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Board of Regents, Murray State University

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**Minutes of the Special Meeting of the Board of Regents  
Annual Planning Retreat and Work Session  
Murray State University  
August 27, 2014**

The Murray State University (MSU) Board of Regents (BOR) met in Special Session for the Annual Planning Retreat and Work Session on Thursday, August 27, 2014, at Miller Memorial Golf Course located at 2814 Pottertown Road in Murray, Kentucky.

**Call to Order/Roll Call**

Chair Harry Lee Waterfield called the meeting to order at 8:30 a.m. and reported all members of the Board were present with the exception of Jenny Sewell who could not attend due to the unexpected passing of a dear family friend.

Also present were Robert O. Davies, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board of Regents; Jay Morgan, Provost and Vice President for Academic Affairs; Jackie Dudley, Interim Vice President for Finance and Administrative Services; Don Robertson, Vice President for Student Affairs; Jim Carter, Vice President for Institutional Advancement; Bob Jackson, President, MSU Foundation and Director of Planned Giving; Allen Ward, Athletic Director; John Rall, General Counsel; Cami Duffy, Executive Director for Institutional Diversity, Equity and Access (IDEA) and members of the news media.

**AGENDA**

**Roll Call**

**Jill Hunt**

**Welcome and Agenda Review**

**Harry Lee Waterfield II**

**The Roles and Partnership of the Board, the President and The University – What Makes An “Effective Board”**

**Harry Lee Waterfield II/  
Robert O. Davies**

- a. Delegation of Authority Document – Policy Changes
- b. Expectations of Board Members
- c. Expectations of the President

**Macro Issues Facing the University**

**Robert O. Davies**

- a. Enterprise Risk Management Assessment and Plan
- b. Title IX – Campus Sexual Assault
  - MSU Sexual Harassment Policy
- c. Federal and State Accountability
  - Outcome Based Funding Models

**Annual Goals (Outcomes) and Work Plan for the Board and University**

**Harry Lee Waterfield II/  
Robert O. Davies**

- a. Establish Board/Presidential Planning Priorities
- b. BOR Organizational Structure
  - Consolidation of Quarterly and Committee Meetings
  - Access of Campus to Meetings (Streaming)
- c. Strategic Planning and Process
  - Vision/Mission
  - Fiscal Planning
- d. Staffing and Open Positions
  - Vice President for Finance and Administrative Services
  - Legislative Affairs
  - Organizational Structure
  - Other
- e. Salary/Compensation Plan
  - Survey
  - Merit/COLA (Performance Evaluations for Faculty and Staff)
  - Salary Compression

- Professional Development Benefits (Employee and Spouse Dependent Waivers)
- f. Transition Committee Update

(Break for Lunch)

**Specific Departmental/Unit Reports**

- a. Athletics – Upcoming Changes and Challenges with NCAA Governance Issues Allen Ward
- b. Facilities Management Overview Tom Denton/  
  - Overview of All Construction Jason Youngblood
  - Update on Campus Capital Projects
  - Current Projects
  - Deferred Maintenance Challenges
  - Legislative Requests
- c. Enrollment Management Fred Dietz/Kelley Wezner/  
  - Tuition Planning Report Update Jamie Mantooth
  - Discounting and Scholarships
  - Freshman Profile
  - Retention
- d. Marketing – Update on Annual Plans, Branding, Etc. Jim Carter
- e. Academic Master Planning Jay Morgan
  - MSU: 100 – Academic Visioning Plan
  - Centers for Academic Excellence
  - Thoroughbred Academy

**2014-15 Association of Governing Boards (AGB) Statement** Harry Lee Waterfield II  
**Conflict of Interest – Pledge**

- Resource Materials** Robert O. Davies/  
Constantine Curris
- a. “Governance Reconsidered”
  - b. “Effective Governing Boards”
  - c. “Faculty, Governing Boards and Institutional Governance”
  - d. IPEDS Data
  - e. FSSE/NSSE Data

**Final Thoughts/Other Business/Adjournment** Harry Lee Waterfield II

**Welcome and Agenda Review**

Chair Waterfield welcomed Dr. Davies to the first function where the entire Board has been present (with the exception of the presidential interview in March 2014) and Michael Dobbs, new Student Regent from Winchester, Kentucky, and a student in the *Hutson School of Agriculture (HSOA)*. Michael will make a great addition to the Board and represents the third consecutive agriculture student to serve as Student Regent. Chair Waterfield also welcomed the newly-appointed Regent from Hopkinsville, Kentucky – Dan Kemp – who is a native of Murray, a graduate of Murray State University and currently serves as Mayor of Hopkinsville.

Chair Waterfield indicated today’s agenda contains many items for this Board to address which are of importance nationally as well as specifically for Murray State. These include the Delegation of Authority, Enterprise/Risk Management Assessment and Planning and Title IX. Title IX – the Campus Sexual Assault and MSU Sexual Harassment Policy – represents an issue which appears in the national news on a regular basis. In a recent *USA Today* article and also recently reported on CBS News, over 50 universities were specifically named as not having an adequate sexual assault/sexual harassment policy. The United States Senate is monitoring this issue which is of extreme importance to the institution. This topic was already on the Board docket prior to recent events which have occurred on campus. Federal and state accountability in terms of funding will be discussed as well as annual goals and work plans for the Board and University. There are also administrative appointments to discuss and an in-depth discussion will be undertaken in terms of the future salary and compensation plan for the University. The Board will receive an update on the physical management of facilities as well as a report on enrollment management.

Chair Waterfield looks forward to working with Dr. Davies who has been extremely active even prior to his arrival on campus and this will be evident when the Board receives a report from the Presidential Transition Committee during the Quarterly Meeting tomorrow. The Board was provided with a schedule of public events for Dr. Davies through December which does not include events which he already participated in during July and August.

Dr. Davies looks forward to today's discussions and talking about the interaction between the Board, the President and the University constituencies. As a result of his thought process with regard to the Retreat he discovered the book, Governance Reconsidered, and a copy was provided to each Regent. This publication provides a broad overview and discussion of the role of the Board, President, faculty, staff, students and other University constituencies and how these groups should work together. Dr. Davies also outlined the specific role and goals – and broad objectives – of these interactions as outlined by the Association for Governing Boards (AGB) as follows:

- 1) Set and affirm the mission, vision and core themes of the University – He views this as a “hot topic” which will be discussed within the University community over the next seven to eight months in developing a strategic planning process to advance the institution.
- 2) Select a chief executive to lead the institution.
- 3) Support and periodically assess the performance of the chief executive and establish and review the chief executive's compensation. The Board is also responsible for firing the President, if such action becomes necessary.
- 4) Charge the chief executive with the task of leading a long-range strategic planning process. The Board will participate in that process, approve the strategic plan and monitor its progress.
- 5) Review educational and service programs.
- 6) Ensure the educational quality of the institution and its academic programs (adequate resources and allocation processes).
- 7) Preserve and protect institutional autonomy, academic freedom and the public purposes of higher education.
- 8) Ensure that institutional policies and processes are current and properly implemented (proper management).
- 9) In concert with senior administration, relate to and build a bridge between and among the campus and major University constituencies.
- 10) Conduct the Board's business in an exemplary fashion and with appropriate transparency, adhering to the highest ethical standards and complying with applicable open-meeting and public-records laws; ensure the currency of the Board governance policies and practices and periodically assess the performance of the Board, its Committees and its members.

Dr. Davies would like to add creating opportunities for collaboration with other universities and postsecondary institutions to enhance the P-20 continuum. This is especially important as all consider challenges before the University. As these broad objectives are considered they will assist in guiding the discussion process and facilitating various interactions. These objectives will also help guide the discussion in terms of how the University handles various macro issues. It is imperative that the Board have a very strong role and voice in terms of the mission, vision and goals for the institution which will be communicated through the President to the various campus constituencies. The President will also communicate the voices and opinions of the campus constituencies to the Board.

Dr. Davies introduced those individuals present who were not identified earlier, including Chad Lampe (WKMS Radio and the on-camera person with *Roundabout U*), Brett Shewcraft (Information Technology wizard), Hawkins Teague (reporter with the *Murray Ledger and Times*) and Mary Bradley (*MSU News* student News Editor).

### **The Roles and Partnership of the Board, the President and the University – What Makes an “Effective Board”**

#### Delegation of Authority – Policy Changes, discussed

Dr. Davies indicated it would be helpful to have discussion with the Board “at the 30,000 foot level” to identify what is to be accomplished through the Delegation of Authority document. It

is imperative to have a model in place for this purpose but it must also be ensured all understand what is being presented to help guide communication and identify the authority invested in the presidency and those issues which need to be brought before the Board for approval. One Delegation of Authority bullet point requires that the creation of any center be submitted to the Board for approval. A center is currently being created in the College of Education and Human Services that essentially represents a continuation of what that entity already does for its students and is a testing element that all students must complete. These tests are currently being completed throughout the college in various ways and as part of good management the Dean has identified that a Testing Center is necessary to bring this work together in one location. This will involve no new resources or facilities but by calling it a Testing Center the question has been raised whether it requires Board approval.

The purpose of the Delegation of Authority document is to adhere to and respect the authority of the Board and when the University takes on significant liabilities the Board is aware of such action. When a strategic direction is put in place the Board should be made aware of and approve such action but, at the same time, the intent is not to limit the operations of the University or departments. In two weeks Murray State plays Louisville in football and they are paying the University a significant amount of money. According to the current Delegation of Authority, that contract would require Board approval although it does not put the University in a new strategic direction nor does it represent a significant liability to the institution.

Dr. Fister indicated some clarification in language may be necessary and she previously submitted her questions to Chair Waterfield. Chair Waterfield indicated he did respond to the questions raised by Dr. Fister but it is his belief that if the President called him on an issue Dr. Davies must be able to react to that issue quickly. Dr. Fister reported that at the Quarterly Meeting the Board edited #9 which reads as follows: Establish the compensation/benefits for the President and approve the appointments of and compensation/benefits for Vice Presidents and academic Deans. In addition, the Board will receive reports of appointments to positions between the Vice President and Dean levels made outside of the regular budget cycle. The question which remains is that *Section 2.1* of the Board *Policy Manual* states that “the Board will approve appointments at the Deans level or above.” This has been changed in the Delegation of Authority document and some are unclear which one supersedes the other. Dr. Davies indicated he believes it is important for senior leadership discussions to involve Board input and the question is whether the Delegation of Authority document requires Board approval of all of these appointments or whether there are other ways Board participation can be assured. Having a member of the Board serve on Vice President and Dean Search Committees could be one way to address this issue. According to AGB, clearly the Board’s role is to hire, fire and evaluate the President and as part of that – as he holds the Vice Presidents accountable – he does not want to be part of every search they undertake but will evaluate the Vice Presidents on the people that they hire. In terms of hiring Vice Presidents and Deans, he believes it is important for the Board to be involved in that discussion but he needs to know whether it is a desire for the Board to have an approval process in place and be more involved in the search process in and of itself – or both.

Mr. Waterfield does not believe the Board should be involved in the search process and does not think the Board has been involved in that process in the past. Mr. Williams believes the context is less about approving the specific person who would be appointed to a position but more about a concern of balance in the sense of the Board does not want a situation where the University is hiring a lot of Vice Presidents while putting a freeze on academics. The Board also does not want salary scales for Vice Presidents and other administrators to be out of balance with remaining compensation plans. The appropriate language to be used which does not inhibit the President from doing what he needs to do in terms of appointing the right people to the right positions at the right pay may need to be determined. This is not a process he personally wants to be involved in but he wants to be able to provide input on a compensation and wage policy and – in terms of the organizational chart – the overall number of administrative positions at the University. All are particularly sensitive to this issue because the Board has not been able to provide the compensation increases it would have liked to over the past several years and having the spotlight on adding administrative positions could be considered “administrative bloat” and this is not desirable.

Dr. Curris agreed with these statements and added that the idea was based on a process which was successfully implemented over a number of years at a Michigan university. The goal is to try and distill – so that everyone understands – what authority the President should have and

what items should come before the Board. In an attempt to distill this process into three pages not every contingency could be covered. The Delegation of Authority document supersedes any previous policy in direct conflict with this document. There was a time in which any appointment at Murray State had to be cleared with the Chair of the Democratic Party for Calloway County and hiring decisions were made off-campus. The Delegation of Authority is designed to limit the Board's involvement in hiring, firing and compensation except for executive leadership positions. Rather than the Board desiring more authority, this particular element – given the history of the institution – is designed to put a focus on personnel decisions at the campus level to the President and the designation that individual makes. Like any policy statement, everything cannot be anticipated and communication is the key component. There has never been a policy statement that does not require modification with experience. He is comfortable with making changes in the document as necessary and this can be accomplished in one of two ways. The Board can develop a document that is many thousands of pages and attempts to anticipate every single contingency and spell out every rule and regulation or an attempt can be made to develop a document which focuses on guiding principles. Dr. Thornton indicated with regard to #9 her hope would be that the Board's focus would be on compensation and benefits of the President because he is the Board's employee first and foremost. Board approval of appointments and compensation for the Vice Presidents and academic Deans is a formality and this represents more of a broad philosophy in terms of the best structure for the University. Dialogue is important and approving appointments and compensation represent a formality but the Board would have discussion with the President around broad philosophies – not going into detail regarding who is being hired or raises which are being given. Dr. Davies indicated this is fair and is an important distinction which represents valued principles in that effort.

Dr. Curris indicated with regard to this particular item questions were raised whether an Associate Provost or an Assistant Dean would need to be brought before the Board for approval. These positions are further within the organizational chart and they are deliberately excluded. Dr. Davies clarified what the Board is considering with this interpretation is a Delegation of Authority at the broad strategic level – at the top end. All must keep in mind this document attempts to ensure the University is acting properly in terms of good management relating back to the AGB bullet points and the University is being fair in terms of its processes for compensation levels which the Board wants to review. This gives the President the authority and ability to manage and lead the University and “puts a target” on that person to ensure he or she manages this process correctly. One key aspect of the President's responsibility is direct and frequent communication with the Board, especially with the Chair. If in doubt, Dr. Davies intends to call the Chair to have a discussion prior to taking any action. In terms of contracts such as game guarantees – like the one with the University of Louisville next week – unless there is a real liability to the University he will not bother the Chair because this represents part of conducting University business. Mr. Waterfield clarified that being offered money to play Louisville is one thing but if the University is offered money to play the University of Southern California and would lose money due to travel costs that would represent a separate discussion. Dr. Davies reiterated that the Delegation of Authority document represents guiding principles where the Board has outlined the elements the President needs to deal with and if questions arise it is the President's responsibility to raise those questions with the Chair. If there are further questions, the President would proceed in a broader sense. The administration needs to run the University with these guiding principles because the Board is responsible for strategic direction and if there is a liability which could harm the institution or put it in danger of risk it is the responsibility of the President to bring those issues to the attention of the Board.

Mr. Waterfield views approval of Personal Service Contracts (PSCs) by the Board as approval after-the-fact which occurs at a Quarterly Meeting. All agreed that \$10,000 represents a low threshold for PSCs and Dr. Davies indicated if he hires a lobbyist for \$15,000 on a Personal Services Contract that would require Board approval. This represents an almost automatic approval process but if the University was going to hire a company to undertake a Master Plan for the institution for \$500,000 this would represent an entirely different situation. The reference to Board “approval” provides the President with a great deal of leeway in terms of ensuring he is communicating frequently with the Board in obtaining the appropriate sense of the litmus test. The \$10,000 figure may represent a low amount but having such items presented to the Board at a Quarterly Meeting in a list format for mass approval is appropriate.

Mr. Williams indicated the Board may also need to clarify definitions in terms of approve versus ratify. To him approved means one cannot move forward until a particular action is approved as opposed to reporting out for ratification but if an issue represents ratification one must ensure there are also no surprises. All agreed this is one of the key reasons the Delegation of Authority document was developed so there are no situations which could cause significant issues. Dr. Curris indicated there are state statutory requirements on contract approval and asked if that is also true in terms of employment approval. Mr. Rall reported the Board has ultimate approval on employment contracts and this language is contained within statutory requirements. Dr. Curris further stated that in terms of Personal Service Contracts the statutory requirement is a low threshold in order to avoid abuse because instances of fraud have occurred at several other universities. One technique which has been used elsewhere is for a department Chair to bring someone in – such as a department Chair from another University – to evaluate his or her department. In turn, that department Chair then brings the local department Chair over to their institution for \$10,000 to evaluate its program. This results in a quid-pro-quo arrangement and a \$10,000 increase in salary that is “under the radar.” This is why the figure contained within the Delegation of Authority document is \$10,000. It is intended for the Board and President to be in a position – if there appears to be a pattern of fraud – to be able to identify and review that situation. How this is appropriately expressed is subject to discussion. One responsibility this Board has is to uphold the public trust and there is nothing that erodes public trust more than a sense there is corruption going on at an institution and the Board is aware of it but is not doing anything about it. Some university boards are currently dealing with the perception they do not have control of what is occurring at their institutions. Agreement was reached that the Board likes the word ratify when used in this context. Dr. Fister further suggested use of the word “new” in terms of Personal Service Contracts because some multi-year contracts currently exist which have already been approved and do not necessarily need to be addressed by this Board. Mr. Waterfield suggested that at some point the administration should provide a summation of all current Personal Services Contracts, including multi-year contracts, so a determination can be made whether there is anything the Board needs to address. Ms. Dudley indicated this information is included in the Quarterly Financial Statements (Schedule of Personal Services Contracts) and the Board basically ratifies this listing when it approves the document. This could represent the method by which the Board approves Personal Services Contracts unless the Board would like to proceed differently. A suggestion was made for new Personal Services Contracts to be highlighted to allow for easy identification by the Board.

Chair Waterfield indicated the Delegation of Authority represents a “living” document and over time will continue to be revised. The revised document will be presented at a future meeting to determine how well it is working. All agreed this is the most appropriate way to proceed and the current version gives the President an appropriate flavor and general understanding of Board expectations. Dr. Davies stated good language change suggestions have been made in terms of approve and ratify but it is of utmost importance to have transparency. One of the key elements of the AGB report is to ensure the public trust and good management. This document will accomplish this under the general philosophy which has been outlined. Dr. Davies and his team will continue to review the document, perhaps make a few modifications and then present it to the Board at an upcoming meeting for continued discussion. The document must be maintained in the interest of good management and transparency with the goal of maintaining the public trust which is absolutely essential. Nothing destroys a university faster than losing public trust.

Mr. Rall asked for clarification regarding Personal Services Contracts and, if the Procurement process is followed appropriately, whether between now and the next Board meeting management will be able to continue to sign those documents and enter into a contract for the University to begin work on a particular project. The contract would then come before the Board at the next meeting. He asked how the situation would be handled if when presented to the Board any particular contract was not approved when work had already begun. In this situation the University has already entered into an agreement but the Board does not approve or ratify that agreement. The idea that any contract is subject to ultimate ratification by the Board of Regents must be incorporated into this document.

Mrs. Guess requested this topic be on the agenda from the standpoint that there is a new President on board and she was beginning to fear as a Board member she was getting to the level of being involved in the approval of day-to-day activities. She was questioning whether the Board is performing at the 30,000-foot level and if it is doing its duty according to the *Strategic Directions Statement*. She referred to the turtle man contract where the Board was discussing the

associated marketing efforts, goals and cost of having that individual on campus. She felt this presented an opportunity for the Board to discuss its role in such decisions and not get distracted while continuing to perform at the highest level.

Dr. Davies indicated with regard to contracts this will continue to be an incumbent discussion of what the President and Vice President recommend as appropriate expenditures. The metrics he will use include risk analysis, strategic direction and liability to the institution to determine whether a particular contract will be presented for ratification or approval. This will be a very strong litmus test. Mr. Waterfield does not believe any member of the Board wants to be involved in the day-to-day operation of the University but does want to oversee the overall operations of the institution. If the Board is asked to ratify a Personal Service Contract which is already in place but does not like the contract, the expectation is that another similar contract will not be signed by the administration. The University cannot operate if the Board is involved in every day-to-day decision and that is not the function of this Board. Dr. Davies agreed there is going to be a particular dollar amount associated with those contracts he makes sure the Board is aware of before approval. Mr. Schooley indicated the Canvas Contract costs \$15,000 per year and there has been some concern Board approval will be required each year. All agreed this represents a contract which allows for the day-to-day operation of the University and the Board has no desire to approve these contracts but would instead ratify similar agreements.

#### Expectations of Board Members and Expectations of the President

Dr. Davies asked the Board members how they view their role in the operation of the University and how he can assist in fulfilling that role. One expectation which has been mentioned is operating at the 30,000-foot level in accordance with the *Strategic Directions* as outlined by the Board. In terms of other goals and expectations of the Board for the coming year and beyond and what is expected of the President, communication will obviously be paramount. He assured the Board they would not be surprised by a story which appears in the newspaper and will be informed regarding a potential story before the press.

Dr. Fister believes the University values the Board's input and if there are opportunities for Board members to be on campus they should certainly pursue those avenues where possible. People take note when the Board participates in campus activities and appreciate that level of interest. This may not represent an expectation but it is very much appreciated from the perspective of employees providing information to the President and ultimately the Board.

The Board outlined the following in terms of expectations of the President:

- 1) The selection committee and the Board made it clear what is expected from this individual. The Transition Committee also assisted in this effort. All are aware the Board desires the President to have a regional outreach attitude and the fact Dr. Davies likes undertaking this type of work represents a strong asset which he possesses. In slightly over one month Dr. Davies has already pursued this work which was earlier identified as an expectation. The Board desires to continue to build on educational excellence.
- 2) Fiduciary oversight includes high-level review in terms of policies and procedures of the institution. This involves the University having a Strategic Plan in place and vision moving forward and evaluating the President on the success of that plan. This does not include the Board getting "down in the weeds" in terms of what the plan is about but instead periodically evaluating the President's work toward reaching the goals of the Strategic Plan.

Dr. Davies agreed that regional outreach is important and it is also his expectation for Regents throughout the regions to assist the University in identifying key needs the institution can help serve, provide access to critical leaders of the area and serve as conduits for the University in the regions that it serves. The Paducah rollout was a phenomenal success due to the work of members of this Board and appreciation was expressed for this effort. The Hopkinsville and Graves County/Mayfield rollouts were also successful due to the work of members of this Board and their ability to open doors for the President and the University. It is important for a constant feedback mechanism to be in place as a means for the expectations and the connections to the

communities that Board members represent can be communicated. Regent connection to students, faculty and staff is imperative.

- 3) Beyond a Board members' official roles and duties, there is an obligation individually as well as a collective group to support and help the President reach out into the communities and legislative areas the University serves. The Board must assist and support the President's success and this affects the success of the University and represents an ongoing process.

Dr. Davies indicated that faculty and staff very much appreciate the presence of Board members on campus. The Board and President might want to contemplate strengthening appearances on campus over the next year. The University could provide opportunities for open forums where faculty and staff could speak to a Board member to address an issue, concern or topic that they may have in a non-meeting format. It is important to provide opportunities for more direct and candid conversations – beyond the constituency Regents who do an amazing job – so all Regents are accessible on campus. One idea would be to have low-key “Coffee with a Regent” which will facilitate a very helpful connection. The seminar series which several Board members have participated in has opened doors in a more informal setting and provided an opportunity for the campus to talk to Regents.

Mr. Williams suggested that as a review of the Delegation of Authority document is undertaken when the document is presented to the Board again it would be helpful for Mr. Rall to include the statutory requirements which will provide an appropriate context for more specific discussion. This information could be provided to the Board in advance of the discussion.

### **Macro Issues Facing the University**

#### **Enterprise Risk Management Assessment and Plan, discussed**

Dr. Davies reported Enterprise Risk Management Assessment represents a macro issue all universities are beginning to discuss in more detail to determine how liability is being limited.

Ms. Dudley reported the following:

- The University does not have a centralized Risk Management Office, Director or function but a great deal of risk management is taking place across campus and these efforts go a long way toward mitigating risks.
- The University has a strong Internal Audit function, strong emergency management in the Public Safety area and conducts annual financial and compliance audits.
- One of the largest risk management issues operationally are the transformers and at the last meeting the Board approved replacement of those transformers.
- Technology and managing data and systems represent a large risk management area. The University currently has in place an exchange agreement with Northern Kentucky University where the universities share data files so they provide backup for Murray State's data and MSU does the same for Northern. This represents a partnership within the state that helps manage mission critical data. Planning is also underway to provide a backup system for the Paducah campus that would allow the University to continue registration and payroll and other mission critical operations and having such plans in place is crucial from a business continuity standpoint. Another operation in terms of technology is House Bill 5 (HB5) which was passed in the last Legislative Session to provide the University with some guidance and requirements in terms of protecting data – private data for students, employees and vendors. This allows the University to have policies and procedures in place which will allow it to manage any potential system breach. The University has experienced breaches over the past few years but they have not been of the magnitude that would jeopardize the institution's reputation or data. HB5 is a requirement and work is underway to get these initiatives in place to give the Board some piece of mind.
- In response to whether a process is in place for each department or college to once a year communicate top risks in their area to help management determine how to mitigate those risks, Ms. Dudley indicated currently a planning tool is not in place which would require departments and colleges to review risk annually but many make this part of their daily operational responsibilities.
- In response to whether a Risk Management Committee has been formed, Ms. Dudley reported such a committee is not currently in place. All agreed it would be desirable for such a committee to be formed and in place to address any risk issues when they occur. Mr. Waterfield indicated that many companies have already undertaken this work because it became a requirement under Sarbanes-Oxley. These companies have formed an internal committee which meets regularly and receives input from all employees to identify risks affecting a particular department or the entire company. The University does have an informal process in place but might want to consider a more formal process which will allow for the formulation of plans to mitigate risk. Mr. Williams agreed and

indicated this has become part of the template for his organization and recently at another company there was a breach of over 4,000 patient records. In addition to the violation of confidentiality, the ability of hackers to implant viruses is also a risk area to be considered.

- All agreed that at the top of the list for Murray State would be budget cuts in the event enrollment numbers do not materialize. There are also physical plant issues, such as the transformers, and cyber issues which must be considered. Ms. Dudley provided confirmation that there is a strong security team in place in the Information Technology area and they are funded annually to remain up-to-date in terms of training. An individual has been identified as a security officer and is very active in undertaking this work but all agree cyber security can have an insatiable thirst.

Dr. Davies indicated the idea behind a Risk Management Committee would be to provide an opportunity to systemically analyze business operational risks and “if” something happens how the University will proceed. Ms. Dudley will begin to review implementing a Risk Management Team and systemically work across campus to build this into the University’s decision making process. All agree the University must be aware of its major risks and provide management tools to limit those risks. Dr. Davies confirmed a great deal of risk management work is currently underway in terms of enrollment and discount rates and efforts are being made to determine contingency plans to address a decline in enrollment. Work is underway to determine if the University continues to offer the current discount rates where it must shrink back because the institution is losing revenue. Also being considered is the effect on total enrollment if the University discontinues current discounting practices.

It was suggested that the Board may want to request from the President an annual Risk Management Plan. All agreed the Board would be interested in those issues which have been identified as major risks for the institution. Mr. Waterfield indicated the Board could consider forming a Risk Management Committee, perhaps as part of the Board Finance Committee, to develop a list of risks identified by the Board and compare those to issues identified by the University. He foresees tuition, budget cuts and deferred maintenance as risk management issues which would be identified by this Board. Confirmation was provided that an internal Risk Management Committee would be established and at some point this issue would be back on the Board agenda for a report on this work. Dr. Davies suggested that this risk management work could stem out of the Finance Committee and an appropriate time to provide an update of what is occurring would be at the December meeting. At that time the administration could report on action steps which have occurred since the Retreat. All agreed that a report on work toward risk management which has occurred will be presented at the December meeting. It is anticipated that by the summer meeting the administration would be able to have action steps in place to address risk management of key identified issues which could be reported to the Board at that time. An annual report during this timeframe would also make a great deal of sense. Mr. Waterfield and Mr. Williams will work with other Board members to identify those key areas of risk from the Board’s perspective. Dr. Davies further indicated the American Association of State Colleges and Universities is also undertaking this work with great vigor and offers resources which could be utilized.

#### Title IX – Campus Sexual Assault/MSU Sexual Harassment Policy, discussed

Dr. Davies indicated one of the key risk factors for an institution is damage of reputation and President Barack Obama has placed Title IX on the national agenda and many Senators are on board with this work which represents an issue which has torn out the thread of many universities. Currently 61 universities are “on report” as not having an adequate Title IX plan in place nor are they properly responding to issues as they arise. One of the worst things an institution can do is be aware of an issue and not respond. This would certainly break the public trust more quickly than not. During his short time on campus he feels very comfortable that Murray State will not be added to the list of 61 because he believes the University does respond quickly when such issues arise. At the same time, he thinks the University can do a great deal more but has a long way to go.

Mr. Rall and Mrs. Duffy provided an overview of Title IX and the current atmosphere and indicated the following:

- Title IX represents a statute which has been in existence for 42 years and prohibits discrimination based on sex in programs receiving federal funding and the statute applies to Murray State. Title IX is often tied to issues in athletics, including gender equity in men’s and women’s sports, but it is much broader. Murray State’s own statement regarding Title IX recommends that it extends to

employment, admissions, recruitment, financial aid, academic programs, student services, athletics and housing.

- In recent years the emphasis from the United States Department of Education has been on the application of Title IX in the area of sexual violence and sexual harassment. Simply excluding an individual from a program based on gender would represent a behavior which could negatively affect that individual's ability to access programs and activities at the University.
- In 2011 the U.S. Department of Education issued its "Dear Colleague" letter which started a debate on the application of Title IX in the area of sexual violence. This summer the Department followed that letter with a question and answer document that covers step-by-step a number of topics and poses questions with potential responses from various universities. Both documents relate to what is expected from the universities in this area. Some expectations are basic, such as a statement of non-discrimination, which Murray State has developed and included in the Office for Institutional Diversity, Equity and Access (IDEA) Grievance Procedures which the Board adopted last year. The grievance procedures have been in place for some time and the Board will again refine those procedures tomorrow. The question and answer document which was released was helpful but also raised new issues which must be considered and the associated implications such as in the area of confidential reporting.
- In terms of what is expected of universities, a critical need is for a Title IX Coordinator and Murray State has been fortunate to have Mrs. Duffy filling that role. The Title IX Coordinator is central in that this individual oversees the University's Title IX activities, including training and education. Any employee who becomes a victim of sexual harassment, sexual violence or gender discrimination is to report such instances to the Title IX Coordinator. One purpose may be for statistical reasons but reporting also allows that individual to reach out to those affected, identify potential problem areas, respond and take action to assist the individual.
- The most important part of this work is the University is obligated to do something regardless of whether or not an individual wants to file a formal complaint under the Grievance Procedures. Even if the individual does not want to get another individual in trouble the University must still do something for that person. The fact that the individual requests anonymity or confidentiality may limit what action may be taken but steps of some form can be taken to help that individual. Any situation could indicate there is a need for additional education in a particular area. The worst thing that can happen is something is not reported or an individual who does encounter such a situation tries to resolve it. The policy the Board will consider tomorrow stresses the importance of an employee who learns about a situation to report that information. Under the policy those individuals are actually obligated to report such information. This policy allows the Title IX Coordinator to take necessary action.
- Clarification was provided that if an individual hears of something which has happened they are obligated to report that to the Title IX Coordinator even if they are not the victim. If an employer learns a student worker has been a victim of sexual violence they do not need to investigate the allegation or ask questions – they simply need to report the incident to the Title IX Coordinator who is trained to conduct an investigation. This includes any incident that occurred in the student's hometown. Once made aware of the situation the Title IX Coordinator can provide information on resources which exist on campus such as counseling. It is critical for the IDEA Office to be contacted any time such allegations surface because even if the victim does not want to file a formal complaint there are many things the Title IX Coordinator can do, such as changing work schedule or living circumstances or involving Public Safety.
- If the victim wishes to pursue a formal complaint against an employee it is handled one way and if the complaint is against a student it is handled differently. Student issues are actually handled by Student Affairs because they possess the expertise to better handle these circumstances. Confirmation was provided that the Title IX Coordinator works with a representative in Student Affairs and a Deputy Coordinator in Athletics to address such issues.
- One of the main changes to the grievance procedure which resulted from the "Dear Colleague" letter is the need for prompt resolution. It has been strongly recommended any matter be resolved within 60 days and this is the timeframe Murray State adopted within its procedures last year. It is understood that the complexity of the matter, as well as other issues, could lead to a delay but 60 days represents the benchmark for resolution.
- If an individual is found guilty of sexual harassment they should be punished but that is not enough. The University must attend to the victim and their needs and the incident could have occurred within an area which needs education or training. This does not simply involve punishing the wrongdoer but attempting to undo the effects of the discrimination and keep it from recurring.
- The campus is currently being educated on these requirements. Last year Mrs. Duffy discovered an online training module and worked with Murray State's insurers – United Educators – to provide the training session to faculty, staff and students. There are different modules which are dependent on a person's role at the University. Within the last few years the emphasis of Title IX has shifted to the effect episodes of sexual harassment and sexual violence have on the ability of women and men to take advantage of benefits and programs offered by the University. Confirmation was provided that the behavior does not have to occur on campus because off-campus behavior can certainly have an effect on campus.

- In response to where the University can do more, it was confirmed that work is being directed toward students who do not live on campus. An effort is being made to reach out during Greek events for new membership, First-Year Experience Leaders, residential college advisors and directors, faculty, staff, Public Safety and any forum involving students that the Title IX Coordinator can address. The goal is for the reporting of such incidents to become second nature to all on campus and for there to be a clear understanding of how individuals should report such behaviors.
- Students must be aware that if they share information with a faculty or staff member those individuals are required to report any such information to the Title IX Coordinator. Some may be hesitant to report such incidents because they feel they are breaching confidentiality but the Title IX Coordinator cannot help these individuals unless she is informed. The interest is not to have the individual charged – the criminal aspect is separate – but to ensure the affected individual has access to available resources, is kept safe and can continue their matriculation through Murray State.
- Confirmation was provided that the University is moving as quickly as possible to disseminate necessary information but this represents an ongoing process. Online training is available but, while encouraged, is not currently mandatory. The University as a whole must send the message that this issue is important and training is required and not optional. Not reporting these types of events puts the University at risk and the only employees exempted from reporting such information are those who are trained to offer counseling as part of their regular job duties and are a licensed counselor performing in that role.
- In response to whether there is an outlet where students can report if they feel their institution is not in compliance, Mr. Rall responded that the University's Grievance Procedures reference a student's ability to report directly to the U.S. Department of Education.
- In response to consequences for those who do not take the training and complete the module which is available on Canvas, Mrs. Duffy reported there currently are no consequences but the concern is when such events occur to students they are put into an awkward position because they do not know how to handle the situation. Available training benefits students by allowing the University to continue to step in and help those individuals however possible.
- Nationally students have a difficult time determining what constitutes consent. If a person is passed out or under the influence of alcohol or drugs this does not represent consent and continuing with any sexual act puts the individual at risk. It is helpful for students to reach out to other students when they overhear such conversations. Students have rights and a critical part of this work is faculty, staff and students being active bystanders in this overall University effort.
- The U.S. Department of Education is responsible for compliance in this area and the question was asked whether that entity is seeking out institutions to ensure they are in compliance or whether the schools on the list resulted from persons reporting those institutions. Mrs. Duffy indicated the schools on the list were a result of actual cases where students felt there was inaction or incidents have been allowed to repeatedly occur, indicating a faulty process. The U.S. Department of Education is reaching out to support students with heavy sanctions and penalties against universities not in compliance. The University of Montana at Missoula and Tufts University represent institutions which have been heavily sanctioned. The University of Montana had confusing policies in place and students were unsure where to go for assistance. The university was not necessarily acting in bad faith but the policy did not meet standards set by the U.S. Department of Education. Confirmation was provided that Murray State has appropriate policies and procedures in place but if the University fails to take appropriate action once it has been made aware of such an incident this presents an issue.
- In response to whether the University has in place a reporting hotline, Mrs. Duffy indicated work continues to provide the campus with resources of where individuals can report and faculty, staff and students have been informed that when a student comes to them to report an issue or lodge a concern there are two primary concerns – the individual's health and safety. This includes whether the individual needs to go to the hospital or if Public Safety or the local police need to become involved. The next important step is to reach out to the IDEA Office to determine how further assistance can be provided to the particular student involved. The University must ensure students feel safe in their environment no matter the time of day or where they are located. Agreement was reached that the University should consider implementing a hotline for such reporting and confirmation was provided that such avenues exist through local centers, including the Merryman House in Paducah. Students are provided with the contact information for such agencies in a widely-utilized document.
- Ms. Green reported that in her work she is careful to caution any victim who utilizes her center that if they share information with her she is obligated by law to report the information to authorities. Confirmation was provided that an ongoing education process is underway at Murray State so all are aware they must report such information once they receive it and they must do so quickly. The online training includes the expectation if faculty overhear a student in the hallway or they confide in a faculty member directly that individual has a responsibility to report the information immediately according to law.
- Clarification was provided that the definition to students includes full-time students who are living on or off-campus and this includes part-time students on the regional campuses taking one class. If students are experiencing domestic violence at home – regardless of their location – the University still has a responsibility for that student. This responsibility extends to students studying abroad, students taking courses online and high school students enrolled in dual credit programs. This

responsibility applies to any situation which affects a student's matriculation through the Murray State system.

- In response to the percentage of reports with no basis, Mrs. Duffy responded she tries to see the situation from the perspective of the individual who believes they are a victim. There is sometimes a misunderstanding in terms of what was agreed upon but there are very few cases of someone maliciously setting out to falsely report an incident. Once an incident is reported the IDEA Office asks a lot of questions and if the individual is creating a false situation that will be discovered during the process. All agreed having a plan in place where proper action is taken is crucial but that plan must also be fair.

Dr. Davies provided confirmation that the Student Code of Conduct also extends well beyond campus. The University is doing a lot of good things but is also considering what needs to be done differently. In some respects the culture of the institution is being changed in order to address this issue. Society is changing its culture as well and all should be aware, especially this Board, that the University will have zero tolerance when it comes to harassment of any type – in the workplace or with students. There are some subcultures the institution must deal with and the word is getting out that there is zero tolerance for harassment and discrimination. It will be ensured all faculty, staff and students will have a safe environment and that process is currently underway. Zero tolerance means anything that comes forward will be investigated fully and the University will respond quickly. The University will not tolerate supervisors abusing their power over employees and if such situations are made known they will be dealt with quickly and fairly. A similar case is currently being investigated where he personally went to the supervisor and had a blunt discussion with that individual. Word has gone out that this is the tone he is setting for the institution and behaving in this manner is not something the University will simply let go. Any report will be investigated, excuses will not be made and appropriate action will be taken. No one will be denied due process and this does not represent a “witch hunt” but a way for this institution to enforce this policy. It is important for people to go through the training which has been provided and doing so will become a requirement in the very near future. If employees do not complete the training it will be noted in their record because this represents an expectation of employment. The appropriate process to make this happen will be followed and those individuals will be required to go through training in order to set an appropriate cultural tone about the desirable environment for Murray State. This does not represent a knee-jerk reaction to events which have occurred on campus over the past several years and is the right thing to do. Dr. Thornton indicated this will also impact enrollment because the reputation of institutions and colleges are known and students and parents make choices based on what they perceive as safety. Dr. Davies added that the University has a Whistleblower Hotline and there have been reports of a hostile work environment and other acts of discrimination. Assurance was provided that the appropriate process was followed in each of those cases. Appreciation was expressed to Mrs. Duffy for getting out and answering questions from faculty, staff and students so they know who to go to should such an event occur and she is a “real” individual who can and will provide assistance.

Mr. Waterfield expressed appreciation for the attention which is being paid to this issue and indicated that the Board supports the President in his efforts to ensure such issues are appropriately handled.

The Board adjourned for a break beginning at 10:15 a.m. and ending at 10:28 a.m.

### **Federal and State Accountability – Outcomes-Based Funding Models**

#### **CPE Outcomes-Based Discussions, reviewed**

Dr. Davies indicated that President Obama has put forth a very strong push for accountability from universities through various mechanisms, including the College Scoreboard, to highlight the linkage between a college degree and employment. The President has also brought into the discussion in great length student debt and how students are graduating, including time to degree, and how these issues affect the University at the macro level. Accountability is also trickling down to the state level as more and more states – Kentucky being one of them – begin to utilize outcomes-based funding models. This has become a hot topic for the CPE and Tennessee has already established an outcomes-based funding model that is being heralded as one of the best in the country. The University of Mississippi is also being heralded on its outcomes-based funding model. An article in Sunday's newspaper discusses Middle Tennessee State which had a phenomenal record of student retention and met and exceeded all of the goals but in doing so lost

\$2.4 million in real budget cuts due to the outcomes-based model and how other universities performed. This represents an interesting dynamic that involves risk management. Dr. Jackson has been knee-deep in those discussions with the CPE and there are several checkpoints coming up of which all need to be aware. The following were presented:

- Over the past couple of years performance funding has been a hot topic in the Commonwealth and although it is not a legislatively hot topic it could become one. There is no great drumbeat in the Legislature or by the administration to move down this road. A couple of years ago President Geoff Mearns, Northern Kentucky University, assumed the role of President of that institution. He asked the CPE to very specifically review how the universities are funded and this created some initial dialogue in terms of how funding in the Commonwealth should be handled.
- Murray State's funding has been institutionalized from Higher Education Reform in 1997 to when a benchmark funding formula was established. The University still has benchmarks but it used to have benchmarks which created a funding mechanism that was carried forth for a few years. Since Higher Education Reform, Murray State has essentially been cut in every budget cycle. It is difficult to have a performance funding model when funding is going down each year. Northern Kentucky has been the institution extremely interested in advancing this topic. They would like a model which would allow them to risk everything and put all dollars that are being received from the Commonwealth as an appropriation under some performance model. On the other end of the spectrum are more balanced institutions – including Murray State – that want to be thoughtful and careful throughout the process because this University is already at the top in terms of graduation and retention rates although it could do better. Murray State is already at the top in terms of many of the metrics it would be judged upon.
- A Work Group has been formed by the CPE and that body has been extremely active. Dr. Jackson, Dr. Morgan, Ms. Dudley, the President and staff from other offices have been very involved in different ways in regard to having these discussions. University officials had a private meeting with CPE President Bob King in regard to this topic. It is not believed he is going to fall on any swords anytime soon to indicate funding has to be done a certain way. Murray State's position has been that a very small component of appropriated funding would be put at risk under some performance model and this is how the Board has directed the University to proceed in the past.
- The model being considered is looking like no more than 5 percent of the University's performance funding would be at risk but that would need to be coupled with 5 percent of new monies from the Commonwealth through an appropriated process. Unless there is new money – and that is not expected anytime soon – there probably would be little or no performance funding metrics put forward. There is still a strong drumbeat from some of the University's sister institutions and this issue will remain an important one to the CPE members and staff.
- Some become worried when Mississippi starts being used as a model in education at any level. Some in the Commonwealth have been holding up Middle Tennessee as the champion of performance funding and a great model to work from. The fact is performance funding is not working in Tennessee. This represents a new trend which has emerged within the last few years and there is a lot of research being done. The jury is still out in terms of what performance funding really means.
- Performance funding in some respects sets up direct competition between and among institutions. If the University sets a goal and meets that goal but another university achieves it more, they will outperform you and receive more funding. Universities are already very competitive on many fronts but performance funding sets up an entirely new dynamic to that realm.
- Dr. Jackson confirmed the University is at the top in terms of performance metrics in the Commonwealth while its cost is at the bottom. In Kentucky approximately \$950 million is appropriated for public higher education and this likely will not change a great deal moving forward. There is a static amount of money and the institutions are competing with one another which results in there being winners and losers. He does not believe the Legislature and Commonwealth – unless something drastic happens – wants to have winners and losers among the sister institutions without new money being brought into the equation.
- Dr. Thornton indicated this type of model also did not work in Ohio for the reasons stated and this did not work for Dr. Mearns when he was Provost and tried to implement a performance model there because his institution ended up being a loser. In Kentucky, however, moving to a performance model would greatly assist Northern Kentucky University because that is the youngest institution that has no way to go but up. Agreement was reached that the CPE should pursue a model which will work for not one institution but all institutions. Dr. Jackson confirmed new funding would be the mechanism which would advance a performance funding model but it is not likely new monies will become available. Dr. Davies has done an excellent job identifying the parameters of where the University needs to negotiate and that has worked quite well to date.
- In response to whether a member of the CPE Board is pushing for a performance funding model Dr. Davies indicated this issue goes back to the politics of the day in terms of whether this represents the first time the budget request presented to the Legislature was not signed off on by all Presidents. It was confirmed this is the case and very much represents President Mearns' drumbeat. A big difference in those other states is that it was very clear what the state was trying to achieve. Current Kentucky model discussions are lacking how to determine 10 years from now whether performance funding was successful. It is clear that Tennessee, Texas and Oregon have a thought process on this

but that component does not currently exist in Kentucky. Confirmation was provided that the University of Kentucky (UK) and the University of Louisville (UofL) have remained silent on this issue because they are aware it is unlikely the initiative will be advanced further. Typically in the Legislative process those two institutions wait until the end to speak. The CPE has put the institutions into silos and UK and UofL are in one silo, along with Kentucky State, which are land grant or heavy research institutions and the comprehensive institutions are in another silo. UK and UofL primarily are not going to support any component of performance funding. The premise of performance funding is a good one and the institutions should be serving their region and doing their job in terms of recruiting and retaining students, graduating students and securing employment for them. No one disagrees with this premise but the question remains whether there needs to be winners and losers in higher education. A small incentive is not a bad one but extreme incentives that involve funding in its entirety could hurt sister institutions. Universities cannot budget if all monies are at risk and this puts a burden on this Board and the administration in terms of planning.

- There is no legislative or administrative drumbeat today for this topic in Kentucky as has been the case in other states. If the Republicans take over the House it is not believed the state's position on this topic would change a great deal. A specific conversation with regard to this issue took place with Senator Robert Stivers when he was on campus this summer with President Miller and at that time he indicated he is concerned there is still dialogue taking place – both good and bad. The Senate is Republican controlled and the House is Democratic controlled and there really is no consensus. The CPE's 2014 Legislative funding proposal contained about \$25 million in a performance funding pool and the institutions were held harmless from their base funding during the last Legislative Session. The Legislature dismissed the incentive pool which had been set aside.
- Dr. Thornton added that another danger associated with performance funding is that the University has fixed expenditures and having money at risk challenges the entire University. Dr. Jackson agreed and stated it is believed the budget cycle for 2016 will look much different than how it looks today because there is not a lot of new money with which to negotiate.
- In regard to whether higher education funding will be a prominent issue in the gubernatorial election, Dr. Jackson indicated he does not believe it will be because it has never been a significant issue to date. This might be a good time for higher education reform to be undertaken again in the Commonwealth to look at what was done 17 years ago. A real leader must undertake this work and Governor Paul Patton did not say a lot about higher education reform until he took office where he rolled out a plan. If he had rolled out this plan before he was elected he may not have been called Governor because he took on UK and the community college system which was very difficult. Dr. Curris indicated he does not believe the CPE will make any decision in regard to this issue until it hears from the next Governor and at that point it could still be a question mark.
- All agreed that even if someone tries to push performance funding there is evidence this model does not work very well. Dr. Davies indicated there is a great deal of information available which supports the notion that it is way too early to determine whether performance funding is successful and early results are not very promising. Changing a university is like turning an aircraft carrier around in a river and it is a very slow, dimensional process. In terms of risk management, this represents an issue which should be taken into consideration. In the current political environment it is popular to say institutions and agencies will be held accountable. Many outcomes which are coming from the White House tie graduates directly to jobs. This represents a slippery slope because it puts the private benefit of higher education way above the public benefit which creates an interesting dilemma in that there are a lot of teachers with first-year salaries which are not very good or a bunch of engineers who tend to have higher salaries.
- Dr. Thornton indicated that performance funding in Ohio was very detrimental to the community colleges because for a student who transferred after the freshman year and did not earn an associate degree but went on to Truman State University and graduated the community college was penalized in terms of that student being considered a dropout. Dr. Davies agreed and this also affects Pell eligibility and how successful those students are at a university. Confirmation was provided that the University is working on a reverse transfer program where if this situation occurs with a student their courses can count toward an associate degree at the community college but the process is still under development. This would help but not solve the issue and it would not solve the issue of funding with Pell Grants. In response to how a student would receive their associates degree, Dr. Davies indicate they would likely be sent a letter informing them they are eligible to receive the associate degree from the community college and the paperwork to be completed to receive the associate degree would be included and the student instructed to complete and submit the necessary information.
- Dr. Curris indicated an interesting model has unfolded in New Jersey in which students who are not eligible to come to a university go to a community college for one or two years through an agreement between the university and the community college. If students have the necessary grades they transfer to the institution and joint degrees are awarded – both an associate degree and the baccalaureate degree once completed. The advantage to the community college under this arrangement is that their completion ratio goes up and it does not work against them when a student transfers out. The advantage to the university is that students who are on the edge but not eligible or students who need additional remedial education can receive that and this represents a win-win situation for everyone. Dr. Thornton indicated an interesting motivation that Ohio performance funding has created in terms of competition among universities is that Kent State University decided

it needed to win and is giving associate degrees when one of their students complete two years of university work which increases the number of their degrees. This causes a lot of gaming in the performance funding arena. Dr. Fister indicated the same situation occurs at some institutions where an individual is working on a postsecondary degree and after they complete a certain number of courses receive a master's degree and she is not in favor of that idea. There should be completion and this is the same with regard to a Ph.D. or Ed.D. Dr. Davies indicated this does represent part of the performance funding discussion and some universities as soon as an individual earns 128 credits goes through the transcript and determine degree 'x' would have been earned and award that degree even though it may not be in the individual's major. There are private and public gains associated with earning a degree and institutions must be equally supportive of both.

- Dr. Curris asked if the University website has a section on accountability which outlines how the institution is accountable for its resources, degree production, graduation rate, etc. Dr. Davies reported two documents are being advanced and one is produced by the CPE – The Kentucky Feedback Report – which is still in draft form. This report includes graduation rates for the institution as well as information on where graduates go and whether they remain in the Commonwealth or go on to attend graduate school. The report also includes student debt averages and average salaries based on majors. This is a preliminary report but once finalized it will be available on the University's website. The American Association of State Colleges and Universities has also started a new program which replaces the Voluntary Self-Assessment Report and Murray State will be a member of this initiative which will be made available on the website. Dr. Miller delayed implementation during the past academic year due to the presidential transition.

### **Annual Goals (Outcomes) and Work Plan for the Board and University**

#### **BOR Organizational Structure – Consolidation of Quarterly and Committee Meetings and Campus Access to Meetings (Streaming), discussed**

Chair Waterfield reported that currently Board Committee meetings occur during the morning and this is where a lot of the work of the Board is accomplished. The Quarterly Meeting is held during the afternoon where each Committee makes its report and any necessary Board action is taken. There has been some interest expressed on reviewing the current meeting format to determine whether changes need to be made. The following observations were offered:

- Mrs. Guess requested for this topic to be included on today's agenda because the Board Committee's take action during the morning session and in the afternoon report what everyone just heard. It seems as if the Board could spend time doing other things than simply repeating what has already occurred. All Board members are in attendance for both the Committee meetings and the full Board meeting and she believes the Committee vote as well as the full Board vote could be taken at the same time so information is not repeated. Agreement was reached that the real work of the Board occurs during the morning Committee meetings and all Board members are normally present.
- Dr. Curris indicated former Chair Alan Stout suggested the move to the Committee structure in an effort to provide more organizational focus. Currently the Committees meet but it is really a Committee of the Whole because all Board members are in attendance although only members of the Committee can vote during the morning sessions.
- Dr. Thornton indicated the dilemma is when the Board goes into the full meeting that represents the "official" meeting where the full Board vote is taken. Other issues outside of Committee work must also be addressed such as the Report of the President and Chair and Constituency Regents, tenure, promotion and other issues. It was suggested that the full Board Meeting be called to order and the Board then immediately adjourn into the Committee meetings and once that work is completed the full Board could approve the Committee recommendations.
- Dr. Fister indicated one potential issue which could arise is when additional information has been requested in Committee which is provided over lunch before the full Board acts on a particular agenda item. Agreement was reached that if additional information is necessary any particular agenda item could be tabled until that information is available.
- Dr. Davies views the question as being how involved the Board wants the Committees to be in these types of discussions. His previous experience has been for the Committee Meetings to not be held on the same day as the actual full Board meeting. Having the Committee Meetings one or two weeks prior to the Board Meeting allows for more complete, detailed and robust discussion. The question is how the Board wants the various Committees to interplay with the entire Board which involves the discussion of time commitments. Agreement was reached that it is already difficult to identify a single date for Board meetings to occur when all can be present and confirmation was provided that telephonic communications are permitted for discussion purposes only and no voting can occur.
- Mr. Schooley indicated if the Board holds the Committee and full Board Meeting concurrently then the entire day needs to be streamed because individuals have requested access to all meetings.
- Dr. Curris indicated the only Committee he can recall meeting separately from the full Board is the Audit and Compliance Committee and that is due to the external auditors needing to communicate information to the Committee.

- Mr. Williams agrees there are times when the Board could have been more efficient on meeting day if the applicable Committee did have a conference call to develop general consensus – not vote – on the direction in which that Committee is headed. Agreement was reached that this would represent an official Committee meeting which would be subject to the requirements of the Kentucky Open Meetings Law.
- Dr. Curris provided background in that a Committee or the full Board can go into Closed Session to deal with the appointment, discipline or removal of an employee. A couple of times the Audit and Compliance Committee has gone into Closed Session is when there has been a report from the Internal Auditor that could lead to the discipline of an employee. Agreement was reached that the reason for a Closed Session must be clearly communicated.
- Dr. Thornton indicated this represents a need to streamline the various Committee reports and seek approval at the Board meeting and if the vote cannot be combined immediately following the Committee Meeting it could be possible to cluster those at the beginning of the Board Meeting to get them out of the way before attending to other business. Full Board approvals could be addressed following lunch – to allow for any necessary additional information to be collected – but would appear first on the afternoon agenda. Dr. Davies reported that at his previous institution he utilized consent agenda items which were those that were discussed and approved by the Committee that are noncontroversial in nature and do not require a great deal of debate. There would be one motion for all consent agenda items and all Board members would have the list of consent agenda items and could indicate that any particular item does not constitute a consent agenda item and it would then be moved to the action item list. All agreed this is a favorable way to proceed but there are also items on the Board agenda that do not come through the Committee process that are not controversial – such as the acceptance of gifts, granting of Leaves of Absence and other perfunctory agenda items. In total such agenda items add up to at least one hour of the Board going through the motions and process. Dr. Davies indicated that such approvals and ratification items could become part of the consent agenda. Agreement was reached that no one has any objection to live streaming the entire meeting if a new format is pursued. The consent agenda items could be approved at the beginning of the full meeting and then the Board could move into Committee work to ensure each Committee has adequate time to address all agenda items.
- A concern was expressed over allowing employees to utilize their entire day watching the Board Meeting and Committee meetings and a suggestion was made to make the streaming available only after work hours.
- Confirmation was provided that all are involved in the work of the individual Committees and the substance of the Committee work is not in question but the repetition aspect which currently occurs.
- Confirmation was provided that the current Committee structure is meeting the needs of the Regents and focus should be placed on the technology to adapt the organizational structure so it is more efficient.
- Dr. Fister indicated that sometimes it would be beneficial for the Committees to have a conference call prior to the Board Meeting because discussion time during the actual meeting is limited. Agreement was reached that General Counsel will guide the Board in terms of the limitations of such conference calls and the Board must be careful in terms of protocol. Videoconferences are allowed under Kentucky Open Meetings Law but can be difficult to set up.
- Confirmation was provided that the consent agenda items could be part of the full Board meeting agenda.

Dr. Davies clarified that the Board has indicated that the current Committee structure is meeting the needs of the Regents but perhaps he could work with the Committee Chairs and the Vice Presidents to determine the appropriate amount of time needed to adequately discuss all Committee agenda items. Utilizing consent agenda items will provide additional time which will allow time for the Board to address other significant issues. A Regent indicated the work undertaken by the Committees in the morning sessions is more important than the perfunctory voting of the entire Board during the afternoon session and live streaming the entire day would provide more transparency. Good judgment must be made by the CEO and the Chair of the Board in terms of those items which will be included as consent agenda items. Dr. Davies confirmed that in terms of Board organizational structure the Committee structure will be maintained in its current format and those meetings will be held on the same day as the full Board meeting. Further, consent agenda items will be utilized to save time and the meetings for the entire day will be available via live streaming. Dr. Curris clarified it is the intent for the entire Board to go into session during the morning and go through the entire Committee agenda but at any point has the ability to take full Board action on agenda items. This would avoid the repetition aspect which has been expressed as a concern. Agreement was reached that a decision must be reached early in terms of those items which will appear on the consent agenda for purposes of providing appropriate notice. Any item could be pulled from the consent agenda if a Regent requested further discussion. Agreement was reached that the most efficient way to pursue this work is to have one full Board agenda which includes the Committee Meetings. There would be no consent agenda and the Board would be called to order in the morning at the

same time the Committee Meetings begin and the Committee Meeting would become part of the full Board Meeting which in essence creates a Committee of the Whole but is also reflective of what is occurring now. Mr. Williams indicated the difference would be that the Committee might have had a conference call prior to the meeting to discuss a particular issue, if allowed. Confirmation was provided that currently all members can participate in the Committee discussions but only the Committee members can vote. This is, in essence, allowing for two votes for each agenda item – one vote from the Committee and one vote from the entire Board. The Board is also asked to consider some agenda items which do not go through a particular Committee and these must also be part of the equation. Confirmation was provided that any agenda items which do not go through a particular Committee would be included on the agenda at the conclusion of the Committee Meetings.

Dr. Thornton asked for clarification that technically this would represent a full day of the entire Board Meeting and the Chair would call to order the Board Meeting that morning and the Committees would flow throughout the morning. During the Academic Affairs Committee she would receive approval from the Committee members and then immediately seek approval from the entire Board. Dr. Davies confirmed that in terms of the agenda for the Quarterly Meeting tomorrow – the Board Meeting could be called to order, followed by roll call, swearing-in Ceremony, election of officers, approval of minutes, public participation, reports of the Chair, President and constituency Regents, report of the Treasurer and then there are several other items which are Board-specific that do not go through Committee. The Academic Affairs Committee would then be called to order to separately take action on those agenda items. If the Committee is in favor of an agenda item it would then be advanced to the full Board for approval at that time. The Academic Affairs Committee would then adjourn and the Audit and Compliance Committee called to order to repeat the process. Discussion occurred regarding the order in which the agenda items would be considered and agreement was reached that this would be at the discretion of the Board Chair and the President. Agreement was reached that the new format would be implemented at the December 2014 Board Meeting.

Agreement was reached that the individual Committee structure should be maintained because the Board desires for individual members to be accountable based on particular subject matter which is addressed through the Committee structure. Dr. Davies added that University leaders must also know there is a subcommittee of the Board that it can go to for advice and leadership. Chair Waterfield indicated the Audit and Compliance Committee is a good example of the need for this because the external auditors want a smaller group they can consult for direction. Agreement was reached that the Board would proceed in this fashion and consultation with General Counsel will occur throughout this process to ensure the Board is proceeding appropriately.

#### Strategic Planning and Process – Vision/Mission and Fiscal Planning, discussed

Dr. Davies offered the following observations:

- One of the key objectives put forward as part of the presidential search process was strategic planning and creating a clear identity and vision for Murray State University. He has given a lot of thought to this issue and as he considers the University's vision and where it has been over the past 92 years as an institution three key words keep arising as they pertain to the three stars in the shield – achievement, endeavor and hope. When strategic directions are set all must keep in mind how those three ideals remain on the forefront in achieving the vision for the University and ensuring the institution is addressing those difficult issues which face society and doing so in a way which is sustainable. Hope of the region, citizens and the area must also be part of this effort. As he considers the future of this University these represent core themes which come to the forefront as part of the strategic planning process. Academic excellence should be at the forefront of everything this institution does because the University has an amazing reputation as a high caliber institution and as efforts move forward to develop a Strategic Plan the decision making process must include ensuring academic excellence is at the forefront. Murray State is known for working with students and ensuring their needs are met but also must be more diligent in closing the gaps. Furthering the breadth and depth of knowledge and determining how research and scholarship and creative thought are addressed must also be part of strategic planning discussions because they represent pillars of the University. The final part of this equation is community engagement and service to the region economically, civically, culturally and educationally. Over the next six months or so in developing the University's Strategic Plan those elements or core themes is where he plans to spend a great deal of time developing specific action plans and strategies that will enhance those efforts. He also would like to correlate this work in terms of hope, endeavor and achievement. When considering student success he would like all to concentrate on the achievement of students from the beginning – the

specific elements which can be identified to determine the success of students. The endeavor element overlays with longer-term thinking and how the University is enabling students to have a critical mindset and become lifelong learners. In terms of hope it is his desire to bridge the achievement gap to ensure that low income students are able to transition and enter a higher economic status. All these elements should play a major role in how the Strategic Plan is implemented moving forward. The core themes include achievement of academic excellence, student success, furthering the breadth and depth of knowledge and community engagement – all overlapping the three stars of the University’s shield. This will enable the University to build a brand which is an idea the Board has already indicated a desire to do. When the Board set forward the *Strategic Directions Statement* it outlined that Murray State University should be the “University of Choice.” It remains to be determined how Murray State illustrates it is the University of Choice and as the strategic planning process is developed this represents the institution’s vision statement and brand. Murray State wants to be the University of Choice and focus must be placed on building the infrastructure behind that for it to become realistic. The University’s Strategic Plan must be different from past efforts so that it is specific in terms of how it is known when Murray State reaches its goal of becoming the University of Choice. Dr. Dunn outlined three imperatives and philosophically they are very sound. Dr. Davies’ style is different in terms of where the University is in its historical and political context and where it is with outcomes-based measures because specific measures must be in place. As a Regent earlier indicated, the evaluation of the President should be very specific in terms of the Strategic Plan and whether that individual has accomplished the outlined goals. As the Strategic Plan is developed there needs to be very specific markers that are widely known and shared. The goals need to be identified on the website and a determination must be able to be made in terms of whether the institution has met those goals. This represents the accountability aspect of this work which must be advanced.

- A tough issue this Board must think about and the University will contemplate is how the triangle of access, quality and affordability is addressed. Currently the University is trying to serve many different entities along this spectrum and these elements do come into conflict with one another. The University wants to remain very affordable and he agrees with this goal because the institution has received national acclaim for being a “Best Value” university in the nation. Murray State is also the only institution within the Commonwealth mentioned in the top 150. This represents a point of pride which is supported by IPEDS data. However, four years ago the University’s net revenue per student was approximately \$11,500 which was at the Kentucky average. The Kentucky average is currently approaching \$13,000 and Murray State is approaching \$10,000. Over this period the institution is now actually receiving less revenue per student than it was four years ago and all other Kentucky schools are higher. This places an immense pressure on the University in many ways. A very good freshman class has just been enrolled and 80 percent reported that Murray State was their first choice for college. When the number of students from the 18-county region is reviewed, Murray State – with the exception of the community college in Paducah – is the leading provider of postsecondary education for graduating seniors. The University recruits more students out of Graves County High School than any other university in Kentucky but what the institution is not attracting are the top students. The University currently seems to have the mentality of “all come” but should be clearly thinking about the type of students it really wants to recruit.
- The freshman retention rate is currently approximately 74 percent and the graduation rate is around 55 percent. These percentages are above the national average but the lowest “buckets” of enrollees are those being admitted to Murray State on conditions and restrictions (250-300 students). The graduation rate for these individuals is in the single digits and retention of these students is 9 percent. There are over 800 students enrolled in remedial courses and a good number of these students are taking two or three remedial courses. At the same time those students who begin in the Honors Program and graduate with honors average roughly 20 to 24 percent. They are graduating from Murray State but not from the Honors Program. This begs the question in terms of where energies and efforts should be focused. He does not want Murray State to become an elitist university because the institution is about access and affordability. At the same time and as part of the strategic planning process, admission requirements must be reviewed. The practice of admitting students at the very low end of the spectrum must be considered to ensure these students have the resources in place to become successful and this will require a much stronger investment than the University is currently making. It must also be considered whether the University desires to spend more time recruiting higher-end students in terms of academics.
- In a recent meeting with CPE President Bob King discussion occurred regarding Murray State’s brand. Outside of the 18-county region the University’s brand of being a high quality academic institution is much higher than it is within the 18-county region. President King indicated that a senior in high school who has taken all honors classes, has been student body president and is excelling and doing all the right things is being recruited by top universities. If they want to attend Murray State these students apply and are accepted but sitting right next to other students who have not performed at the highest level but received the same acceptance letter from Murray State. This does not speak well to high achieving students and their time spent at this University. He does not have an answer but believes the institution must take a very hard look at admission requirements because this does impinge on the plan to live up to being the University of Choice. If a decision is made to restrict admission numbers at the lower end of the spectrum, the University must provide other pathways for these individuals. The University has four strong community college partners and

efforts with those entities must be enhanced. Agreement was reached that academic and admissions processes must be reviewed in great detail.

- In response to a question regarding students who are on the lower end of the academic scale who are admitted to Murray State but do not graduate and whether information is available in terms of whether these students totally dropped out of school or transfer to another college or community college, Dr. Davies indicated of those students who transfer to other universities 35 percent have a grade point average (GPA) of less than 2.0 and are choosing to attend other universities for academic reasons. For students who transfer to other universities 27 percent have a GPA of 2.0 to 2.99 and 37 percent have a GPA of over 3.0 which means the University is losing not only students at the lower end of the academic scale but also students at the high end. In this era of limited resources careful consideration must be given to where the institution wants to apply those resources to ensure it is making the best investment possible. Currently the University is trying to address both ends of the spectrum and while it does not totally need to lose one end or the other it does need to adhere to the sense of access and serving the region. The University has a fiduciary responsibility to determine where best to utilize its limited resources in the most efficient way possible.
- Dr. Thornton could not agree more. The community colleges spend a lot of their dollars on developmental education resources but they also have finite resources. By accepting students who are not prepared for the University an institution becomes a revolving door and that does not help the student or the institution. To have a relationship with the community colleges where there is an ease of transference back and forth and being able to complete the necessary coursework to meet the admission requirements the Board ultimately approves is important. The pride of Murray is that the institution wants college students who are prepared for what the University has to offer. As a faculty member she is aware there are too many students in one classroom with varied abilities. It is difficult for a faculty member to teach to a broad range of student abilities and she is not blaming the high schools but this simply represents where a student is in their education at a given point in time. She could not agree more in terms of the direction Dr. Davies has indicated he would like to pursue.
- Dr. Fister also agrees with moving in this direction but all must realize that initially enrollment numbers may decrease. Mr. Williams asked if there is a theory that the reason the University is not attracting some of the higher achiever students is because it is attracting some of the lower achiever students. Dr. Davies confirmed this does represent a working hypothesis to a large degree. He was at the University at Buffalo when Bob King was Chancellor of the SUNY system and at that institution there were five admission buckets (currently three at Murray State) and Chancellor King eliminated the lowest bucket at that University and others and for the first year or so the universities did experience a decline in student enrollment for the freshman class. Very quickly the institutions experienced a significant increase in students in the upper buckets because of the quality of the students, brand recognition and reputation. Any such cut cannot be sudden and must be strategic and if the University firmly believes one of its goals is student success then it needs to ensure when it admits a student he/she has a pathway to success. A student may choose not to undertake the pathway but the institution must still ensure there is an available pathway to success. Currently Murray State is playing at both ends of the candle and in discussions with faculty, Deans and members of the University community this concern has been expressed on multiple occasions. NSSE data supports the idea that student effort is lower than the national average because the University has a broad spectrum of students. In discussions with faculty in the College of Humanities and Fine Arts this is the first issue they brought to his attention and they are very passionate about it because they experience it the most.
- Mrs. Guess asked whether in terms of recruiting top students whether the University is competitive with some of the other universities in terms of cost for top students to attend college. Dr. Davies believes innovative and hard work is being undertaken through discounting and similar initiatives but discussion must continue in terms of tuition and fees and where the University wants to position itself and this includes discussion about discounting for certain students. He does not believe all the money needs to be given to top students but the University must also think about where to expend resources. Murray State's discount rate has gone up incredibly from 28 percent to 34 percent. In conversations which have occurred with Fred Dietz, Associate Vice President for Enrollment Management, the University is attempting to distribute a little bit of money to a lot of people but should be thinking about what the best return is for those efforts. Work needs to be undertaken with Dr. Jackson to refine the strategy as a University which will enable him to have deeper discussions with donors and provide a clearer picture of the type of students the University is trying to attract.
- The University has a very strong Honors Program and it is amazing what they are able to do. As he thinks about Murray State in the future he believes a named Honors College should be within the institution's purview. The University of Miami of Ohio has a model in place that Murray State should review. MSU is where this institution was 25 years ago in terms of prestige. They were a very solid highly-ranked masters-granting institution which was also Carnegie ranked and they are now doctoral-ranked very highly and Murray State will be a University doctoral-ranked by Carnegie within two to three years so the institution needs to position itself now to be at that level. This includes thinking about these issues in a very different way because if the University does not change now it will become a third-tier doctoral university and that is not where it wants to be.
- As all think about the institution's new comparators, thought processes in terms of tuition, discounting, admission requirements and where students are coming from need to change. Currently

in the 18-county region demographics are shrinking. Murray State is currently classified by Carnegie as a masters-granting institution and *U.S. News & World Report* and others use that to set the rankings in the various categories. Because of Murray State's success with the doctoral programs and as graduate numbers increase, the institution will be ranked as a doctoral-granting-like university. This will move MSU into a different category which is like going from a football championship series to a football bowl series league. There will be an entirely new set of comparers and a new set of ranking measures. The game is the same but the rules may change a bit. Confirmation was provided that Murray State will be competing against other institutions which have been undertaking this work longer and have more of a known quantity at that level. The University must be prepared to deal with this from the standpoint of its ranking in *U.S. News & World Report* which will be considering various measures of student success as they undertake rankings work. These represent key strategic efforts for which the institution must be prepared.

- Dr. Thornton suggested the President consider a more incremental transition. If this process is undertaken incrementally then as admission requirements slowly increase and funding is redirected the University is not harmed by a large drop in enrollment. Dr. Davies agreed the institution cannot enter this arena and expect immediate response but he wants to be able to provide the enrollment management team with a plan for the next five to ten years to indicate where the University needs to start seeing the shift. As part of this shift the University needs to own the 18-county region. This represents an important discussion point for the University and throughout the 18-county region. At the same time, the broader region of out-of-state students must not be forgotten to ensure stable enrollment. The University must be more aggressive in certain areas and must continue to build relationships in those locations.
- In response to a question regarding the increase in the discount rate and the type of students receiving additional aid, Dr. Davies indicated this is difficult to explain because the University brings in students receiving out-of-state regional discount rates and international discount rates, all of which must be streamlined, and this represents what Maguire Associates are working on accomplishing and involves a discussion regarding dual credit and the Racer Academy.
- In terms of upper-end academic students the institution is not offering these individuals the type of scholarship assistance that its peer institutions are offering. He wants to be sensitive in terms of Murray State being a regional university and he does not want anyone leaving this discussion believing the institution intends to become elitist. The tagline of "The Public Ivy" has been discussed and while this represents a good tagline he does not necessarily believe it represents Murray State. The University of Choice provides a great deal more flexibility to increase the University's game to serve students in a different way while also being thoughtful of how it recruits students and the program offerings it develops.
- Dr. Curris reported that in July 2012 as quoted in the *Murray Ledger and Times*, the Board released the following statement, "Murray State University ranked number one nationally for its financial aid packages." *U.S. News & World Report* just released its short list of rankings that finds Murray State at the top of the 10 schools where merit aid awards – not Pell Grant awards – are most common. According to *U.S. News*, Murray State awarded non-need based scholarships and grants to nearly 77 percent of its undergraduate students. He is sure discounting was included in this work but the question becomes whether this is the most effective use of resources. When the University is ranked number one for providing the most aid for merit and it has people in the field indicating it is losing students because it is not giving the aid that other institutions are providing, this certainly merits investigation. Dr. Davies agreed and believes as part of this discussion there is a matrix of GPA and ACT scores and it must be determined where merit-based aid should be given. The solid 'B' student should not be lost in this process and Murray State will not become "Harvard on the Hill." He does think consideration needs to be given to whether the institution is presenting all students with an opportunity to be successful. Dr. Curris expressed appreciation for Dr. Davies identifying this issue because this represents a powerful discussion and the Board looks forward to the President's recommendation. Ignoring for a moment what is in the best interest for Murray State and going back to the point made earlier, he believes it is grossly unfair for the University to admit a group of students where only 9 percent graduate. This is unfair to the students and there is an associated level of indebtedness these students carry with them. The University must identify this group and provide additional resources toward their education so graduation rates are higher or it should consider whether they should even be admitted while still directing these students to resources which will be helpful. It is unfair for the University to admit these students who are not going to succeed. Dr. Davies agreed this represents an ethical discussion and is one of which all must be very mindful and joint admission with the community colleges represent realms which need to be explored. Mr. Williams echoed the sentiments expressed by Dr. Curris and applauds the President for approaching this subject at the beginning of his tenure with the Board. There is nothing more important this Board can be doing with the President as it moves forward in terms of strategic planning than this subject. It will define the University for the next decade and beyond and the University is at a critical juncture to decide where focus and attention should be placed to be a successful institution. This represents an issue which the Board should be spending time to address and represents what will be a hot topic on campus and within the community, representing a defining moment for the institution. Answering this question will guide future discussion because the University must further its role with the community colleges and transfer students. Community colleges are basically becoming free to attend

for a student's first two years and the University must be thinking clearly in terms of agreements with community colleges, transfer assignments and dual admissions. The University must work closely with the community colleges in terms of regional outreach.

- Chair Waterfield indicated that a student from Frankfort years ago indicated she was attending UK when she was really attending Lexington Community College because she did not meet the requirements for UK even though she was a good student. It appeared at the time that if a student did not meet the level required for admission to UK they were automatically admitted to the community college. Dr. Davies reported that Northern Arizona University has eliminated the need for remedial courses and established relationships with the community colleges to address this need but that may not be where Murray State is headed. These students are dual enrolled which enables them to have a pathway to success because they are automatically part of the University once they have completed this work.
- Dr. Davies indicated program development for academics is also an issue which this Board must address. Work to advance new programs will be undertaken but as this work moves forward program developments will be based on regional needs and must be vetted through specific University processes but he is also interested in how additional cross-disciplinary programs and the Telecommunications Management Program (TSM) represents a star in this effort. As part of program development, the University must consider pulling back on some programs and while some being offered were ideal 25 to 30 years ago thought must be given to whether some majors need to continue. Universities are great at adding programs but are terrible about taking them away and the University needs to think about this in terms of financial accountability. The residential colleges are part of the University's brand and need to be re-emphasized over the coming year. The process at Murray State is amazing and they must become even more shining examples of the collegiate experience. Regional efforts are essential and work will continue with the Provost to develop centers of excellence. It is important to identify those academic programs which extend beyond the University's region to take a national approach to this work and the TSM Program represents such an effort. When programs that have the demand of students and industry are able to become a shining star the University must provide the resources to enable them to move forward. As part of the strategic planning process over the next year work will be undertaken toward identifying and implementing such programs and this work will be crucial. As part of his annual plan he will be in Frankfort often and this represents an instrumental element of work he will be advancing.
- The plan which was provided to all presidential candidates included strategic planning, building identity, advocacy, enrollment, fiscal integrity and diversity. Dr. Davies believes his "sketch" addresses these various issues and represents what he intends to work on as part of the planning process unless directed otherwise by the Board. As part of this process a search is currently underway for a Senior Presidential Advisor for Strategic Initiatives which replaces the vacant Chief of Staff position. This individual will be instrumental in guiding this process to develop Task Forces and items around the core themes of academic excellence, student success, breadth and depth of knowledge and community engagement and overlapping that with the three stars that are the pillar of this University.
- Mr. Williams indicated that during the preparation process for the SACS review the Provost was working on an academic plan – MSU: 100 – and Dr. Davies provided clarification that this bridges over to the process he is outlining. This plan supports those efforts and these two initiatives definitely build off of one another. MSU: 100 will be presented later this afternoon and those efforts will definitely dovetail into the strategic planning process and strategic planning efforts could also bring some alterations to the MSU: 100 plan.
- Ms. Green indicated that earlier the University's tuition rate for some number of years ago was reported and now the institution has the lowest tuition rate. Every year the CPE determines the percentage by which tuition can be increased but the tuition for other institutions is already \$3,000 more than tuition at Murray State so every year this institution will continue to fall further behind. She asked if there is a point at which the University could approach the CPE to plead a case for tuition to at least be consistent with the other institutions. Dr. Davies confirmed in his meeting with President King he asked these questions because the University does have an opportunity to rethink tuition. Possible ideas include establishing a tuition level for new freshmen that is guaranteed for four years or looking at current tuition rates to determine whether the University's needs are being met or whether a special increase for incoming freshmen needs to be considered. He believes the institution owes it to current students not to "bait and switch" them but as discussion continues about new students coming into the University different tuition levels must be part of that conversation. He does not want to suddenly have a tuition level which has skyrocketed out of control but at the same time the institution must have tuition levels which are reflective of its quality. This represents the balance between access, cost and quality. Mr. Waterfield indicated the Board has also made a conscious effort to be the lowest in terms of tuition among its competitors. Agreement was reached that this has been the case but the institution is now beginning to fall even lower and this situation must be addressed. When institutions are allowed to increase tuition based on a certain percentage those that are already higher receive more money per student than Murray State. The admissions standard discussion must include tuition and a determination made in terms of what it means for Murray State to have the lowest tuition rate. One can say that Murray State has a Neiman Marcus business model for customer service and is very personalized with small classes with amazing attention to the detail

of serving students and providing exceptional quality. At the same time, the University has a Wal-Mart pricing strategy and that is where there are stress points of which all must be mindful, cognizant and thoughtful. Dr. Thornton added that Murray State's cost of providing education is no less than any other institution. Agreement was reached that there are many interesting models which can be studied, including Miami of Ohio which in one year went from \$4,000 to \$5,000 in tuition but eventually to \$25,000 in tuition but in doing so that institution also established some very interesting and progressive criteria for discounting. A student who graduated from a Ohio high school with a 2.5 GPA is automatically granted a \$20,000 scholarship. If that same Ohio student maintains a 2.0 GPA throughout their college career they could keep that scholarship which placed the onus on the student to succeed. Confirmation was provided that costs at Murray State are very much the same as those of other institutions and continue to increase. The University must be strategic in terms of discounting and fundraising policies while also being cost conscious. These represent very important discussions which over the next six months will be at the forefront of the planning process. The Board will be kept apprised of these discussions which will include involvement of the Board and the campus community, including students, to help determine where Murray State will be in 10 to 15 years.

## **Staffing and Open Positions/Organizational Structure, discussed**

### **Vice President for Finance and Administrative Services**

Dr. Davies reported that tomorrow the Board will be asked to approve the permanent appointment of Jackie Dudley as Vice President for Finance and Administrative Services. She is extremely well qualified and is currently doing great work in this area.

### **Legislative Affairs**

The Legislative Affairs position will be filled shortly. This position will dually report to the University President and the President of the MSU Foundation for at least one year. The University will continue to use Dr. Jackson's expertise and experience in terms of connections in Frankfort. The person who is being hired will learn from Dr. Jackson and for the first few Legislative Sessions will represent the individual helping the University undertake the necessary groundwork. Confirmation was provided that this represents a full-time position that will focus solely on legislative affairs. The University currently has lobbyists in Frankfort who also undertake some work in Washington, D.C.

### **Organizational Structure**

As part of the strategic planning process that is underway, the Board should be reminded that he will likely make changes to the organizational structure and he will keep the Board apprised of these changes. He is a firm believer that strategy drives structure and as thought is given to some of the items that were discussed in terms of admission, tuition and various programs the administration will be coming forward and reporting on organizational structure changes. He has not yet reached this point but as strategies are fine-tuned they will drive organizational structure changes.

The Board adjourned for lunch beginning at 12:24 p.m. and ending at 1:05 p.m.

## **Specific Departmental/Unit Reports, received**

### **Athletics – Upcoming Changes and Challenges with National Collegiate Athletic Association (NCAA) Governance Issues**

Athletic Director Allen Ward reported the following:

- The Board was provided with a summary in the eBoard book of the new NCAA Governance Model which was approved by the Board of Directors on August 7. Autonomy is driving the new governance model and an effort will be made to outline how this new structure will affect Murray State. There has always been a financial gap between the larger schools and that is being allowed to continue. The University's distribution model at this point has not changed – nor has it for other Ohio Valley Conference (OVC) schools – and the institution receives approximately \$600,000 annually from different NCAA sources.
- Access to championships also did not change.
- The Presidents and the NCAA Board of Directors have also been talking about maintaining discussions at the 30,000-foot level because over the last couple of years they have worked their way

“down into the weeds” and an effort is being made to reverse that trend. They desire to be focused on oversight of Division I strategic issues. Publicly they desire to not be down in the weeds but considering that the Big Five represent the majority of the makeup of the Board and autonomy is the current focus, he does not see this happening any time soon and it is his belief they will continue to be very involved although this involvement may not be as public as it has been in the past.

- The current NCAA Board will be slightly larger but currently the OVC does not have a representative on the Board although it did last year – a representative from Jacksonville State did an excellent job representing the OVC. This does not cause any issues as an OVC President will eventually rotate back on the Board and Dr. Davies will be recommended at that time.
- The Board will also provide for CEO-level voting which has not existed before. The Board has previously been comprised of Presidents but now there will be an Athletic Director, faculty representative, senior woman administrator and student athlete to provide additional input.
- The most important part of this work is if issues do rise to the Board level there will be non-weighted voting which means everyone gets a single vote. Non-weighted voting at the Board level will be helpful to Murray State especially if there are issues from a mid-major standpoint that the institution wishes to have addressed. The new governance structure includes a Council which is under the Board and currently includes 40 members. Debate is underway from a conference standpoint in terms of the effectiveness of such a large group.
- The Board of Directors expressed a desire to have more Athletic Directors be members of the Council than in the past because they are the practitioners and the ones who know the day-to-day issues and should be more involved in the legislative process. Ten years ago the Presidents took this work out of the hands of the Athletic Directors – rightfully so with some of the issues which were occurring in college athletics at the time – but now a determination is being made to work collaboratively and involve the Athletic Directors in that work.
- There is non-weighted voting at the top level (Board level which includes the Presidents) but at the Council level where a lot of decisions will be made about legislation and financial impact there is weighted voting. This means that the Big Five will get more votes than a mid-major institution. The way it is currently structured, if the Big Five conferences (Big Ten, ACC, SEC, Pac-12 and the Big 12) and the other five football playing members want something to pass they have enough weighted voting to pass it over the other 27 Division I conferences (where the OVC is located). This has made it more difficult for those institutions which do not have the financial resources to impact decisions that are being made at the Division I level. All 27 conferences could feel one way about an issue – such as cost-of-attendance – but the Big Five could vote another way and have that legislation passed. Weighted voting has been in place for some time but it has not been structured in such a way where ten football conferences are being pitted against the other 27 conferences.
- There is also a substructure in place and last spring Mr. Ward was appointed NCAA Championships Captain and the details of where this work will go have not yet been decided. It is his hope this work continues as he would love to continue serving in this role.
- From an autonomy standpoint, what the Big Five wanted was an opportunity to spend more resources without any other school having the authority to stop them. A great deal of discussion has occurred regarding the cost-of-attendance and paying the difference between a full scholarship and full cost-of-attendance for a student athlete. Currently NCAA rules allow an institution to pay tuition and fees, books and room and board. At Murray State there is currently a difference of \$3,300 between that number and the full cost-of-attendance which would include supplies and transportation as well as other costs. The Big Five want to be able to provide this additional funding to their student athletes. They tried to do this a number of years ago and it passed but later there was an override from the other 27 conferences that could not afford the initiative and the measure was rescinded. The Big Five now have the autonomy to pass such initiatives.
- Mr. Ward was not concerned about the autonomy at the Big Five level because there is already a great deal of difference between those conferences and Murray State. What he did not want to see happen is for anything the Big Five passed becoming permissive for the remaining Division I conferences. If the Big Five passes something which allows them to spend their money however they want to spend it he questions whether that legislation becomes permissive for the remainder of Division I schools. If that is the case it would affect Murray State because they would then be recruiting against this institution for athletes. The University currently recruits against other conferences such as the Missouri Valley and the Horizon League, especially in Men’s Basketball, and with the proposed legislation Murray State would have a distinct recruiting disadvantage.
- This morning he participated in an OVC conference call and the first item on the agenda is to bring the Presidents and Athletic Directors together to begin discussing the impact this will have on the league. The Top Five will propose this legislation in October which will be approved at the NCAA Convention in January. It is known two other conferences have already approved this legislation once the Big Five adopts it – Conference USA and the Horizon League – and those two conferences will also be allowed to adopt the legislation.
- Confirmation was provided that this represents a financial issue but also for Murray State it would present a significant detrimental effect on the Men’s Basketball program. From a mid-major standpoint this legislation comes down to recruiting ability. From a program standpoint he is not concerned about autonomy because the University does provide for its athletes and that is dictated by the budget but he does worry about the cost-of-attendance issue.

- For Murray State, discussions will first take place at the OVC level and the Presidents within the conference will choose whether to have a conference philosophy and policy or whether they will allow for this to represent an institutional decision. It is essential for Murray State to have the ability to cover the cost-of-attendance difference, especially for Men's Basketball, or it would be devastating for that program in terms of lost recruits. If this additional funding is provided on the men's side it must also be provided on the women's side from a Title IX standpoint. Based on current year numbers, the impact on the institution would be approximately \$95,000 for those two sports alone. As a league he does not believe in terms of the FCS in general that institutions across-the-board can afford to pay the cost-of-attendance for football at their current level. He would not recommend the University to provide this level of support for football because he does not believe cost-of-attendance represents as significant of a recruiting disadvantage in football as it does for basketball. He believes there will be a level recruiting field for football because others the University will be competing against will also not be offering to cover the cost-of-attendance difference. Eastern Kentucky University and Jacksonville State are into football and will likely desire to provide additional funding to cover the cost-of-attendance difference.
- Additional autonomy initiatives the Big Five are considering include lifetime educational benefits, four-year guaranteed scholarships, expanded health care, expenses for family members and unlimited meals. At Murray State's level, the level of benefits the institution can provide is dictated by the budget and he is not concerned about this issue because he would not have the necessary funding to support it. He is concerned about what happens on the recruiting trail – the first time parents sit down with Coach Prohm and begin discussing what the package is going to be – and how that will affect the University's recruitment capabilities. The University must be able to be competitive at that level in order to remain competitive at its current level.
- Confirmation was provided that this sends a conflicting message from the top. The Big 12 Commissioner and the Pac-12 Commissioner are saying things totally different from what the attorney said in the O'Bannon trial. This work is already in place because a student opportunity fund has been in place for about 15 years – Murray State receives approximately \$60,000 from the NCAA – and this funding can be used to help student athletes get home in event of an emergency or to help other need-based students. The true story about the existence of funding to be used for these types of initiatives is not being accurately told.
- Also of concern to Murray State is current transfer students. This was initially going to be part of the autonomy discussion because the Big Five wanted more leeway in terms of transfers – to not be able to restrict those students – but the OVC, Missouri Valley and other mid-major conferences indicated this cannot happen quickly and additional discussion would be required. This issue has been placed in a two-year window where the Big Five have indicated that these conferences address and reach some conclusion on transfer rules and being more lenient or they are going to take this work upon themselves. He worries about this from the perspective of Murray State's league because people are going to start cherry picking the University's teams. If there is more leeway with transfers and these students do not have to sit out a year or lose their aide, then a school will pursue athletes like Isaiah Cannan. This represents a significant concern for students who attend Murray State for a year and then another school recognizes that athlete's ability and begins to recruit them. Although this constitutes a Level I violation proving that would be another story. How these rules are established will represent a significant fight in January.
- As a part of the new legislation, the override process has been changed. This means once legislation is passed at the top it is rescission-proof and a very high threshold has been set for a potential override to be successful.
- In terms of what to expect, anyone who has been in athletics very long knows that all must think in terms of the advocates for women's sports and Title IX will play a huge role in terms of what happens with the Big Five and as that trickles down to Murray State's level. The University is currently in good shape but in terms of what will happen with current lawsuits with other universities is unknown and how that will affect Murray State remains to be determined.
- There are many details to be worked out with this new legislation and while this represents the beginning of the process, now that the Big Five have the autonomy they were seeking things could change. The key for Murray State is how it continues to position itself for Division I membership and how it protects the Men's Basketball program which then protects other sports to provide access for everyone. This program recruits at such a high level it must also be presented with opportunities to do so competitively.
- Dr. Fister asked in terms of financial aid how these changes will occur, how they will be implemented and when they will be mandated. Mr. Ward indicated currently no changes are being made in terms of the NCAA maximums as far as how many scholarships there are for a particular sport. The only thing that is changing is the ability to provide these student athletes with the cost-of-attendance difference. This represents an issue this institution and the conference will be addressing within the next few weeks. The Board will be asked to provide this funding because it represents a scholarship and discount issue. There is currently no funding readily available when it comes to scholarships on an annual recurring basis.
- Mr. Ward indicated this represents an important time for the Athletic Program and there are a lot of changes which are occurring. This time next year the landscape of college athletics will be different and how the institution positions itself is of utmost importance to continue to be viable. The

decisions the OVC makes will be interesting because there is a particular dynamic among Murray State's league schools. The discussion of whether these need to be conference or institutional policies has not yet taken place. Some schools will want the changes to be conference wide so they are on an even playing field while other programs – such as Murray State and Belmont – will ensure they have the opportunity to offer these incentives particularly in men's and women's basketball because of what it means to these programs. Dr. Davies confirmed that in a recent conference call these issues were discussed and schools are currently right down the middle in terms of having these changes be conference-wide or institutional policies. It is likely the Presidents and Athletic Directors will have a joint meeting within the next month or so and if the Council takes no action then it becomes permissible for each institution to handle itself. If the Council takes action the University must abide by the *Bylaws* unless basketball is restricted. In that case further discussion will need to include what the institution's next step should be in terms of addressing the detriment this would have on Murray State. There currently is no appetite among the Presidents to mandate this for all schools because they cannot afford it and would never recommend proceeding in this fashion.

### **Special Guests, recognized**

Dr. Davies introduced and welcomed Amanda, a senior in international studies, and Kate, a senior journalism major, and both are graduating in May who are present representing the *Murray State News*.

### **Facilities Management Overview of All Construction and Update on Campus Capital Projects**

#### **Campus Capital Projects Update, received**

Jason Youngblood, Assistant Director for Facilities Design and Construction, reported the following:

- An overview of major capital projects and deferred maintenance projects was presented. A table was provided to the Board which includes the top three major projects currently underway and the schedule presented at the June 6, 2014, Board meeting that has been revised.
- Funding sources for the new Breathitt Veterinary Center (BVC) include \$32,468,000 that represents funding in the 2014-16 biennium, in addition to \$4 million which was funded in the 2012-14 biennium. The site location was selected on the *Murray State Hopkinsville Regional Campus* adjacent to the existing education center. The University was notified on July 24 that funding from the 2014-16 biennium was available and the architectural firms of Sherman, Carter Barnhart (primary) in Lexington, Kentucky, and Foil Wyatt Architects and Planners in Jackson, Mississippi, were selected as architects for the project.
- Per Kentucky Revised Statute requirements, BVC Director Wade Northington and Chief Facilities Officer Kim Oatman took the site before the Hopkinsville Community and Services Development Board on August 25 and the Board is very supportive of the project. The project budget provided outlines \$28,215,000 for construction within the overall budget. In terms of the project schedule, given the later notification on July 24, this moved the bid schedule back. The project is currently out for bids which are scheduled to be opened on September 25. A Groundbreaking Ceremony is scheduled for September 18 at the *Hopkinsville Regional Campus* site adjacent to the new project site.
- The University anticipates beginning construction on November 1 of this year and there will be a Resident Inspector on staff for daily oversight. The project is expected to take 500 days for substantial completion and 560 days for final completion with an anticipated move-in day within June 2016.
- Funding sources for the Engineering and Physics Building include \$36,890,000 which includes \$31,890,000 from state bond funds and \$5 million in University restricted funds. The site location for this building is south and east of *Jesse D. Jones Hall* and north of the Nash House. This construction will require closure of a portion of Olive Street west of 16<sup>th</sup> Street. One of the City's requirements for closing Olive Street is the construction of a cul-de-sac for busses. The City sent out letters to over 100 residents and only two were in opposition. The City has consensus and intends to close Olive Street. Today represents the last day for appeal and there is a Council meeting scheduled for September 11 which Murray State representatives plan to attend and hopefully gain final approval on street closure.
- The architectural firm for this project is Hastings and Chivetta and is the firm that prepared the initial program for Biology, Chemistry and Engineering and Physics in 2001. The firm also provided the design and construction administration for the Biology and Chemistry buildings.
- The project budget outlines \$30,581,000 for construction within the total project budget. The project schedule has been altered slightly with bid documents scheduled to be completed in January 2015, bids will be opened in February 2015 and the award to begin construction granted in March 2015. The occupant move-in completion date is still at August 2016, ready for Fall 2016 classes. Confirmation was provided that this represents a 16-month construction schedule and is reflective of the amount of construction time needed for the other buildings.

- Funding sources for Franklin Residential Hall includes \$28,953,000 which was authorized for agency bond funding in the 2014-16 biennium. The site location for this building is the old Clark site which is between the Hart Hall parking lot and Chestnut Street.
- The primary architectural firm is Murphy Graves Trimble from Lexington, Kentucky, and as programmed this building will have approximately 114,000 square feet with 380 beds. The construction estimate for this project is \$25,228,500 of the total project and the schematic design estimate was just received and is within budget. Currently schematic design review is underway and an open bid date is anticipated in February 2015, with construction to begin in March 2015 and an occupant move-in and completion date of August 2016 ready for Fall semester classes.
- The number one deferred maintenance project is the Price Doyle Fine Arts structural repairs which represent a life/safety project estimated at \$100,000 although it is believed the final cost will be below that amount. The second and third priorities include elevator and fire services for the Business Building and Blackburn Science Building because these projects represent code requirements. Items four through 15 represent critical items identified by maintenance and the fourth item on that list is the Central Plant transformer and for any maintenance or repair to the second transformer, not the one that failed.
- An update on the transformer which did fail was provided and included an estimate of \$955,000. The transformer is being rebuilt and according to the most recent information is scheduled for delivery on October 3, 2014. Confirmation was provided that a request for insurance reimbursement has been submitted but the University has not received a response as of this date.
- Deferred maintenance needs in Waterfield Library include ADA and electrical upgrades for \$590,000 and ADA and HVAC upgrades in Pogue Library for \$590,000 which the Board approved at the last meeting. Mr. Oatman will give an update tomorrow during the Buildings and Grounds Committee on the Grand Opening Ceremony planned for 6 p.m. this evening for the Quiet Study Floor in Waterfield Library which was completed this summer.

Dr. Curris indicated the BVC Groundbreaking is scheduled one week before bid opening and asked for an explanation of the contingency plan which is in place if bids are over projections. Mr. Youngblood indicated the value engineering process would be undertaken in an effort to move bids within the project budget. A review of contingency funding will be undertaken to determine whether the University can approve bids as they are received. If there is sufficient contingency funding the University would likely go ahead and approve a bid but that depends on what caused the bid to go over budget. In response to whether the architectural firm undertaking this work has a good reputation for correct estimates, Mr. Youngblood indicated that to be the case but in his history working at Murray State with the various firms some will come close to the estimate on some projects but not the next. The firms do take a lot of historical cost data into account when the estimates are created but they are generally well within a range of error. There are times when things just happen causing them to be outside the range of error.

Tom Denton, Director for Property and Debt Management, presented the following:

- The first Energy Savings Performance Contract was in the amount of \$6.7 million primarily for lighting and retrofitting on a 12-year basis. This is to be completed in 2017 as far as the payout. The way the Energy Savings Performance Contracts work is for the energy savings companies to come in and perform an energy audit to identify improvements to be made. They will then design the project and arrange financing and guarantee projected energy savings. The University has gone through this process once with lighting in the residence halls and saved enough in utility funds to make the payments on the new lighting. Mr. Oatman and his group are now looking at an approximate \$15 million project level. Until the University goes through the process it is unknown what the final amount will be. The company is looking not only at lighting but also some other types of energy controls such as windows.
- There was an issue with the authorization in the biennial budget of which the Board is already aware. Work is underway to obtain authorization in the upcoming session. The state has offered to allow the University to use the authorization of the Finance Cabinet but this leads to additional layers of complication and administration so the University prefers to wait on authorization from the state. Confirmation was provided that this would delay the project until next year.
- Information regarding the new Sorority Housing Complex is very preliminary in nature although some groundwork has been done and surveys will be completed in September. As far as decision making goes, the Board and President will need to be on board when this project is presented for approval. The Board is aware of the current sorority chapter rooms which are located on Poplar Street. The average membership of sororities has increased tremendously over the years from 60 to 80 members to an average of 120 to 140 members and another entire sorority has also been added. The new sorority does not even meet in the current facility and the University is leasing space to them so they will have a place to meet. What is being discussed for the future is providing actual housing which would represent resident facilities. Lockett & Farley is providing a feasibility study and they have used a company – Monument – which specializes in public-private options for university and

Greek housing. These companies are very familiar with this type of operation and their study should be completed in September.

- The Board was provided with a list of questions which need to be addressed if this project is to move ahead. Many responses to these questions will depend on the site selected because some potential sites would require more University resources than others because the premise would be that they would like to be located on university-owned property and on campus. Under this premise, there are several potential sites but some require less replacement for parking lots and that type of thing. The current plan is to present this information to the Board at the December meeting.
- No decision has been made in terms of plans for the current sorority suites. The source of funding for the new facilities would involve a combination of funds from the University and other sources. The University currently provides a \$1,000 per month payment to the MSU Foundation for a lease for the facility. In addition, the University provides insurance and utilities. Under the current situation the sororities are providing \$700 each per month to the Foundation. It is anticipated the new arrangement would be similar in that the sororities would have a part in the payment in terms of a lease for the new facilities and the University would also have a part in the payment. After the surveys are completed and the results are obtained an effort will be made to arrive at a reasonable proportion of payment to be made by the sororities with the University and the Foundation filling the gap.
- Dr. Jackson reported that the property where the current sorority suites are located is owned by the MSU Foundation. The facility currently serves four sororities although there are six on campus which range between 120 and 140 members. The sororities have outgrown this facility for a number of years and approximately one year ago this was identified as an issue the University must address. The sororities are becoming somewhat disenchanted in regard to not being able to use these facilities which were wonderful at the time they were built. There is no residential occupancy in the properties today and that option is being considered to help fund and finance perhaps a third party initiative. If approved by the Foundation, this initiative could be funded by the Foundation as they were 15 years ago, or it could represent a public/private partnership arrangement that is becoming more common and is why this particular architectural firm has been included in discussions – as well as Monument – or financing could represent some other mix which is yet to be determined. The architects and the housing firm have been on campus many times over the past several weeks to interview the sorority women, advisors and other parties involved. They will be back within a month to discuss what may be possible. Since the current housing was constructed 15 years ago sororities have grown in number by double. Fraternities have also grown which is desirable in terms of retention and involvement and having those entities be active on the Murray State campus.

Dr. Robertson confirmed that there are over 800 sorority women and 232 freshmen went through sorority recruitment this Fall. The current sorority facilities are way too small to be functional. There is also the potential for the national organizations to provide some funding through partnership efforts. Confirmation was provided that most of the fraternities already have off-campus facilities and this need does not exist with that group of students to the extent it does with the women. Mr. Dobbs indicated that fraternities which currently do not have a house may be interested in seeking out the current sorority space and Dr. Robertson confirmed that this space would serve the needs of a number of fraternities but there are many other potential uses for this space as well.

In response to whether there is the potential for donations from female alumni who were members of sororities, Dr. Jackson reported the Greek community – in terms of alumni and the donor list – is at the top of the list of stepping forward and assisting with such initiatives. Many were very active in the most recent fundraising campaign and this does represent a possibility but probably not in terms of large dollars to fund this type of project. This is also what occurred in 2000 when the Foundation funded the initiative in conjunction with the University but financially the risk was with the Foundation. The arrangement has worked beautifully from the standpoint of the relationship between the University and the Foundation and also from the current number and size of sororities on campus. Confirmation was provided that the lease payments were paid off last year and this represents an asset to the Foundation and the facility can be utilized for other purposes.

A question was asked how many of these women are currently residing in the residential colleges because this could have an effect on revenue for the University. Dr. Robertson confirmed consideration is being given to making sorority housing part of the overall housing operation at the University and each facility would be able to house a maximum of 20 individuals. This does not represent a significant number of students which would be housed in any one particular facility but would create a revenue stream to help finance the project. These facilities will most likely attract juniors and seniors and officers who are already planning to move off campus. Consideration has been given to the fact that the new residential college will provide 380 beds and the University must be able to fill those spaces.

## Enrollment Management, discussed

### Freshman Profile

Kelley Wezner, Director for Institutional Effectiveness, presented the following:

- An Executive Summary and Powerpoint presentation were included in the eBoard books. When students registered for Summer Orientation they were asked to take a survey which included questions about the students, what their last semester of high school was like and what they expected from Murray State. There are 1,450 students enrolled for Summer O and there was a 60 percent return rate on the survey.
- The survey was representative of the incoming class with 68 percent being female and 43 percent not having a parent who completed a college degree (associates degree or higher). In response to a question regarding the low number of male students, Dr. Wezner confirmed this represents a national trend among students attending four-year colleges and community colleges but it also represents a concern.
- Students are coming to Murray State from 23 states – as far away as Alaska – but the majority come from western Kentucky with some also being from larger cities close to this region.
- The average high school GPA is 3.44 but the range is from 1.75 to 5.05. Information was provided on ACT scores and sub-scores broken down by gender. There is almost no difference in the composite ACT score but there are differences which are consistent with national trends by gender. Male students tend to have a stronger math sub-score and female students have stronger reading and English sub-scores. Female students also tend to have a higher high school GPA (3.5 average).
- ACT sub-scores are used to determine whether students need remediation as required by Kentucky law. The law requires the University to put students who come in with an ACT sub-score of 17 or below in English, 18 or below in math and 19 or below in reading in remedial courses in those areas. In response to whether the state allows for any other testing or similar assessment to determine how valid a particular score was for a student, Dr. Wezner reported other scores are utilized, including the SAT, and some students are tested during Summer O. If they test higher it is possible for them to automatically matriculate into a college-level course without remediation. Dr. Fister reported that last year alone the Chair of the Department of Mathematics gave 160 different exams and she is unsure how many students matriculated into a regular course but this does illustrate students are taking advantage of the testing opportunity. Dr. Davies indicated all must remember that students pay full tuition for remedial courses which do not count toward a major or graduation and this is something which the University must take very seriously. Confirmation was provided that the University uses the highest ACT score for remedial purposes.
- The largest group of students needs help with mathematics and the smallest group needs help in English. Approximately 36 percent of all students will need remedial help in at least one area. If students need help in one area 46 percent need help in a second area. English appears to be the limiting factor and of those students who need remediation in English, 86 percent also need remediation in a second subject. An explanation was provided that English refers to vocabulary and grammar and reading represents a separate measure. Reading and math are more closely related in terms of sub-scores than English and reading which is unusual.
- In terms of how this information compares to the University's peer schools, Dr. Wezner indicated she could attempt to obtain this information but not a large number of schools make these statistics public and instead publish composite scores.
- Students were also asked about their experiences in high school which included common academic and extracurricular activities. Students are spending one to five hours each week on mostly academic activities such as reading, writing, quantitative reasoning and preparing for school. The most common response for foreign language study is zero hours per week. The most common response for working for pay is also zero hours per week. A large number of students are working but the most common response was zero hours per week for work for pay and agreement was reached that this could be a reflection of the economy. Students are relaxing and socializing six to 10 hours per week.
- Students were asked specifically about academic behavior and the good news is students are saying they are sometimes or often engaging in positive academic behaviors. The first cluster represents what the University does not want students to do and that is come to class unprepared. Most students indicated they are never coming to class not prepared or sometimes coming to class unprepared.
- Students were asked why they chose Murray State and 80 percent indicated MSU was their first choice. Most students had more than one reason but the most common were that they felt comfortable with the size of the campus and classes and Murray State offered the degree they wanted. Charts were presented showing the difference between in-state and out-of-state students and there was not a great deal of variance on the reasons they were offering but one big difference is that out-of-state students were more likely to say they felt like they belonged on campus and that was a stronger reason for choosing Murray State than for in-state students. Dr. Davies indicated it is interesting that some who decided to come to Murray State did so because it was away from home and, at the same time, those who cited being close to home as the reason for choosing MSU should be considered.
- The largest group of students was undeclared (12 percent) which is uncommon for incoming students. For those students who had declared a major this represented 118 different majors. About one-fourth

of the majors chosen was in the STEM area and if health professions (especially nursing) were added that would represent another one-fourth.

- Students were asked how they expected to spend their time during the first year of college. The good news is students are expecting to spend a little bit more time preparing for class, reading, writing and doing quantitative reasoning (6 to 10 hours per week). Students are expecting to work for pay more often but a large proportion of students are not planning on working during the first year of college. For everything else there is relatively no change and students are still planning to volunteer one to five hours per week as they did in high school. Socializing represents the same proportion as outlined earlier.
- Students were asked mostly about positive academic behaviors, including whether they planned to work with tutors and other students and if they would ask for help from faculty members. Students are sometimes or often likely to engage in these positive behaviors. In terms of not coming to class, 91 percent of students intend to come to class the first year and 84 percent promise they will never show up to class without having done their homework.
- A pattern is beginning to emerge in that students are much more likely to engage in academic behavior that involves other students compared to ones that involve faculty.
- When asked about behaviors linked to success or persistence students indicated they are somewhat or very certain they will engage in persistence behaviors and if they are challenged by something academically they are likely to continue to work hard.
- Students were asked about common challenges they will face in college, particularly during the first year, and indicated they expect little to somewhat difficulty with common academic challenges like speaking in front of a class or writing a paper and almost no social difficulties. They are not expecting any difficulties with their roommate or friends or becoming involved on campus. One issue students are very concerned about is paying for college.
- Based on the positive behaviors students plan to engage in and what they did in high school, 96 percent are expecting to earn As or Bs during their first year, 96 percent are expecting to graduate from Murray State, 81 percent expect to graduate within 4 to 4 ½ years and 97 percent believe they will graduate from Murray State in 5 ½ years or fewer. When graduation rates are calculated they are based on a 6-year cohort and the national average for a public school is 57 percent. Murray State is very strong for Kentucky at 53 percent so there is a bit of a mismatch between what students expect and what is actually occurring.

### Tuition Planning/Discounting and Scholarships Update

Fred Dietz, Associate Vice President for Enrollment Management, reported the following:

- This summer a Request for Proposals (RFP) was launched for a pricing, tuition and elasticity study and in conjunction with that is a branding study – not to recreate the University’s brand but to look at perceptions of the University’s brand. The Committee undertaking this work consists of Mr. Dietz; Ms. Dudley; Bob Pervine, Associate Provost for Graduate Education and Research; Mr. Carter and Catherine Sivills, Assistant Vice President for Communications.
- The RFP was sent out to approximately ten different firms and the University received three to four responses back with the contract being awarded to Maguire Associates in Boston, Massachusetts. Maguire representatives visited campus in early August, spoke with Dr. Davies via phone and met with many others to get this project underway. The firm has collected a great deal of data in terms of enrollment, financial aid awarding and a number of other metrics for the student population. They are also reviewing marketing materials and working closely with Mr. Carter and Ms. Sivills in terms of publications and the University’s current messaging.
- Maguire Associates will participate in the Retreat today via conference call and will report on preliminary progress to date. They have been asked to make the pricing and elasticity study a priority so it is completed relatively quickly and early enough during the Fall Semester so if changes are necessary those can be presented to the Board in a timely manner to impact the Fall 2015 class in terms of potential tuition adjustments.
- As of day three, total enrollment is 3 percent ahead of this time last year. This percentage fluctuates between 2 to 3 percent on a daily basis. Total enrollment as of day three is 10,751 students and on day three last year was 10,426 students. Last year the final total enrollment number was 10,943 students so there is still a long way to go. The lock-in date for enrollment data to be submitted to the CPE is October 25.
- Preliminary numbers indicate that full-time undergraduate enrollment is up approximately 3.3 percent; full-time graduate enrollment is up 3.5 percent; first-time freshmen enrollment is down slightly (70 students); freshmen numbers from the 18-county service region are flat; first-time transfers are up by 10 percent which represents students attending a community college but then coming back to the University and first-time graduate enrollment is up 12.5 percent which bucks the national trend. More detailed enrollment information will be presented at the Board meeting tomorrow.

## Retention Update

Jamie Mantooth, Director for Retention Services, reported the following:

- A handout was provided with information on MAP-Works which is an online retention platform that the University invested in during Fall 2012. The main objective of MAP-Works is to identify small issues before they become big issues. All undergraduate students are surveyed once per semester at the three to four week mark during the term. That timing is intentional because it represents the “honeymoon period” but if issues are beginning to emerge, students who are most at risk are beginning to show signs of distress at that point. The surveys provide information such as academic and social integration, peer connections, academic behaviors, satisfaction with the institution, home sickness, etc.
- Another major component of MAP-Works is referrals which represents an early alert system where faculty and staff can notify one another or the Retention Office of any student they may be concerned about. When MAP-Works was first launched in 2012 there were 1,500 referrals, during 2013-14 there were 1,300 referrals and during 2014-15 the number of referrals is three times higher than during the same period last year. The most surprising trend is the increase represents referrals for seniors who are simply not attending class. When these referrals are received the Retention Office reaches out to the students on an individual basis by phone or email to try to determine what is going on so the most appropriate type of help needed can be determined and offered.
- An example of a type of report which can be generated through MAP-Works was presented to the Board which shows the top five issues and overall perceptions for all undergraduate students. This information can be further filtered down by cohort or by colleges and schools. A report similar to the one presented to the Board was prepared for each Dean so they can see how students are responding to the surveys.
- Murray State’s results were compared to other schools participating in MAP-Works and the University scores really well in terms of on-campus living and overall satisfaction with the institution. Home sickness represents a fairly high number for Murray State and when compared to other schools the University is in the middle of the pack. Home sickness is a pretty significant issue and the University has already lost several freshmen students due to this issue during the first week of class. Confirmation was provided that the University is also getting students who have left other institutions for this very reason so it represents a fairly even trade. Home sickness does not tend to affect either gender more than the other but does affect students of color more than it does Caucasian students.
- Spring 2014 withdrawal data was also presented and in January 2014 the University switched to an entirely electronic withdrawal process which makes the type of information being presented to the Board readily available. Academic problems ranked in the middle of the reasons why students withdraw and personal reasons are at the top of why students are leaving. In the Spring there were 215 withdrawals but students can mark multiple reasons why they are choosing to withdraw and each reason is counted in the overall number. Graduate students comprise 20 percent of withdrawals and represent 16 percent of the overall student population. African American students comprise 11 percent of withdrawals and represent 7 percent of the overall student population. Agreement was reached that further study could be undertaken to determine and address why these students are leaving the University.
- The Fall enrollment report released yesterday was presented and the number of juniors is up 15 percent from two years ago (9 percent from last year) and the number of seniors is up 8 percent from two years ago (7 percent from last year). This could represent a positive trend in terms of retention. Two years ago MAP-Works was implemented and while he cannot draw a direct correlation between the two he would really like to.
- Information on retention rates broken down by race was provided for Fall 2009 through Fall 2012. This information is important because the CPE has challenged the institutions to increase degree completion and production for all but especially for low income and underprepared students as well as for underrepresented minority students.
- In terms of the six-year graduation rate from Fall 2002 to 2007, there is a stark difference between unconditionally and conditionally admitted students. The six-year graduation rate for unconditionally admitted students is nearly double that for conditionally admitted students.
- The Retention Commission is currently crafting a campus-wide Retention Plan. Information was presented which compared the retention rate for students with no remedial coursework to those that did have remedial coursework and is broken down by freshmen entering during the Spring Semester which shows that those students do not perform as well as students entering the University in the Fall. Numbers are a lot smaller during the Spring and percentage wise these individuals do not perform as well.
- Other universities in Kentucky utilizing MAP-Works include Eastern, Western, Northern, the University of the Cumberlands and Morehead and agreement was reached that this represents a good cohort. These universities use MAP-Works differently and Western uses it almost exclusively in the residence life area.

## University Communications – Marketing – Update on Annual Plans, Branding, Etc.

Mr. Carter distributed information on the Maguire Associates team (Kim Reid, Michelle Earle and David Wuinee) that will be participating via conference call. For this University there perhaps is nothing more important than the results that will come from this marketing study from the standpoint of image, brand awareness, how students feel about Murray State as well as some information about pricing and the direction in which the University should proceed. All are fortunate that Dr. Davies immediately recognized the importance of this project.

The Maguire Associates team presented the following update:

- David Wuinee has been with Maguire Associates for approximately ten years and in the 16 years prior was a Kentucky resident and worked at both Transylvania University and Bellarmine University. Having an opportunity to work with a Kentucky university the quality of Murray State is a blessing and he is happy to be part of the team. Maguire Associates is tested in the market as a leader in higher education strategy. All of their work, whether survey research, predictive modeling, consulting and enrollment management assessment, is predicated in data and the firm prides itself on having a team of individuals assigned to each project who represent trained analysts, statisticians, social science researchers and practitioners from the school perspective. The firm has been in existence since 1983 and has learned over the years that it is paramount for the team on the ground – the institutional leadership on the project – to be partners in this work because the firm is only as good as the contribution and pairing of Murray State personnel and Maguire Associates. As collegiate collaborative style is considered that certainly has been present in the work which has been accomplished to date. They are extremely pleased with the early onset of partnership.
- Michelle Earle has been with Maguire Associates for a couple of years and most of her work is data heavy and she represents the data “go to” person on this project.
- Kim Reid has been with Maguire Associates for approximately three years and is a Vice President within a research group. She has 20 years of experience in applied research within the education domain. She has worked in areas of K-12 school reform within the last ten years and has focused on applying those skills in enrollment management research and consulting. All are working to ensure the Murray State and Maguire teams are aligning on the same sets of goals.
- The objectives of the research being undertaken for Murray State include gaining an understanding of the University’s position in the world physically among its competitors, the types of students it serves and current marketplace pressures. The goal is to refer to the research to identify what those pressures are and how Murray State can move forward intelligently as it enters the strategic planning phase. The firm is reviewing the perception of price, value and brand and what these things mean. This work has been very robust in that the firm has been able to talk to a number of constituents on campus and had an important perspective to offer in these areas. They have also talked to Institutional Advancement, the Provost, Student Affairs, Transfer Center, Continuing Education, Marketing and Communications, the entire enrollment team and anyone else who might touch on this project. This provided a rich sense of where Murray State is in the world to clarify and give context to the work of the Maguire team and raise key questions to be addressed as this work is undertaken.
- The key question to be addressed is what pricing model would be appropriate for Murray State. The current pricing model is very complex and Maguire wants to understand whether it is the right pricing model or if changes were made to the current model how those would influence both revenue and enrollment. If the University decides changes are necessary there would be a good understanding of the potential impact to the institution. Consideration must also be given to whether there is any room to increase tuition. It is understood Murray State is the lowest cost institution in the state of Kentucky for a four-year public university but it also must be determined whether that is the right place for it to be. Conversations have been held regarding the notions of being cheap versus inexpensive and being a commodity versus a differentiated product. One important aspect of this work is an examination of price elasticity to gain an understanding of how the market views Murray State and whether there is actually room to increase revenue by increasing tuition.
- Murray State is geographically located in an interesting part of the world. It has the 18-county region the University is primarily serving but also touches several border states, including Illinois, Missouri, Tennessee and Southern Indiana. There is also a lot of regional pricing in those different markets. There is also a set of students who are fully out-of-state students. This provides three dimensions for Maguire to study – in-state students who represent the heart of the service area, regional students and out-of-state students. Within each of these regions the competitive step the University is really competing against must be understood in addition to identifying the pressing concerns with each of those constituencies and how the University would best recruit in each of those groups. Student profiles within each constituency must be known to determine how best to attract them to Murray State. Maguire will undertake work which will cut across all of these areas.
- The brand differentiation for Murray State must also be understood. The market is crowded and one of the features of higher education is that everyone is essentially offering the same product in some way, shape or form yet an institution must distinguish itself in the marketplace. A lot of work will be conducted in an attempt to bring out the nature of what the University’s differentiation might be to help from both a recruiting and marketing and communications standpoint. When considering the

intersection of price and value and brand any move that is undertaken on price must be supported by a movement being made on value and brand or how the University expresses itself.

- Maguire must understand the message which resonates within each market and must also understand the available media allocation. It is a changing world in terms of how students are going about their college search and it must be ensured Murray State is presenting itself in the most viable way to reach the markets it needs to reach. Based on examination of the University's markets, pricing and value it must also be determined how the institution can best align itself structurally in terms of enrollment to maximize efforts and ensure all bases are being covered.
- Three main efforts will be underway simultaneously and include undertaking an analysis on forecasting not only the current reality in terms of admitted and enrolling and non-enrolling populations for Fall 2014 but to use strategic enrollment planning and forecasting and predictive analytics to determine price elasticity or price sensitivity in the University's current market. The research component of this work involves other constituencies, including prospective students and prospective parents. The modeling capability will provide real-time, actionable intelligence around what the current population is doing. A number of characteristics will be studied and measured throughout the enrollment pool and the effect of institutional aid commitment associated with each of the student populations will also be measured. Maguire is not far enough along in the analysis being undertaken to articulate specifically how many predictive models and strategies will be built but enough is known about the University's population and the institution that in-state and out-of-state students will be studied very closely. This work will include segmentation by the 18-county service area as well as pricing and differential pricing. Each of these dimensions is critically important to the financial forecast analysis that is being conducted and the "cleaning" of three years of historical data obtained from the financial aid and admissions systems is currently underway. Once this work has been completed Maguire Associates will ask the senior leadership of the institution, including the Board, to report on goals and how much tuition could be raised without the University pricing itself outside of its primary market. A recommendation will also be made on how much discount for institutional gift aid is required to achieve a particular set of revenue, headcount or overall enrollment composition. All of this work will be strategic in nature to align with the Strategic Plan and quantify in dollars – both revenue and expense – what various decisions will be required for strategies to actually be implemented. This represents the work of the forecast analysis prediction model.
- Two additional components of this work are ongoing, including a competitive stand and Maguire is currently reviewing ten competitors and has conducted "secret shopper exercises" in obtaining materials from some of those institutions. They are looking at how other institutions are expressed within the market in terms of both value and price and how Murray State fits into that landscape. The first outcomes from this work will likely be available in September. The second component of this work includes undertaking robust survey research among prospective students, parents of prospective students and graduate students. In terms of prospective students care is being taken to get the perspective of first-time freshmen and transfer students through a survey which combines brand with a sense of who these students are and how they would describe themselves personally but also in terms of their outcomes orientation – what they are seeking out of a college education, how they rate Murray State among a group of competitors on key enrollment drivers, what is the first word that comes to mind when they hear Murray State and what do they consider to be the institution's strengths. A pricing exercise will be undertaken as part of this work which will provide a look at pricing that is related to historical institutional data. Maguire will undertake a more forward-looking process in terms of price which takes market mood into consideration to get a sense of how different audiences react to different levels of tuition. Survey results will represent the intersection of brand and price and the media habits of students.
- Confirmation was provided that work is underway on all of these initiatives and an important element which has enabled Maguire to move forward with this work is the meetings with the various constituencies which occurred early in the process.
- The bulk of the work to this point has been done with the analysis model. Work is underway with the appropriate individuals at Murray State to compile the necessary data and this includes information provided by financial aid and scholarship and admissions – where the University is finding students and how they are being contacted. An initial set of data has been compiled and an analysis has been conducted on that data. Further work has been undertaken to secure any additional data which is necessary to enable the firm to provide the type of analysis it desires to undertake. Final data files for Murray State should be available shortly for University staff to review and help Maguire determine whether the data is being correctly interpreted. This represents an effort to ensure the most accurate data has been collected and this work is being undertaken beginning with a very solid foundation.
- Over September and October work will be undertaken in terms of modeling components and this will represent a collaborative process between Maguire and Murray State to help determine the enrollment drivers. Once this work is completed meetings will take place with representatives from both entities in an effort to undertake a prioritization in terms of what all want to accomplish most quickly within the project. Any information regarding financial aid and tuition – even if not complete – will be shared in these meetings. It is hoped this process will conclude by the beginning of October.
- Surveys will begin yielding in September and Maguire will begin analyzing those results in October with a goal of completing the project by early December and plans to attend the BOR meeting to directly address the Board.

- Maguire Associates represents a company which never walks away from a project until all are satisfied because it is known the input of the Murray State team is very valuable in terms of interpreting the data. Clean up and additional analysis, if necessary, will occur at this time.

Mr. Carter reported that a request has been made for Maguire to prioritize their process so that as much of the financial aid data is available as quickly as possible – likely in September and October. There are CPE deadlines which also must be made so it is essential for the marketing and branding information to be available as soon as possible as well. A request has been made for the final report to be completed in time for the next Board Meeting in December and Maguire will be engaged in any way this Board desires. Bi-weekly conference calls have been scheduled so all know exactly where the University stands throughout this process. Maguire also offers a site which MSU representatives can access to review the information which is being uploaded and this process is currently underway.

The Board adjourned for a break beginning at 2:55 p.m. and ending at 3:10 p.m.

### **Academic Master Planning, discussed**

#### **MSU: 100 – Academic Visioning Plan**

Dr. Morgan reported the following:

- The MSU: 100 Academic Visioning Plan is a part of last year's reaccreditation process when work began to develop a process of implementing a long-term, viable and foundational academic plan. An effort was made to ensure all did not step outside the bounds of academic affairs while also leaving some balance between Dr. Miller as Interim President and Dr. Davies as the incoming President, knowing that Dr. Davies would have initiatives which he would want included in the academic plan. This represents a ground-up plan in terms of the foundation being created by faculty and the academic community.
- In September 2013 a Task Force was formed consisting of approximately 30 faculty and staff who spent the better part of last year meeting and considering foundational issues it wanted Murray State to be known for, particularly when it reaches its Centennial Anniversary in 2022 representing 100 years of good, solid growth at this institution. A determination also needed to be made in terms of where the institution should be as an academic academy and within this work care was taken to limit this to an academic process.
- The central question posed to the Task Force is where the University wants to be academically when it reaches 100 years of age. The plan contained in the eBoard book is multifaceted and is linked to the Murray State mission. Bolded points are contained within the document provided and were extracted from the MSU Mission Statement to be used to guide thought patterns. The mix of goals presented are both broad and narrow and this was done intentionally to allow for broad-based points where the academic colleges and schools could come back over the next year or so and backfill with what work can be undertaken to meet some of the larger institutional goals.
- The MSU: 100 Plan was reviewed by over 80 individuals including the members of the Task Force, Deans, Department Chairs, multiple constituency group leaders and an assortment of faculty and staff. The plan has been very well vetted across the campus and represents a foundational plan with integration from the side and a small amount from the top. This represents a circular plan that all feel confident about bringing before the Board.
- Murray State wants to be recognized as a broad-based, comprehensive and residential university and would like to seek recognition from its accreditors to Level 6. The University increased to Level 5 about three to four years ago in order to start offering doctoral degrees and there is a desire to move, at least partially, out of the master's level "L" Carnegie classification and at least explore what the institution would look like as a doctoral-expanded University. Confirmation was provided that this would allow the institution to offer both masters and doctoral degrees with the accrediting bodies but represents a very tricky threshold to step over. The University would be stepping over into a different peer group but if performance measures are in place he believes Murray State can play in some of these worlds. Retention and graduation rates look great and these could assist in taking a small step over into this threshold.
- The University currently has a strong regional campus program which is getting even stronger. The *Paducah Regional Campus* is running strong and enrollment numbers look good for Fall. This is also true at the other regional campuses and an effort is being made to increase online ability to 20 to 24 percent of students taking online courses to catch up with other universities. Currently between 17 to 18 percent of MSU students take online courses.
- In terms of reverse transfer and dual admission agreements with the local community colleges, this process is being led by Renae Duncan, Associate Provost for Undergraduate Education, in terms of the University's undergraduate portfolio. She did a very good job last year and there is another group being targeted for this year to continue the push both in and out of state.

- A high quality undergraduate education is and will remain as the core for Murray State although there is a desire to begin to steadily increase programmatic offerings because the institution must not only review its existing programs but must continually identify those that need to be implemented so competitors do not come in and fill available gaps. The goal is to have steady growth of one new academic undergraduate program coming online per year. Eight or nine new programs have been targeted to be implemented over an eight-year period which represents a slow, steady and controlled implementation within the University's curriculum.
- As mentioned at last year's Retreat, MSU students are graduating with 143 credit hours on average and that is unacceptable. The majority of curriculums require 120 to 124 credit hours while others are up in the 140 credit hour range. Vigorous work occurred last year to bring this number down and the University has decreased from an average of 143 credit hours last year to an average of 139 credit hours this year. This still represents a semester and a half longer than what students need in order to graduate. Some compensating adjustments are made for Honors Program students and there will always be students who have double majors or who go through a stringent major and decide to change to another stringent major that does not allow for a lot of electives. The goal is 134 credit hours to degree and the University is well on its way to reaching this target within the next couple of years. In response to a question regarding why the University had reached the 143 credit hour range, Dr. Morgan explained there are several popular majors which have curriculum hours in the 130-140 credit hour range. If 1,200 students are taking a high number of credit hours just to earn a particular degree that will artificially raise this number for the entire campus. Transfer agreements also needed to be streamlined and that work is currently underway. Transfer students also come to the University with a high number of credit hours and the University is penalized for this while the community college is not. The institution must accept those hours within its graduation credits-to-degree count. There are also a significant number of undergraduate programs which do not allow for many electives and if a student changes their major from one which allows electives to one that allows no electives there are a number of courses which must be set aside and the student must start over to some degree. Pre-professional programs allow very limited flexibility in the curriculum. Efforts which are currently underway, including an advising push, will allow this number to come down and students to leave the University with less debt. Confirmation was provided that students graduating with a high number of credit hours also affect the University's financial statements to some degree because this must be factored into the overall budgeting process. Confirmation was provided that some students come to the University from the community colleges with over 100 credit hours but no associate degree. If these represent viable credits they are used where appropriate and added to the student's University transcript. Currently the process is liberal and work is underway to streamline these efforts with more formal articulation agreements so the student and advisor from the community college are well aware of what is needed. Murray State requires 42 credits at the 300-level or above and a community college student may have a significant number of credit hours but not at the 300-level or above. There are a number of nuances which are driving the credit hour numbers upward but an attempt is being made to bend that bar back down.
- Academic Affairs would like to develop one new master's program approximately every year and a half to two years and a new doctoral program every three to four years. It is believed this represents a good absorption rate for the campus which can be controlled within the current framework.
- The faculty body represents a changing demographic and the University will need to address this over time. There are currently over 175 faculty members who are teetering on the edge of retirement. This year approximately 70 new faculty members joined the University but typically this number is around 35. There have been a large number of retirements and individual faculty members have moved on for one reason or another and some new hires have been made. Over the next three to five years more and more faculty will be retiring and this is very quickly becoming a campus of ten years of service or less. The work to be undertaken will include an increased number of mentorship opportunities and this Friday the *New Faculty Leadership Academy* will become active in an attempt to foster leadership capability within new faculty. Deans and Chairs are encouraged to have in place mentorship committees. Also within this work reinvigorating a faculty transition retirement program might need to be considered although it has been suspended for some time. He was supportive of Dr. Miller's efforts to suspend this program but moving forward some consideration might need to be given to re-implementing the program to free up much needed funding. Dr. Curris indicated it was reported that the University is having and will continue to have a large number of retirements. It is hiring new faculty and this year that is being done at twice the normal rate and yet the Provost is recommending a program to encourage people to retire. Dr. Morgan clarified it is his desire to implement a program that is selective to encourage some faculty to retire. The University cannot afford a lot of its culture and mainstay faculty who have been with the institution for the past 25 to 35 years and there are a number of individuals reaching the retirement age who would like to retire but want to do so through some type of step-down opportunity. The desire is not to retire a mass number of people but to have a slow and controlled exit for some selected faculty that can free up critical and core areas. If a faculty member is currently earning \$100,000 it would sometimes benefit the University and its programs to foster or work with that faculty member to retire and bring in a new individual and sometimes split the salary and bring in two new individuals to grow or repurpose the program. There are currently 425 to 440 full-time faculty and approximately 200 adjuncts on the roster with on average 160 of these adjuncts being utilized each year. Confirmation was provided that

adjuncts not utilized every year would likely include local bankers, attorneys and professionals within the community.

- There is the desire to increase external academic research awards received by the University from \$7.5 million to \$10 million per year. External funding increased over the past year by approximately \$700,000 and if the University is able to pace at this trend it could meet the \$10 million goal.

Dr. Davies confirmed that IPEDS data is being used for this purpose which includes a very strict definition for the first-time freshman cohort. As MSU: 100 evolves the definition of first-time freshman will also need to evolve. This relates to earlier discussion regarding the admissions process and historically Murray State had a 58-59 percent graduation rate. As the University concentrated more on increasing the number of students instead of pathways some challenges and stress points have evolved.

Dr. Fister asked with regard to the addition of programs whether this work will be undertaken in a way so it is known in the public arena what is needed and the University will not simply develop new programs for the sake of developing new programs. She has heard repeatedly that students enter college in one field but by the end of their four years job availability has changed when they graduate so she is concerned about starting a new program just to start a new program. Dr. Morgan indicated all new programs approved through this particular governing body also must be approved through the CPE. Within this process the University must show defined and beneficial data exhibiting there is a need for the program and jobs will be available, in addition to a variety of other attributes, and the process is screened heavily. There is a 45-day pre-approval process and then a post-governance process where this Board approves any new programs.

Dr. Curris commended Dr. Morgan for his leadership and engagement of a large number of faculty to develop a document that is comprehensive and forward-looking. He has a couple of reactions and the first is that to set a goal of being a recognized, comprehensive regional university says nothing to him. There are hundreds of universities across the country which indicate their goal is to be a recognized and respected comprehensive university. This is not ambitious enough and does not inspire. Whether the University says it wants to be the premier undergraduate and master's university in the Commonwealth (or something else) it must offer a goal which causes individuals to identify that it sets a future for this institution that distinguishes it from other institutions or it inspires them or they can identify the goal as being ambitious. When one starts out with being recognized there is nothing inspirational about it. Secondly, it is absolutely correct that adding one program per year would give the institution plenty of time to digest that effort. Unfortunately, the world does not operate on the same timetable as universities. A great deal of change is occurring and a top flight university must look very seriously and be in a position to add three or four programs, depending on whether the need is there as new careers and technologies unfold. The world is changing faster than universities want to change. Consideration must be given to whether this constitutes a limiting element because it may not fit the reality in which the institution operates.

Dr. Morgan agrees with the points just made and with regard to a residential, comprehensive and premiere university, the work group was very careful to stay out of the larger picture that will fall within the President's Office as Dr. Davies works on creating an overarching University Strategic Plan. An attempt was made to limit this document strictly to the academic community in order to not get out in front of the President. In terms of developing multiple programs in one year all agree this must occur. The Deans were charged with trying to develop one new program for this year and while there could be more than one new program implemented on the average there will be at least one. Doctoral programs take two to three years to be implemented and consideration is currently being given to a third doctoral program so that the groundwork required with the CPE can be undertaken.

Dr. Davies agrees it is not in the University's best interest to add programs for the sake of adding programs. Any new program needs to be specific to regional needs and capable of meeting demands of the area. Any new program will also require special expertise from within the institution from the beginning. It would also be desirable for these new programs to be cross-disciplined so they can extend beyond current boundaries. There is a cadre of Deans who are truly entrepreneurial and the University may need to become more attune to and aggressive in this type of work. A review of programs which are currently on the books must also be undertaken to determine whether there are some which could be eliminated because they are not meeting student needs or demand. Ensuring the right program mix is in place represents a work in progress.

## Centers for Academic Excellence

Dr. Morgan reported that the Center for Academic Excellence is being proposed and contains signature programs. Last year discussion continued on these types of programs but the institution was also undertaking budget constraints, a presidential search and the SACS reaccreditation progress. This work was delayed until those processes were completed and then discussions began over the summer with the Deans on the types of programs which could be implemented. The desire is to have a couple of signature programs be used as pilot programs. The Board will be presented with additional information as work continues to identify a small subset of these programs.

## Thoroughbred Academy

The *Thoroughbred Academy* represents a high school for the Murray State campus and will be presented tomorrow for Board consideration. Students who have reached senior status will be brought to campus one day per week and will take two courses as part of an accelerated program. Currently the University delivers a variety of courses online and also sends faculty to some area high schools to deliver courses to both junior and senior students. A *Thoroughbred Academy* is already in place at the *Hopkinsville Regional Campus* where students from Christian and Trigg counties and Hopkinsville are bussed to the campus and take six credit hours. This has been an extremely successful academy and the Board will be presented with a proposal tomorrow which will very much mimic this model but on the main campus. This academy will be non-residential because after reviewing that aspect in detail it is not believed the University is currently equipped to house these high school students on campus. Evaluation will continue to be undertaken to determine where the University can grow in this area. In response to how many of the high school students participating in the academy actually enroll at Murray State, Renae Duncan, Associate Provost for Undergraduate Education, reported from the region close to Murray there are a substantial number of students who come to Murray State (approximately 35 percent). Currently a large number of agriculture courses are offered across the state through *Racer Academy* and fewer of those students end up attending Murray State than those who live within the 18-county region and sometimes beyond. These courses are transferrable to other universities and care is taken in choosing the courses to be offered in the academies to ensure they are transferrable. The *Thoroughbred Academy* in Hopkinsville is new enough that these numbers are not yet known but many students who indicated in the beginning they were planning to attend UK are now asking about Murray State courses and majors. The *Racer Academy* has a target audience of junior and senior high school students from across the state but primarily from within the 18-county service region. *Thoroughbred Academy* represents programs being delivered to students on campus and only the top students are targeted to participate (15 to 20 students per school). There is a period between the students' two classes where the University will offer some programming in a further effort to attract them to Murray State. This represents a way to help these students become oriented with the University.

In response to whether the *Thoroughbred Academy* is in competition with the *Falcon Academy* in Hickman County, Dr. Morgan reported that the goal of the *Falcon Academy* is to advance those students within the school regardless of whether they participate in one or both of the academies. Dr. Duncan indicated quite a few *Falcon Academy* students are actually enrolled in Murray State classes and confirmation was provided that the University is a very strong participant in this initiative. Approximately 50 percent of courses in the *Falcon Academy* are offered by Murray State and the other 50 percent are offered by West Kentucky Community and Technical College.

## Resource Materials

Dr. Davies indicated that the resource materials which were provided to the Board were intended to be a benchmark for discussion. The materials provided on governance should be reviewed and absorbed to provide an internal look at the current Board and its Committee structure.

## Salary and Compensation Plan, discussed

Dr. Davies reported that during the transition discussion centered on the need for the University to have a plan in place for salary compensation, merit and COLA pay. Dr. Curris has provided a great deal of history in terms of current University salary policy but it is evident the institution

has not followed that policy for multiple reasons, including financial concerns. There is currently a policy in place and instead of trying to develop an entirely new policy it may be prudent to review the current policy – realizing it has not been fully implemented – and begin making any necessary adjustments to that policy.

Ms. Dudley reported the following:

- The current Salary Policy was presented to the Board for informational purposes. The Board was also provided with a draft Merit Plan to provide some guidance on its development while ensuring it fell within the Salary Policy. The overall approach taken was to outline over the next year a way to pull the campus constituencies together and establish a Merit Plan Committee which could be co-chaired by the Human Resources Director and the Provost (or representative) and membership would be comprised of individuals from various areas across campus. This Committee would be tasked with reviewing the Salary Policy to vet out necessary decisions to be made.
- As the discussion on merit pay began there was a significant desire to have compensation studied and reviewed for faculty and exempt staff. Part of this conversation led to the Strategic Plan and as a result all felt it might be better to delay the compensation study until a more defined Strategic Plan was in place. If the compensation study is put on hold work would move forward to review policies and the type of merit pools to be utilized for faculty and exempt staff salaries and whether a non-exempt staff component should be included. A rubric would then be developed for evaluation purposes that would be justifiable and accountable across departmental lines and could be used for awarding merit. This rubric would not represent a standard evaluation process for every department but would be a chart which would have defined levels and then the departments would determine what comprises each level. This would give the different disciplines room to identify what might be the higher performance measures for their particular discipline. This represents one possible outcome of committee work.
- Dr. Davies has expressed a desire to bring a Merit Plan to the Board prior to the end of the fiscal year in June 2015. This would include the rubric just mentioned as well as any other changes in policy required to implement the plan. Part of this work would include determining whether evaluations are conducted annually, every other year or when the Strategic Plan is changed. There are many decision points to be crossed before a Merit Plan can be developed.
- Confirmation was provided that there are many models available from similar public institutions which could be studied. Part of the Committee's work would be to review available models to determine what represents the best fit for Murray State.
- Dr. Davies agrees the different disciplines must be able to identify those elements which comprise the different levels but it will be of utmost importance for there to be transparency and a defensible way to determine how much merit pay a particular individual might receive and the criteria on which that increase was given.
- Dr. Fister indicated faculty are concerned about cost-of-living adjustments being included as part of this process because costs have gone up every year and if people are doing satisfactory work but there is no cost-of-living adjustment their salaries will continue to fall further behind. It is important to encourage excellence but also support those individuals who are undertaking the work they are being asked to do. Dr. Davies agreed it is important to combine merit pay and COLA and it should not be one or the other. It is important to have a long-term approach but during the first several years any increase could largely be COLA with merit eventually included.
- Ms. Dudley reported that the Board was presented with identified issues which would need to be decided regarding COLA, including what index would be used and the base period to start from to determine any COLA increases. This could result in two different plans but the policy statement would determine the top priority whether merit pay or COLA.
- Mr. Waterfield agrees with planning for the future but the current state of funding leads him to question whether setting up such a plan will lead to expectations of more than what can be delivered by the University. Dr. Davies indicated this could be built into the plan as part of risk management work in terms of when the various plans will become operational.
- In response to a question regarding a merit pool for non-exempt staff, Ms. Dudley indicated this would be work for the Committee to review. Non-exempt employees operate on an hourly pay scale and the University must follow strict guidelines with regard to these individuals.

Dr. Curris indicated what has been stated today would take approximately three years to accomplish. There would obviously be a need for a Request for Proposals and thousands of dollars would be spent. He is not sure it is worth the effort. The Board of Regents of Murray State University already adopted a policy in 1980 (modified in 1992) that addresses faculty compensation. The Board may not be familiar with the policy because it has not been followed for the last five to ten years. The policy of the Board should be followed and is outlined below:

“The base salary increment shall not be less than 75 percent of the total annual salary increment. This means up to 25 percent would not be across-the-board and would be awarded on the basis of performance.

The salary increment figure – the extra amount up to 25 percent – would represent extraordinary service to the University, market conditions, meritorious performance and for the purpose of correcting salary inequities.”

According to *Section 2.7.4.1* of the *Faculty Handbook* with reference to faculty performance, the policy spells out three criteria:

- 1) Teaching excellence, as identified by an unmistakable demonstration of teaching and advising effectiveness as recognized by students, colleagues, Chairs and Deans.
- 2) Research and creative activity, as evidenced by publications, presentations or reports of pure and/or applied research recognized by agencies in the public or private sector.
- 3) University service and professional activities.

Also according to the *Faculty Handbook*, the above represent University-wide criteria and, with the exception of teaching excellence, are not in order of priority. Teaching will remain the number one priority according to policy. Further definition of these criteria shall be developed by the departmental or Library tenure committee in consultation with the Chair, Dean and Provost and Vice President for Academic Affairs. However, any recommendation during the tenure consideration process which places emphasis on one or more University-wide criteria (or a logical subdivision) will not be construed in and of itself to constitute the development of new priorities or further definitions.

A process is in place where departmental committees, department heads, university committees and the Deans evaluate individuals for promotion and tenure. The criteria for meritorious service are the same. It is unknown how much money will be available in any given year and it could be that the amount of money is so small it would constitute only one percent and there may be a desire to provide that across-the-board because it would not be worth the time and effort to undertake this process. If 6 percent was available in a given year, it could be determined that an exception to the rule needs to be made because performance has not been reflected for a couple of years and there could be a desire to give one-third this particular year (2 percent) for performance and 4 percent across-the-board if a person is performing satisfactorily. If the current policy had been implemented over these last few years and weaknesses in the policy had been identified and an indication made there was a desire to change the policy he personally would be very receptive to that discussion. When the policy has not been followed the question becomes whether the University wants to set up a committee to study what this policy should be. He would prefer to follow the policy and if weaknesses are identified those should be brought before the Board so it has an opportunity to change its own policies. There is no excuse for an institution not following an established Board policy. If the policy is going to be changed it should be changed on the basis of changing times – meaning there are elements of the policy which are outdated or are not workable – but once a Board has established a policy it should be implemented. Confirmation was provided that changes made to the policy spelled out more criteria by which faculty would be evaluated and tied this work more closely with what faculty do now for the evaluation of individuals using the same criteria used for tenure and promotion. The work remains at the departmental level and allows the department or college to make modifications and put emphases where they need to be. He has no interest in telling the Math Department how personnel should be evaluated. His interest is the Board has a responsibility to set a compensation policy and once that was in place there was the expectation it would be implemented. If the policy does not work it should be reviewed again and brought before the Board for further consideration.

Chair Waterfield agreed that any plan which has been implemented should certainly be followed and the University does not need to reinvent the wheel in terms of this issue unless the wheel is broken. Ms. Dudley believes establishing a committee to redo the policy represented a way to standardize the evaluation process and not determine what makes a math professor a high performer. This work would certainly take place within the guidelines of the current policy. The committee would not attempt to identify what each department ranks as its highest criteria.

Dr. Curris indicated in terms of the rubric and the five categories on which faculty do this work now is called the grading scale (A, B, C, D and E). From personal experience the last thing an

institution wants to do is designate three faculty should observe an A, two Ds and one F in a department. This does not sit well with faculty. Dr. Fister works in a department like this where her work is evaluated by a number which is graded on a Likert scale which indicates if there were merit she would receive a certain amount of money. She is evaluated by her Chair every year and is sure other departments also undertake this work. On the whole these measures are in place and this could represent a discussion of semantics. The policy should be followed but an effort to ensure all are following the same procedures must also be undertaken so that when merit is available it can be easily assessed in terms of who should receive that funding.

Confirmation was provided that this policy has been in place for several years but pertains only to faculty. In terms of whether work needs to be undertaken to make the policy applicable to staff, Dr. Fister reported the 1980 policy does include wording that the criteria for performance for professional staff should be based upon fulfillment of institutional and unit objectives. There is a provision within this same document for professional staff but there is nothing about non-exempt staff. The reference to institutional and unit objectives is relatively broad and would need to be fleshed out more although it is included in current Board policy. Ms. Dudley confirmed there is an evaluation process in place for exempt staff which represents a rubric of sorts. It is her understanding that many staff members have issues with this process and would like for it to be re-evaluated. The non-exempt staff process is not designed for merit and determining how to apply merit in this category would be difficult.

Mr. Williams has struggled with this subject for four years and while he agrees with what is being said all must consider the optimal versus the realistic. It would be desirable to have an optimal circumstance where sufficient funds for cost-of-living and merit pay based upon an excellent evaluation process were available. This is certainly not the University's current circumstance and it has not been for several years. He also does not foresee a freight train loaded with money headed this way. He is concerned that no matter what caveats are added if the Board starts a process to develop and structure policy it sets expectations no matter how many caution flags are added to the process and this can be tremendously demoralizing. The Board must urge caution in managing expectations so as not to create false hope. Personally, he would like to be able to give faculty and staff the full cost-of-living increase for several years in a row. He is especially concerned about a new President and setting false expectations which could actually create more cynicism. It is unrealistic to assume the University will receive a budget which will allow for cost-of-living increases as well as merit and once the Bell Curve is applied there will be winners and losers. Real merit pay needs to achieve strategic and operational goals. Otherwise, money is just being moved around. To build that kind of system represents a huge amount of work and to initiate a project which will require a huge amount of work by a lot of people to build a system when the University does not have any idea how it would be funded represents a concern. This is of particular concern for a new administration which the Board could unintentionally be setting up for failure.

Dr. Thornton agrees and the philosophy is a good one particularly when an effort is being made to create a high performance university. The goal of this work is whether the individual will be able to move the dial of the University significantly and if this level cannot be reached she would rather see the Board focus on across-the-board in terms of faculty and staff salary increases. This helps build morale across the entire institution instead of having only a few feel good about what they are doing. If the bar cannot be significantly raised in terms of merit this work should be delayed.

Dr. Davies interprets from this discussion that the Board prefers the administration work diligently to implement a full, at least for a short period of time, COLA system and use the existing policy which is in place before venturing out and creating something anew or even tweaking what is in existence. It is known the current policy calls for a combination of COLA and merit but what he would see coming back to the Board at the end of this academic year is a recommendation based on enrollment projections and finances that would most likely be COLA-based given where the numbers are going to be. If the money truck comes in this will represent a different discussion but the University would then revert to current policy for the split between merit and COLA. For now the Board wants the administration to focus efforts on making sure the institution is financially secure so it is able to adequately determine whether it can pursue a path to COLA. Mr. Williams indicated that between now and budget time the President should review the subject, current policy and all associated issues to present something similar to what was just outlined. The President must be given adequate time to consult with the appropriate

individuals internally and study all of the involved policies. The three constituency Regents confirmed they are comfortable with moving forward to address COLA needs given the current financial climate. Dr. Davies indicated as part of good management ways to differentiate not necessarily in terms of pay but other intrinsic manners should also be considered.

### **Faculty and Staff Spouse Tuition Waivers, discussed**

Ms. Dudley reported tuition waivers do not represent cash flow or lost opportunity where these individuals are taking the place of a student who would pay for the courses. Dr. Davies indicated these do not represent opportunity costs because these individuals are coming to Murray State and it represents a benefit to faculty and staff. The students are typically ones that the institution is able to retain at a high level. Tuition waivers represent an important benefit especially during times the University has been unable to offer COLA or salary increases. This represents a standard policy at most universities and is extremely important to faculty and staff.

Chair Waterfield indicated that since the benefit began in 1999 it has increased 317 percent at a cost of \$1.4 million. The policy contains a provision that this benefit will be available if there is adequate room in classes so as not to take away a paying student's ability to take the class.

Confirmation was provided that the policy allows for six courses per year split among family members and there is a restriction placed on whether the courses are at the undergraduate or graduate level. Last year 142 dependents of employees took advantage of this benefit (one-third) and for dependents and spouses this totals \$780,000. Confirmation was provided that it is unknown how many of these students would be taking a class at Murray State if they were not offered the tuition waiver.

Dr. Fister provided a handout on tuition waivers and housing costs over the past year, discounted by 4 percent because it increased by 4 percent over the past two years, as well as dining costs. Some assumptions were made in that if a spouse came on campus they would spend approximately \$200 per term on dining services. It was further assumed that one-half of the dependents would live on campus and would purchase the Silver Plan which costs \$500 per year. If they are freshman they have to buy the Unlimited Plan which is \$1,700 per term. For those dependents not living on campus, an assumption was made that these individuals would also spend \$200 per term on dining services. With 60 spouses and 142 dependents, the spouse dining was denoted out and one-half of the dependents considered with housing and dining and one-half with just housing. It is believed the figures presented are low because the question was asked how many students in housing are dependents. Over \$400,000 is being raised each year from these individuals which would not have otherwise been available to the University.

Chair Waterfield asked if a student enrolls full-time whether they are discounted six courses per year but have to pay for any remaining courses. There are many children who live within five minutes of Murray State but still stay on campus in the residential colleges. This group produces money for housing and dining which would be lost even though the University has provided tuition waivers. The \$1.4 million represents soft money the University might accrue but Dr. Fister is unsure whether a staff member making \$20,000 per year would send their child to Murray State. Many staff are working at Murray State because of health insurance and tuition waiver benefits.

In response to how Dr. Fister arrived at the assumption that one-half of these students would stay in residence halls, it was reported this figure was a result of discussions with housing and it might be less but still represents revenue to the institution. Confirmation was provided that spouses do not have to purchase a dining plan but an assumption was made that they would spend \$200 per semester on campus purchasing coffee and snacks, etc. No revenue from books has been included in the figures presented.

Dr. Thornton indicated this represents a wonderful benefit for employees and Murray State is an educational institution. This is the type of benefit the University can provide for employees and she would rather class size be increased by one or two students to allow the institution to continue offering this benefit. This is philosophically what the University needs to do even if it has to compensate for it in a different way. Confirmation was provided that this also represents a benefit which assists in recruiting faculty to the University.

**Adjournment**

The Board of Regents Annual Planning Retreat and Work Session adjourned at 4:45 p.m.

  
Chair

  
Secretary

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