will not result.

Razing/Demolition of Ordway Hall, approved with restriction

On behalf of the Buildings and Grounds Committee, Dr. Rose moved that the Board of Regents, upon recommendation of the President of the University, approve the razing of Ordway Hall to include demolition of the building, relocation of required utilities and removal of certain architectural components for use in an appropriate memorial to be constructed within the project budget and in other campus facilities.

It was further moved by the members of the Board of Regents that no action be taken with regard to this recommendation prior to the June 1, 2012, Quarterly Board of Regents Meeting in the event the administration is able to secure a grant or identify an appropriate foundation to fully fund the renovation cost for this facility (\$10 million) which includes all necessary structural upgrades and results in 27,000 square feet of usable space.

Mrs. Guess seconded and discussion followed.

Mr. Oatman provided a summary in terms of the cost of renovation for the facility as opposed to new construction. One estimate provided to the Board would involve full renovation of the building without structural upgrades at a total cost of nearly \$8 million (\$7,991,000). If the facility is to be maintained on the University's inventory, the administration would recommend a second option which would be full renovation with structural upgrades at a total cost of \$9.4 million which would result in 27,000 square feet of usable space. It is not advisable to renovate the building because new space could be built more cost effectively. Dr. Dunn recommends razing the structure but if a determination is made by the Board to undertake renovation any work undertaken should result in a facility which meets all structural upgrades.

The roll was called with the following voting: Mrs. Buchanan, no, with the following statement: "This building was named after Mr. G. P. Ordway who was a businessman from Kuttawa, Kentucky, the fifth Regent to be appointed at Murray State University and the first Regent to have a building named for him. This building does not belong to this Board, it belongs to the citizens of Kentucky, it belongs to the alumni of this University who have studied here for the past several years and it belongs to the students of the future who will share in a rich tradition we have enjoyed. It is a part of all of us and when we destroy it we destroy a part of ourselves."

The roll call vote continued as follows: Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Dr. Rose, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Williams, yes; and Dr. Curris, yes.

Dr. Curris reported this was a difficult decision because he has a deep commitment to the preservation of buildings – as many around the table do. The financial figures associated with renovation were basically the catalyst that moved the needle in terms of his vote. The usable space in this building is limited by its structural components and there is less than 30,000 square feet that can be used and net assignable square feet is considerably less by virtue of the structure of the building. MSU has a wonderful heritage and several legacy buildings which were built in a period of about 10 to 15 years from its founding – Wilson Hall, Wrather Hall, Wells Hall, Pogue Library, Lovett Auditorium, the old Fine Arts Building, Ordway Hall and the Carr Health Building – which is the wonderful news. The not so wonderful news is all these tremendous buildings are now in that 80-year-old period and over the years good effort has been made to renovate some of these facilities. In the early 1970s renovations were undertaken in Ordway Hall but the lesson learned is one cannot do piecemeal renovations on older buildings but instead a full commitment must be made to these facilities. It is evident work has taken place on the facility, but there has been water filtration into this building, on top of its structural limitations, and when the Board considers the needs of MSU today – particularly the scientific, engineering and technology laboratories – a building like Ordway Hall cannot be retrofitted to meet those needs nor is its structural capacity strong enough to support Library stacks. There is a great need

to save heritage buildings but the University must also be able to provide quality education and opportunities for faculty in newer facilities which are constructed far differently than the old. He is not critical of any previous administration but with hindsight more attention should perhaps have been given to Ordway Hall which also illustrates the administration and Board must ensure needs in other legacy buildings on campus are addressed in order to preserve those facilities. There is the possibility under the Resolution which was presented that an alternative funding source to cover the full cost of renovation could become available and the administration has indicated a conscientious effort would be made to identify such sources of funding. Taking into consideration the structure and its seismic implications, full renovation must be pursued because any type of earthquake would implode the building. The Board needs to make this decision because it cannot have a building that continues to deteriorate with people moving in and out of it due to the danger associated with doing so. It is painful for him to vote yes on this recommendation because in his heart he wishes he were not voting yes, but in terms of the responsibility of the Board to the citizens of the Commonwealth to be good stewards the BOR must make as prudent use of limited resources as possible. Chair Curris expressed appreciation for being able to share his sentiments as he cast his vote.

The motion carried by a vote of 8 to 1.

Enrollment Management and Student Success – Mrs. Buchanon

Mrs. Buchanon reported the Enrollment Management and Student Success Committee met during the morning and received a report from Fred Dietz, Executive Director for Enrollment Management. Highlights included:

- The largest enrollment in Murray State University history – 10,623 students (up approximately 2 percent)
- Increase in first-time freshmen by 130 students
- Increase in 18-county service region in terms of first-time freshman students
- Increase in African-American and international enrollment
- Increase in the number of students living in the residential colleges

Finance – Mr. Williams – No report.

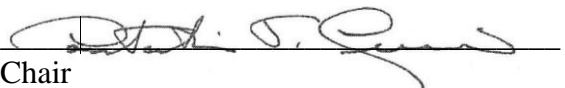
Regional Services – Mrs. Green – No report.

Other Business

Dr. Dunn indicated the standing reports which are provided to the Board each quarter were included in the Supplemental Notebook. Also included was a memorandum with attached spreadsheets as a result of a query at the Quarterly Meeting in August 2011 in terms of comparative international tuition rates.

Adjournment

Dr. Curris moved, seconded by Mr. Schooley, that the Quarterly Board of Regents meeting adjourn. The motion carried and adjournment was at 3:08 p.m.


Chair


Secretary

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