April 2012

2012-04-27

Board of Regents, Murray State University

Minutes of the Special Board of Regents Meeting
Murray State University
Friday, April 27, 2012
Jesse Stuart Room – Pogue Library

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, April 27, 2012, in special 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 9 a.m.

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, Harry Lee Waterfield and Stephen Williams. Absent: Jerry Sue Thornton.

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; 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, General Counsel; Joshua Jacobs, Chief of Staff; and members of the faculty, staff, students, news media and visitors.

AGENDA

SPECIAL MEETING OF THE BOARD OF REGENTS
Murray State University
Pogue Library – Jesse Stuart Room
Friday, April 27, 2012

1. Call to Order/Roll Call	
2. 2012-13 Tuition and Mandatory Fees	**Dr. Dunn/Mr. Denton**
3. 2012-13 Housing and Dining Rates	**Dr. Robertson/Dr. Wilson/ Ms. Amols**
4. Update on Paducah Regional Campus Education Center Design	**Dr. Dunn/Mr. Oatman**
5. Adjournment	

Chair Curris reported Student Regent Jeremiah Johnson was re-elected for a second term in a landslide victory and expressed congratulations.

2012-13 Tuition and Mandatory Fees, discussed

Dr. Dunn reported today's PowerPoint presentation is the same as the one shown for the Tuition Forum held yesterday which was attended by four students and included the following highlights:

- Data was included in the presentation which justifies areas of new spending and provides information on investments and associated yield.
- The University consistently strives to achieve a balance between pricing while also ensuring the resources necessary to maintain quality and carry out the mission of the institution are in place. Recent recognitions for the University by various agencies illustrate administrative efforts to be good stewards of money invested – whether state dollars or tuition – which produces good outcomes that are recognized nationally.
- A baseline comparison of present year tuition and mandatory fees (academic fees paid by each student) was provided and illustrates among the regional state institutions Murray State is in the lower

pricing level but with a high degree of quality. MSU competes each year with Kentucky State for the lowest pricing and Morehead has initiated a per credit hour pricing program. Some Regents will recall MSU attempted to undertake a similar model as a result of the work of the *BOR Tuition Task Force* but the initiative was not allowed to move forward at the state level. Morehead is now reaping the benefits associated with initiating that pricing structure.

- In regard to the traditional rate of tuition and fee increases, information was presented from 1982 through 2012. This history illustrates the University has proceeded judiciously over the past five years and has been prudent and reflective in terms of the needs of the families it serves.
- If approved, the tuition percentage increase recommended today (3 percent) will represent the lowest percentage increase over the past 14 years.
- In response to a question regarding when Kentucky universities started setting their own tuition rates, Dr. Dunn responded the Council on Postsecondary Education (CPE) was created as a result of the 1997 statute which provided that body with tuition authority. The CPE had authority to set tuition ceilings or caps but were not required to utilize that authority. During his tenure the CPE has exercised its authority to set a tuition increase ceiling beginning in 2008-09, meaning the University has been operating within parameters set by the CPE over the last four years.
- When making a tuition recommendation for the coming year standard operating procedure has been for the administration to compare Murray State against the other Kentucky public institutions. Preliminary estimates on how the other institutions plan to proceed in terms of percentage increases for tuition and fees (on a semester basis) were provided. Particularly noteworthy is the impact of the Special Use Fee at Northern Kentucky University beginning in 2012-13 which the institution will utilize to construct a student center.
- The average cost of attendance at Murray State places the institution in the lower level and overall tuition would increase by $96 per semester for a full-time student under the current recommendation.
- The University is now required by the federal government to undertake a calculation on total cost of attendance and this information must be provided online via a price calculator so students can visit a website for each institution to determine the net price associated with attending a particular university. This information is based on a host of factors – not just tuition and fees – and includes personal costs of attendance. In terms of total cost of attendance Murray State's relative standing remains the same but with personal costs added in MSU moves to third on the list among the public universities, likely due to travel costs associated with where the University is located. Housing and dining rates place the University in the middle of the pack and when personal costs are added in MSU jumps considerably on the list. This played a role in Dr. Dunn's recommendation to increase tuition at a rate less than what it is believed other schools in the state will pursue.
- Information was provided on tuition and fees for this year (2011-12) for the Kentucky comprehensive and regional benchmark institutions compared to the same information for MSU at the 2012-13 proposed increase. Even with this tuition increase the University would remain in the bottom one-third in terms of tuition and mandatory fees.
- Support of the 3 percent tuition and mandatory fee increase with regard to revenue includes gross tuition from an enrollment increase of 2 percent, gross tuition increase from 3 percent rate increase, gross tuition from prior year (actual excess over budget), net tuition for online course initiative and mandatory fee increases for a total of $5,686,561. Subtracting scholarships and waivers ($3,527,917) leaves a subtotal of $2,158,644 and with the reduction in state appropriations-general operations ($3,282,400) total revenue and other funding sources totals a negative $1,123,756.
- Salary increases are included in the budget for the Staff Compensation Study final adjustment, overtime, academic promotions, job audits, residential college participation, Residential College Head academic base increase and faculty and staff awards ($477,350 total) and fringe benefits increase of $1,039,138. No provision for an overall salary pool increase (merit) has been included, pending Board action today.
- Priority/new spending commitments include:
    - Academic Affairs – a new Office of Assessment, Recruiter position for the Institute for International Studies, Lecturer for Industrial and Engineering Technology in Madisonville, Counselor for Veterans Affairs (Registrar's Office), Assistant Professor for Wellness and Therapeutic Sciences, Academic Advisor/Teach First Year Experience, salary line adjustment to absorb the remainder of the Kellogg Grant position and for a School of Nursing Assistant Professor, Racer Writing Center graduate assistants, Academic Affairs/Student Affairs Mapworks Advising System and Recruitment travel
    - Student Affairs – salary line adjustment for a Retention Specialist, software maintenance for the Enrollment Management Annual Banner System and for the Financial Aid Net Price Calculator (website)
    - Institutional Advancement – CFSB Center Accountant and salary line adjustment for the CFSB and Lovett Auditorium Director
    - Finance and Administrative Services – hazardous materials response service, audit contract base increase, software maintenance for Touchnet Mobile Student Payment and the Hourly Employee Timekeeping System
    - General Institution – 3 percent increase in utilities, employee wellness incentives for discounts on health insurance, student-related technology funded from technology fees and reduction of special

funding due to state appropriation reduction (including Breathitt Veterinary Center, Action Agenda, Regional Stewardship and Faculty Development)

- A 3 percent tuition and mandatory fees increase leaves an operating deficit of approximately $3.1 million. The administration has held back about $6.2 million in carryforward operating reserves and is proposing utilizing approximately $3.1 million in carryforwards for one year (one-half of the reserves) to cover the deficit.
- In terms of revenue and other funding sources and the statement that many of the items presented are variable in nature, the question was asked what an additional 1 percent increase in tuition and mandatory fees would yield toward the bottom line for the institution. Mr. Denton reported 1 percent net tuition after scholarships and waivers would be approximately $525,000 and it was indicated the institution discounts out approximately 34 percent of tuition.
- Dr. Dunn clarified the Board is not approving any priority spending but this information was provided to illustrate various University needs which exist within the overall context of the tuition discussion. The administration is comfortable with the projected 2 percent increase in enrollment but even if that becomes challenged there is some comfort level available by utilizing additional reserve dollars.

Additional Regent comments included:

- Although there is no reason to question the 2 percent projected enrollment increase, there are also no dollars set aside to cover instruction for the additional students. This may not be a major issue during the freshman year but as these students progress they will not necessarily go to an area or major where there is flexibility in terms of available faculty but instead gravitate toward those areas which are already oversubscribed. There will be liability of some amount of money needed in future years for faculty to cover increased enrollment. When compounded with over $3 million in reserves being utilized, there is cause for concern. The basis for this concern is one year from now the University will start the year with a $3 million deficit because one-time money has been used for recurring obligations. There may be additional non-discretionary obligations – such as health insurance or FICA increases – that would need to be covered above the $3 million deficit and for which the University has no control. The initiative of the President and staff to hold tuition and the cost of attendance for students and their families as low as possible is applauded but a 3 percent tuition and mandatory fee increase, given what could confront the institution one year from now, may not be adequate. This also assumes there will be flexibility in terms of tuition next year to help cover such costs and this remains unknown because throughout the country efforts are being made to hold any type of tuition increase to the cost of living increase and in a few states tuition increases have been banned altogether. The question is how well the University positions itself to handle the unknown.
- There is concern if tuition is not raised by the maximum ceiling allowed by the CPE the state will view that not in terms of the institution trying to keep tuition increases as low as possible but instead as the University only needing a 3 percent increase next year. Dr. Dunn indicated he does not disagree with this observation and it represents the argument he has made in past years to this Board.
- There is concern the state could also mandate a mid-year giveback.
- Most businesses do not have the opportunity to carry over funding and because it is not a common business practice an explanation of the process was requested. Mr. Denton reported over the years the University has had reserves with excess revenues over expenditures. A portion of those reserves would normally have been distributed back to the departments. This funding represents the amount of money those departments saved within their operating budgets. The $6.2 million will be covered by reserves from year ended June 30, 2009, and roughly one-half of reserves from year ended June 30, 2011. A portion of reserves would be used as one-time money for one year. If one-half of this money is used then by the second year – 2013-14 – for the year prior the budget workgroups will have completed their reviews to determine how to restructure and reorganize units within the University and identify alternate sources of revenue and cost efficiencies. Substantial changes would be made within the institution in order to identify this level of funding. For 2012-13 one-time money would be used to carry the University through the year and for 2013-14 the changes referenced above would be made on a permanent basis which would leave over $3 million in reserves that could be held for a while and then perhaps distributed back to the departments. Dr. Dunn indicated in terms of operating reserves these sources do not represent the only available discretionary funding and the one-time use of reserves does not place the University in a precarious cash position. A driver in recommending a 3 percent increase in tuition and mandatory fees was the fact that over the next year work will occur to undertake a significant, heavy-duty, time intensive and careful review of a host of factors relating to the financial model for the operations of the University. This work will occur with the Board's approval and the issue will be discussed further at the June meeting. Assuming the Board approves undertaking this work, there are program areas where reprioritization needs to be undertaken and organizational efficiencies reviewed to determine areas in which the University can be leaner and more operationally efficient. Alternative revenue generation should continue to be considered because opportunities exist which must be examined. These areas create an organizational underbrush and until they are reviewed thoughtfully and carefully, alternative revenue sources are considered and decisions are made based on the outcome of this work, it is difficult to justify recommending a higher tuition increase, especially since the administration can make things work for the next year with the proposed 3 percent increase. The arguments are good ones but until the University makes a big push to be more aggressive on pricing, this process must be undertaken so

students and their families are aware this work has occurred and any tuition increases are as lean as possible while still allowing the administration to fulfill the mission of the University. Once this work occurs a better case can be made for a more aggressive pricing structure if the Board so chooses.

- Utilizing carryforwards in essence means departments and areas of the University that have been frugal in spending throughout the year are now being punished by not receiving that funding. This could cause other departments to spend their money throughout the year and not be as frugal. Dr. Dunn agreed with a portion of this statement but indicated as carryforwards are being considered with the operating units there is no promise they will have access to that money because it is institutional funding. In many places – whether in the public or private sector – there is no access to such funding. The University departments have had access to this money and as Mr. Denton indicated, operating reserves which have been set aside for this purpose include a portion from the 2009 fiscal year and one-half from this fiscal year. The departments have had the opportunity to parcel that money together to buy equipment or undertake other costly projects. They are taking somewhat of a "hit" for those two pools of reserves that have been held for exactly this purpose but they have also had access to a large share of that funding over the years.
- Confirmation was provided that scholarships and waivers have increased in order to better assure the projected increase in enrollment (200 students).
- A great deal of carryforwards being utilized (about 60 percent) comes from the budgets of the various colleges and schools (academic units) and often there is a conscious effort to accumulate these monies to accomplish a larger project. There is some concern regarding new expenditures being proposed for the next fiscal year because the focus should remain on the quality of teaching and classroom instruction. The lowest tuition possible is desirable as long as the institution is able to maintain quality that will enable MSU students to compete throughout the world.
- The Board should think beyond the recommended 3 percent tuition and mandatory fee increase. In 1990 the Kentucky Education Reform Act was passed and represented sweeping reform for elementary and secondary education in Kentucky. One minor part of this work provided local school boards with the authority each year to increase the local property tax generated – or the equivalency of the local property tax – up to 4 percent. The boards in some Kentucky districts bragged about not increasing their revenue by charging local citizens and this process is great as long as it works. Two to three years later superintendents were trying to make a case with legislators that additional funding was needed but those legislators produced a list and pointed out each school system that did not take advantage of the opportunity to raise additional revenue by increasing the local property tax when that option was available. The Board must be sure to thoroughly think through the process in terms of approving less than a 5 percent tuition and mandatory fee increase. As part of the process a determination must be made regarding how the institution will explain to the CPE and the legislature that the University did not take advantage of the opportunity to raise additional revenue when it was made available. If the Board approves less than a 5 percent increase in tuition and mandatory fees it must be ready to explain to the CPE and legislators how the institution did not have a perceived need or the intestinal fortitude (or both) to keep the institution on the plateau. A case cannot be made with the legislature for more funding for higher education if the institution does not help itself.
- Whether the CPE has authority to set differential tuition increases for Kentucky public institutions – although they have not done so in the past – was questioned and Dr. Dunn indicated he understands the phenomenon mentioned but that is not the nature of current CPE discussions. The coin of the realm in Frankfort is lower pricing to demonstrate the institution is controlling costs and trying to keep affordability and accessibility strong but it is unknown which approach would benefit the University more politically. Great credit will be given to the University politically and whether that gets turned on its face at some point, which would negatively affect the institution, is unknown. It is not believed MSU will be seen as a "bad" outlier because the Board and administration have consciously kept tuition increases to the lowest level possible.
- Dr. Dunn will not move forward in the budget workgroup process without approval from the Board on a model and approach to follow to undertake work to identify savings throughout the institution and the proposal presented today hinges on that work.
- A hard look at the travel expenses of the University must occur because they represent 2.8 percent of the operating budget and when economic times are as they are this is troublesome. IPEDS data suggests Murray State has fewer students but more faculty and more expense per FTE than its peer group. All these issues must be reviewed. Dr. Dunn added Murray State also has more quality.
- The President's intention about the departments making necessary cuts has been heard and this work must happen. It is also known expenses in some categories – gasoline, natural gas and electrical expenses – are set by the market and will increase. These do not represent expenses which can be cut or that the University has control over. It is known the economy is growing at a 2 percent rate but that growth is beginning to stall and it was also a very warm winter which resulted in large increases in revenue at the state level but that situation is not likely to repeat itself in the coming years. Whether there will be appreciable additional income from the state next year is unknown and this Board does not need to have its back against the wall. School boards always took the compensating rate – the amount that had gone down in revenue but was made up with a small bump in additional taxes. One must learn to do with less while maintaining quality but must also compensate in order to do so. Not knowing where the institution will be next year and how the state will proceed, this Board should approve a tuition and mandatory fee increase greater than 3 percent.

- The recommended tuition increase – 3 percent – would result in a net operating deficit of $3.1 million and in order to "balance the books" roughly one-half of the University's operating reserves would be used to cover the shortage. The amount of the deficit would be affected – either up or down – by a 1 percent increase above or below the proposed 3 percent increase by roughly $525,000. The model which has been presented to the Board is dependent upon a 2 percent enrollment increase and includes what has preliminarily been recommended for budget and expenses but this has not been scrutinized by the Board and could vary. Mr. Denton reported a 5 percent tuition increase would yield a deficit of $1,848,000 ($650,000 per percentage) which includes no salary pool and represents using about one-third of the University's reserves instead of one-half. A 4 percent tuition increase would yield a deficit of approximately $2.4 million which does not include added costs which must be proportionately factored into the equation.
- The Board must ensure it is asking the right questions from a policy standpoint and in the current climate must be sensitive to the fact salaries for faculty and staff are not being increased and must be careful about adding administrative expense (FTE or other). This represents another area for discussion during the June meeting.
- It is obvious this Board feels very strongly that it should be sensitive to the issue of tuition increases and those should be kept as low as possible and reasonable. At the same time it is the Board's fiduciary responsibility to keep the organization in good financial standing.
- Dr. Dunn reported information was provided regarding the higher education price index which is a CPI for higher education and the recommended 3 percent tuition and mandatory fee increase is reflective of cost increases based on this index specifically applicable to higher education.

2012-13 Tuition and Mandatory Fees, approved

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents approve the attached 2012-13 undergraduate and graduate tuition and mandatory fee rates representing a 4 percent increase for the 2012-13 academic year and the new rates for the Doctor of Nursing Practice. Dr. Rose seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, no; Dr. Rose, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried by a vote of 9 to 1.

(See Attachments #1)

2012-13 Housing and Dining Rates, discussed

Dr. Dunn reported the following:

- Dining services, housing/residence life and the University Store are part of a larger auxiliary account and all costs associated with those operations are born by that fund. A subsidy from the General Fund is not provided and all costs for services are paid with auxiliary revenues.
- Proposed rate increase for residential meal plans equals 4 percent for all plans ($59 to $62 per semester)
- Twelve percent of the dining budget is used to cover auxiliary debt service which must be paid with auxiliary revenue
- Food cost increases predicted to be 5 to 6 percent ($175,000) and utilities projected to increase by 5 percent
- Benefit cost increases, including Kentucky Employees Retirement System for regular staff (19.12 percent) and Kentucky Teacher's Retirement System (2.4 percent)
- Deferred maintenance and replacement of old, malfunctioning equipment, including Winslow Dining Hall dish machine, Thoroughbred Room dish conveyor belt and Winslow flooring ($330,000)
- Student employee wages with an increase of .25 per hour for returning students with one year of service (estimated 350 MSU students employed)
- Residential meal plans include unlimited ($62 increase and unlimited access to Winslow for the entire semester, eight guest meals and $75 Flex to spend at other campus dining venues), 175/400 ($62 increase, 175 Winslow meals and $400 Flex to spend at any campus dining venue) and 150/300 ($59 increase, 150 Winslow meals and $300 Flex to spend at any campus dining venue
- No increase for commuter meal plans
- Introducing Summer Flex (150 Flex dollars for $135) which can be used in Thoroughbred Room, Curris Center Thoroughbrewed Café, Winslow, Fast Track, Dunker's Deli and Waterfield Library
- Dining service rate comparison to 15 schools with compatible plan equivalents was provided with Murray State being near the median or slightly higher in terms of cost with some schools not yet setting rates for 2012-13
- Room rate increase revenues used to provide for deferred maintenance account, increased dollars for routine maintenance and cleaning, budget for student scholarships in excess of $800,000, benefit increases and additional dollars for furniture upgrades in the residential college facilities

- $800,000 in student housing scholarships is provided through the University although funding for this initiative has been limited over the last few years because it is a major cost factor. In the past these scholarships were given routinely but this practice cannot continue while maintaining competitive housing rates. The issue will continue to be reviewed and each year the benefit of offering these scholarships must be considered carefully due to the associated expense.
- Proposed housing rates for Franklin and Springer residential colleges include no increase while double and private room rates for Hart, Hester, White and Regents would increase by $60 per semester. Elizabeth College is closed for renovation but the 2012-13 rates include a 3 percent increase above current rates and a $250 premium to live in that facility. Lee Clark and Richmond residential college rates would increase by $75 per semester. No price increase is recommended for College Courts.
- A truncated housing comparison was provided and Murray State is near the median or slightly higher.

David Wilson, Director of Housing, reported renovation work in Elizabeth Residential College is on schedule and each student previously housed in this facility has indicated a desire to return once renovation work has been completed. Occupancy rates in the remaining residential colleges remain strong – approximately 98 percent during fall semesters and 90 percent during spring semesters. When Elizabeth Residential College comes back online the University will be able to house approximately 3,200 students among all on-campus housing facilities. In response to a question regarding whether a plan is in place if all on-campus housing options become fully occupied and what options would be available to students required to live on campus if that occurs, Dr. Wilson indicated a plan to address this situation is not in place because it is not a situation that has presented itself at MSU. Old Richmond College (178 capacity) could be used to house any overflow. During the fall semesters private rooms are only issued to students requiring special accommodations. Most housing directors would prefer to have just below capacity so if changes are necessary there is flexibility to address those situations. There is also some variability in terms of which students are required to live on campus and currently freshmen and sophomore students are required to live in campus housing. If a student lives in their parent’s legal residence (within a 50 mile radius) they are permitted to commute from home. There are other exceptions to the requirement for freshmen and sophomores to live on campus that are based on age, military service and married status. Regional tuition students were required to live on campus for four years but a few years ago that requirement changed to three years or until the student accumulates 90 credit hours. Available activities and staff working in the residential colleges help students become more involved in campus life and contribute toward making the collegiate experience a successful and positive one. Murray State places a strong emphasis on safety while some off-campus housing facilities may not.

A Regent reported the charts provided to the Board illustrate overall housing costs at MSU place the University as the third highest in the state when compared to the other Kentucky public universities and this is unsettling. Dr. Wilson indicated 35 percent of the MSU housing budget is applied toward debt payments and other universities have utilized creative financing methods Murray State has not been able to pursue successfully.

2012-13 Housing and Dining Rates, approved

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached 2012-13 Housing and Dining Rates, including a meal plan rate increase of 4 percent for all residential plans, two new commuter plans (Meal Bundle and Summer Flex) and a 3 percent double room rate increase for Lee Clark, Elizabeth, Hart, Hester, James H. Richmond, White and Regents colleges, with no increase for Franklin, Old Richmond, Springer and College Courts. The 3 percent increase is in addition to a $250 premium surcharge for Elizabeth College to partially fund the ongoing renovation. Mr. Waterfield seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, no; Dr. Rose, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried by a vote of 9 to 1.

(See Attachment #2)

Adjournment

The Board adjourned for a break at 10:25 a.m.

Reconvene

Chair Curris reconvened the Special Meeting of the Murray State University Board of Regents at 10:35 a.m.

Update on Paducah Regional Campus Education Center, received

Chair Curris indicated concerns were raised by the Board relative to the exterior appearance of the Paducah Regional Campus Education Center. This Board is not composed of architects and it is not the group's judgment on what needs to be done but, on the other hand, the administration and the architects want to have a sense there will be consensual support for the design of the facility. Dr. Dunn reported the impetus for discussion on how the administration intended to move forward, short of this pause for further discussion, was to ensure the University did not exceed the $10 million approved earlier by the Board for construction costs. The Board clearly and strongly stated its position that in finalizing the design for this facility (whatever option was recommended and pursued) should not exceed funding available from the bond proceeds to construct it. A number of the designs which have been presented exceed the bond proceed amount which may lead to additional discussion on how to fund the overage if one of the more expensive designs is approved.

Kim Oatman, Chief Facilities Officer, provided the following update on progress on the Paducah Regional Campus Education Center:

- Over the summer contracts were finalized with McCracken County and Paducah city officials. The selection process to hire an architect took place during the fall with the successful company being Peck, Flannery, Gream and Warren and facility design work began in January 2012.
- The primary charge from the Board in terms of the Paducah building and the *Memorandum of Understanding* was to construct a 40,000 square foot facility – within the $10 million budget – that would be functional and meet the University's needs in order to support efforts to increase enrollment. The architecture preferred by the Board would contain main campus and local (Paducah/McCracken County) architectural elements.

Dr. Rose, Chair of the Buildings and Grounds Committee, reported when the BOR initially approved the project there was no question the intent was to stay within the $10 million budget which resulted in the first elevation provided. The design met that standard as well as others set forth by the Board but also led to concerns about the design itself. Various alternative elevations have now been presented to the Board and considerable discussion occurred on those design plans with each Regent expressing their opinion and preference on available building options. Comments included:

- Some options have a low-slope roof but three out of four buildings today have the same type of roof and the quality of these roofs has improved over the last 20 years.
- Two of the renderings resemble the building in Hopkinsville which is preferable to maintain consistency.
- It appears as though – given the direction of the comments – the preferred options would require the Board to identify an additional $100,000 to $200,000 to fund the project – although bids could come in lower than expected which would reduce the amount of additional funding needed.
- Elements from the main campus should certainly be included in the building design but some elevations have more windows which would create additional natural light throughout the building and have more energy savings built into the design. Confirmation was provided that with any of the models presented the building would be LEED certified.
- Several individuals who live in the Paducah/McCracken area believe some of the proposed elevations resemble a large church which is located in the same area.
- While no one wants to go over budget, all must also understand this is a one-time chance to construct the type of facility Murray State needs and building costs do not represent a recurring expense.
- The various floor plans contain essentially the same elements although they may be configured differently and every design reflects what was desired to be contained within the facility programmatically and one design lends itself more easily to the potential for expansion.
- It is important for the Board to be involved in the design process at the policy level in terms of themes of architecture and general goals for what the BOR and University want to accomplish in the facility. Part of this work includes general presentation of the facility and whether the Board desires for there to be a "wow factor" in order to be distinctly different or if there is a desire for the facility to be distinctively Murray State. This discussion should have occurred quite some time ago but at this point there must be some comfort level with the designs which have been presented so the building looks the way the Board would like for it to in presentation of Murray State's brand as well as being functional and meeting the needs of students and faculty. The building must be distinctively Murray State and must mirror the theme of the main campus architecture. The facility must meet aesthetic

needs while developing the best environment for learning. MSU wants to establish a campus in the Paducah community and the building should entice students to want to "hang out" in the facility before and after classes which is facilitated by having lounges and open common areas as well as areas where other functions could be held.

- Paducah and McCracken County citizens would be proud to have any of the proposed facilities in their community. They are beautiful and high quality buildings. There is an opportunity with one design to be creative and distinctive. It is difficult when considering consistency of brand because citizens in the Paducah community are not always able to make a mental connection with the main campus, especially if they have not been in Murray in quite some time. There is concern about the elevations resembling a church because there is already a large church presence in the vicinity. One rending presents an opportunity to make a statement and construct a signature building.
- Brick is preferred over stone in the various design elevations.

Dr. Curris reported there seems to be Board sentiment centered around three buildings – A (8), B (5) and Hb (5) – all of which have traditional architectural components and would be acceptable for the Paducah Regional Campus Education Center. It was also suggested various design elements in the renderings could be altered or interchanged so the building includes all the best elements which are reflective of the architecture on the main campus. Specifically mentioned were the type (slope) of the roof and expanded lighting through the use of larger windows. The administration should now have a good feeling regarding the sentiment of the Board and should work with the architects and the figures associated with that type of design to construct a facility which best meets the needs of Murray State students, faculty and staff. The Board has outlined the desirable exterior look and there are now three elevations with fairly good support. Confirmation was provided that no Regent is opposed to any of the three designs.

<u>Paducah Regional Campus Education Center, expenditure authorized</u>

Dr. Rose moved that the Board of Regents authorize the expenditure of up to an additional $200,000 over the $10 million originally approved to be applied toward total construction costs for the Paducah Regional Campus Education Center. Mrs. Guess seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Dr. Rose, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Dr. Dunn reported discussion has occurred with regard to additional funding that will be required and the University cannot utilize discretionary cash for this purpose given the authority under which the building will be constructed. MSU will likely need to consider undertaking a restructuring of the gift money from Pepsi MidAmerica or something of that nature but this is not an issue of great concern.

<u>Adjournment</u>

The Special Meeting of the Murray State University Board of Regents adjourned at 11:15 a.m.

Chair

Secretary

(The remainder of this page intentionally left blank for inclusion of attachments.)