

December 2013

2013-12-06

Board of Regents, Murray State University

Follow this and additional works at: <https://digitalcommons.murraystate.edu/borminutes>

Recommended Citation

Board of Regents, Murray State University, "2013-12-06" (2013). *Board of Regents Meeting Minutes*. 666.
<https://digitalcommons.murraystate.edu/borminutes/666>

This Article is brought to you for free and open access by the Digitized Collections at Murray State's Digital Commons. It has been accepted for inclusion in Board of Regents Meeting Minutes by an authorized administrator of Murray State's Digital Commons. For more information, please contact msu.digitalcommons@murraystate.edu.

**Minutes of the Quarterly Board of Regents Meeting and Committee Meetings
Murray State University
December 6, 2013**

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, December 6, 2013, 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 8 a.m.

Chair Curris reported Regents Sharon Green, Susan Guess and Jenny Sewell asked to be excused from this meeting due to the severe weather conditions in the area. Regent Marilyn Buchanon asked to be excused from the meeting because her mother is hospitalized in Nashville. Mrs. Buchanon indicated earlier it would be necessary for her to miss this meeting which marks only the second meeting she has been unable to attend during her long tenure on the Board. Some modifications will be made in the Board's schedule today to accommodate travel plans for individuals needing extra time to venture home. The Board will go into Public Session this morning and then recess for Committee meetings. When those Committee meetings have concluded the Board will begin to address the main agenda items and that will occur at approximately 10:30 a.m. There has been a request for an Executive Session which will occur before the lunch break to allow time for the Board to complete its work when it comes back into Open Session. Appreciation was expressed for the indulgence of everyone present. Due to the current weather conditions it is prudent for the Board to make these adjustments.

Roll Call

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

Others present were: Thomas I. Miller, Interim President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Jackie Dudley, Interim Vice President for Finance and Administrative Services and Treasurer to the Board; Jay Morgan, Provost and Vice President for Academic Affairs; Don Robertson, Vice President for Student Affairs; Jim Carter, Vice President for Institutional Advancement; Bob Pervine, Interim Associate Provost for Graduate Education and Research; Renae Duncan, Associate Provost for Undergraduate Education; Bob Jackson, President, MSU Foundation and Associate Vice President for Institutional Advancement; John Rall, General Counsel; Kim Oatman, Chief Facilities Officer and members of the faculty, staff, students, news media and visitors.

AGENDA

1. **Roll Call**
2. **Minutes of the Special Meeting – Annual Planning Retreat and Work Session September 5, 2013, and Quarterly Meeting and Committee Meetings September 6, 2013***
3. **Public Participation**
4. **Report of the President** **President Miller**
5. **Report of the Chair** **Chair Curris**
6. **Report of the Constituency Regents** **Regent Fister/
Regent Schooley/
Regent Johnson**
7. **MSU Spotlight: Regional Outreach** **Mrs. Winchester**
8. **Report of the Treasurer*** **Vice President Dudley**
(Quarterly Financial and Investment Reports)

9. **Report of the Registrar*** Registrar Roberts
(August and December 2013 Conferral of Degrees)
10. **Gifts-in-Kind*** President Miller
A. Ballance Family Scholarship – Hickman and Fulton Counties
B. ABI Real-Time PCR System with Dell Latitude E6500 Laptop
– Department of Biological Sciences
11. **University Appeals Board Appointments*** President Miller
12. **Policy Changes*** Vice President Dudley
A. *Sick Leave Bank*
B. *Optional Retirement Plan-KTRS*
13. **Personnel Change*** President Miller
A. Staff Leaves of Absence Without Pay
14. **Committee Reports/Recommendations**
- A. Academic Affairs Regent Thornton
1) Establishment of *MSU Institute of Engineering**
2) New Minors: Data Analytics, Entrepreneurship, Golf Course
Management and Sports Communication
- B. Audit and Compliance Regent Waterfield
1) Audit Reports – General*
a. Presentation on Results of the Annual Audit Report
b. Auditor Communications
c. Independence/Peer Review Letter
d. House Bill 622 Compliance Report for the Year Ended June 30, 2013
e. Kentucky Lease Law Compliance Report for the Year Ended June 30,
2013
f. General Financial Statement for the Year Ended June 30, 2013
2) Audit Report – Federal*
a. U.S. Office of Management and Budget Circular A-133 for the Year
Ended June 30, 2013
3) Audit Reports – Athletic*
a. National Collegiate Athletic Association Independent Accountant’s
Report on Agreed-Upon Procedures for Intercollegiate Athletics for
the Year Ended June 30, 2013
b. Murray State University Athletic Foundation Compilation for the
Year Ended June 30, 2013
4) Audit Reports – WKMS-FM*
a. Audited Financial Statements for the Year Ended June 30, 2013
b. Auditor Communications
5) Auditing Service Contract Extension*
- C. Buildings and Grounds Regent Buchanon
1) Capital Plan Changes – Waterfield and Pogue Libraries*
2) North Farm Easement – City of Murray*
3) Highway 121 Widening Project
4) North 16th Street Study
5) Curris Center Parking Lot Solar Project
- D. Enrollment Management and Student Success Regent Green
1) Fall 2013 Enrollment Report
2) 2014-15 Preliminary Enrollment Management Plan
3) Student Mix Analysis

- E. Finance** **Regent Williams**
- 1) Academic Services – Fees*
 - 2) Property Acquisition – 203 North 16th Street*
 - 3) Budget Task Force Recommendations
 - 4) Budget Preparation Guidelines for FY 2014-15 Budget*
- F. Institutional Advancement** **Regent Guess**
- 1) Naming Proposals*
 - a. Arthur J. Bauernfeind College of Business – *Edward Jones Student Conference Room*
 - b. Murray State University *Crisp Center* (Paducah Campus) – *Dr. Laxmaiah Manchikanti Classroom and Laboratory*
- G. Regional Services** **Regent Sewell**
- 1) MSU Regional Postsecondary Education Centers Update
 - 2) Transfer Center Update
 - 3) West Kentucky United for Economic Development Conference Update
- H. Ad Hoc Presidential Search** **Regent Williams**
- 1) Presidential Search Committee Update
- I. Committee of the Whole** **Chair Curris**
- 1) Closed Session
 - a. Pending Litigation

15. Other Business

16. Adjournment

(*Requires Board of Regents Action)

Minutes of the Special Board of Regents Meeting – Annual Planning Retreat and Work Session – September 5, 2013, and Minutes of the Quarterly Board of Regents Meeting and Committee Meetings September 6, 2013, approved

Mr. Williams moved that the Board of Regents approve the Minutes of the Special Board of Regents Meeting – Annual Planning Retreat and Work Session – on September 5, 2013, and the Quarterly Board of Regents Meeting and Committee Meetings on September 6, 2013, as submitted. Mr. Waterfield seconded and there being no further discussion the motion carried.

Academic Affairs Committee

**Jerry Sue Thornton, Chair
Renee Fister
Jeremiah Johnson
Stephen Williams**

Dr. Thornton called the Academic Affairs Committee to order at 8:06 a.m. and reported all Committee members were present.

Establishment of the Murray State University Institute of Engineering, approved

Dr. Morgan reported the following:

- The administration is seeking approval from the Board for a new *MSU Institute of Engineering*. This would represent a consolidation of two academic departments – Engineering and Physics and Industrial and Engineering Technology – and it is believed taking this action will maximize personnel, facilities, instrumentation and overall academic support in those areas as well as strengthen academic collaboration.
- The *MSU Institute of Engineering* will enhance the visibility and marketing of the University’s full suite of engineering and related advanced technology programs; provide an enhanced recruitment presence in these competitive, high demand areas; and provide a platform for the development of

MSU's unique brand in engineering, while preserving the identities of the individual degree offerings represented by the *Institute*.

- Appreciation was expressed to Dean Steve Cobb, *Jones College of Science, Engineering and Technology*, and faculty who have worked to develop this initiative.

Mr. Williams reported he serves as Chair of the planning process for Greater Louisville, Inc. which is the metropolitan chamber of commerce and business development initiative. One top priority identified by consultants is that Kentucky is sorely in need of more engineering opportunities to promote economic development in the state. He believes this represents a significant opportunity for Murray State. Confirmation was provided that this initiative would produce a small amount of savings to the University by combining two academic departments under the leadership of a Chair of the *MSU Institute of Engineering* and would result in the reduction of one department Chair.

On behalf of the Academic Affairs Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the establishment of the *Murray State University Institute of Engineering*. This change would become effective July 1, 2014, but branding and marketing would begin in Spring 2014. Dr. Fister seconded and there being no further discussion the motion carried.

New Minors Report, received

Dr. Morgan reported the following:

- As part of academic year priorities, Academic Affairs has developed four new minors for undergraduate study. Information provided included descriptions and courses required for following the new minors approved by the Academic Council on November 14, 2013, effective July 1, 2014:
 - Data Analytics (22 hours)
 - Entrepreneurship (21 hours)
 - Golf Course Management (21 hours)
 - Sports Communication (21 hours)

The New Minors Report was presented for informational purposes only and required no action.

Adjournment

The Academic Affairs Committee adjourned at 8:10 a.m.

Audit and Compliance Committee

Harry Lee Waterfield II, Chair
Constantine Curris
Phil Schooley
Jenny Sewell

Mr. Waterfield called the Audit and Compliance Committee to order at 8:10 a.m. and reported all Committee members were present with the exception of Mrs. Sewell.

Audit Reports, discussed

Mr. Waterfield recognized Ms. Dudley and indicated the University's external auditors from RubinBrown Jeff Winter, Partner; Matt Finke, Engagement Manager; and Jason Callahan, Accountant, were joining the meeting via conference call due to the weather. The auditors presented the following:

- Appreciation was expressed to Ms. Dudley; Jason Royalty, Assistant Director for Reporting, Accounting and Financial Services; and Michelle Saxon, Internal Auditor, for their cooperation and assistance throughout the audit. A successful and thorough audit was conducted and management played a key role in the success of the process. There were no limitations placed on the auditor's ability to conduct procedures.
- Required auditor communications were presented. The main responsibility of the auditors is auditing the financial statements of the University as well as those for WKMS-FM radio station. The audit conducted was for the June 30, 2013, fiscal year end. A variety of other reports related to the University audit were also issued.

- Audits are performed in accordance with professional accounting standards which require the auditors plan and perform the audit in order to obtain reasonable, but not absolute, assurance about whether the financial statements are free from material misstatements.
- The auditor's goal is to express an opinion on the financial statements prepared by management, with RubinBrown assistance, to ensure they are presented in accordance with U.S. generally-accepted accounting principles as well as the federal compliance work the auditors undertake to ensure the University has complied in all material respects with requirements for grants being audited.
- RubinBrown issued an unmodified (clean) opinion on the University's financial statements for the year ended June 30, 2013. In conjunction with grant work undertaken, a report was issued on compliance and internal control over financial reporting based on an audit of the University's financial statements in accordance with *Government Auditing Standards* (management letter) and there were no reportable conditions to disclose although a couple of best practice recommendations were suggested. There were no sufficient deficiencies or material weaknesses that are required to be reported to the Board.
- The goal of the work of the auditors is not to audit internal controls but to use the knowledge gained about the University's processes and procedures to help plan the audit and conduct procedures. The auditors are not responsible for providing an opinion on the effectiveness of controls.
- RubinBrown also audits the MSU Foundation which is reported within the University's financial statements as a discretely-presented component unit. The auditors made a presentation to the MSU Foundation Board of Trustees in October and a clean opinion was also provided for that financial statement.
- The auditors performed a compilation for the Athletic Foundation. A compilation is not an audit or review and there is no opinion or level of assurance expressed on the financial statements. The auditors basically compile numbers and present those in a financial statement format but do not provide any assurance on the Athletic Foundation financial statements. For the first time in quite a while the WKMS-FM audit is being presented at the same time RubinBrown is presenting the remainder of its work and this is possible due to the efforts of management. There are no follow-up items to be completed except for some tax return preparation for the Foundation and the University that is ongoing. An unmodified financial opinion on the WKMS-FM financial statements was issued.
- A report is also issued on compliance with House Bill 622 (HB 622) which deals primarily with accounting matters and the *Board of Regents Policy Manual* and how those items must comply and adhere to HB 622 requirements. Nothing came to the attention of the auditors which caused them to believe the University was not in compliance with those provisions.
- The auditors also performed work with regard to compliance with the real property leases awarded by the Finance and Administration Cabinet. The auditors issue an opinion for those compliance items, in conjunction with the Kentucky Lease Law Statutes. The auditors issued an unmodified, clean opinion which indicates the University is in compliance in all material respects with the requirements of Kentucky Lease Laws.
- The auditors performed a National Collegiate Athletic Association (NCAA) Agreed-Upon Procedures Report for MSU as a Division I school. This work is undertaken every year utilizing prescribed procedures dictated by the NCAA on which the University and the auditors have agreed. Those are tailored as applicable for the University's specific situation and the procedures primarily relate to athletic revenues and associated expenses to ensure proper reporting. Sample testing is undertaken which is tied to supporting documentation and reviewing internal controls related to those items. There is no opinion issued on this report but it describes the procedures performed by the auditors and any results and findings related to those procedures. No issues of any significance need to be brought to the attention of the Board.
- A new accounting standard was implemented for June 30, 2013, that is presentation orientated and not significant in nature but should be brought to the Board's attention.
- Significant accounting estimates are used in preparing the financial statements as well as significant disclosures included in those financial statements.
- The auditors are required to disclose and discuss any audit adjustments which arose and there was one misstatement (\$270,000) related to a missing accrual for capital assets. There were also minor items which were found in terms of past journal entries or uncorrected misstatements and those have been disclosed but are relatively insignificant.
- There were no difficulties or disagreements with management during the audit. Included in the *Viewpoint* document provided is management's representation obtained by the auditors and also included in the financial statements is management's discussion and analysis which represents the only part of the financial statement which is unaudited. RubinBrown provides limited procedures which are not sufficient to enable an opinion to be expressed. The auditors review the information to ensure management is following the rules and the numbers articulate and agree with the financial statements.
- Current year financial recommendations included: The auditors noted assets considered to be construction-in-progress were placed in service during 2013 but were actually being used in operations in previous periods. The assets should have been considered to be placed in service in a period prior to the start of the 2013 fiscal period. In order to mitigate the possibility of recording assets and the related depreciation expense in an improper period, the University should consider implementing procedures to ensure records associated with construction in progress are reconciled on

a timely basis. Management's response was to implement during FY 13-14 a new reconciliation procedure to review all projects categorized as construction-in-progress on a quarterly basis to determine items that have been placed in service during the current period. If work has been placed in service the asset will be capitalized and depreciation will begin. This procedure will ensure construction-in-progress is reviewed routinely throughout the fiscal year and assets are recognized and depreciation recorded in the correct fiscal period.

- Results of the A-133 single audit were reported and included the audit of major programs such as the Student Financial Aid Cluster, Foster Care – Title IV-E and Chafee Foster Care Independence Program. The auditors issued an unmodified opinion on compliance for each major program. No current year reportable findings were required to be communicated within the A-133 report.
- A recommendation in regard to the A-133 single audit included: Certain students were accepting unsubsidized loans when they qualified for subsidized loans which means they were not receiving the most beneficial aid package. This has been noted in the past and discussion has occurred with the Director for Student Financial Aid. The auditors recommend a more formalized process be implemented to conduct this review. Management's response was that current functionality within the Banner system does not have the capability to determine the most suitable loan option for each student. Based on the auditor's recommendation, beginning with the FY 14 academic year, the University will review the aid package for all students who have chosen unsubsidized loans to determine whether the subsidized loan is an option. The review will be conducted weekly and adjustments will be made accordingly and each student impacted will be contacted during the next work week to explain the change in their aid package. Confirmation was provided that currently the Banner system does not automatically tell students what the best option is so Student Financial Aid personnel will consult with students to make this determination.
- A prior year recommendation was made that in order to ensure institutional compliance with House Bill 622 the *Board of Regents Policy Manual* should contain the most updated language contained within Kentucky Revised Statutes. A review of House Bill 622 compliance during the fiscal year 2013 audit demonstrated updated language to include the statutes in question and future statutes.
- A ratio analysis was conducted and discusses four ratio analyses used to gauge the University's performance. The primary reserve ratio looks at whether the institution has sufficient resources to carry out its mission and includes expendable net assets compared to total expenses. The viability ratio is a measure of debt capacity, debt service and affordability (debt to equity ratio). The return on net assets ratio measures the revenues the University is generating to keep pace with the institution's overall size in terms of infrastructure. The net operating revenues ratio assesses whether the organization is operating within its means. All four ratios indicate a relatively healthy state in terms of the University's finances. Return on net assets experienced an increase over previous period mainly due to a tuition revenue increase of 4 percent.
- Confirmation was provided that general contingency funds increased from 2012 to 2013 by \$5.9 million.

Audit Reports – General, accepted

On behalf of the Audit and Compliance Committee, Dr. Curriss moved that the Board of Regents, upon the recommendation of the President of the University, accept the following reports for 2012-13:

- a. Presentation on Results of the Annual Audit Report for the Year Ended June 30, 2013
- b. Auditor Communications
- c. Independence/Peer Review Letter
- d. House Bill 622 Compliance Report for the Year Ended June 30, 2013
- e. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2013
- f. General Financial Statement for the Year Ended June 30, 2013

Mr. Schooley seconded and there being no further discussion the motion carried.

Audit Report – Federal, accepted

On behalf of the Audit and Compliance Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2012-13:

- a. U.S. Office of Management and Budget Circular A-133 for the Year Ended June 30, 2013

Dr. Curriss seconded and there being no further discussion the motion carried.

Audit Reports – Athletic, accepted

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 reports for 2012-13:

- a. National Collegiate Athletic Association Independent Accountant's Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2013
- b. Murray State University Athletic Foundation Compilation for the Year Ended June 30, 2013

Mr. Schooley seconded and there being no further discussion the motion carried.

Audit Reports – WKMS-FM, accepted

On behalf of the Audit and Compliance Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, accept the auditor communications and audited financial statement for WKMS-FM for the Year Ended June 30, 2013. Dr. Curris seconded and there being no further discussion the motion carried.

Auditing Service Contract Extension, approved

Ms. Dudley reported that at the request of the BOR Audit and Compliance Committee, RubinBrown was queried regarding an extension of their contract with the University. The year just completed – June 30, 2013 – marked the last year of the current contract with RubinBrown. A three-year extension is being recommended due to administrative changes and to allow time for a new President to take office. The extension would save the University approximately \$7,200 over the three-year period. Confirmation was provided that the same three-year extension has been offered to the MSU Foundation and Dr. Jackson reported that entity is supportive.

On behalf of the Audit and Compliance Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to extend the contract with RubinBrown for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2014, at a cost of up to \$120,300 plus a negotiated amount for any single program audits above two and further authorize the University to enter into two subsequent contract renewals based upon mutual consent at the following rates:

2014 – 2015	\$122,800
2015 – 2016	\$125,300

Dr. Curris seconded and there being no further discussion the motion carried.

Adjournment

The Audit and Compliance Committee adjourned at 8:34 a.m.

Buildings and Grounds Committee

Marilyn Buchanon, Chair
Susan Guess
Jeremiah Johnson
Phil Schooley
Harry Lee Waterfield II

In the absence of Mrs. Buchanon, Mr. Schooley called the Buildings and Grounds Committee to order at 8:35 a.m. and reported all Committee members were present with the exception of Mrs. Buchanon and Mrs. Guess.

Capital Plan Changes – Waterfield and Pogue Libraries, approved

Mr. Oatman reported the Capital Plan was approved at the May Board meeting and included two projects – renovation of Waterfield Library as a multi-use service center and renovation of Pogue Library. Since that meeting analysis and discussion has occurred about the potential for renovating the library facilities with restricted funds. A request is being made to alter the Capital Plan to include the ability to undertake this work in the next biennium. A proposal has been submitted to change renovation of Waterfield Library for a multi-use service center to renovation and expansion of the Library. Analysis has been undertaken and it is believed \$19 million would accomplish the goals identified for Waterfield Library. The renovation of Pogue Library represents a project already contained within the Capital Plan but it was not included on the restricted funds list. Both projects would need to be moved from the 2016-18 Biennium to the 2014-16 Biennium. Appreciation was expressed for the opportunity to explore this option.

On behalf of the Buildings and Grounds Committee, Mr. Johnson moved that the Board of Regents, upon the recommendation of the President of the University, approve the two project requests, project descriptions and sources of funds as described below in the 2014-20 Six-Year Capital Plan and the 2014-16 Capital Budget.

<i>Change</i>	Renovate Waterfield Library for Multi-Use Service Center, \$30,176,000
<i>To</i>	Renovate and Expand Waterfield Library, \$19,000,000

<i>Change</i>	Renovate Pogue Library, \$9,040,000
<i>To</i>	Renovate Pogue Library, \$9,040,000

Both projects would need to be moved from the 2016-18 biennium to the 2014-16 biennium.

Mr. Waterfield seconded and there being no further discussion the motion carried.

North Farm Easement – City of Murray, discussed

Mr. Oatman reported that with work being undertaken on Highway 121 Murray Electric is relocating the high voltage lines to the north of town in an existing easement the Tennessee Valley Authority (TVA) currently has in place. A map of the North Farm was presented illustrating where the University is proposing to give an easement to Murray Electric for a future substation which would allow them to have a purchase point and delivery of power from the north side of town which would greatly affect Murray State and the northern part of the community. Currently these areas are served by the southern part of town and Murray Electric has only one purchase point. This would represent a second purchase point and is in an ideal location because it is located on 16th Street where the TVA line crosses. This initiative has been discussed with Dean Tony Brannon, *Hutson School of Agriculture*, and the area in question is located in a low-lying part of the North Farm which is not heavily utilized. Mr. Oatman reported the benefit to Murray State will be the reliability of its power system. The University is solely dependent upon Murray Electric to deliver power to campus. A northern substation would provide an alternate means of providing electricity to MSU. Maintenance responsibility for land the University must currently maintain would be transferred to Murray Electric. This represents long-term planning and it will be some time before Murray Electric relocates the 69 kb line. For planning purposes Murray Electric needs to know whether they will be allowed to utilize this parcel of the North Farm property.

On behalf of the Buildings and Grounds Committee, Mr. Waterfield moved that the Board of Regents, upon the recommendation of the President of the University, enter its order approving the granting of an easement of 1.4 acres, more or less, as described by Murray Electric System for the purpose of constructing an electric substation. Mr. Johnson seconded and there being no further discussion the motion carried.

Highway 121 Widening Project Report, received

Mr. Oatman reported the University has been approached by the Highway Department to deed land and easements and the Board previously approved this action. To date an offer of \$317,736 has been made to Murray State for the transfer of land and easements. The deeds have been received and are currently being reviewed by General Counsel and Tom Denton, Director for

Property and Debt Management. As per the previous agreement, the University will provide decorative lighting for the Highway Department to install on Highway 121. Expenditures to the University are estimated to be \$515,000 once this project is underway. The University will need to identify approximately \$200,000 for this project but utilizing non-recurring funding sources has already been approved by the Board. The Highway Department is moving into the relocation phase and anticipates starting that process in the spring. Utility relocations will take approximately one year and roadway work will likely begin in 2015. This report was provided for informational purposes only and required no action.

North 16th Street Study, received

Mr. Oatman reported that for a number of years 16th Street has experienced a significant increase in traffic. The University's Campus Master Plan has addressed this issue and there are between 10,000 to 11,000 vehicles per day traveling through that area. At one time 3,900 pedestrians were counted as crossing 16th Street during an eight-hour period, representing a high potential for pedestrian and vehicular conflict. The Master Plan recommends the University take action to improve safety and work has been undertaken with the City of Murray which installed center-line signs at the crosswalks to heighten awareness of those locations but this does not represent a permanent "fix" for 16th Street. In order to identify a more permanent solution the University has partnered with the City to hire a firm to study the area. The consultants have identified four alternatives as listed below:

- 1) Do nothing. Make no improvements and not close North 16th Street. This option is deemed as being not acceptable to the University.
- 2) Close North 16th Street from Miller Street to Calloway Street – minimal cost – but this option could create traffic flow issues.
- 3) Construct a depressed/elevated roadway in the present alignment so that pedestrians cross over or under the roadway – estimated cost is \$9,306,200
- 4) Construct a mini-bypass or relocation of North 16th Street to the west of the Science Campus – estimated cost is \$8,307,000 – but this would simply delay the traffic flow issue to be addressed in the future.

An overview of the current 16th Street alignment was provided and for Option #3 the area from the southern part of the Great Lawn in front of the Science Campus heading south would represent a depressed section of roadway. The area would be depressed by approximately 15 feet which would require hefty retaining walls in that area. As vehicles move north the grade drops and the roadway would become elevated in that area so pedestrians could cross under the road. Near the *Hutson School of Agriculture* the grade would tie into existing grade. Renderings of how this model would look were provided. Assurance was provided that this model does not create a "tunnel effect" and the proposed pedestrian area is wide enough to keep the area from having such an appearance. Confirmation was provided that the \$9.3 million cost associated with this project represents the project in its entirety.

A mini-bypass around the west side of the Science Campus has also been studied utilizing as many existing street corridors as possible. If the University continues expanding to the west this option would require the issue to be reviewed again at a later date. Confirmation was provided that the cost for this project is projected to be \$8.3 million. The Board was cautioned that these represent conceptual costs and it is early in the process and not a great deal of design work has been undertaken. Some property acquisition would be required for this option and those costs were included in the estimate. Confirmation was provided that traffic on 16th Street represents student traffic but also community traffic and a concern was expressed that the bypass would affect citizens living in the affected areas and it could be more dangerous to have traffic traveling through residential areas. This option would also increase the response time for emergency vehicles.

Dr. Jackson has discussed with the Highway Department whether this could become a project funded by that entity. As discussions continue, it was indicated it would be helpful to see a "mock up" of the depressed/elevated option. This project was rated more favorably by the consultants than the bypass option.

This report was provided for informational purposes only and required no action.

Curriss Center Parking Lot Solar Project Report, received

The *President's Commission on Sustainability* has been working with Facilities Management for over a year in planning for a photovoltaic solar project (20 space carport) on campus. Funds for this initiative have come from the University's recycling program in an effort to channel those monies toward another sustainable effort. The solar carport would be located at the Curriss Center parking lot and would generate approximately 50 kW of power and 50,000 kWh of energy annually which could power five American homes. This would help the University get started on developing sustainable efforts for energy. The Curriss Center was chosen as the location due to its high visibility, although other sites were considered. More remote sites were considered but it would be more difficult to tie into the University's power system if the project was established in those locations and the project would not be as effective in terms of developing the idea that solar initiatives are underway. Mr. Oatman reported this project would require an approximate ten-year pay back but the life expectancy would be 30 years. Consideration has also been given to expanding further with similar projects on other areas of campus.

This report was provided for informational purposes only and required no action.

North Farm Easement – City of Murray, approved

On behalf of the Buildings and Grounds Committee, Mr. Johnson moved that the Board of Regents, upon the recommendation of the President of the University, enter its order approving the granting of an easement of 1.4 acres, more or less, as described below to Murray Electric Systems for the purpose of constructing an electric substation.

“As part of the Highway 121 Widening Project, Murray Electric will be relocating their high voltage power line to the TVA easement that lies north of Wal-Mart and intersects North 16th Street at the Murray State University North Farm. Murray Electric currently serves the MSU main campus and the north part of town from one main substation to the south. Murray Electric is planning to construct a new electric substation on the north side of town in line with the relocated primary power line. The new substation would provide a redundant primary power source to Murray State and to the north part of town thereby increasing the reliability of electric service. Murray Electric has requested an easement of 1.4 acres, more or less, from Murray State on the south side of the MSU North Farm, west of North 16th Street, in an area of pasture and creek. A diagram depicting the general location of the proposed easement is attached. The easement would be for the purpose of construction of the electric substation. The benefits to Murray State include a reduction in power outages as a result of having a redundant power feed and not having to maintain the area in question would offset the cost of granting the easement.”

Mr. Waterfield seconded and there being no further discussion the motion carried.

Adjournment

The Buildings and Grounds Committee adjourned at 8:57 a.m.

Enrollment Management and Student Success Committee

Sharon Green, Chair
Marilyn Buchanon
Jeremiah Johnson
Phil Schooley

In the absence of Ms. Green, Mr. Johnson called the Enrollment Management and Student Success Committee to order at 8:57 a.m. and reported all Committee members were present with the exception of Mrs. Buchanon and Ms. Green.

Fall 2013 Enrollment Report, received

Fred Dietz, Executive Director for Enrollment Management, reported the following:

- Current overall enrollment is 10,943 students which is the largest enrollment in Murray State history (1 percent increase over Fall 2012). The enrollment gains came from several areas, including high school students taking dual credit courses (36 percent increase), first-time transfer student enrollment increase (3 percent), increase in returning undergraduate students (3 percent) and an increase of 9 percent in international enrollment.
- A chart comparing enrollment over the last five years was provided illustrating an overall increase in total enrollment and a strong undergraduate total. Total first-time freshmen numbers are down by approximately 45 students.
- First-time freshmen enrollment comparisons between Fall 2013 and Fall 2012 were provided. Last year marked an all-time high for freshmen numbers and the Fall 2013 class is the second largest in University history. The housing situation the University faced likely played the largest role in the decrease in new freshmen as well as having one residential college off line for renovation. As the semester begins many potential students – for whatever reason – decide they want to come to college. They have had years to think about the decision but during the last month or so make a decision. The University receives a good number of first-time freshmen pursuing admission and many of those want to live on campus and the University ran out of bed space which represented a critical issue for the Fall class.
- Other schools are becoming much more aggressive in terms of scholarships and the University of Louisville (UofL), University of Kentucky (UK) and Western Kentucky University are outbidding MSU on scholarships. In terms of the 18-county service region good plans are in place to address this issue.
- With regard to overall full-time equivalent numbers for undergraduate students the University is ahead of last year, is down for graduate students and first-time freshmen but increased in first-time transfers.
- The first-time freshmen count – looking at true full-time and part-time students – is 1,569 compared to 1,603 last year and 1,509 the year before. “First-time freshmen – all” includes newly-enrolled freshmen regardless of full/part-time status; first-time freshmen FTE includes all new full/part-time freshmen and as per Council on Postsecondary Education (CPE) guidelines the number of credit hours taken for new freshmen is totaled and divided by 15; and first-time full-time freshmen represents all new freshmen taking a minimum of 12 hours (based on CPE and financial aid definitions).
- Information was provided on first-time freshmen enrollment by state and decreased from 1,626 in Fall 2012 to 1,581 in Fall 2013 (2.5 percent). The University is down in Kentucky and up in Illinois but this data typically ebbs and flows every year. Measures included in the Enrollment Plan for next year will likely curb the decrease in Kentucky enrollment.
- First-time freshmen enrollment by 18-county service region decreased by 70 students from Fall 2012 to Fall 2013. For some counties experiencing a large drop Mr. Dietz reached out to the counselors to determine what trends are occurring and it is being reported that more students are attending community colleges, UofL and UK were more aggressive in terms of scholarship awards for high-achieving students, some students are taking time off before beginning college and for Calloway County High School in particular the senior class was smaller. Drs. Miller and Jackson have provided excellent leadership in terms of increasing funding for scholarships for students in the 18-county service region, including the *Excellence Award* and *Racer Promise* and mobilizing *Racer Roundup* to become more involved in the schools in the University’s 18-county service region.
- The number of high school students enrolled in dual credit courses continues to increase for the region and also across the state and Dr. Duncan has played an instrumental role in providing more options for high school students. There is also significant enrollment from dual credit students entering the University as first-time degree-seeking freshmen. Recently 35 percent of students in dual credit courses enrolled as first-time degree-seeking freshmen.
- Transfer enrollment numbers increased to 692 students in Fall 2013 compared to 674 students in Fall 2012. New recruitment initiatives are underway and good conversation occurred with Regent Thornton and Dr. Walter Bumphus (alums) regarding additional initiatives which can be employed and these discussions will prove beneficial moving forward. Confirmation was provided that these numbers include any student who attended college elsewhere but are now attending Murray State.
- Information was provided on first-time transfer enrollment by state and Kentucky leads the charge in this area. Dr. Morgan and Brian Van Horn, Dean for the Center for Continuing Education and Academic Outreach, have worked to establish articulation agreements for the upcoming academic year.
- There was a drop in first-time transfer enrollment from the 18-county service region (13 students). Maria Rosa, Transfer Center Director, has reviewed this data and started new initiatives for next year to provide more visibility. She has tripled the amount of time spent on the community college campuses in the region and this should prove to be beneficial moving forward.
- African American enrollment increased slightly but represents an area where there is a great deal of competition in terms of scholarships, with UK and UofL being particularly aggressive with these students. New freshmen numbers in this category are up slightly but there was a drop in African American new transfer students. S. G. Carthell, Director for Multicultural Affairs, has implemented an extensive program to help students in terms of determining how they can return to the University

for the next semester by providing tutoring and counseling. This area will continue to be monitored closely.

- International enrollment continues to increase and this represented a very strong recruitment year with a 9 percent increase over 2012. Top sending countries for the institution include Saudi Arabia, China, South Korea, India and Germany. Luis Canales, Director, Institute for International Studies, and his team have done great work for the University in this area over the last few years.
- First-time graduate enrollment decreased from 464 in Fall 2012 to 391 in Fall 2013 but this decrease includes 12 students pursuing the Doctor of Nursing Practice degree program.
- In response to a question regarding whether the decrease in graduate enrollment is due in part to the elimination of a degree option, Dr. Morgan indicated the decrease is primarily due to pressures the University is experiencing from lower-cost online providers in a few major areas.
- In response to a question regarding how much UK and UofL provide per student in scholarships, Mr. Dietz reported with regard to minority scholarships both institutions are spending \$2.5 million annually solely for the minority student population. MSU has two sources of scholarship dollars – institutional *Academic Achievement* scholarships (\$2 million) and MSU Foundation scholarships (\$2 million). The *Grid Scholarship* represents an automatic scholarship based on grade point average (GPA) and ACT score. This is becoming somewhat less competitive than it was four years ago and discussions have occurred with Dr. Jackson regarding this issue. Four years ago a student with a 30 ACT score and a GPA of 3.8 or 3.9 would have received a full scholarship. Currently this costs the same student approximately \$1,000 per year for tuition. The University is doing a better job of packaging other scholarship dollars with *Grid* dollars to increase student numbers but this continues to represent a very competitive arena.
- Confirmation was provided that given the housing issue the University experienced all students have now been placed but some were allowed to move off campus. As the semester began some students applying to MSU did not show up because the University did not have a bed for them and at that time those students were deferred to the Spring semester. Mr. Williams indicated in a time when the University is dealing with deficits, all know the institution cannot cut its way to success but instead must grow. When students apply and the University cannot accommodate their housing needs that is not acceptable. It was known years in advance a residence hall would be coming off line which provided ample time to plan for that situation. Confirmation was provided the University experienced a good scenario with more returning students desiring to live on campus. Agreement was reached this situation must not occur again. Dr. Miller provided assurance that he indicated the same sentiment when he became President and he certainly does not want the new President to face the same situation. A committee has been formed and under the leadership of Dr. Robertson has developed a plan to accommodate any number of new students. Enrollment is the key for Murray State in helping to solve financial issues. Mr. Dietz has done a great job recruiting additional undergraduate students and the University must ensure it is able to meet the housing needs of these students. Currently there are four different admissions for graduate, undergraduate, transfer and international students. An effort is being made to coordinate this work and have a standard admission because the data entered for admissions affects the University rankings. Committees have been formed to study factors related to enrollment. Dr. Miller is concerned about the student mix and the associated tuition dollars. That information has previously not been available and Ms. Dudley has worked extensively to collect information related to the different states and the 18-county service region. All expect a good plan will be developed but it is taking a great deal of time to collect the necessary data.

This report was provided for informational purposes only and required no action.

Preliminary Enrollment Management Plan, received

Mr. Dietz reported that a summary of the Enrollment Management Plan, as well as the plan in its entirety, were presented. The plan was developed with coordination from the four offices associated with admitting students. This represents a plan moving forward to 2014-15 with goals and objectives and an identification of what the University seeks to achieve. Dr. Miller reported this represents a good plan and a solid start but it is also a progressive plan.

This report was provided for informational purposes only and required no action.

Desired Student Mix Analysis Report, received

Dr. Miller indicated a chart illustrating the current student mix at Murray State was provided. Information on actual tuition and mandatory fees was provided for Kentucky residents as well as for the different types of students attending MSU. Also provided was the amount of revenue generated from enrollment. Net revenue represents tuition and housing and dining fees – total revenue minus discounts and scholarships – so it is known what the average discounts and scholarships are for any particular region being reviewed. Information was also provided on associated FTE (student enrollment). In Kentucky the University has 5,615 FTE which totals

\$8,668. If that is divided into the revenue generated (net revenue) this amounts to the net revenue per FTE. If only finances are being considered the target would be to recruit 10,000 international students because of the revenue they generate. The University is facing a budget shortfall of \$3 million and while people have complained about budget cuts he has indicated those cuts can be resolved by increasing enrollment and attracting the right mix of students. The right mix must be determined and the administration is now collecting information necessary to set goals. The University currently attracts 29 percent of students from the 18-county service region and shortly after taking office he indicated that percentage needs to increase. At the time that statement was made he did not know about the associated revenue numbers but the institution's mission is the 18-county service region and confirmation was provided that the University must be able to attract a certain percentage (to be determined) of those students. The *Racer Roundup* initiative has been implemented and more faculty and staff are getting involved within the 18-county region schools. It is hoped the institution will be able to free up recruiters to focus on other areas while faculty and staff serve the 18-county service region. Additional work will continue in this area to develop targets and this information will be provided to the Board at a later date.

Dr. Jackson chairs the *Committee on Rankings and Reputation* and indicated this ad hoc committee was provided with a very specific charge over the summer. Appreciation was expressed to members of the Committee which includes Regents Fister and Green. A few months ago a mission was established for the *Committee on Rankings and Reputation* under the guidance of Dean Emeritus Phil Bryan and others. A great deal of time was spent reviewing the past 20 years and what the University's rankings looked like as well as considering reputational information. Most importantly, the Committee established as its mission statement the goal of ensuring the submission of timely, accurate and consistent quality data for all academic and reputational rating requests the University receives. Over 40 surveys come to the University through the different departments, colleges, schools and the institution as a whole. Currently this work represents a decentralized process. The goal is to ensure the academic standing of Murray State University is correctly portrayed. Four offices recruit students – first-time freshmen, graduate, transfer and international. Approximately 80 percent of all information used to report rankings comes from data entered by those four offices. Some of the offices – due to staff turnover – do a much better job than others in this regard. One recommendation that has been made is to establish a work group of Registrar Tracy Roberts (Chair); Mr. Dietz; and Stacy Bell, Assistant Director for Undergraduate Admissions, to train these four offices in regard to enrollment information for first-time freshmen, etc. to ensure consistent information is correctly entered into the Banner system. This data is then extracted from Banner and reported and care must be taken to ensure correct data is entered. This has not always been the case and it is believed improvement in this area can be achieved quickly. As reported earlier, approximately 40 different surveys are received by the University in the various areas. An effort is being made to ensure there is a clearinghouse process to review all of this information for the remainder of the fiscal year to ensure it is correct and consistent across the University. An ad hoc group will work for the remainder of this year to review the data but after this fiscal year the responsibility for undertaking this work – checking data and ensuring consistency in all areas – will be transferred to the Office for Institutional Effectiveness. A review is also taking place of conditionally and unconditionally admitted students and how they are handled by the Commonwealth of Kentucky, Murray State and many peer institutions. Review and study will continue in this area. This institution has a Community College vehicle and there may be some methodology which should be reviewed and improved in the future in regard to how the institution has handled both conditional and unconditional admitted students. The federal government, state government and the CPE regularly mention how career and job placement and salary information are reported. This area will be reviewed because it is becoming an increasingly important component to the University's rankings and currently the institution does not do an adequate job gathering this data. Work is underway with the Office for Institutional Effectiveness to address this issue and determine where graduates are placed, what kind of jobs they are working in (whether they are working in their field of study) and what they are being paid. If Kentucky, like other states, pursues performance funding this would be one component to which the University will be held accountable.

Another recommendation from the *Committee on Rankings and Reputation* relates to branding, imaging and marketing efforts in regard to academic rankings – not as a whole how the institution is marketed or how students are recruited – but how the University is marketing itself to peer groups. For *U.S. News*, 22.5 percent of rankings are based on peer assessment and

discussion has occurred on how to strategically handle that component of announcing good things at Murray State and better portray the institution to its peer groups.

The University currently has an in-state tuition rate, an out-of-state tuition rate and multiple regional tuition rates. Part of the University's rankings and reputational standing is based on scholarships and discounting. This area will be reviewed more closely and a work group comprised of Bursar Anita Poyner; Lori Roe, Assistant Director for Institutional Research; Athletic Director Allen Ward; Mr. Dietz (Chair); Mr. Bryan; and Dr. Jackson has been formed to determine whether there is a way to establish "master" regional tuition rates to avoid each state having a different tuition rate. This has an impact on the University's rankings and must be reviewed closely but there is also an issue of transparency in the recruitment of students. Many peer institutions are moving away from the multiple regional tuition rates which is also being proposed for MSU.

Mr. Bryan reported that data for the College Board report was completed yesterday and indicates enrollment of new freshmen ranking in the top 10 percent of their class was up 2 percent. For the top 25 percent – which is how MSU is judged – the institution was up 2 percent from 43 percent to 41 percent. Approximately 76 percent of the schools reported rankings on their students but this was 80 percent the year before and 90 percent five years ago which means rankings will eventually become a non-entity. 2007 is the cohort that is being studied this year in terms of the six-year graduation rate. This decreased one percent from 54 (the 2006 cohort) to 53. This one-year cohort is worth 7.5 percent of *U.S. News* rankings so the University must review this issue. The MSU retention rate is 73 percent this year compared to 70 percent last year and this percentage is expected to increase even further next year (measured as freshmen returning in the following Fall semester). Acceptance rates remained the same at 82 percent.

Dr. Curris indicated he would like to make a few comments. He expressed appreciation to President Miller, Mr. Dietz, Mr. Bryan, Dr. Jackson and all who have been involved in taking an aggressive approach to enrollment at Murray State University. This work includes gathering pertinent data, analyzing that data and then putting together plans and all are very optimistic. Attracting and retaining students is a complex issue. Transfer policies that encourage community college graduates to attend Murray State is part of the answer; having a viable scholarship program and annual giving to support students is part of the answer; and having a good marketing effort is part of the answer. An area that concerns him is the perception of Murray State's academic reputation. He believes MSU has a very good academic reputation but there was a time when there was a large gap between Murray State's academic reputation and that of other institutions. As one prominent individual in Frankfort confidentially shared with him, several years ago it was difficult to compete with Murray because it was in an elite class but today other universities can compete. This is not a reflection that MSU's reputation or programs have diminished it is simply a recognition that competitors have placed emphasis on improving their stature and the gap between Murray and other institutions has diminished. He is convinced of that. Harry Lee's father once observed when he was living in Hickman County he could go to the capitals of five other states more quickly than he could go to Frankfort. If you reverse that, where the bulk of the population in this state lives, they must pass virtually every other public university to get to Murray State. They must have a reason to come to Murray and this institution must be at the cutting edge with a top flight academic reputation that will attract students. As he has said on numerous occasions, going back to marketing principles, one must either have a brand or they will have a commodity. If one has a brand people will want that brand. If one has a commodity it amounts to what is the cheapest way to get something. It has concerned him over the last couple of years that there has been a movement toward seeing Murray State as a commodity at which point the institution must have a better financial package to offer or people will go elsewhere. Students will go for the brand even if it costs more and this should be readily recognized. The University's brand must be strengthened. Murray State's academic reputation is good and has not diminished but the gap between MSU and other institutions must increase. MSU must improve its reputation if it is going to be able to attract top students. Dr. Miller is attempting to undertake initiatives which will produce immediate results and have a lasting impact. There are several long-term initiatives that can be utilized to strengthen the academic reputation and the drawing card of Murray State so that it is truly a brand. It must be ensured the University meets market conditions in attracting and retaining faculty and professional staff. The quality that is in the classroom is the substance of the academic reputation of the institution. There must be an effective, fair and ongoing evaluation of all faculty and professional staff. Progressive institutions have a post-tenure review process and just because a person has tenure does not mean they can be oblivious to being evaluated. This

institution needs to move in that direction. Good practices everywhere place emphasis on professional development programs and opportunities for faculty. The University offers sabbaticals but needs to offer more. It must be able to dedicate resources for faculty who want to improve their teaching so they have resources to go places to do top flight teaching in a given area. Two to three faculty members could learn firsthand what the best practices are and what can be adopted at Murray State. This work includes providing funding and support in the summer for faculty and professional staff to work together on projects to implement success. Compensation must in good part be tied to performance. MSU will not have a top flight faculty and professional staff if the entire compensation system is across-the-board – it must have some performance-based element. There must be an ongoing resource center on campus so if faculty need assistance in utilizing technology or in strengthening their teaching they can go to this entity and access those resources. Some of the best programs currently in existence are faculty run and are not administrative units. The University needs to have high expectations for performance of departments, colleges and individual faculty. Faculty need to have high expectations for the performance of students.

In conducting the evaluation process – and he focuses on the problems, not the good things – it caught his eye that in the National Survey of Student Engagement Murray State ranked highly in a number of areas and in terms of students believing this University cared about them MSU was among the top in the state. When it came to faculty working with students, MSU ranked right up there. On the question of how seniors thought they were challenged when they were in school at MSU, the institution ranked last in the state. This is not true in every area across-the-board but the institution will not be perceived as academically excellent if graduating seniors are indicating the curriculum is not that hard at Murray and students can get by without being challenged. Academic excellence requires high expectations at all levels. Co-curricular opportunities must be strengthened – field experiences, internships and co-ops – and every part of the University should explore how it can use these opportunities because the future of Murray State, in his judgment, will be based upon the perception of students across Kentucky and in the multi-state region that Murray is where you go to get “the” superior educational opportunity. If the reputation of this institution is that it is the place to go, a lot of time will not need to be spent on ranking and reputation reports because it will have more students than it can effectively accommodate. He is not trying to be critical of the University because he believes this is the best educational institution in the state but he is increasingly concerned Murray State needs to get better if it is going to maintain that position.

This report was provided for informational purposes only and required no action.

Adjournment

The Enrollment Management and Student Success Committee adjourned at 9:48 a.m. The Board also adjourned for a break beginning at 9:48 a.m. and ending at 10 a.m.

Finance Committee

Stephen Williams, Chair
Marilyn Buchanon
Constantine Curris
Renee Fister
Jerry Sue Thornton

Mr. Williams called the Finance Committee to order at 10 a.m. and reported all Committee members were present with the exception of Mrs. Buchanon.

Services – Fees, approved

Dr. Robertson reported that during the first round of Budget Review Committee work there was a recommendation to create a Matriculation Fee (\$150) which would include the Summer Orientation Fee and the Graduation Fee that every new first-time student – new freshmen, transfer and graduate students – would be required to pay. A charge was issued to research this recommendation further to determine associated pros and cons. The goal of the original fee proposal was to generate approximately \$96,000 for the General Fund. A committee was formed to study this issue and included representatives from Academic Affairs, Student Affairs,

Financial Aid and the Registrar's Office. The pros and cons of the proposed matriculation fee were reviewed and while it would generate the anticipated revenue there were some negatives which could impact transfer and graduate student recruitment. The fact that not every student attends an orientation was taken into consideration as was the fact that not every student graduates. Alternatives for generating this amount of revenue were considered which is when a review of certain academic services was undertaken. The resulting recommendation was not to implement a Matriculation Fee that every student would pay but to look at specific services, including increasing the late registration fee from \$75 to \$100, increasing the Departmental Challenge Fee (credit by examination) from \$5 per credit hour to \$25 per credit hour, increasing the cost of transcripts from \$3 to \$8 (mail) and from \$5 to \$10 (on-demand) and charging \$50 per course for schedule changes after the last day to add classes. This fee was in place in 1994-95 but when the move was made to the Banner system it was eliminated. These represent fees that students would only be charged if they delay in taking care of business or do not meet deadlines. If students meet deadlines they will not be assessed these fees unless they utilize the Departmental Challenge. Also being proposed is an increase in the Graduation Fee from \$30 to \$50 and setting a \$100 Doctoral Graduation Fee for the new doctoral program to cover the cost of internal processing and hiring an outside company to print, proof and mail diplomas directly to the doctoral recipient. Research was conducted in terms of what other institutions are charging for these services and even with the increases the proposed fees are in line with other Kentucky schools and in some cases are even less. These recommendations are anticipated to generate slightly over \$200,000 for the General Fund and these projections are based on a five-year average of current fee transactions. The recommendation also takes into account that as these fees are increased it could make it more likely students will get things done more quickly and there may not be as many transactions. Even taking this into account, it is estimated over \$200,000 will be raised for the General Fund.

On behalf of the Finance Committee, Dr. Thornton moved that the Board of Regents, upon the recommendation of the President of the University, approve increases on certain academic services, effective July 1, 2014, as outlined below:

- Late Registration – increase from \$75 to \$100 – last increase was in 2011-12
- Departmental Challenge – increase from \$5 per credit hour to \$25 per credit hour – last increase was in 1972-73
- Transcripts – increase from \$3 to \$8 (mail) and from \$5 to \$10 (on-demand) – last increase was in 1989-90 and
- Schedule Change – \$50 per course after the last day to add classes – last assessed in 1994-95

NOTE: These fees would only be assessed to students who delayed in taking care of business or those who elect to use the services offered.

- Effective with December 2014 pending degree applicants, increase the Graduation Fee for Associate, Baccalaureate, Master's and Specialist degrees from \$30 to \$50 – last increase was in 2011-12. The proposed fee increase is in line with all other Kentucky schools.
- Effective January 1, 2014, set a Doctoral Graduation Fee of \$100 to cover all costs of internal processing and hiring an outside company to print, proof and mail diplomas directly to the doctoral recipient. MSU does not have the equipment to produce and print the large doctoral diplomas and this work would have to be outsourced. The first doctoral degrees will be awarded May 2014.

Dr. Fister seconded and there being no further discussion the motion carried.

Property Acquisition – 203 North 16th Street, authorized

Ms. Dudley reported that the University has the opportunity to purchase property on 16th Street and this purchase is included in the Master Plan. Negotiations have not been finalized and are pending approval by the Board. Confirmation was provided that the current plan is to raze the building located on the site.

On behalf of the Finance Committee, Dr. Fister moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to purchase the property located at 203 North 16th Street, Murray, Kentucky. Dr. Thornton seconded and there being no further discussion the motion carried.

Budget Task Force Recommendations, received

Dr. Miller reported three subcommittees were appointed to identify recommendations. The Board was provided with a copy of the recommendations resulting from the work of those committees. He has met with the vice presidents who were asked to study the proposals and talk to the individual parties that might be affected to develop estimated costs or revenue enhancements. This process is just underway and the administration is not ready to make any recommendations. The campus will have an opportunity to meet and discuss these recommendations with the goal of final recommendations being presented to the Board in March 2014. Mr. Williams commended Dr. Miller and the entire management team for the approach taken in getting an early start on this process so the Board is not faced with making difficult decisions within a short period of time. The Board made an exception to its long-term philosophy about deficits but it also committed to not repeating that in the future. Extraordinary review must be undertaken to ensure a balanced budget which is going to be even more difficult given the fact that the University is seeing a cumulative \$8 million plus in continued reductions from the state and a continued increase in fixed costs over which the University has no control. This places even more pressure in the upcoming budget year on increasing revenue from enrollment and also decreasing expenses. No one wants to be in the situation where a zero increase for faculty and staff salaries becomes necessary and it was suggested this not be assumed too quickly. Recognition should also be given to the fact that in order to reach broader requirements there cannot be any "sacred cows." Everything must be reviewed but any available alternatives should be considered to allow for some salary increases, if possible.

Dr. Fister thanked all members of the Budget Task Force Teams for their work during a very difficult time. When talking about expanding academic excellence while undertaking this work it is very difficult to recruit and retain students, faculty and staff and convince them to remain in Murray. If Murray State wants to continue to grow as a University all must be careful in terms of how the institution proceeds during this period. She is and continues to be very concerned with regard to faculty, particularly as she hears about the choices people are making.

This report was provided for informational purposes only and required no action.

Budget Preparation Guidelines for FY 2014-15 Budget, approved with amendment

Dr. Miller reported that a document has been submitted to the Board which will serve as a guide during the budget preparation process. The University is facing a \$3 million deficit and wants to find ways to solve that deficit preferably without having to lay off any individuals. If positions become open at the University a request has been made for those to be filled through the hiring of internal candidates where possible so new positions are not being created. The Faculty Senate has recommended faculty raises be pursued and the possibility of doing so will be considered although it is not included in the document presented. The University must address the shortfall first as fairly as possible but will then look for ways to provide additional compensation. Dr. Curris has indicated the University must have a good system in place in terms of how any compensation will be rewarded and needs to move away from across-the-board increases. It is hoped all these issues can be addressed at the same time.

Dr. Fister is willing to accept this document if the implication of no anticipation of salary increases for faculty and staff is removed. She believes at this time that assumption is premature and for the morale of faculty and the implication this has it is not the time to include the assumption. It is not known what the exact budget deficit will be but faculty and staff need to have something to look forward to and including this assumption removes that possibility.

On behalf of the Finance Committee, Dr. Fister moved that the Board of Regents, upon the recommendation of the President of the University, approve the Budget Preparation Guidelines as presented and the proposed calendar. Dr. Fister further moved to amend the recommendation and that reference to no anticipation of salary increases for faculty and staff be removed at this time.

Confirmation was provided that a definitive decision is not being made but instead this issue will be deferred until a later date as more information is assessed.

Dr. Curris seconded and there being no further discussion the motion carried with the amendment.

Adjournment

The Finance Committee adjourned at 10:16 a.m.

Institutional Advancement Committee

Susan Guess, Chair
Sharon Green
Jenny Sewell
Jerry Sue Thornton
Harry Lee Waterfield II

In the absence of Mrs. Guess, Dr. Thornton called the Institutional Advancement Committee to order at 10:16 a.m. and reported all Committee members were present with the exception of Mrs. Guess, Ms. Green and Mrs. Sewell.

Naming Proposals, approved

Arthur J. Bauernfeind College of Business – Edward Jones Student Conference Room

Dr. Jackson reported two proposals are being presented to the Board for consideration and both have been vetted through the President; Regent Guess; Dean Tim Todd, *Arthur J. Bauernfeind College of Business*, and his team as well as with donors to the College. The first proposal represents a student conference area that will add to other improvements being made on the first floor of the *Bauernfeind College of Business* and would honor Edward Jones – a major employer of Murray State students and donor to the institution.

On behalf of the Institutional Advancement Committee, Mr. Waterfield moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities, Programs and Activities Committee, approve the naming of the Financial Services Resource Center in the *Arthur J. Bauernfeind College of Business* as the *Edward Jones Student Conference Room*. Dr. Thornton seconded and there being no further discussion the motion carried.

Murray State University Crisp Center (Paducah Campus) – Dr. Laxmaiah Manchikanti Classroom and Laboratory

Dr. Jackson reported that former Regent Laxmaiah Manchikanti made a contribution to the new *Crisp Center* for a classroom and laboratory. This gift will go toward the \$1 million scholarship endowment the University plans to put in place for the regional campus. Dr. Manchikanti has been integrally involved in this process over the last several years, including during his time as Regent on this Board.

On behalf of the Institutional Advancement Committee, Mr. Waterfield moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities, Programs and Activities Committee, approve the naming of a classroom and laboratory in the new *Crisp Center* at the Murray State University Paducah Regional Campus as the *Dr. Laxmaiah Manchikanti Classroom and Laboratory*. Dr. Thornton seconded and there being no further discussion the motion carried.

Adjournment

The Institutional Advancement Committee adjourned at 10:19 a.m.

Regional Services Committee

Jenny Sewell, Chair
Constantine Curris
Renee Fister

**Sharon Green
Susan Guess
Jeremiah Johnson
Phil Schooley
Stephen Williams**

In the absence of Mrs. Sewell, Dr. Curris called the Regional Services Committee to order at 10:19 a.m. and reported all Committee members were present with the exception of Mrs. Sewell, Ms. Green and Mrs. Guess.

MSU Regional Postsecondary Education Centers Update, deferred

Dr. Curris reported this agenda item would be deferred until Mrs. Sewell, Regional Services Committee Chair, could be present.

Transfer Center Update, deferred

Dr. Curris reported this agenda item would be deferred until Mrs. Sewell, Regional Services Committee Chair, could be present.

West Kentucky United for Economic Development Conference Update, received

Dr. Miller reported the University is hosting an Economic Development Conference on campus on December 10, 2013, and this represents the first such conference being held at MSU. The initiative is being headed by Dean Todd who reported that the Keynote Speaker for the conference will be Lieutenant Governor Jerry Abramson. Ron Crouch, Director of Research and Statistics for the Education and Workforce Development Cabinet, will kick-off the conference by providing a data run on what is occurring in Kentucky and Mike Hancock, Secretary of the Transportation Cabinet, will also make a presentation. The groups will then break into two panels focusing on entrepreneurship, tourism and other aspects of both small and large businesses and overall economic development in West Kentucky. Under Dr. Miller's vision all are proud to host the first Economic Development Conference focused on this region. Approximately 150 individuals have already registered to attend.

Adjournment

The Regional Services Committee adjourned at 10:21 a.m.

Ad Hoc Presidential Search Committee Report, received

Mr. Williams reported the following:

- The *Presidential Search Committee* met on campus yesterday and had a very constructive and productive session. The Committee was presented with a very nice pool of 65 total candidates. The Search Firm provided a secure website which allowed Committee members to access the credentials for all applicants for the position. The candidate pool was robust and included a diverse mix of individuals, not only in the context of gender but backgrounds and types of credentials being brought forward for review. A very engaging process occurred with 100 percent participation from all Committee members and the field was narrowed to eleven candidates to be interviewed (with two alternates) in January. It is hoped that in February this field can be narrowed to at least two but no more than four candidates (per the charge to the Committee) to be recommended to the Board to bring to campus for interviews. The Committee is on schedule and the list being advanced to the next level provides a full choice among candidates with various backgrounds and credentials and a healthy slate from which to interview. The Committee is committed to bringing to the full Board a list it feels would make excellent candidates for the Board to consider for the next President. The Committee utilized the Leadership Profile developed with assistance from the consultants and with input from the entire campus community. It was evident throughout the review process that the candidates utilized the Leadership Profile in terms of developing their applications. The Committee certainly used the Leadership Profile as a guiding tool to review the candidates. This document has served as a real asset in terms of determining those attributes desirable for the next President of Murray State University. Assurance was provided to the Board that the Search Committee is on schedule and has a slate of good candidates it is taking to the next level for review. Confirmation was provided that the Search Committee intends to meet in early February to determine the slate of candidates to be advanced to the full Board and arrange for those individuals to visit campus in early March at the time of the planned Board meeting. At this time the Board will interview the candidates. Dr. Curris

expressed appreciation to all members of the Committee and Dr. Thornton indicated the Search Committee has also noted that Dr. Miller has set the bar very high as it reviews future leadership. Mr. Williams emphasized there has been full engagement by the Committee and 100 percent attendance at the various meetings and all are committed to ensuring the Committee asks all the correct due diligence questions but also does its homework thoroughly to ensure it delivers the best possible candidates. Appreciation was expressed to members of the Committee and Mr. Hoffacker and Ms. Hunt for their assistance in determining the logistics of this process.

- Confirmation was provided that a pool of questions is being developed to be asked during the January interviews and this work is taking place with the assistance of the consultants so all are well prepared for the interview process. A key principle the Committee has abided by is providing a level playing field so the same criteria are being used to judge all candidates to ensure a fair process consistent with the Leadership Profile developed and approved early in the process.

Adjournment

The Board of Regents Committee meetings adjourned at 10:30 a.m.

Quarterly Board of Regents Meeting, reconvened

Chair Curris reconvened the Quarterly Meeting of the Board of Regents at 10:30 a.m.

Public Participation

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

Report of the President

Dr. Miller reported the following:

- He has made an effort to keep each member of the Board up-to-date on what has been occurring at the University. If he is providing too much or not enough information he asked the Board to let him know.
- In addition to enrollment and other initiatives which have already been discussed, he is concerned about job placement data because for Spring graduates the University needs to know what those students are doing, where they are employed and what wages they are earning. Undertaking this work is critical because other agencies are also looking at this information and the institution must ensure it is able to provide the necessary data.
- He will be spending the majority of his time during the Spring semester with the Legislative Session in Frankfort (with Dr. Jackson) and he will be delivering the same message he has been sharing in the region about Murray State and how the University can help improve and lead economic development in the region.
- He had in his notes to talk about branding and having a distinctive message and distinctive programs of excellence but Dr. Curris earlier covered this issue quite well.

Report of the Chair

Chair Curris indicated he has already given the report of the Chair.

Report of the Constituency Regents

Faculty Regent

Dr. Fister reported the following:

- Faculty received at least ten distinct regional and national awards highlighting excellence in teaching, research and service during the Fall semester.
- From Spring 2013 through Fall 2013 faculty taught 390,191 credit hours and this does not include clinical or lesson hours related to different disciplines.
- Faculty have been awarded \$4.11 million in grants since July of this year.
- Faculty have published 246 peer-reviewed articles, four books and 18 book chapters. Some of these represent joint publications and some involve students. An effort is being made to create academic excellence and that goal has been in place and remains.
- Faculty have had 536 intellectual contributions which includes presentations, exhibits and performances.

- Faculty numbers have decreased since 2007 but enrollment has increased and faculty continue to undertake more initiatives with fewer members.
- Faculty Senate updates were provided to the Board as they occurred and include an Executive Committee motion which was unanimously approved indicating the Faculty Senate supports a budget process that assures adequate salary increases and protection of existing faculty and staff benefits.
- Appreciation was expressed to those serving on the Budget Task Force committees.
- Appreciation was expressed to Crystal Coleman, Senior Lecturer-Director of Forensics, *AJBCOB*, who allowed Board members to use her car to ride in the Homecoming Parade. Appreciation was expressed to Dr. Thornton, Mr. Schooley, Mike Busby (System Manager/Programmer, *Jones College of Science, Engineering and Technology*) and the Student Government Association for their help in this endeavor.
- Photos were provided of the *Jones College of Science, Engineering and Technology* Dedication and the *Ross Mathematical Studies and Career Center* Dedication.
- It is important for Regents to be present on campus to showcase the benefit they provide to the campus community. She commended the entire Board for making the trip to Paducah yesterday and believes their presence spoke volumes for the group as a whole.
- *Racer Roundup* is underway and almost 100 faculty and staff have volunteered to visit local high schools. Faculty and staff are going above and beyond in helping recruit and retain students.

Staff Regent

Mr. Schooley reported the following:

- Appreciation was expressed to staff members that served on the Budget Review teams.
- The Staff Recognition Luncheon was held on September 10 and the names of service award recipients and the Staff Excellence Award winner (Jean Miller, Breathitt Veterinary Center) were provided.
- The Staff Survey is underway and to date 471 responses (46.8 percent) have been returned.
- This year, with assistance provided by the President's Office, University Communications, Facilities Management and the internal printing department, a banner has been designed which is located in the Curris Center recognizing the 2013 Staff Excellence Award winners.
- The annual Staff Congress Faculty and Staff Children's Christmas party will be held from 1 to 3 p.m. on Saturday, December 14 in the Curris Center. The Staff Holiday Reception will be held on December 12 from 2 to 4 p.m. in the Curris Center Large Ballroom.
- A copy of the November *Staff Congress Newsletter* was provided.
- Appreciation was expressed to Drs. Thornton and Fister for participating in the Homecoming Parade and a photo of the first time Dr. Thornton was in the parade was presented.

Student Regent

Mr. Johnson reported the following:

- Homecoming 2013 was a success and Luke King and Celeste Chockley were crowned Homecoming King and Queen. Tyler Glosson was elected Mr. MSU for 2013 and is an Animal Science major. Rayna Gordon was elected Miss MSU for 2013 and is a Pre-Vet major.
- As requested by the Board, an update was provided on the residential college system. The MSU Residential College System started in 1996 and was created to be a tight knit, community atmosphere led by faculty members. These colleges promote educational development and personal and professional growth, while having a little fun along the way. Individual residential college accomplishments include:
 - Lee Clark College – In October the Clarkstock Music Festival raised over \$500 for the Main Street Youth organization. During the past year Clark College has formed a *Sustainability Committee* with the dual focus of increasing student participation in recycling and reducing energy costs in Clark College.
 - Elizabeth College – Held a Progressive Dinner that included dishes from around the world and 165 people attended. A recent Date Auction raised \$200 for Needline and a "Home Away from Home" program designed to combat homesickness attracted 54 freshmen and upperclassmen who enjoyed "comfort foods."
 - Hart College – Established an international student liaison mentoring program that pairs a Hart international student with an American "buddy" at the college. At present, over 40 buddy teams are in existence.
 - Hester College – In October Hester presented Monster Bash, a Halloween party that attracted 120 attendees for a safe and fun night. On Phoenix Day (anniversary of the Hester fire) the College raised \$180 for the Murray Fire Department's Retired Fire Fighters Fund. The Murray Fire Department also provided fire safety tips for residence hall occupants.
 - Regents College – In October Regents was the first residential college to receive a Safe Zone designation with the Residential Director, all Resident Advisors and many Residential College Council Officers completing Safe Zone training. Regents also hosted a gun control discussion that featured a panel consisting of four faculty members and a journalist.

- Richmond College – In September Richmond hosted a seven-member panel discussion, “Egypt: Reality of a Changing Region,” and over 70 guests attended. The College also hosted a spirited panel debate in October on the new Federal Affordable Care Act.
- Springer/Franklin College – In November Springer/Franklin students participated in a pre-game tailgate party with West Kentucky Mentoring, Inc. (successor organization to Big Brothers/Big Sisters) and 18 community children participated and attended the Racer football game. The College raised nearly \$100 for West Kentucky Mentoring at its Mr. and Miss Springer/Franklin competition in October.
- White College – Fall semester programs have raised \$1,700 for Relay for Life thus far which had been dedicated toward continuing to fund additional programs throughout the year. A student has since experienced some severe medical conditions and the majority of this funding will now be provided to her family to help cover medical costs. The other colleges will follow suit next Spring to help this family. Over 150 students attended an August “Crud Wars” and *Great Beginnings* cookout. White College students and faculty leaders are also participating in a number of field trips to attractions in the surrounding region during the current academic year.
- On November 17, 2013, numerous tornadoes hit Illinois from Brookport to Washington and houses were leveled, family members were hospitalized and eight individuals passed way. The men of Pi Kappa Alpha, the ladies of Sigma, Sigma Sigma and Alpha Omicron Pi traveled to Brookport to help with cleanup on October 23. In addition, Alpha Sigma Alpha raised \$855 for a sister in need. Numerous other organizations, including the Governors Scholars Alumni, joined forces to begin raising funds for a member that lost her home in the tornado. The Murray Rotary Club also donated over \$400 to this family. This is just another reason why Mr. Johnson is thankful to be a Racer!
- Over Thanksgiving the University lost another student due to medical complications. He received an email after midnight from the Vice President for Student Affairs regarding this situation. Dr. Robertson does a phenomenal job representing students and he is always there to lend support. It was learned today that another student has been hospitalized with appendicitis and Dr. Robertson has been working with her parents to try to get them to Murray given the current storm conditions. This speaks volumes for the administrators at Murray State – especially the Vice President for Student Affairs. He helps keep students healthy and happy.

MSU Spotlight: Regional Outreach Report, received

Gina Winchester, Executive Director for Regional Outreach, reported the following:

- She has been undertaking regional outreach work over the past six years and averages three to four visits in the region per week (approximately 15,000 travel miles annually).
- There are individuals both on and off campus who are not familiar with the work of the Office for Regional Outreach and the associated impact. The *Spotlight on Regional Impact 2007-13: United for Success Report* was provided to the Board and highlights every project undertaken over the past five years. Another report handed out today represents an assessment that highlights what has occurred over the past five years based on output and the outcome of work within the 18-county service region. This work was recently featured at the UK Innovation Summit in Lexington, Kentucky, and the Kentucky Engagement Conference. Mrs. Winchester, along with Rebecca Feldhaus, Coordinator for Regional Outreach, attended the Battelle Rural Education National Forum in Columbus, Ohio. An effort is being made to get the word out locally, regionally and nationally about work undertaken by the Office for Regional Outreach.
- The University’s Digital Media Team did an excellent job producing a *Roundabout* video which has aired across the region and has received numerous positive comments. All were encouraged to watch the video.
- When legislated by the CPE in 2006, the function of this office was to serve as a liaison for the University with the 18-county service region. Work has occurred diligently with community leaders to build those partnerships and relationships both on and off campus.
- The work of this office carries both short- and long-term impact to the institution. If one of the thousands of kids who have been brought to campus through one of these projects comes to campus that represents a short-term benefit. The long-term benefits associated with the work of this office are even more beneficial. Over time work that is occurring with Superintendents and Principals in the region helps increase student test scores and raise the educational attainment level. This leads Superintendents and Principals to be committed to the University for years to come.
- Work has occurred with literally every school district in the region and the office offers an average of 10 to 15 projects annually. Those projects – because of the way funding is set up – are actually being matched one-to-one with resources within the region. The office is encouraging individuals partnering with the University to dedicate funding toward these initiatives which means the office is leveraging even more dollars. The overarching goal is for these projects to be seeded so they eventually become long-term. Four projects funded over the past three years are now sustainable and on their own. In replacement of those projects, new projects have been initiated, including a project which targets childhood obesity. This project was brought to the attention of the Office for Regional Outreach by the MSU Department of Mathematics and Statistics and the School of Nursing. Money

has been provided to undertake the “Health in a Box” project and teachers are very excited about the initiative.

- This work is unique to Murray State and as Mrs. Winchester talks with her counterparts at other institutions across Kentucky for most of them whatever they started with in 2006 as their vision for regional outreach has changed because they are seeing the success being achieved at MSU. Two institutions are now using the same model as Murray State and are undertaking grant work in the same fashion.
- In terms of the economic impact of the work of the Office for Regional Outreach in the region, that entity has participated in the Economic Development Summit and similar initiatives. The Regional Chamber Alliance formation was also part of this work. The most impactful project has been the Transfer of Wealth Study undertaken in 2009. Bob Long, Kellogg Distinguished Visiting Professor in the College of Health Sciences and Human Services, brought this idea to the Office for Regional Outreach and the study was conducted on a regional basis for the 18 west Kentucky counties in the University’s service region. Because of this work, the results of the study were reviewed by individuals across the state and was replicated on a statewide basis and in 2010 Senate Bill 227 was passed which created an Endowed Kentucky Tax Credit to get individuals involved in giving back to their communities and to develop community foundations. There are now four community foundations established within the University’s 18-county service region and within this short time period they have raised over \$1.1 million. The majority of donor-advised monies are being applied toward scholarships to help students in the region attend college. If the University takes advantage of this it will offset dollars the institution might otherwise have to provide.
- The office is reaching out across the state to work with other grantees and partners and one of those is the Office of Broadband Outreach and Development. They approached the University with some federal grant funding to put broadband in four river counties (\$100,000) which is being leveraged for new projects in this area.

This report was provided for informational purposes only and required no action.

Report of the Treasurer, accepted

Ms. Dudley reported the following with regard to the quarterly financial report:

- Next to state appropriations, tuition is the University’s “bread and butter.” For the first quarter (3 months) of this year, the University’s net tuition and fees earnings are fairly final for Fall and Summer 2013. The University is currently at 52 percent of gross tuition budget which is where it wants to be at this point. Net tuition and fees were budgeted at \$68 million and are currently at \$35.6 million. The University has met Summer II and Fall budgets and with the current tuition mix the increase is approximately \$900,000 over Budget. It is anticipated these students will continue in the Spring but those numbers will not be finalized until late February. It is expected the University will meet Budget (breakeven) and hopefully have excess revenue to include in next year’s Budget.
- Total discount numbers have been added to the information provided because it has previously been difficult for the Board to identify these figures. The \$36 million indicated represents a 34 percent discount rate (which was budgeted). The University is currently at \$18.5 million in discounts – a 34 percent discount rate – which means the institution is on target with discounts as well as gross tuition.
- Confirmation was provided that as of June 30 the University could operate 146 days without additional revenue.

Dr. Miller reported Ms. Dudley works approximately 22 hours per day and from working with Dr. Morgan, Mr. Carter, Dr. Jackson and Mr. Dietz it is obvious all work long hours and do a tremendous job.

Mr. Williams 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 of July 1, 2013, through September 30, 2013, as presented. Mr. Schooley seconded and there being no further discussion the motion carried.

(See Attachment #1)

Report of the Registrar, approved

Mr. Williams moved that the Board of Regents ratify the awarding of degrees to August and December 2013 graduates on December 14, 2013, as recommended by the Office of the Registrar. Mr. Schooley seconded and there being no further discussion the motion carried.

(See Attachment #2)

Gifts-in-Kind, accepted

Ballance Family Scholarship

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the Ballance Family Scholarship valued at \$20,000 that was donated by Charlotte A. Ballance for the T. S. and Juanita Ballance Foundation of Decatur, Illinois. Dr. Thornton seconded and there being no further discussion the motion carried.

ABI Real-Time PCR System with Dell Latitude E6500 Laptop – Department of Biological Sciences

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the ABI Real-Time PCR System with Dell Latitude E6500 Laptop valued at \$19,000 which was donated by BD Diagnostic of Sparks, Maryland, for the benefit of the Department of Biological Sciences. Mr. Waterfield seconded and there being no further discussion the motion carried.

University Student Appeals Board Appointments, 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 Appeals Board for the terms indicated below.

Faculty: Three-year term (2013-16):

Carrie Jewell, Assistant Professor – Department of English and Philosophy
College of Humanities and Fine Arts

Kevin Miller, Assistant Professor – Department of Chemistry
Jones College of Science, Engineering and Technology

Students: One-year term (2013-14):

Charlie Hobbs, Wanda Horton and Taylor Miller

Dr. Thornton seconded and there being no further discussion the motion carried.

Policy Changes, approved

Sick Leave Bank Policy

Ms. Dudley reported two Human Resources' *Policies and Procedures Manual* changes are being proposed. The Insurance and Benefits Committee proposed the changes being submitted for the *Sick Leave Bank Policy*, Human Resources reviewed the changes and they have been vetted through the various constituency groups. Three changes are being proposed, including the definition of catastrophic, a reduction in the number of consecutively-scheduled work days of time off before *Sick Leave Bank* usage can begin and addressing four 10-hour day schedules so employees receive equal benefits to those employees working five 8-hour days to make the policy more equitable. Assurance was provided that this policy change was recommended and endorsed by the Insurance and Benefits Committee and has been reviewed by Human Resources.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposed changes to the *Sick Leave Bank Policy* as indicated below:

1. Definition of "catastrophic" is proposed as:
"A life-threatening condition or combination of conditions affecting the mental or physical health of the employee, and includes but is not limited to, the following: lengthy hospitalization, necessary surgery requiring a lengthy recovery, an ongoing treatment regimen requiring frequent time off or complicated pregnancy requiring bed rest or hospitalization. The catastrophic illness or injury must require the services of a health care provider."
2. Change the number of consecutively-scheduled work days off before *Sick Leave Bank* usage can begin from 15 to 10 days.

- Addresses four 10-hour day schedules so employees receive equivalent benefits to those employees working five 8-hour days. Under the current policy, employees who work four 10-hour days receive more *Sick Leave Bank* time off because time off is measured in days, not hours.

Mr. Waterfield seconded and there being no further discussion the motion carried.

(See Attachment #3)

Optional Retirement Plan (ORP)-KTRS

Ms. Dudley reported that related to the *Optional Retirement Plan* Human Resources was trying to address those individuals who retired under this option. Mr. Hoffacker reported this primarily deals with benefits a retiree receives from Murray State, including tuition waivers, access to the Wellness Center (at the least expensive rate), discounts at athletic events and the University Bookstore and free parking. In the *Kentucky Teachers Retirement System (KTRS)* there is a relatively sophisticated method for determining who a retiree is and it is desirable for the identical process be used for persons who are leaving employment under the *Optional Retirement Plan*.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve a policy change that will define retirees who are members of the *Optional Retirement Plan* in order to determine eligibility for Murray State benefits. These persons will be designated as retirees if they meet the same criteria as members of the *Kentucky Teachers Retirement System*. If an *ORP* member terminates employment and does not meet the criteria for retirees who participate in *KTRS*, then he or she will be designated as resigning from the University, not retiring, and will not be eligible for Murray State retiree benefits. Dr. Thornton seconded and there being no further discussion the motion carried.

(See Attachment #4)

Personnel Change, approved

Staff Leaves of Absence Without Pay

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay that have been processed as of November 8, 2013, as listed below:

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Marlene Agnew	Dining Services	9/7/13-9/13/13
Teddy Alexander	Dining Services	8/16/13
David Brickeen	Facilities Management	10/17/13-10/23/13
Ray Chapman	Dining Services	8/15/13-11/13/13
Sharon Crouch	Industrial and Engineering Technology	9/16/13
		9/18/13-9/20/13
Phyllis Dunn	Dining Services	9/12/13-9/14/13
Janeen Feagin	West KY Expo Center	7/31/13-8/2/13
Sherry Jaeger	Facilities Management	7/3/13-7/6/13
		7/9/13-7/12/13
Robin Jetton	Facilities Management	11/8/13-12/13/13
Tracy Karim	English as a Second Language	8/14/13-8/26/13
		8/27/13-1/2/14
Shelia Lamb	Dining Services	8/12/13-8/23/13
		8/24/13-9/6/13
		9/7/13-9/20/13
		9/21/13-10/4/13
Joseph Lawrence	Public Safety & Emergency Mgmt	7/30/13-9/13/13
Donald Lovett	Public Safety & Emergency Mgmt	10/16/13-10/15/14
Zonnie McLean	Dining Services	10/24/13-10/27/13
Kevin Qualls	Journalism and Mass Communications	10/9/13-1/5/14

Robert Turner	Facilities Management	9/18/13
Timothy Washum	Facilities Management	7/9/13-10/1/13
Jennifer Wyatt	Ed Studies, Leadership and Counseling	10/2/13-11/15/13
*Intermittent Leave		10/30/13-12/31/13

Mr. Williams seconded and there being no further discussion the motion carried.

Committee Reports and Recommendations

Academic Affairs Committee – Dr. Thornton

Establishment of the *MSU Institute of Engineering*, approved

On behalf of the Academic Affairs Committee, Dr. Thornton moved that the Board of Regents, upon the recommendation of the President of the University, approve the establishment of the *Murray State University Institute of Engineering*. This change would become effective July 1, 2014, but branding and marketing would begin in Spring 2014. Mr. Williams seconded and there being no further discussion the roll was called with the following voting: Dr. Fister, yes; Mr. Johnson, yes; Mr. Schooley, yes; Dr. Thornton, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

New Minors Report, received

Dr. Thornton reported the Committee received a report from Provost Jay Morgan regarding four new minors for undergraduate study. Information provided included descriptions and courses required for the new minors approved by the Academic Council on November 14, 2013, effective July 1, 2014, as listed below:

- Data Analytics (22 hours)
- Entrepreneurship (21 hours)
- Golf Course Management (21 hours)
- Sports Communication (21 hours)

The New Minors Report was presented for informational purposes only and required no action.

Audit and Compliance Committee – Mr. Waterfield

Mr. Waterfield reported the Audit and Compliance Committee received a report from the University's external auditors – RubinBrown – who participated in the Committee meeting via telephone due to the weather.

Audit Reports – General, accepted

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 reports for 2012-13:

- a. Presentation on Results of the Annual Audit Report for the Year Ended June 30, 2013
- b. Auditors Communications
- c. Independence/Peer Review Letter
- d. House Bill 622 Compliance Report for the Year Ended June 30, 2013
- e. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2013
- f. General Financial Statement for the Year Ended June 30, 2013

Mr. Williams seconded and there being no further discussion the motion carried.

(See Attachments #5-#10)

Audit Report – Federal, accepted

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 report for 2012-13:

- a. U.S. Office of Management and Budget Circular A-133 for the Year Ended June 30, 2013

Mr. Williams seconded and there being no further discussion the motion carried.

(See Attachment #11)

Audit Reports – Athletic, accepted

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 reports for 2012-13:

- a. National Collegiate Athletic Association Independent Accountant’s Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2013
- b. Murray State University Athletic Foundation Compilation for the Year Ended June 30, 2013

Mr. Williams seconded and there being no further discussion the motion carried.

(See Attachments #12 and #13)

Audit Reports – WKMS-FM, accepted

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 auditor communications and audited financial statement for WKMS-FM for the Year Ended June 30, 2013. Mr. Williams seconded and there being no further discussion the motion carried.

(See Attachments #14 and #15)

Auditing Service Contract Extension, approved

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, authorize the University to extend the contract with RubinBrown for the performance of the University’s financial and compliance audits for the fiscal year ending June 30, 2014, at a cost of up to \$120,300 plus a negotiated amount for any single program audits above two and further authorize the University to enter into two subsequent contract renewals based upon mutual consent at the following rates:

2014 – 2015	\$122,800
2015 – 2016	\$125,300

Dr. Thornton seconded and there being no further discussion the roll was called with the following voting: Dr. Fister, yes; Mr. Johnson, yes; Mr. Schooley, yes; Dr. Thornton, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Buildings and Grounds Committee – Mrs. Buchanon

In the absence of Buildings and Grounds Committee Chair Marilyn Buchanon, Mr. Schooley conducted the Committee meeting.

Capital Plan Changes – Waterfield and Pogue Libraries, approved

Mr. Schooley indicated the Committee received a report from Mr. Oatman regarding proposed Capital Plan changes for Waterfield and Pogue Libraries.

On behalf of the Buildings and Grounds Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the two project requests, project descriptions and sources of funds as described below in the 2014-20 Six-Year Capital Plan and the 2014-16 Capital Budget.

Change Renovate Waterfield Library for Multi-Use Service Center, \$30,176,000
To Renovate and Expand Waterfield Library, \$19,000,000

Change Renovate Pogue Library, \$9,040,000
To Renovate Pogue Library, \$9,040,000

Both of these new projects would be moved from the 2016-18 biennium to the 2014-16 biennium.

Mr. Williams seconded and there being no further discussion the roll was called with the following voting: Dr. Fister, yes; Mr. Johnson, yes; Mr. Schooley, yes; Dr. Thornton, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

(See Attachments #16 and #17)

Chair Curris indicated his approval to President Miller that the University is making progress toward significant improvements in Library services.

North Farm Easement – City of Murray, approved

Mr. Schooley reported the Committee received a report from Mr. Oatman with regard to a North Farm Easement for the City of Murray.

On behalf of the Buildings and Grounds Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, enter its order approving the granting of an easement of 1.4 acres, more or less, as described below to Murray Electric Systems for the purpose of constructing an electric substation.

“As part of the Highway 121 Widening Project, Murray Electric will be relocating their high voltage power line to the TVA easement that lies north of Wal-Mart and intersects North 16th Street at the Murray State University North Farm. Murray Electric currently serves the MSU main campus and the north part of town from one main substation to the south. Murray Electric is planning to construct a new electric substation on the north side of town in line with the relocated primary power line. The new substation would provide a redundant primary power source to Murray State and to the north part of town thereby increasing the reliability of electric service. Murray Electric has requested an easement of 1.4 acres, more or less, from Murray State on the south side of the MSU North Farm, west of North 16th Street, in an area of pasture and creek. A diagram depicting the general location of the proposed easement is attached. The easement would be for the purpose of constructing the electric substation. The benefits to Murray State include having a reduction in power outages as a result of having a redundant power feed and not having to maintain the area in question would offset the cost of granting the easement.”

Mr. Williams seconded and there being no further discussion the motion carried.

(See Attachment #18)

Highway 121 Widening Project Report, received

Mr. Schooley reported that the Committee received a report from Mr. Oatman regarding the Highway 121 Widening Project. This report was presented for informational purposes only and required no action.

North 16th Street Study, received

Mr. Schooley reported that the Committee received a report from Mr. Oatman regarding the North 16th Street Study. This report was presented for informational purposes only and required no action.

Curris Center Parking Lot Solar Project Report, received

Mr. Schooley reported that the Committee received a report from Mr. Oatman regarding the Curris Center Parking Lot Solar Project. This report was presented for informational purposes only and required no action.

Enrollment Management and Student Success Committee – Ms. Green

In the absence of Enrollment Management and Student Success Committee Chair Sharon Green, Mr. Johnson conducted the Committee meeting. He indicated none of the agenda items required action and were presented for informational purposes only.

Fall 2013 Enrollment Report, received

The Committee received a Fall 2013 Enrollment Report from Mr. Dietz which indicated overall enrollment is up 1 percent with a total student population of 10,943.

Preliminary Enrollment Management Plan, received

The Committee received a report from Mr. Dietz on the preliminary Enrollment Management Plan that will set the standard for recruiting and retaining students moving forward. The Committee also received a report from Dr. Jackson and Dean Emeritus Phil Bryan on the work of the *Ad Hoc Committee on Rankings and Reputation*. An effort is being made to provide timely, accurate and consistent information to entities evaluating the institution to provide the best view of MSU.

Desired Student Mix Analysis Report, received

The Committee received a report from Dr. Miller and Ms. Dudley on the current student mix at Murray State, indicating what states students are from, the tuition level they are paying as well as any other information which could be gathered to help determine the future direction in which the University should proceed.

Chair Curris indicated that since there are no action items these reports would be accepted by the Board of Regents by consensus.

Finance Committee – Mr. Williams

Academic Services – Fees, approved

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve fee increases on certain academic services, effective July 1, 2014, as outlined below:

- Late Registration – increase from \$75 to \$100 – last increase was in 2011-12
- Departmental Challenge – increase from \$5 per credit hour to \$25 per credit hour – last increase was in 1972-73
- Transcripts – increase from \$3 to \$8 (mail) and from \$5 to \$10 (on-demand) – last increase was in 1989-90 and
- Schedule Change - \$50 per course after the last day to add classes – last assessed in 1994-95

NOTE: These fees would only be assessed to students who delayed in taking care of business or those who elect to use the services offered.

- Effective with the December 2014 pending degree applicants, increase the Graduation Fee for Associate, Baccalaureate, Master's and Specialist degrees from \$30 to \$50 – last increase was in 2011-12. This proposed fee increase is in line with other Kentucky schools.
- Effective January 1, 2014, set a Doctoral Graduation Fee of \$100 to cover all costs of internal processing and hiring an outside company to print, proof and mail diplomas directly to the doctoral recipient. MSU does not have the equipment to produce and print the large doctoral diplomas and this work would need to be outsourced. The first doctoral degrees will be awarded May 2014.

Dr. Fister seconded and there being no further discussion the roll was called with the following voting: Dr. Fister, yes; Mr. Johnson, no; Mr. Schooley, yes; Dr. Thornton, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried by a vote of 6 to 1.

Property Acquisition – 203 North 16th Street, authorized

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to purchase the property located at 203 North 16th Street, Murray, Kentucky. Dr. Fister seconded and there being no further discussion the roll was called with the following voting: Dr. Fister, yes; Mr. Johnson, yes; Mr. Schooley, yes; Dr. Thornton, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Budget Task Force Recommendations, received

Mr. Williams reported that good discussion occurred with regard to Budget Task Force recommendations. Appreciation was expressed to Dr. Miller and staff for getting an early start on a daunting challenge in terms of the Budget because a lot of great work is already underway and will serve as the foundation of Budget recommendations emerging in the Spring. This report was provided for informational purposes only and required no action.

Budget Preparation Guidelines for FY 2014-15 Budget, approved with amendment

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Budget Preparation Guidelines as presented and the proposed calendar. Upon a recommendation by Dr. Fister, the Committee further moved to amend the recommendation and that reference to no anticipation of salary increases for faculty and staff be removed at this time. Confirmation was provided that a definitive decision is not being made but instead this issue will be deferred until a later date as more information is assessed. Dr. Fister seconded and there being no further discussion the motion carried with the amendment.

(See Attachment #19)

Institutional Advancement Committee – Mrs. Guess

It was reported that in the absence of Institutional Advancement Committee Chair Susan Guess, Dr. Thornton conducted the Committee meeting.

Naming Proposals, approved

Arthur J. Bauernfeind College of Business – Edward Jones Student Conference Room

On behalf of the Institutional Advancement Committee, Dr. Thornton moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities, Programs and Activities Committee, approve the naming of the Financial Services Resource Center in the *Arthur J. Bauernfeind College of Business* as the *Edward Jones Student Conference Room*. Mr. Williams seconded and there being no further discussion the motion carried.

Murray State University *Crisp Center* (Paducah Regional Campus) – *Dr. Laxmaiah Manchikanti Classroom and Laboratory*

On behalf of the Institutional Advancement Committee, Dr. Thornton moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities, Programs and Activities Committee, approve the naming of a classroom and laboratory in the new *Crisp Center* at the Murray State University Paducah Regional Campus as the *Dr. Laxmaiah Manchikanti Classroom and Laboratory*. Mr. Williams seconded and there being no further discussion the motion carried.

Regional Services Committee – Mrs. Sewell

It was reported that in the absence of Regional Services Committee Chair Jenny Sewell, Dr. Curris conducted the Committee meeting.

MSU Regional Postsecondary Education Centers Update, deferred

Chair Curris reported this agenda item was deferred until Mrs. Sewell could be present.

Transfer Center Update, deferred

Chair Curris reported this agenda item was deferred until Mrs. Sewell could be present.

West Kentucky United for Economic Development Conference Update, received

Chair Curris reported the Committee received a report from Dr. Miller on the West Kentucky United for Economic Development Conference to be held on campus on December 10.

Ad Hoc Presidential Search Committee Report, received

Chair Curris reported Mr. Williams, Chair of the *Ad Hoc Presidential Search Committee*, presented a report to the Board indicating the process is proceeding on schedule.

Other Business

Mr. Williams expressed appreciation and congratulations to President Miller, Provost Morgan, Mr. Oatman, Dr. Van Horn and all associated with the tremendous job of culminating the *Paducah Regional Campus*. All are in agreement this represents a tremendous asset for Murray State and the amount of work that has been undertaken over the past six months to bring the project to fruition is appreciated. All should be congratulated on a tremendous accomplishment. Chair Curris added that contact with the members of the Paducah Community yesterday reflected the same sentiment and it is evident the work on the physical facility, the development of the academic plan and the announcement of pending activity have been extremely well received.

Confirmation was provided that the date for the next Quarterly Board of Regents meeting in March could stretch over two days and Chair Curris indicated it would be appropriate to outline what the Board intends accomplish. The *Presidential Search Committee* has been charged with recommending two to four individuals that would be designated by this Board as finalists for the presidency of Murray State University. Those individuals would visit campus and meet with members of the campus community in various settings. Part of this process will be the Board of Regents interviewing each of the finalists, recognizing that a majority of the Board is not on the Search Committee. An effort is being made to schedule these visitations in a way so that the Board can interview the candidates. This may be difficult to accomplish in one setting so it may be necessary for the Board meeting to take place over a couple of days to allow for regular Board business to be conducted while at the same time permitting the Board to fulfill its obligation to interview and subsequently make a decision relative to the next President of Murray State University. Board members were asked to hold the week of March 10, 2014, for this purpose. The final meeting date(s) will likely be chosen in February once the Search Committee indicates to the Board the number of individuals they anticipate recommending for a campus visit. At that point the Board will firm up the meeting dates which will provide the most flexibility for candidates.

Chair Curris indicated the plan today will be to go into Executive Session but the Board does not anticipate the Executive Session will lead to any action on the part of the Board. When Executive Session ends the full Board will reconvene and immediately adjourn. Lunch will be provided for Board members desiring to stay.

Closed Session

Chair Curris solicited a motion for the Board of Regents to go into Closed Session pursuant to KRS 61.810(1)(c) to discuss litigation pending against the University. Mr. Schooley so moved. Mr. Williams seconded and there being no further discussion the motion carried.

Closed Session began at 11:27 a.m.

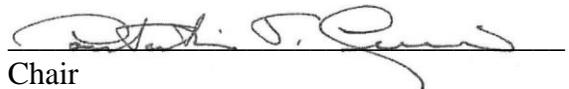
Open Session

Mr. Johnson moved that the Board of Regents reconvene in Open Session. Mr. Waterfield seconded and there being no further discussion the motion carried.

The Board reconvened in Open Session at 11:45 a.m.

Adjournment

Mr. Johnson moved, seconded by Mr. Waterfield, that the Quarterly Board of Regents Meeting adjourn. There being no further discussion the motion carried. Adjournment was at 11:46 a.m.


Chair


Secretary

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