

March 2019

**2019-03-01**

Board of Regents, Murray State University

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**Minutes of the Quarterly Meeting of the Board of Regents  
Friday, March 1, 2019**

**Call to Order/Roll Call**

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, March 1, 2019, in Quarterly and Committee Session in the *Jesse Stuart Room* in Pogue Library on the main campus of Murray State University. Chair Susan Guess called the meeting to order at 8:30 a.m. and welcomed those present.

The roll was called and the following Board members were present: Eric Crigler, Katherine Farmer, Virginia Gray, Sharon Green, Susan Guess, Daniel Kemp, James T. Payne, Jerry Rhoads, Lisa Rudolph, Phil Schooley and Don Tharpe. Absent: none.

Others present were: Robert L (Bob) Jackson, Interim President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Mark Arant, Provost and Vice President for Academic Affairs; Jackie Dudley, Vice President for Finance and Administrative Services and Treasurer to the Board; Don Robertson, Vice President for Student Affairs; Robert Pervine, Associate Provost for Graduate Education and Research; Renae Duncan, Associate Provost for Undergraduate Education; Robert Miller, General Counsel; Joyce Gordon, Director of Human Resources; Jordan Smith, Director of Governmental and Institutional Relations; Michelle Saxon, Internal Auditor; Renee Fister, Director of Institutional Effectiveness and Strategic Planning; Kevin Jones, Director of Facilities Management; Jason Youngblood, Associate Director of Facilities Design and Construction; the Collegiate Deans and members of the faculty, staff, students, news media and visitors.

**AGENDA**

Roll Call

Secretary Hunt

Consent Agenda

Chair Guess/

A. Board of Regents Minutes\*

Int. President Jackson

1) Minutes of the Quarterly Board of Regents Meeting and Committee Meetings on December 7, 2018

2) Minutes of the Special Meeting of the Board of Regents Presidential Search Committee on December 14, 2018

B. Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)

C. Personnel Changes\*

1) Faculty Leave of Absence without Pay

2) Staff Leaves of Absence without Pay

Public Participation

Chair Guess

Board Development – Office of Development/Alumni Relations Update – Advancing the Mission (For Information Only)

Exec Dir Dev Bernot  
Dir Alum Rel  
McGinnis

Report of the Chair

Chair Guess

A. Contract of Employment – President of Murray State University\*

Report of the President

Int. President Jackson

Report of the Treasurer\*

VP Dudley

(Executive Summary and Quarterly Financial and Investment Reports)

Board of Regents' Self-Evaluation Process and Instrument\*

Provost Arant/Assoc.  
Provost for Grad. Ed.-  
Research Pervine

Closed Session

Int. President Jackson

- A. Kentucky Revised Statute (KRS) 61.810(1)(b) – Deliberations on the future acquisition or sale of real property
- B. KRS 61.801(1)(c) – Discussion of proposed or pending litigation
- C. KRS 61.810(1)(f) – Discussions which might lead to the appointment of an individual employee

10:30 a.m. (approx.) Break

12 noon (approx.) Lunch – Pogue Library *Wells T. Lovett Grand Reading Room*

1 p.m. (approx.) Reconvene

Committee Reports/Recommendations

- A. Academic Excellence and Scholarly Activities Regent Farmer
  - 1) ADVANCE Grant Update (For Information Only)
  - 2) Academic Administrative Appointment Update (For Information Only)
  - 3) Faculty Rank Changes Report (For Information Only)
  - 4) Establishment of a Center for Agricultural Hemp\*
  - 5) Prior Learning Assessment and Proficiency Review Fees Revision\*
- B. Athletic Committee Regent Crigler
- C. Audit and Compliance Regent Tharpe
  - 1) Annual Audit Report – Athletics\*
    - a. National Collegiate Athletic Association Independent Accountant’s Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2018
  - 2) Audited Financial Statements – WKMS-FM\*
    - a. Required Auditor Communications
    - b. Audited Financial Statement for the Year Ended June 30, 2018
  - 3) Audit Engagement Letter\*
  - 4) Accounting and Financial Services – Travel Procedures Discussion (For Information Only)
  - 5) Internal Audit Charter Reaffirmation\*
- D. Buildings and Grounds Regents Green and Schooley
  - 1) Chick-fil-A Program Statement\*
  - 2) Starbucks Program Statement\*
  - 3) Central Plant Substation Program Statement\*
  - 4) Tennessee Valley Authority Easement\*
- E. Enrollment Management and Student Success Regents Rudolph and Payne
  - 1) Preliminary Spring 2019 Enrollment and Fall 2019 Recruitment Initiatives Update (For Information Only)
  - 2) Office of Student Engagement and Success Update (For Information Only)
- F. Finance Regent Kemp
  - 1) 2019-20 University Operating Budget Update (For Information Only)
  - 2) Annual Lease Report\*
  - 3) Property Acquisition – 1604 Miller Avenue\*
  - 4) Property Acquisition – 1606 Miller Avenue\*
  - 5) Projects Approved by Board of Regents Chair\*
  - 6) Personal Services Contracts\*
  - 7) Rental Fleet Vehicle Surplus\*
- G. Legislative and Economic Development Regent Rhoads
  - 1) Legislative Update (For Information Only)
- H. Marketing and Community Engagement Regent Gray
  - 1) Naming Opportunity – “Charles and Marlene Johnson Lobby” in Lovett Auditorium\*

- 2) Gifts-in-Kind\*
  - a. Bay Gelding Quarter Horse “Spin Remedy” – *Hutson School of Agriculture*
  - b. Leica Scanners – Institute of Engineering

NOTE: Full Board action will follow Committee action.

Personnel Changes\*

Int. President Jackson

- A. Salary Roster
- B. Faculty Transitional Retirement Contracts
- C. Faculty Sabbatical Leaves
- D. Contract of Employment – Director of Athletics
- E. Contract of Employment – Head Women’s Tennis Coach

Policy Change\*

Int. President Jackson

- A. *Board of Regents Policy Manual Section 1.1 – Bylaws of the Board of Regents* – Addition of *Section G* – First Reading (For Information Only)

Supplemental Materials

Int. President Jackson

- A. Quarterly Risk Management Report (For Information Only)
- B. Status Report – Campus Major Projects Update (For Information Only)
- C. “Good News” Report – January 2019 (For Information Only)
- D. Quarterly Branding, Marketing and Communication Report – October – December 2018 (For Information Only)
- E. Sponsored Programs – Grants and Contracts Report (For Information Only)

Other Business

- A. Presidential Travel for the Year-to-Date Ended December 31, 2018 (For Information Only)

Adjournment

(\*Requires Board of Regents Action)

**Special Guest, announced**

Lexie Riddle, a senior from Hickman County High School, was introduced by Regent Payne. She will begin her studies at Murray State in the Fall Semester. Ms. Riddle reported that growing up she always knew she wanted to go to college, earn a degree and secure a legitimate job once she graduated. She had set in her mind that she was going to be the first person in her family to not only graduate from high school but college as well. She knew she was going to make it until she saw the price of attending college. She remembers the day she looked at the paper that ultimately crushed her dreams. She remembers her heart sinking to the floor because she knew her mom’s income was not enough to cover the cost and scholarships were not guaranteed. The family was having trouble financially and could barely afford to pay bills. Any time she would get money she would ride her bike to the local Family Dollar store and spend it on trash bags, detergent, dish soap and any other household items the family would need. Then she had to lug it all back up a hill in her backpack. When she got home she would pour detergent in the bathtub with her clothes and scrub as hard as she could and try her best to get them clean. The next day she would go to school and be criticized for smelling. She would go home and cry, not knowing how she was going to make it through school. She remembers using the grates on the stovetop with tea candles underneath to warm water in a pan. She would put soap in the pan and use the wash rag to try and get them somewhat clean with warm water. She would go to school again and get criticized for smelling. If she couldn’t even make it through high school she didn’t know how she was going to be able to make it through college. Even with the thought in her mind that she was not going to be able to attend college, she still did her best in school in hopes of it paying off one day. She would work hard in her classes then move to a different school and repeat the process. Finally, in 8<sup>th</sup> grade she moved to Hickman County. After attending five different schools, she knew that Hickman County was the place for her. She made new friends, played sports and got involved in different clubs and activities. She worked hard to earn KEES money but, unfortunately, she knew that would not be enough to cover the cost of college, although she continued to work hard. In 2016, her life drastically changed. She lost her dad and went into a state of depression. At 14-years-old she lost faith in everything – including

her future. Times were tough. She would put on a smile in school but as soon as she got home she would go in her room and stay there for the rest of the day, asking herself how she was going to make it, why she was here, why God would let this happen but with the help of family and God her life was put back on track. She started feeling better and working harder. She started putting more effort into her studies and believing in herself again. At the end of her sophomore year she learned that juniors and seniors were given the opportunity to take college classes online and her heart jumped. Her faith in God and hard work had finally paid off. Now all she had to do was take the classes. She signed up for four classes her junior year. She was working two jobs, playing softball and taking dual credit courses online. It was challenging but she is so happy she made the choice to take dual credit courses. Without them she would not be attending college simply because of the price and her fear of going into debt. As a second year dual credit high school senior and Commonwealth Academy alumnae, in a few short months she will graduate high school with a total of 44 college credit hours already acquired. Now she can proudly say she will be attending Murray State as a sophomore Agricultural Business major in the Fall. The rigor of the dual credit classes, such as AGR 133, have prepared her to take on future challenges. She appreciates Racer Academy and Murray State for making not only her dreams a reality but providing the opportunity for all students in the region wanting to pursue higher education.

Ms. Riddle received a round of applause and a standing ovation. Mr. Payne indicated this represents the true embodiment of the MSU spirit and he believes the entire Board joins him in saying they are proud to call Lexie a Murray State Racer. Chair Guess expressed appreciation to Regent Rudolph because she and her husband, Robbie, created this program which provides opportunities for students in the river counties. Appreciation was expressed to Ms. Riddle for sharing her story. Casey Henderson, Superintendent of Hickman County Schools, was present and was also recognized.

### **Consent Agenda Items, approved/accepted**

Chair Guess reported the following action and “For Information Only” items were included on the Consent Agenda for approval/acceptance (action items are denoted with an asterisk):

- Board of Regents Minutes\*
  - Minutes of the Quarterly Board of Regents Meeting and Committee Meetings on December 7, 2018
  - Minutes of the Special Meeting of the Board of Regents Presidential Search Committee on December 14, 2018
- Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)
- Personnel Changes\*

### **Faculty Leave of Absence without Pay**

The Faculty Leave of Absence without Pay, as described below, has been recommended by all appropriate recommending levels.

**◆SONG, Juyoung                      English and Philosophy                      2019-20 Academic Year**  
*Dr. Song will conduct research as part of a collaborative project in South Korea.*

### **Staff Leaves of Absence without Pay**

Murray State University offers a variety of excused Staff Leaves of Absence without Pay such as family medical leave, military leave, educational leave, a personal leave or a general leave of absence. Conditions and requirements of the specific types of leave are defined in the Board-approved *Personnel Policies and Procedures Manual*. Staff Leaves of Absence without Pay that have been processed as of February 1, 2019, are listed below:

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Audrey Allbritten	University Libraries	09/12/2018-09/14/2018
Randy Barnett	CFSB Center	11/13/2018-12/14/2018
Rebecca Billington	University Libraries	10/31/2018-11/02/2018
Michael Cochran	Facilities Management	10/10/2018-10/12/2018

Floyd Cogdell	Facilities Management	10/01/2018-10/15/2018
Michael Eaves	Curriss Center	12/01/2018-12/14/2018
Glenda Holbrook	Facilities Management	10/18/2018-11/12/2018*
Kimberly Johnson	Student Support Services	10/16/2018-12/14/2018*
Randall Lamb	Curriss Center	11/06/2018-12/14/2018
Brandon Montgomery	Facilities Management	10/31/2018-11/01/2018
Ryan Page	Facilities Management	09/24/2018-09/26/2018
Candance Rose	University Libraries	11/15/2018-11/16/2018
Randall Winchester	Information Systems	11/06/2018
		11/12/2018

\*Intermittent Leave

No Regents asked to remove any items from the Consent Agenda.

Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, approve the items on the Consent Agenda as submitted. Mr. Rhoads seconded and the motion carried unanimously.

(See Attachments #1 – #3)

### **Public Participation**

Chair Guess announced that there were no individuals signed up for the Public Participation portion of the agenda.

### **Postsecondary Education Administration Program Students, recognized**

Dr. Jackson recognized Dr. Ben Littlepage, Coordinator for the Postsecondary Education Administration (PSE) Program. As part of PSE Program requirements, the graduate students present today are required to observe a Board meeting. Dr. Littlepage reported that the PSE program has maintained a 100 percent employment placement rate since its inception and introduced the following Master of Arts in Postsecondary Education Administration majors who are expected to graduate in December 2019:

- Emily Whitehouse from Owensboro, Kentucky, who is currently employed by Murray State as a Graduate Assistant in the Office of Student Disability Services.
- Kyle Rivera from Cadiz, Kentucky, who is currently employed by Murray State as a Graduate Assistant in the Office of Graduate Student Recruitment.
- Alicia Cooper from Jackson, Tennessee, who is currently employed by the University of Tennessee-Martin as a Residence Director in Housing and Residential Life.
- Dorothy Boyle from Middleton, Tennessee, who is currently employed by Murray State as a Graduate Assistant in the Office of Multicultural Affairs.

Anthony Prewitt from Martin, Tennessee, was unable to be present today but is currently employed by the University of Tennessee-Martin as Assistant Director for the Office of Multicultural Affairs. He is expected to graduate in May 2019.

Chair Guess thanked Dr. Littlepage and the PSE students for attending the Board meeting.

### **Board Development – Office of Development/Alumni Relations Update – Advancing the Mission (For Information Only)**

Tina Bernot, Executive Director of Development and Carrie McGinnis, Director of Alumni Relations reported the following:

- The offices of Alumni Relations and Development work in collaboration to advance Murray State University's mission by engaging alumni, donors and prospective donors – in fun raising and friend raising. Members of the team who help accomplish this work were introduced as follows: Associate Director of Alumni Relations Katie Payne; Executive Assistant for University Advancement Joyce Whitney; Director of Annual Giving Trudae Moore; Director of Development for the College of Education and Human Services and University Libraries Melanie Brooks; Director of Development for the College of Humanities and Fine Arts and Honors College Lucy Love; Director of Development for the *Hutson School of Agriculture* and Student Affairs Abbey Hensley and Director

of Development for the *Bauernfeind College of Business* and University Special Projects Brian Canerdy.

- These two units work collaboratively and share resources, specifically the secure alumni and donor database. Managing this resource together helps promote communication on behalf of the schools and colleges and all University programs. The system also helps provide secure information to alumni and donors. The team works together to promote consistent communication across many platforms and events. This helps maintain the consistency of communication among internal constituents, alumni, donors and community partners.
- Continuation of this internal collaboration will be evidenced this summer as the Office of Alumni Relations works with the offices of Development and Recruitment to plan send-offs with alumni throughout the summer in key strategic areas such as Owensboro, Louisville, Henderson, Hopkinsville and Madisonville in Kentucky; Atlanta, Georgia; Evansville, Indiana; Memphis, Tennessee and St. Louis, Missouri. Next week a significant amount of alumni programming is also being undertaken, in conjunction with the Ohio Valley Conference Tournament. This work is accomplished through collaborative efforts from the offices of Development, Alumni Relations and Athletics. These collaborations are key to building trust during this transitional period for University Advancement leadership.
- These two areas also work closely with Shawn Touney, Director of Branding, Marketing and Communication on all Alumni and Development information sharing. This includes the Blue and Gold Alumni Magazine to all press releases and social media engagements. All messages the offices work on collaboratively have goals of engagement or investment. The offices work to inspire new donors and show current and prospective students how others are investing in them.
- Events that help nurture relationships and create connections include watch parties, alumni and donor events and visits to campus, personal visits, reunions and identifying legacy families. This allows the University to maintain a connection with alumni who do not make it back to campus very often. Alumni build networks with other Racers within their home locations and nurture those relationships with the goal of this work ultimately leading to an investment in Murray State University. Slightly over one-half of Murray State's 70,000 alumni live within Kentucky which means the remainder live throughout the country and world. The ability to travel to alumni and donors is also beneficial for the Office of Development because 65 percent of all major gifts to the University come from alumni and friends outside Kentucky.
- The Murray State Alumni Association is a dues-based program and memberships help sustain the unit's budget. This year membership in the Alumni Association is trending up and will meet or exceed the goal of 1,500 members. In FY16 there were slightly over 700 members and the Alumni Association is also maintaining a retention rate of over 80 percent. Credit for this successful growth was given to Katie Payne and the entire team that works together to create and organize membership campaigns throughout the year – such as Racer Sole Mates and March Madness. Strategic communications are distributed through regular mail and email to help increase renewal rates and the use of auto-renewal. Appreciation was expressed to Dr. Jackson for his leadership in this arena.
- Alumni volunteer-led affinity initiatives such as the Young Alumni Council also help to drive excitement and involvement and the President of that group is former Student Government Association President and Student Regent Clint Combs. A video recently created by the Young Alumni Council to illustrate why their voice is so important to Murray State and students was presented to the Board.
- As Alumni Affairs is friend raising, the Office of Development is working diligently to inspire investment. Fiscal year numbers were presented relative to all private support to the University and illustrate that over 3,300 contacts were made this year and nearly 600 face-to-face visits were conducted. Donors feel very good about the direction the University is headed – they trust this Board and the leadership – and understand students need their help and this is reflected in the year-to-date results. The number of gifts over \$100,000 is up over 250 percent from last year. Total giving for scholarship support is also well above last year with four months remaining. Approximately 64 percent of donor households capable of making major gifts are currently engaged with the University – up 8 percent over last year. According to the Education Advisory Board – or EAB – this means the University's program is in the top 25 percent in the country.
- Annual giving generates the number of donors, determines the participation rates (which are utilized for national rankings) and also develops the pipeline for major gifts. Fall Semester focus is typically on academic programs but for the Spring Semester special programs such as the Racerthon calling project, Student Giving Campaign and collaborative mailing with Athletics asking former athletes to give back to their sport are the priority.
- Total giving year-to-date is \$4,115,727 which represents a 61 percent increase over this time last year. In response to how this significant increase became a reality, confirmation was provided that the increase resulted from a leap in giving levels as participation rates have remained consistent and strong.
- Major donors at Murray State tend to have long and strong relationships with the University, faculty, students and staff. They give for impact – making program-changing investments all across campus – and examples were highlighted. The Murray State Heritage Society represents a means of recognizing donors who have a documented planned gift through the MSU Foundation. Estate and other planned gifts are often the largest the University receives and a strong partnership with the

Foundation allows Murray State to provide these donors with excellent opportunities. Gift annuities represent examples of how making a gift to the Foundation not only provides the donor with income now but later will tremendously benefit the University. A video was shown regarding a gift from the Bill and Louise Hatley Estate and how that scholarship endowment was realized through the University Foundation.

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

### **Report of the Chair**

Chair Guess stated it is hard to believe that it was only July 1, 2018, that this Board came together. There was a change in leadership as the term for the Chair at that time – Steve Williams – had ended, Dr. Walter Bumphus had resigned several months prior and two new Board members became part of the team – Eric Crigler and Virginia Gray. Just 34 days after this Board began as a team, Dr. Bob Davies resigned as President of Murray State University. The Board received notice only 15 hours before Central Michigan University named Dr. Davies as its next President. Three days later the Board gathered in this room and announced Dr. Bob Jackson as Interim President of Murray State University.

Over the next six months the Board has been united on a variety of fronts. The privatization of Dining Services has improved the student experience and everyone is excited about additional changes that are forthcoming in this area. The Board also approved a Comprehensive Enrollment Management Plan and great strides are being made in this regard. The President and this Board have visited more high schools within the last six months than in the past five years to tell the Murray State story. The Board also approved substantially enhancing support for the marketing effort so the University's story could be told. Board members have also been out on campus more than ever before to see things from the perspective of students, parents and other visitors and how the campus appearance could impact their decisions. As a result of Dr. Tharpe's relentless commitment to deferred maintenance, the Board is seeing a renewed interest and commitment to the look and feel of campus facilities and grounds. This Board is making a positive difference together and great things are happening at Murray State. Faculty and staff, students and alumni are leaving a positive mark and changing the world.

Chair Guess stated that over the past six months there has been a great deal of discussion regarding the path the Board should take in selecting the 14<sup>th</sup> President of Murray State University and she cannot identify a day when all members were in agreement on this issue as there have been many challenging conversations. There have been times when a member's firm belief in their own position on this topic let emotions get in the way of a respectful conversation. She knows this because she has been on both sides of that conversation. Members did not agree on when to begin the search, when to name the Search Committee, who should be on that Committee or whether to hire a search firm or conduct the search internally. She knows the Board is not unanimous today on the decision to move forward with naming Murray State University's next President and that is okay. She knows every person around this table is committed to making the decision they believe is in the best interest of Murray State University.

In terms of how the Board reached where it is today, Chair Guess reported that several Board members requested this item be on the agenda and it was added accordingly because the full Board sets the meeting agendas. Those who requested the action presented today indicated Dr. Jackson is the person they believe should be the next President. They also told her that no matter what the search brought they believe Dr. Jackson is the person to lead Murray State University at this time. Over the past six months, the journey has challenged this Board. She knows her opinion has changed on many issues over that time and the same may also be true for others. Regardless of any one member's opinion, all recognize everyone has a right to their own opinion and that should be respected. There are eleven members of this Board and eleven votes and ownership cannot be transferred. How she arrived at her decision may be based on factors other members do not think are important but that is her right – and the same right extends to other members of the Board. However the vote falls today, this Board will be okay and so will Murray State University. As with any decision, it is known that six individuals who agree determine the outcome but all will leave united in supporting that choice.

The Board will look forward because there is so much to do. This Board has an opportunity to help students improve their lives and the communities in which they live. All want to leave a positive legacy at the place they love so much. Today is a big day for this University. It has

started on such a positive note and will continue along those lines. The Board will name a new President and Director of Athletics today and will challenge these individuals to be bold. The Board will continue to set that vision and assist with necessary work. The most powerful part of this journey is that the person – the one person who voted against Dr. Jackson being named Interim President – asked if he could provide the motion to advance him as the University’s 14<sup>th</sup> President.

### **Contract of Employment – President of Murray State University, approved\***

Chair Guess solicited a motion for the Board of Regents to approve Dr. Robert L Jackson as the 14<sup>th</sup> President of Murray State University.

Regent Payne stated he has learned a significant amount while serving on this Board during a unique and high-stakes time. His first meeting was the Special Board of Regents Meeting to appoint an Interim President of Murray State. Each Board member was asked by the Chair to come to that meeting with a candidate in mind – which is exactly what he did. In Closed Session he voiced the name of the candidate he thought was qualified and had experience working alongside. He will admit this was not Dr. Jackson as they had only met once in a brief and non-substantive encounter. After numerous hours of lively discussion, the Board moved to a public vote and he voted the same way he advocated in private, keeping his promise to the student body to remain open and transparent. However, after the vote was taken and a decision was made, he moved forward and supported Dr. Jackson in his efforts to boost enrollment. They developed new initiatives together and travelled across western Kentucky speaking to high school students and distributing acceptance letters.

The Board was then tasked with determining guidelines for the presidential search process. As Student Regent, he publicly consulted the student body during a diverse student Presidential Forum. Their wishes were crystal clear in terms of needing to hire a search firm and conducting a national search. He stands by his vote because it was what he felt was right and represented what the students had requested, despite the pressures of the community at large. Once again, he was in the minority but moved on and began focusing on other matters facing the Board. Unfortunately, during this time a rumor surfaced that he was “anti-Bob” – a rumor that is completely ridiculous seeing as though a personnel motion had never been brought to the Board – only a motion on process. This belief was not only false but insulting. Despite the falsehood, he continued his cooperation with the Interim President to make Murray State the best it could be. Today, the time has come to determine a person. Sitting across the room is a person who – no doubt – has an overwhelming amount of community support. He is a person who has proven he can provide much-needed stability for the University during these troubling times – an individual who has the confidence of the student body as a whole and himself, as an individual.

Mr. Payne moved that the Board of Regents, upon the recommendation of the Chair of the Board of Regents, approve the appointment of Dr. Robert L (Bob) Jackson as the 14<sup>th</sup> President of Murray State University at an annual salary of \$325,000, effective March 1, 2019, for a term of four years. The Board further delegates to the Chair of the Board of Regents the authority to negotiate a Contract of Employment per the conditions outlined by the Board. Mr. Schooley seconded and discussion followed.

Confirmation was provided that the Board would be given an opportunity to review the Contract of Employment for the President prior to the Chair signing.

Regent Rudolph indicated that as Chair of the Presidential Search Committee she would like to express her thoughts. In October 2018 a carefully-selected Search Committee was presented to the Board for approval. During the first week in December 2018 the search process was established by this Board. The second week in December the Search Committee was convened and charged with conducting a national search to identify the best candidates to present to this Board for consideration. In January 2019 the University Profile document was updated, an advertisement was crafted and decisions were made in terms of in which publications the advertisement should be placed. The advertisements started to run on February 1, 2019, and have been out for 30 days. Candidates have started submitting their application materials and she has had conversations with several individuals requesting additional information about the position. The Presidential Search Committee was scheduled to meeting again on March 4 to begin vetting the applicants.

Regent Rudolph indicated her remarks are intended to address process as she has absolutely no issue with the who in this situation. To date, there are 32 applicants for the position and several have been ranked in Tier I – meaning there could be a desire to bring them to campus. The Board is now suggesting abandoning the search process and voting to hire a President when the Search Committee has not vetted or interviewed a single candidate. She has an issue with the credibility of the Board and the hiring process, not with the candidate being considered today. She does not believe the Board has performed responsibly and is jumping to the finish line without completing the necessary steps. Today she cannot vote to put anyone in this position without completing a thorough process – and finishing the process – because that is owed to anyone associated with Murray State. The Board has also received correspondence from others agreeing with her comments.

Regent Green reported that she has received phone calls from many alumni in the area but the Board also received a letter from four alumni. She read the following letter aloud:

“Like many MSU alumni, we are carefully following the search for a new MSU President. Many of the statements made by the MSU Board of Regents have been encouraging. A thorough search, national in scope, and conducted fairly by a top-notch search committee serves the interests of MSU. MSU constituents, most notably MSU students and the taxpayers who supports its programs are due nothing less.

Since several of us have participated in senior executive searches, both for businesses and universities, we appreciate the challenges in conducting a successful national search. The process must not only be fair and designed only to identify the strongest candidate, it must also be seen as fair by the University’s constituents if it is to be truly successful. Undoubtedly, the integrity of the process itself is as important as the outcome and the candidate selected. While identifying the new President is vitally important, the integrity of the process either advances, or in the worst case, undermines the very ideals upon which MSU rests. If the process is unfair, or is seen as unfair, the reputation, indeed the University’s brand itself, will be damaged. This will adversely impact MSU’s ability to attract the highest quality candidates for other positions for many years to come. High quality candidates research the employer and the process. And they almost always stay away even if there is a slight appearance of bias or unfair practices.

So, this is the core reason for our letter: Recent actions related to the search raise concerns that the integrity of the process should be guarded more zealously. These actions include allowing an Interim President to also be a candidate in the search; the decision to forego the use of a reputable executive search firm to identify and recruit high quality candidates; and the extraordinary decision to advance a candidate to the final interview stage before the process has truly begun, giving that candidate an explicit and well-publicized advantage over every other applicant, by creating a separate process that applies to only one candidate. Any one of these decisions could provide an undue advantage to a candidate. Taken together, the thumb is so heavily on the scales that the inevitable result is that many – perhaps most – of the best qualified candidates will simply assume that the conclusion is a fait accompli, and never consider competing for an MSU job.

In our experience, candidates for senior positions are rarely selected to serve in an interim role, because doing so signals the broader candidate pool that the conclusion of the search may be preordained. The regular interaction on policy and personnel matters with the Board afforded an interim is a clear advantage with the very body that will decide this candidate’s fate. A candidate who serves as interim could very well face conflicts of interest – some decisions that might be good for the University may not advance his candidacy.

Organizations which often hire senior leaders routinely rely on world-class executive search firms – and, they know it is worth every penny. The top-notch firms have experience and reach that the Search Committee simply does not enjoy, and they have ongoing contacts with hundreds of highly qualified prospective candidates. An executive recruiter can tell the unique MSU story to highly qualified leaders who otherwise are beyond reach and may never apply. The executive search firm does not replace the Search Committee, it only makes it better. Concerns regarding the cost of the firm are misplaced. The cost is not great considering that this is the most important decision that this Board will make. The reputable firm will bring a bigger pool of qualified applicants to the Board and imbues the process with credibility that instills confidence in the applicant pool and the larger University community.

The most perplexing action taken by the Board last Fall was the highly unusual decision to advance a candidate to the finals, allowing him to bypass the process required of every other candidate. Whether intended or not, the obvious consequence of this action is to discourage qualified applicants from participating in a competitive process that, by design, gives one candidate an enormous preference. To use a “Racer” analogy, even Secretariat would not have entered the mile and a quarter Kentucky Derby race if his rival, Sham, had been given a half-mile head start. This is common sense. Worthy candidates rise to the top in a fair and rigorous process and expect stiff competition for such an important position. Moreover, such a process is necessary to attract a deep and diverse pool of exceptional candidates. Ultimately, the highest goal of the search process is to create the most competitive pool of candidates from which to choose. A new President selected from a search seen as fair and rigorous has a far better chance of success than one forever tainted with the suspicion that the process was designed to reach a predetermined result.

This letter is not intended to promote or devalue any candidate. We have no candidate to promote. As suggested several times in this letter, we are concerned about the integrity of the process – it is critically important. We have no vested interest other than our high regard for MSU, and our profound interest in protecting its reputation.

Recruiting and hiring a university President is difficult. Pressures are exerted by those with often conflicting agendas. Every step of the process is scrutinized by MSU’s constituencies and the broader higher education community. MSU’s reputation is truly at stake. These pressures are the very reasons the Board should do what it can singularly do: Protect the integrity of the process and make sure the Board recruits and reviews the highest quality candidates the University deserves. In the end, the integrity of the process is the same as the integrity of the University. We look to the Board to place integrity above all other pressures.

We urge the MSU Board of Regents to reconsider using a top-quality search firm and strongly urge the Board to rescind its decision to advance any candidate, around process, to the finals.”

Regent Green indicated she is upset that a candidate is being brought forward and this Board has not had the opportunity to interview that individual. She participated in the interview process for previous Presidents and all were asked to respond to 20 – 25 questions but, in this case, the Board was not given this opportunity.

Regent Rhoads agrees all members of the Board have the best interests of Murray State in mind and will always do what they believe is best for this University. He does not question the motives of anyone regardless of the position they take. He wants to commend Regent Payne who has certainly demonstrated he has the best interests of Murray State in mind throughout this proceeding because – regardless of how the vote turns out – he has listened to the students and has been on the ground doing the necessary legwork and knows how people feel and how they have reacted under Dr. Jackson’s leadership. He appreciates Regent Payne making the motion. It is rare and unprecedented that an Interim President within seven months is able to show the entire campus community, through his actions, what he can do and how qualified he is. He does not believe there has ever been a President in the University’s history who has had the outpouring of support this Board has seen for Dr. Jackson. He has a notebook with every single letter and resolution written on behalf of Dr. Jackson, has read each one carefully and these have also been distributed to the Board members. It is amazing how many different constituent groups have stepped forward to express their views about Dr. Jackson – students, staff, faculty, community, legislative leaders, judicial representatives, a former Supreme Court Justice and large donors. They have all rallied to make clear to this Board that it already has the right person at the right time in this position. When the earlier donor presentation referenced the great increase in donations to the University, he could not help but think about how these came about. Regent Rhoads personally knew Mr. Hatley very well and not many knew he was developing a close relationship with Dr. Jackson. The same can be said for District Judge Jimmy Don Robinson of Ballard County and Bentley Badgett of Madisonville, Kentucky. These donations did not materialize because these individuals spontaneously felt they needed to do something for Murray State. These donations and the large contributions to the University from many individuals came about as a result of the relationships that Dr. Jackson fostered. Even before he was appointed as Interim President, Dr. Jackson demonstrated – through his work with the MSU Foundation and his leadership in raising \$70 million, exceeding the capital campaign goal – that he had the qualifications in this regard to be the University’s next President. He understands the concern a

few may have but thinks with the overwhelming support expressed for Dr. Jackson that he is the new face of Murray State – and he really likes the new face of this University. Dr. Jackson has already visited 25 high schools – along with many Board members – and made very positive impressions. Regent Rhoads spoke with the Superintendent at Madisonville North Hopkins High School during one visit and she had a large group of students assembled. She also indicated that it is not often a college President comes to that particular high school. They were flattered that a college President would visit their high school because they had never seen it before. All of the other high schools have also expressed the same impression. Dr. Jackson has also attended as many events as his schedule would allow and all of this demonstrates his passion for this University. He has been doing these activities because he loves Murray State – he is the President, albeit interim at this time. Murray State is fortunate to have someone of Dr. Jackson's caliber to lead the University at this time. He has demonstrated over the past seven months great exemplary service and he should be the next President of Murray State University.

Regent Kemp thanked Chair Guess for her preliminary comments prior to this motion as they were well said. He also complimented Regent Payne for the comments he made and for the courage he has shown in the leadership of this Board and the student body. He agrees with the comments just made by Regent Rhoads and believes this is an unusual situation – probably unlike any situation previously in the selection of a President for Murray State University. It is unusual to have an internal candidate with the qualifications and support Dr. Jackson enjoys. The Search Committee held a Faculty Forum and one comment made by a faculty member was they felt it was time for Murray State to promote from within and a majority of people agree with that sentiment. The Board has received many, many letters and resolutions of support for Dr. Jackson from various individuals and campus and community groups, Chambers of Commerce and donors and alumni. One letter the Board received from one of the University's most prominent alumni and donors – Dr. Gene Wells Ray – resonated with him. Dr. Ray made a strong point that in considering the appointment of a President for Murray State University probably the most important factor is finding someone who is a good culture fit – someone who fits in with Murray State. Dr. Ray thought that was one of the main reasons why Dr. Jackson should become the 14<sup>th</sup> President. Ordinarily the accepted procedure would be to go through a national search and hire a search firm and that is certainly what has been done in the past. However, this is a different situation and, as he sees it, his only obligation is to do what he believes in his heart is in the best interest of Murray State University. He firmly believes that at this time – and having seen the leadership that Dr. Jackson has shown over the past several months – the best interest of Murray State University is to name him as the 14<sup>th</sup> President. Dr. Jackson has, in fact, been going through an interview for the position over the past seven months and under difficult circumstances. It is difficult to do the job itself while still being a candidate and Regent Kemp believes Dr. Jackson has more than passed the test with flying colors – and that is why he supports the motion as presented.

Regent Tharpe called for question. Mr. Schooley seconded and the call for question carried.

In regard to the original motion, the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, no, with regard to process; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, no, with regard to process; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried by a vote of 9 to 2.

Dr. Tharpe stated that this represents a policy Board and requested that a policy be drafted related to how a President is selected in the event a vacancy occurs in the future. Chair Guess confirmed that the Board would be polled to determine whether there is interest in developing such a policy.

### **Report of the President, received**

Dr. Jackson thanked the Board for their confidence in naming him as the 14<sup>th</sup> President of Murray State University. He sincerely appreciates this opportunity. Last August no one knew what the next few months would hold and he appreciated the opportunity to fill in as Interim President. He is now honored to be the 14<sup>th</sup> President of Murray State University and appreciates the Board asking him to serve in this role. He has enjoyed his time in office and knows everyone in this room loves Murray State as much as he does. They – along with alumni, donors and others – have all worked very hard for this University over the last several months and that is very much appreciated.

Dr. Jackson stated that everyone does not always have to agree but he did ask a favor – that all support this University. Today, he hopes whatever division may exist be put aside so this University can move forward. There is a lot of work to do – recruiting, addressing deferred maintenance needs, spreading the good word about Murray State in the region and the state and naming a new Director of Athletics which will occur later today. The Jackson family loves Murray State and have deep roots here too. His wife – Karen – is present today and her family also has deep roots at Murray State. They both owe the University a great deal. Much of what they have accomplished – both in the wonderful education they received here and their careers and family – is in part due to Murray State University. All have similar stories which he very much understands. Most importantly, as he asked that all work together to move forward, is to remember the University has a tremendous responsibility within the state and the region. Murray State is the only public university west of I-65 interstate and this represents a large piece of real estate between here and there. The families and students of this region are counting on Murray State – including this Board – to help ensure the economic well-being of the region. Appreciation was expressed to Karen who has been tremendous in her efforts, as well in helping him and Murray State to advance this cause. He firmly believes, to paraphrase what Dr. Carr said almost 100 years ago, “...that our best days are in front of us.”

Chair Guess expressed appreciation to members of the Search Committee for their service. The action taken earlier serves as official notification that the Search Committee is discontinued. Chair Guess also expressed appreciation to Regent Rudolph for serving as Chair of the Presidential Search Committee.

### **Report of the Treasurer, (Quarterly Financial and Investment Reports), approved**

Ms. Dudley reported that an Executive Summary related to the quarterly unaudited Financial and Investment Reports was included in the eBoard book and highlighted the following:

- An Executive Summary of the Financial Statements was included in the eBoard book. Enrollment is the primary factor for the projected fiscal year shortfall compared to budget. The estimated tuition and fees budget compared to the actual amounts for June 30, 2019, were presented. Primary focus areas for the budget include net tuition and fees for December 2018 (quarterly report), Spring 2019 and Summer I 2019. First quarter estimates reflected a \$4.5 million shortfall in net tuition and fees, which includes Spring 2019 net revenues at 88 percent of Fall 2018. The revenues for Spring 2019 are now expected to be realized at 90 percent of Fall 2018 and include some positive changes in the enrollment mix. Based on this number and a conservative forecast for Summer I, a \$3.3 million shortfall is now being projected. The \$3.3 million shortfall is being modeled in the current budget for fiscal year 2020.
- With regard to tuition, the University is currently at 47 percent of budget as compared to last year and this represents the amount of money that has been generated compared to budget. The University is where it would expect to be compared to last year. Last year at this time related to net tuition and fees, the University was at 47 percent of budget and this year is at 50 percent. This forecast is expected to continue as Spring revenues materialize. Spring revenues are not included in the financial statements and what is being presented to the Board represents a forecast.
- The Education and General Fund represents the University’s operating fund and is the budget approved annually by the Board. Last year at this time the University was at 44 percent in terms of the revenue budget. This year at this time the University is at 47 percent. The University is also on target with regard to expenditures – 39 percent last year and 40 percent this year – and is living within its means at this time. Although a revenue shortfall is predicted, there is a \$2 million contingency in the budget which will help offset that shortfall.
- The auxiliaries schedule provided showed that dining services revenues at this time compared to last year are down \$5 million but there is a reason for that. The Sodexo contract began on December 15, 2018, and meal plans generated from students for the Spring 2019 Semester no longer represent revenues to the University. The University billed students for meal plans and collected the revenue but it is being held as a liability to be shared with the contractor (Sodexo) throughout the year – which results in the revenue shortfall shown. Overall, auxiliaries are on target but the scenario just described represents a difference which is further reflected throughout the financial statements.
- The Statement of Investment Earnings provided shows realized earnings and does not include any unrealized earnings or market-based adjustments. Revenue this year is slightly over \$2 million which is higher than last year. The gain this year is due to state investments – or what the State Treasury paid – and they were two percentage points higher than last year. Unrealized earnings are down primarily due to some investments sold by the Foundation and as the year progresses those unrealized losses will be recovered.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period of

July 1, 2018, through December 31, 2018, as presented. Mr. Rhoads seconded and the motion carried unanimously.

(See Attachment #4)

### **Board of Regents Self-Evaluation Process and Instrument, approved**

Dr. Jackson reported that the Board discussed its self-evaluation process in August 2018 and this is an important requirement from the University's accreditor – the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

Dr. Arant reported that in December 2017 SACSCOC approved revisions to its *Principles of Accreditation*. The following new standard was included among the revisions:

4.2 (g):            *The governing board defines and regularly evaluates its responsibilities and expectations.*

SACSCOC provides the following rationale in its *Resource Manual*:

As the body that holds in trust the fundamental autonomy and ultimate well-being of the institution, the governing board of the institution is a critical element in the success of the institution. Good institutional governance requires that the board systematically asks itself, “How are we doing? What are we doing? Are we as effective as a board as we can be?” The process of institutional improvement underlies the *Principles of Accreditation*. While the means by which a governing board participates in that process may be different in scope, tone and detail than that of the rest of the institution, it is still a necessary element in institutional leadership. What is expected of this standard is something more substantive than a statement that “the board conducted a self-evaluation.”

During Murray State's next decennial SACSCOC reaffirmation in 2024, the University must demonstrate that it is meeting standard 4.2 (g). It is suggested that the Board start conducting an annual online self-evaluation beginning in 2019. The self-evaluation process will be undertaken utilizing the attached instrument which will also be updated annually, as appropriate. The results of the evaluation will be collected and compiled by the SACSCOC liaison and the Board Secretary and conveyed to the Board Chairperson. The results will be discussed at the Board Annual Retreat in August/September.

Dr. Arant added that this process represents an opportunity to blend the academic mission of the institution with SACSCOC accreditation. Dr. Randal Wilson, Assistant Professor of Educational Studies, Leadership and Counseling and Ed.D. Director in the College of Education and Human Services, was present and introduced Chanel Schwenck who is a second year student in the Ed.D. and P-20 Community Leadership Program. She serves as a Teaching Assistant in the Ed.D. Program and did exemplary work in embracing and thoroughly researching the Board project.

Confirmation was provided that the Board has undertaken self-evaluations before but a process has not been codified as policy. It was also indicated that the self-evaluation would be undertaken before the end of the calendar year utilizing an online instrument. Board members will receive an email with a link to the survey to complete electronically. The survey is brief but is designed to help the Board improve its performance. The intent is to be able to provide the results of the self-evaluation to the Board at the August/September Retreat for discussion.

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the annual process outlined above for the Board of Regents' Self-Evaluation and the Survey Instrument (revised annually for currency). Further, the Board designates to the President responsibility for amending the Board of Regents' *Policy Manual* to incorporate appropriate language related to an annual Board self-evaluation, consistent with Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accreditation standards. Mr. Kemp seconded and the motion carried unanimously.

(See Attachment #5)

## **Closed Session**

Chair Guess solicited a motion for the Board to go into Closed Session pursuant to Kentucky Revised Statute (KRS) 61.810(1)(b) for the purpose of deliberations on the future acquisition or sale of real property, KRS 61.810(1)(c) for the purpose of discussion of proposed or pending litigation and KRS 61.810(1)(f) for the purpose of discussions which might lead to the appointment of an individual employee. Mr. Schooley so moved. Mr. Rhoads seconded and the motion carried unanimously. Ms. Dudley, Mr. Miller, Ms. Gordon and Ms. Hunt were asked to remain in the room. Closed Session began at 9:48 a.m.

## **Open Session**

Chair Guess solicited a motion for the Board to reconvene in Open Session. Mr. Kemp so moved. Mrs. Rudolph seconded and the motion carried unanimously. Open Session began at 10:35 a.m. Chair Guess reported that no action was taken during Closed Session.

## **Personnel Change – Contract of Employment – Director of Athletics, approved**

Dr. Jackson reported that Murray State University recently concluded a successful national search for the next Director of Athletics. The Search Committee is to be commended for their tireless efforts in support of this process. The University has an enduring commitment to the academic and athletic success of student-athletes and the Department of Athletics plays an integral role in the University's pursuit of excellence. The successful candidate recommended for appointment as the next Director of Athletics is a capable and experienced leader committed to the growth and success of student-athletes and Murray State athletic programs.

Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University and the Director of Athletics Search Committee, approve the attached Contract of Employment for Mr. Kevin Saal, Director of Athletics, effective March 1, 2019, at an annual salary of \$170,000. Mr. Rhoads seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #6)

## **Adjournment**

The Board of Regents adjourned at 10:35 a.m. for the Press Conference to announce the next Director of Athletics in the CFSB Center Murray Room beginning at 11 a.m. Following the Press Conference the Board will have lunch and is anticipated to reconvene at approximately 1 p.m.

## **Committee Reports/Recommendations**

### **Academic Excellence and Scholarly Activities Committee**

Katherine Farmer – Chair  
Virginia Gray  
Lisa Rudolph

Ms. Farmer called the Academic Excellence and Scholarly Activities Committee to order at 1:14 p.m. and reported all other members were present.

### **ADVANCE Grant Update, received**

Dr. Arant reported that the ADVANCE Grant Murray State received from the National Science Foundation is designed to study environmental issues on campus related to the workplace. Dr. Maeve McCarthy – Professor in the Department of Mathematics and Statistics, *Jesse D. Jones Endowed Professor of Mathematics* and ADVANCE Grant Principal Investigator, reported that the National Science Foundation's ADVANCE program was established to increase the number of women in science and engineering careers in academic realms. The co-Principal

Investigators for the program are Dr. Paula Waddill, Chair and Professor, Department of Psychology; Robin Zhang, Chair and Professor, Department of Earth and Environmental Sciences; Dr. Steve Cobb, Professor, Institute of Engineering; Claire Fuller, Interim Dean, *Jones College of Science, Engineering and Technology* and Professor of Biological Sciences and Dr. Echo Wu, Assistant Professor of Educational Studies, Leadership and Counseling in the College of Education and Human Services.

The ADVANCE program encourages institutions of higher education and the STEM (science, technology, engineering and mathematics) community to address various aspects of STEM academic culture and institutional structure that may affect women faculty and academic administrators differently from their peers. This includes investigating the recruitment and retention of women faculty in STEM and social-based sciences at Murray State. There are approximately 75 women faculty on campus and there is evidence these individuals are retained less effectively than could be the case. The ADVANCE program team has conducted a large climate study over the last two years, with all male and female faculty being surveyed, including those in STEM and non-STEM fields, to determine whether workplace issues existed. In general, 81 percent of women and men felt the climate for female faculty in their department was good.

The reports provided to the Board outlined and identified issues and a number of recommendations that were made as a result of the climate survey. Work is underway with the administration to address a number of these recommendations which include the development of bias training modules. Working with Human Resources, some bias training modules have been developed for search committees but there is a desire to expand on this work as part of the next grant, if awarded. A mentoring program was also developed for women in STEM and the satisfaction rates for individuals involved have been high. It is believed this contributes positively to the likelihood these individuals will remain at Murray State as faculty members beyond their junior years.

The team has been working on this project since 2016 and will be completing its work in early 2020. It is hoped another award from the National Science Foundation will be forthcoming prior to that time.

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

#### **Academic Administrative Appointment Update (For Information Only), received**

Dr. Arant reported that an appointment for the following academic administrative position has been approved for the 2019-20 fiscal year:

**Dr. Dina Byers – Interim Dean of the School of Nursing and Health Professions**  
*Dean Marcia Hobbs will be retiring at the end of the 2018-19 fiscal year.*

This appointment has the support of the School of Nursing and Health Professions and the Provost and Vice President for Academic Affairs. Appreciation was expressed to Dean Hobbs for her service to Murray State. The University has been fortunate to have an individual of Dr. Hobbs' caliber serving as Dean of the School of Nursing and Health Professions. Her professionalism is unparalleled and her leadership and compassion are unsurpassed. She will definitely be missed. Dr. Hobbs was recognized with a round of applause.

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

#### **Faculty Rank Changes Report (For Information Only), received**

Dr. Arant reported that historically, faculty members holding the rank of Instructor can be recommended for appointment to the rank of Senior Instructor after demonstrating distinguished performance over time.

The following faculty members are recommended for appointment to Senior Instructor:

<b>Teri Ray</b>	<b>Department of Management, Marketing and Business Administration</b>
<b>Bobbie Greer</b>	<b>Center for Academic Success</b>

**Tim Wallin**

**Center for Academic Success**

These appointments have the support of the Provost and Vice President for Academic Affairs.

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

**Establishment of a Center for Agricultural Hemp, approved**

Dr. Arant reported that the Murray State University *Hutson School of Agriculture* has been a leader in the hemp industry in Kentucky and has remained active in research, education, policy and innovation. The 2018 Farm Bill – with leadership from United States Senator Mitch McConnell and Congressman James Comer – reclassified hemp as an agricultural commodity. Since that time, agricultural hemp is at the center of most all agriculture conversations, both on the farm and throughout higher education circles. Although there are several large companies either in the planning or implementation stages, the largest is the recent GenCanna announcement regarding building a \$40 million facility in Graves County, as well as buying an empty pharmaceutical facility in Paducah, Kentucky. Western Kentucky has hemp processing and growing operations in Kevil, Bardwell, Clinton, Mayfield, Murray, Cadiz, Hopkinsville, Eddyville, Dawson Springs, Madisonville and Henderson.

Current Kentucky Department of Agriculture Commissioner Ryan Quarles has publically stated that Kentucky will be a leader in hemp production in the United States. The day after the Farm Bill passed, Commissioner Quarles delivered Kentucky's implementation plan to the United States Department of Agriculture (USDA). Shortly after the first of the year, Kentucky approved the planting of 42,000 acres of hemp, the largest acreage in the United States. From an agricultural higher education standpoint, the expansion of this industry will be significant. Although Murray State was the first to plant and grow hemp and has been a leader for this industry in the region, legalization will create opportunities for USDA and company funding. Companies will connect themselves with legitimate organizations that can assist in their growth. Murray State University should be a leader in this industry.

Dean of the *Hutson School of Agriculture* Tony Brannon reported that Congressman Comer asked Murray State to become involved in this effort in 2014 and work has progressed accordingly over the past five years. This effort has been supported by many companies such as GenCanna which, as outlined, recently made a significant announcement for this region of the state related to operations in Mayfield and Paducah. On December 21, 2018, hemp became a legal agricultural commodity and this changed the game. The opportunity to reinvent an agricultural crop does not often occur in this region or in the nation and the University is capitalizing on this endeavor to bring additional economic development to the community. Dr. Brannon read aloud from a letter and Memorandum of Understanding received from GenCanna as follows, "We at GenCanna believe that Murray State University, situated in a natural hub for the hemp industry, can provide a Kentucky Proud solution that will benefit the entire nation. The creation of the Center will provide educational opportunities for students – the future workforce – while also developing necessary agronomic and research data on this in-demand crop. The Center for Agricultural Hemp will work with practitioners in the field such as GenCanna to research and analyze the vertical integration of this hemp production." Commissioner Quarles and Governor's Office agriculture policy officer Warren Beeler are both in full knowledge and support of this initiative.

On behalf of the Academic Excellence and Scholarly Activities Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the establishment of a Center for Agricultural Hemp at Murray State University to be overseen by the *Hutson School of Agriculture*. This Center would be headquartered on the first floor of Oakley Applied Science Building on the main Murray State campus to work in cooperation with industry demands throughout the region and with our University farms located in Calloway and Ballard counties. Furthermore, the Center should establish resources throughout the region, including a satellite location at the *Murray State University Hopkinsville Regional Campus* facility in order to forward the missions of the University and Center. Mrs. Gray seconded and the motion carried.

**Full Board Action – Establishment of a Center for Agricultural Hemp, approved**

On behalf of the Academic Excellence and Scholarly Activities Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the establishment of a Center for Agricultural Hemp at Murray State University to be overseen by the *Hutson School of Agriculture*. This Center would be headquartered on the first floor of Oakley Applied Science Building on the main Murray State campus to work in cooperation with industry demands throughout the region and with our University farms located in Calloway and Ballard counties. Furthermore, the Center should establish resources throughout the region, including a satellite location at the *Murray State University Hopkinsville Regional Campus* facility in order to forward the missions of the University and Center. Mr. Kemp seconded.

In response to why this area represents the center of the hemp growing industry, Dr. Brannon reported that Murray is in a great agricultural area with the primary advantage of having free water as compared to those farms located out West. Regent Payne reported that as an agriculture student this initiative makes him extremely proud. Agriculture students and faculty have great pride that Murray State has been a leader in this field. It also makes him very proud that Congressman Comer and Dr. Brannon have helped pave the way to make this happen and both are to be commended for their efforts. The Murray State *Hutson School of Agriculture* continues to lead the way in the state of Kentucky and even the nation.

The motion carried unanimously.

### **Prior Learning Assessment and Proficiency Review Fees Revision, approved**

Dr. Arant reported that prior learning is a mechanism to provide course credits for students who have already gained learning outcomes from various classes or experiences. The assessment of prior learning and granting of academic credit requires a fee. A student applying for admission to a program would request that their transcript or portfolio of work experience be reviewed and this work is customized on a case-by-case basis.

On May 11, 2018, the Board of Regents approved the establishment of graduate and doctoral Prior Learning Assessment and Proficiency Review Fees for the College of Education and Human Services. This effort is in keeping with Southern Association of Colleges and Schools Commission on Colleges initiatives and policies to expand prior learning opportunities for its institutions to better address the degree needs for the adult learner.

#### **Fee Details**

Prior Learning Assessment	\$250
Proficiency Review (fees applicable to candidate's course of study):	
Experienced Educator Review	\$250
Initial Certification	\$500

A Prior Learning Assessment can be used in any program and results in transcript credit for courses when the candidate successfully demonstrates that he/she has met course requirements through alternative means.

On behalf of the Academic Excellence and Scholarly Activities Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the extension of fees for Prior Learning Assessment and Proficiency Reviews for use by any college/school at Murray State University. Mrs. Gray seconded and the motion carried.

### **Full Board Action – Prior Learning Assessment and Proficiency Review Fees Revision, approved**

On behalf of the Academic Excellence and Scholarly Activities Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the extension of fees for Prior Learning Assessment and Proficiency Reviews for use by any college/school at Murray State University. Mrs. Rudolph seconded and the motion carried unanimously.

#### **Adjournment**

The Academic Excellence and Scholarly Activities Committee adjourned at 1:33 p.m.

#### **Athletic Committee**

Eric Crigler – Chair  
Sharon Green  
Jerry Rhoads  
Phil Schooley  
Don Tharpe

Mr. Crigler called the Athletic Committee to order at 1:33 p.m. and reported all other members were present. Mr. Crigler expressed appreciation to the Board for its support of the appointment of the new Director of Athletics for Murray State University. Appreciation was also expressed to Velvet Milkman who has served as Interim Director of Athletics over the last eight months,

while also serving as the Senior Womens Administrator and Head Women's Golf Coach. The entire Athletic administration was thanked for helping cover the duties associated with four vacant positions within that unit as well as assisting with the additional efforts required related to basketball player Ja Morant.

Appreciation was expressed to the Director of Athletics Search Committee – in particular Regent Jerry Rhoads who served as Chair – and Dr. Jackson who provided insight into how the Department of Athletics furthers the University's mission. In addition to Dr. Jackson and Regents Crigler and Rhoads, the remaining members of the Committee included Dr. Bonnie Higginson, retired Murray State Provost; Dr. Joy Humphreys, former MSU student athlete and Assistant Dean of the *Bauernfeind College of Business*; Dennis Jackson, retired school administrator and a member of the MSU Athletic Hall of Fame; Tamdra Lawrence, student athlete and fastest student in the Ohio Valley Conference; Regent Phil Schooley; Margaret Simmons, retired MSU administrator; Mark Workman, alumnus and University and Athletic Department supporter and these individuals were also thanked for their efforts. Appreciation was also expressed to staff who provided support to the Search Committee throughout the process, including Ms. Dudley, Ms. Gordon and Ms. Hunt. The fact that the new Director of Athletics had former employers and coaches travel a great distance to attend the Press Conference is a testament of his relationship with those individuals and speaks to the type of relationships he can build and the type of professional he has become. The core values that Mr. Saal outlined during the Press Conference are very much in line with the University's and he will be a wonderful cultural fit for Murray State.

Regent Rhoads believes it was evident today from Mr. Saal's presentation at the Press Conference that the University has made a good choice. He has high values and made it clear he intends to work within the context of the total University to advance its core mission. It is clear student athletes and academics will come first. He believes great days are ahead in the Athletic Department and Mr. Saal will energize support for athletic programs that is desperately needed in light of current funding challenges. It is believed he will mobilize a great deal of support for the athletic program and he has already contacted one of the University's largest donors. He has jumped into the position with a full agenda planned for today and tomorrow. He publically thanked all members of the Director of Athletics Search Committee who worked diligently to ensure a successful process. The Search Committee would not have been successful without the staff support of Ms. Hunt, Ms. Gordon, Ms. Dudley and President Jackson and appreciation was expressed for their contributions.

### **Adjournment**

The Athletic Committee adjourned at 1:39 p.m.

### **Audit and Compliance Committee**

Don Tharpe – Chair  
Susan Guess  
Lisa Rudolph

Dr. Tharpe called the Audit and Compliance Committee to order at 1:39 p.m. and reported all other members were present.

### **Annual Audit Report – Athletics, accepted**

Ms. Dudley reported that the Annual Audit Report – Athletics – has been prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton). This does not represent an audit with the testing of internal controls but the National Collegiate Athletic Association (NCAA) does require a set of agreed-upon procedures be performed by the auditors. There were no negative findings in regard to the review of agreed-upon procedures. The NCAA Agreed-Up Upon Procedures report which fulfills the compliance with National Collegiate Athletic Association *Bylaw 3.2.4.15* states:

“An institution shall submit financial data detailing operating revenues, expenses and capital related to its intercollegiate athletics program to the NCAA on an annual basis in accordance

with the financial reporting policies and procedures. The required data shall include, but is not limited to, the following:

- (1) All expenses and revenues for or on behalf of an institution's intercollegiate athletics program, including those by any affiliated or outside organization, agency or group of individuals;
- (2) Salary and benefits data for all athletics positions. The data shall include base salary, bonuses, endorsements, media fees, camp or clinic income, deferred income and other income contractually guaranteed by the institution;
- (3) Capital expenditures (to be reported in aggregate for athletics facilities), including capitalized additions and deletions to facilities during the reporting period, total estimated book value of athletically related plant and equipment net of depreciation, total annual debt service on athletics and university facilities and total debt outstanding on athletics and university facilities;
- (4) Value of endowments at fiscal year-end that are dedicated to the sole support of athletics;
- (5) Value of all pledges at fiscal year-end that support athletics; and
- (6) The athletics department fiscal year-end fund balance.

The report shall be subject to annual agreed-upon verification procedures approved by the membership (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant who is not a staff member of the institution and who is selected by the institution's chancellor or president or by an institutional administrator from outside the athletics department designated by the chancellor or president. The independent accountant shall verify the accuracy and completeness of the data prior to submission to the institution's chancellor or president and the NCAA. The institution's chancellor or president shall certify the financial report prior to submission to the NCAA.”

On behalf of the Audit and Compliance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2017-18:

1. National Collegiate Athletic Association Independent Accountant’s Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2018

Mrs. Guess seconded and the motion carried.

#### **Full Board Action – Annual Audit Report – Athletics, accepted**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2017-18:

1. National Collegiate Athletic Association Independent Accountant’s Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2018

Mrs. Rudolph seconded and the motion carried unanimously.

(See Attachment #6)

#### **Audited Financial Statement – WKMS-FM, accepted**

Ms. Dudley reported that the WKMS-FM financial statement has been prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton) – and addresses state and federal requirements. The audited financial statement is provided to the Corporation for Public Broadcasting (CPB) – which requires an audit for any grant funding it provides to WKMS-FM. The financial statement is standard in nature but one internal control weakness was discovered due to staffing changes which occurred at WKMS. Approximately

\$3,000 in entry adjustments were not found to be material to the financial statements for the station and for that reason had not been made. This has now been corrected.

On behalf of the Audit and Compliance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, accept the following WKMS-FM audited financial statements for 2017-18:

- a. Required Auditor Communications
- b. Audited Financial Statement for the Year Ended June 30, 2018

Mrs. Guess seconded and the motion carried.

**Full Board Action – Audited Financial Statement – WKMS-FM, accepted**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, accept the following WKMS-FM audited financial statements for 2017-18:

- a. Required Auditor Communications
- b. Audited Financial Statement for the Year Ended June 30, 2018

Mr. Kemp seconded and the motion carried unanimously.

(See Attachments #7 and #8)

**Audit Engagement Letter, approved**

Ms. Dudley reported that at its February 24, 2017, meeting, the Board of Regents approved the issuance of a contract to Dean Dorton Allen Ford, PLLC (Dean Dorton) for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2017, and further authorized the University to enter into three subsequent contract renewals based upon mutual consent. The cost for the 2018-19 contract – which is the third year of the four-year contract – is \$123,525.

In an effort to allow for a service contingency in the event added hours are needed due to changes in accounting guidance, federal/state tax laws, etc., the Engagement Letter includes up to 100 hours, not to exceed \$12,500 in additional fees. Due to the legislative changes related to state sales tax, additional assistance is required in some areas and that is the impetus for this additional request. The Engagement Letter provided outlined the scope of work and parameters of the audit by Dean Dorton.

On behalf of the Audit and Compliance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the Engagement Letter for the June 30, 2019, audit as submitted by Dean Dorton. Mrs. Guess seconded and the motion carried.

**Full Board Action – Audit Engagement Letter, approved**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Engagement Letter for the June 30, 2019, audit by Dean Dorton. Mr. Crigler seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #9)

**Accounting and Finance Services – Travel Procedures, discussed**

Regent Tharpe has discussed the University's current travel policy extensively with the President. During his tenure as Chair of the Audit and Compliance Committee, he has noticed the travel compensation procedures currently being utilized are rather complicated. Past

Presidents – excluding the current President – have interpreted those procedures differently, made changes and instructed the staff to interpret those procedures differently. The complication in the current policy is due to the wording being interpreted differently by every traveler. As an example, clarification is needed in terms of whether travel is required for a person's job, when the reimbursement policy would be applied, whether per diem meals are being claimed or actual subsistence reimbursement is being requested, whether charges are being made to the University's PCard or to an individual's personal credit card and the list goes on. For the President, these requirements must be taken into consideration based on whether the travel is local or out-of-state because out-of-state travel must be approved by the Board. As the travel policy is currently written, the President or staff could spend any amount on meals and be reimbursed depending on how the policy is interpreted. The University's travel policies are overly complicated and need to be simplified.

The Board directed the President (and staff) to review all applicable travel policies and procedures to determine whether revisions are needed to better reflect current travel circumstances and, more specifically, guidelines related to presidential travel. The policy should be clear in terms of when the President will be allowed to spend in excess of per diem for meals. If the President is traveling and meets with a major donor and the meal exceeds per diem, the policy needs to be amended to address this situation to provide accountability for the President spending over the per diem amount. Because this will almost certainly occur, there also needs to be flexibility for the President and a common sense approach to address the issue should be identified. The policy is currently silent on how to handle the situation where the President is required to pay for the meals for donors and others. Clear definitions for the President moving forward should be provided in terms of how that individual's travel reimbursements will be handled. There must also be a process in place in terms of how lost receipts will be addressed. There are no issues with the current President and this request simply represents good governance in terms of being able to accurately track expenses. Currently, it is overly cumbersome for the President to submit travel expenses. There must be some level of trust with the President that this individual will make good decisions with regard to meal expenses, knowing they are being audited by the Internal Auditor and the Chair of the Audit and Compliance Committee. This represents a policy Board and for that reason it should see a report of presidential travel expenses on a quarterly basis.

For the reasons just outlined, the current travel procedures need to be revisited for current-day appropriateness and a policy needs to be developed that is easily administered and audited. The travel procedures should be clear as they relate to the President and any associated expenses should continue to be reviewed by the Audit and Compliance Committee, as well as the entire Board on a quarterly basis or as appropriate. Dr. Jackson expressed appreciation for the issue being raised and will work with staff to present recommendations relative to necessary revisions to the Travel Procedures at the Quarterly Meeting in June.

### **Internal Audit Charter, reaffirmed**

Regent Tharpe reported that the Board currently does not review the Internal Audit Charter on an annual basis. The Internal Audit Charter was originally approved by the Board of Regents on March 13, 1993. The Board has since approved revisions during the September 7, 2012; August 28, 2014 and August 25, 2017, meetings. In order to meet its fiduciary responsibilities the Board should be undertaking this work annually and the Internal Audit Charter should perhaps be added to the *Board of Regents Policy Manual*. The Board must ensure there is a person – the Internal Auditor – and a function at the University to ensure the best interests of the University are always being honored and that the Board of Regents is being provided accurate and timely information because this affects its fiduciary responsibility. In order to ensure the Board is performing its fiduciary responsibilities it must be receiving all necessary information related to the ongoing audit process.

Discussions are currently underway with the University's General Counsel to determine whether the Board should meet independently with the Internal Auditor to ask necessary questions related to any undue processes which could be occurring. The Board must guard against the President and other University officials placing undue pressure on the Internal Auditor as that individual performs their function and must always honor the dotted line organizational structure in terms of the Internal Auditor's responsibility to the Board of Regents. It has not been clear in the past who reviews the internal audits first – the Board or administration – and the extent to which

these reports can be changed by others after being completed by the Internal Auditor. There also needs to be quarterly reporting from the Internal Auditor that provides a deep dive into issues relative to the audits being conducted. Board of Regents members need to be engaged in this process to the extent that he is recommending reaffirmation of the Internal Audit Charter. It was reported that the Internal Audit Charter is a formal document that defines the purpose of internal audit activity, authority and responsibility. The Internal Audit Charter establishes the position within the University of the internal audit activity; authorizes access to records, personnel and physical properties relevant to the performance of engagements and defines the scope of internal audit activities. Standards for the internal audit profession are set by the Institute of Internal Auditors.

Regent Crigler reported that early in his career he evaluated companies and as part of that work reviewed governance policies to identify the type of controls that were in place. As part of its role, this Board is tasked with helping to manage risk and protect the institution. As such, controls must be in place. The Board receives information from essentially three sources – the President and his administration, the Internal Auditor and the external auditors. The Internal Audit Charter states that the Board Audit and Compliance Committee should be meeting in private with the auditors on a regular basis – either annually or quarterly – and there are certain questions which need to be asked during those meetings such as, “Has anybody asked you to change your findings? Have you felt like there was any undue influence?” Asking these questions is important and is the only way the Board can ensure the information it is receiving is truly independent from the aforementioned sources. For this reason, he would highly recommend the Board work with General Counsel to identify a way to – on a regular basis – have a private meeting with the external auditors and the Internal Auditor without management present. This recommendation has nothing to do with individuals currently serving in the capacities outlined previously but represents a process the Board should have in place to be able to protect the University.

On behalf of the Audit and Compliance Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the Chair of the Audit and Compliance Committee and the President of the University, reaffirm the Internal Audit Charter for Murray State University as submitted. Mrs. Rudolph seconded and the motion carried.

#### **Full Board Action – Internal Audit Charter, reaffirmed**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the Chair of the Audit and Compliance Committee and the President of the University, reaffirm the Internal Audit Charter for Murray State University as submitted. Mr. Rhoads seconded and the motion carried unanimously.

(See Attachment #10)

Chair Guess indicated that discussion has occurred related to providing the full audit reports in the Resource Center of the eBoard book and asked whether that is now being done. Regent Tharpe agreed to work with the Internal Auditor to determine an appropriate process by which such items are provided to the Board because some information contained within the reports could be personnel related. In addition, previously the President’s audited travel expenses were not previously shared with the full Board. He is advocating that a one-page document be provided to the Board on a quarterly basis related to the expenses of the President. All agreed that it is important for the full Board to be aware of any larger issues the Internal Auditor has investigated.

It was also stated that, as per earlier discussion, the full Board should participate in the private meeting with the auditors. Regent Tharpe indicated he would undertake additional research to determine how the auditors best report to the Board – whether it be to the entire Board or to him as Chair of the Audit and Compliance Committee or to the full Committee – and when. This work will be undertaken with advice from General Counsel. Confirmation was provided that the auditors should be confident in their ability to report any undue influence, if it occurs, to the Chair of the Audit and Compliance Committee. Mrs. Saxon provided confirmation that the Board is provided with a written summary of all reports issued by the Internal Auditor which includes any findings and recommendations. In that same document the Internal Auditor also addresses the Audit Charter.

In response to a question, Regent Tharpe reported that he personally has issues with the dotted line organizational chart with the Internal Auditor reporting to the Board but also to the President. The person operating in the role of Internal Auditor is in a tough spot because they are answering to an 11-member Board and also the President. This individual must be clear that their role is to represent the best interests of Murray State University and this is also the case with the General Counsel. Regent Crigler indicated that in the private sector the auditor reports to the Board and not the Chief Executive Officer. A consultant has indicated that the dotted line structure is not unusual but it is paramount that the Board – or the Audit and Compliance Committee – have an opportunity to have a private meeting without management or the administration present where necessary questions can be asked to ensure there is no undue influence being placed on that position.

Dr. Jackson reported that from time to time if there is a change in management for a particular department the President will ask the Internal Auditor to review items that may or may not rise to the level of coming to the Board and this occurs on a regular basis. Historically, that is why there has been a dual reporting role for the Internal Auditor. The Board also discussed whether the President or administration should be allowed to make any changes to audit reports submitted by the Internal Auditor prior to those reports being submitted to the Board.

### **Adjournment**

The Audit and Compliance Committee adjourned at 2:12 p.m.

### **Buildings and Grounds Committee**

Sharon Green and Phil Schooley – Co-Chairs  
Susan Guess  
Daniel Kemp  
Don Tharpe

Ms. Green called the Buildings and Grounds Committee meeting to order at 2:12 p.m. and reported all other members were present.

### **Chick-fil-A Program Statement, approved**

Ms. Dudley reported that when the Board approved the Sodexo contract it was agreed large projects within that realm would also be presented separately. In addition, per the Delegation of Authority Item #13, the Board is to approve any “Program Statement” that may be prepared for a capital project requiring approval by the Kentucky General Assembly (over \$1 million) prior to implementation of the Program Statement.

The University’s Six-Year Capital Plan included a project “Provide Alternate Dining Facility” intended to be used for dining changes from third party funding. The 2018-20 Budget of the Commonwealth authorizes up to \$12 million of these third party funds to be used for dining facility modifications. Through conversations with the Legislative Research Commission, staff have been consulted to ensure that the Chick-fil-A project will appropriately fall under the General Assembly project authorization. The development of Chick-fil-A in the Curris Center is estimated to cost \$1.3 – \$1.8 million.

The Sodexo contract was approved by a Special Committee of the Board on October 8, 2018. This contract included the approval of \$7.5 million of Capital Investment Funds from Sodexo to be invested in campus dining facilities. Funding for this Chick-fil-A project will come from this \$7.5 million investment funds pool.

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the Program Statement for the Curris Center Chick-fil-A project as presented. Mrs. Guess seconded and the motion carried.

### **Full Board Action – Chick-fil-A Program Statement, approved**

On behalf of the Buildings and Grounds Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Program Statement for the Curris Center Chick-fil-A project. Mr. Payne seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #11)

Confirmation was provided that the Board Chair approved an expenditure of approximately \$450,000 for the Einstein Bros. Bagels project and this was done per the Delegation of Authority. This information has already been shared with the full Board and is part of the \$7.5 million pool mentioned previously.

### **Starbucks Program Statement, approved**

Ms. Dudley reported that per the Delegation of Authority Item #13, the Board is to approve any “Program Statement” that may be prepared for a capital project requiring approval by the Kentucky General Assembly (over \$1 million) prior to implementation of the Program Statement.

The University’s Six-Year Capital Plan included a project “Provide Alternate Dining Facility” intended to be used for dining changes from third party funding. The 2018-20 Budget of the Commonwealth authorizes up to \$12 million of these third party funds to be used for dining facility modifications. Through conversations with the Legislative Research Commission, staff have been consulted to ensure the Starbucks Store project will appropriately fall under the General Assembly project authorization. The development of Starbucks in the Curris Center is estimated to cost \$830,000 – \$1 million.

The Sodexo contract was approved by a Special Committee of the Board on October 8, 2018. This contract included the approval of \$7.5 million of Capital Investment Funds from Sodexo to be invested in campus dining facilities. Funding for this Starbuck Store project will come from this \$7.5 million investment funds pool.

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the Program Statement for the Curris Center Starbucks Store project as presented. Mrs. Guess seconded and the motion carried.

### **Full Board Action – Starbucks Program Statement, approved**

On behalf of the Buildings and Grounds Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, approve the Program Statement for the Curris Center Starbucks Store project as presented. Mr. Payne seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #12)

### **Central Plant Substation Program Statement, approved**

Ms. Dudley reported that per the Delegation of Authority Item #13, the Board is to approve any “Program Statement” that may be prepared for a capital project requiring approval by the Kentucky General Assembly prior to implementation of the Program Statement.

The University’s Six-Year Capital Plan included a project “Campus Electrical Grid Upgrade” and the 2018-20 Budget of the Commonwealth authorized \$17 million for this project. The project definition is as follows:

This upgrade to the main campus electrical distribution system includes upgrading the Central Plant Substation to replace 40+ year old equipment. The project would also replace transformers, switches, underground cable/conduit, emergency generators and related equipment to ensure the reliability of the campus electrical system.

The estimated cost of this project is approximately \$1 million – \$1.5 million.

The Board previously discussed the electrical projects at length at the March 9 and June 8, 2018, Quarterly meetings. It was explained during the June meeting that funding up to \$3.2 million was already available in the Plant Fund and would be designated to the maintenance and renovations necessary for the electrical grid. This is the only individual project undertaken that will exceed the \$1 million threshold.

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the Program Statement for the Central Plant Substation as submitted. Mrs. Guess seconded and the motion carried.

**Full Board Action – Central Plant Substation Program Statement, approved**

On behalf of the Buildings and Grounds Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Program Statement for the Central Plant Substation. Mrs. Rudolph seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #13)

**Tennessee Valley Authority Easement, approved**

Ms. Dudley reported that the Tennessee Valley Authority (TVA) has requested modification to a 1964 easement. The 1964 easement is located west of North 16<sup>th</sup> Street on the University's North Farm. A copy of the 1964 easement was provided to the Board as Attachment A.

Specifically, TVA has requested a permanent easement to install a short segment of transmission line into the new substation that was recently constructed by Murray Electric. The permanent easement is for approximately 0.38 acres (138.52 feet in length and 100 feet wide). The easement includes the perpetual right to install, maintain and replace guy wires and necessary appurtenances outside the right-of-way for the transmission line structure located at the substation. An aerial map that indicates the location of the requested easement was also presented to the Board. Consideration for said easement shall be \$11,600. Dr. Jackson added that this project will enhance electrical distribution from Murray Electric to the city of Murray and Murray State University. Confirmation was also provided that the easement will not hinder Murray State's use of the property.

On behalf of the Buildings and Grounds Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, enter its Order approving the granting of a permanent easement for consideration, as indicated above, to the Tennessee Valley Authority. Such approval shall be conditioned upon a full review by University Legal Counsel and Murray State receiving approval, if required, from the Kentucky Finance Secretary or his/her designee. Mr. Kemp seconded and the motion carried.

**Full Board Action – Tennessee Valley Authority Easement, approved**

On behalf of the Buildings and Grounds Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, enter its Order approving the granting of a permanent easement for consideration, as indicated above, to the Tennessee Valley Authority. Such approval shall be conditioned upon a full review by University General Counsel and Murray State receiving approval, if required, from the Kentucky Finance Secretary

or his/her designee. Mr. Kemp seconded. Mrs. Gray indicated she is abstaining from this vote because she is employed by TVA. The motion carried.

(See Attachment #14)

A question was asked about how the University would fund a major expense in the event of an emergency. Dr. Jackson reported there are currently no funds budgeted to cover such emergency expenses and reserves would have to be utilized to help fund any necessary repair costs. The electrical system on campus is the University's number one legislative priority. Every two years as part of the budget process the University lists all priority projects and last year the electrical system was first on the list and will remain the top priority moving into the 2020 budget session, unless the Board determines otherwise. The total electrical system replacement/repair project will cost in excess of \$17 million.

In regard to whether there have been any surprises related to the reconstruction of JH Richmond, Mr. Youngblood indicated there were no surprises to report. Although the weather has not been cooperative, contractors are close to being on schedule. It was also indicated that weather has delayed the roof replacement on Clark Hall and the project target is to be completed before April. The University is very close to selecting the contractor who will demolish Woods Hall but asbestos abatement will be ongoing for the next several weeks.

### **Adjournment**

The Buildings and Grounds Committee adjourned at 2:27 p.m.

### **Enrollment Management and Student Success Committee**

Lisa Rudolph and James T. Payne – Co-Chairs  
Eric Crigler  
Katherine Farmer  
Virginia Gray

Mr. Payne called the Enrollment Management and Student Success Committee to order at 2:27 p.m. and reported all other members were present.

### **Preliminary Spring 2019 Enrollment and Fall 2019 Recruitment Initiatives Update, received**

Dr. Robertson reported the following:

- Spring 2019 enrollment, compared to Spring 2018 numbers, shows that total headcount is up but student credit hours are down. Undergraduate enrollment is down slightly but graduate headcount is up. Dual credit headcount is up significantly as are student credit hours in this area. Overall, enrollment is flat compared to this time last year.
- Dr. Fister reported that 883 senior Racer Academy students graduated from high school in 2018 and the University was able to attract 29 percent of this population. This percentage has been roughly the same over the past five years. The percent of first-time freshmen who took Racer Academy courses was 19.4 percent. These numbers differ because there were 1,319 first-time freshmen which is a different denominator. Of the 1,319 students, 19.4 percent were Racer Academy students. The Racer Academy matriculation per college/school represents a range of 15.2 to 31 percent. The number of Racer Academy students from Fall 2018 from the 18-county service region was 928 (97.07 percent). The goal is to increase from 29 to 40 percent in terms of Racer Academy students by working more intensely with the individuals during their junior year of high school, offering an early admission process and providing scholarships. Confirmation was also provided that the goal for the University is to be able to attract at least 20 percent of high school graduates from each of the 18 counties in its service region – not just Racer Academy students.
- The percent of Racer Academy seniors admitted for Fall 2019 is currently at 56 percent. There has been a 50 percent increase from Spring 2018 to Spring 2019 for Racer Academy enrollment. While this is positive in terms of enrollment numbers, these students only pay \$56 per credit hour for dual credit courses. The increase in Racer Academy enrollment is also due to the students' desire to get a head start on college coursework. The decision was made this year to require students to enroll in a course(s) for only one term, rather than year-long courses, and this has further contributed to the enrollment increase for this population. Confirmation was provided that the University does not need to discontinue the Racer Academy Program but does need to manage it very carefully to ensure

student participants are matriculating to Murray State and not elsewhere. Dr. Jackson indicated that a set of recommendations to carry this initiative forward are currently being reviewed.

- Predictive analysis is now being employed to make better projections on whether students will actually attend Murray State. This work is being undertaken by the Predictive Analytics Workgroup that includes statisticians and other faculty and staff across campus. The three key predictors identified are scholarship submission, financial aid and campus visits. Regent Crigler stated the Board is currently struggling with determining how the University will perform in terms of enrollment for the Fall 2019 Semester. He would like to see data on how many campus visits were conducted this year compared to last year as well as data for the other predictive factors. Confirmation was provided that this data can be shared and predictive trends will be outlined later in the presentation. A report is prepared every Monday to show where the University stands on the various predictors and that guides the work of the team. Every Friday a report is provided on the implementation of the scoring system – zero to five – based on eleven factors, including exam score (ACT/SAT), Summer Orientation registration, campus visit, FAFSA completion, residency location, scholarship, Racer Academy, first generation, housing deposit, financial aid and low income. A comparison is then undertaken related to these indicators which includes an aggregate scoring for Fall 2019 freshmen admits compared to Fall 2018 matriculants – and both numerical and graphical progressions are developed. This information is provided on a two-week comparison basis and shows what a student has done in terms of the comparison factors and the associated score. Enrollment Management can then move forward as appropriate with regard to the individual students and their progress in completing the comparison factors.
- Confirmation was provided that information is given to Enrollment Management based on trends. Scoring predictions are based on admits at different yield rates to allow for comparison. There are admit comparison yields using historical information with current admits to estimate ranges for first-time freshmen. This is predicated on the total number of admits and those from the 18-county service region, Jefferson/Oldham counties, other Kentucky counties, Illinois, out-of-state and underrepresented minority students based on the trend analyses. A graphic is presented to Drs. Jackson and Robertson every week that shows where the students are currently in terms of the scoring mechanisms. This model was applied to Fall 2018 matriculants and shows where students are in the process. The goal is for these students to be at or above the 3.25 score mark. In the last two weeks, 272 admitted students have been moved from the lower categories into the upper categories which increases the yield possibility. While not guaranteed, a double-digit increase in the total number of students is anticipated utilizing composite trend information which is broadly based on all factors being monitored – not just one. Regent Crigler stated that a report showing these types of trends would be helpful for the Board to receive on a regular basis. Dr. Jackson indicated the information being shared relates to first-time freshmen and it is very difficult to move sophomores, juniors and seniors through this model, with the exception of transfer students, so the goals for those groups above the freshmen level relate more to retention. Regent Crigler agreed to work with Dr. Robertson to obtain the data requested.
- Trends and comparisons for admitted students show the number of total admitted students is flat but is up by 4.86 percent from the 18-county service region and 18.32 percent for other Kentucky counties, while Illinois admitted student numbers are flat. Although initiatives for Illinois students have been implemented, there is a great deal of competition for these students and other universities have also increased financial offers for this population.
- Housing deposits are up 12.8 percent, campus visits are up and first-time freshmen visits are up 14 percent over last year (during this same week). October 25 and March 25 are the due dates for final enrollment numbers to be submitted to the CPE for Fall and Spring terms, respectively.
- The second new initiative currently underway is the Yield Marketing Communications Plan for Fall 2019. The University has the number of applicants it needs who have been admitted but those same students have also been admitted to five or six other schools which is why yield conversion is key. Mr. Touney reported that the goal of the Yield Marketing Communications Plan is to provide consistent and targeted marketing communication to prospective students in a very competitive landscape. The Plan includes a print component which involves postcards, letters (sequenced letters from the President, Police Chief, alumni, current students and others), admissions packet with acceptance letter, postcard from academic college/school outreach and sophomore/junior outreach and involved assistance from many different units on campus. The presentation given provided examples of each type of communication. Confirmation was provided that consideration will be given to offering these materials in different languages – especially Spanish – because while students may speak English their parent may not.
- The Plan also includes an electronic component which involves email, text messaging, videos through ThankView (over 950 videos sent to admitted and visiting students via text or email since January 10) and social media messaging/advertisements. These communications include a specific call to action such as registration for Admitted Student Weekend (Facebook Live, Snapchat filter, customized social media ads to admitted students/parents, postcards, text messaging and email), Summer Orientation registration and housing application completion in order to move these students through the process. These communications can also be customized by college/school.
- A large component of the communications plan includes strategically providing these students with information on the great opportunities Murray State provides such as innovative academic programs,

over 180 student organizations, national rankings and scholarship monies awarded annually. Once admitted, students are also receiving an admissions booklet with a step-by-step checklist in terms of what they need to do next. This information is also provided on the [murraystate.edu/enroll](http://murraystate.edu/enroll) website and this represents a new initiative where the information is presented comprehensively in one location. It was suggested that a similar checklist be developed for returning students to help with retention. An email has also been sent to admitted parents encouraging them to sign up for the Parent/Family eNewsletter produced by the Office of Student Engagement and Success. As a result, approximately 200 parents have signed up to receive the monthly newsletter (via email).

- Confirmation was provided that there are two sequences of communications – one for prospective students and one focused on admitted students which is the audience for the Yield Marketing Communications Plan being discussed. A personalized email was sent to all admitted students from Student Financial Services which provides a checklist showing steps which have already been finished and those that need to be completed.
- The Yield Marketing Communications Plan also includes late 2018/early 2019 network and cable television advertising on networks such as WPSD, KFVS and WSIL, as well as on cable channels within the 18-county service region and Owensboro and Louisville in Kentucky; Clarksville, Tennessee and Evansville. Print, billboards, television broadcasting and social media are all being utilized to ensure a diverse institutional advertising portfolio.
- The Admitted Student Weekend attracted over 700 students and 1,600 guests from 13 states and feedback received from participants has been outstanding. Student Financial Services provided assistance to over 200 individual students and families and this initiative was particularly well received. The next Admitted Student Weekend is scheduled for February 7-9, 2020. During this year's Admitted Student Weekend 450 students/families registered and paid to attend a Summer Orientation session (compared to approximately 300 last year) and registration for that program went live on February 11. Dr. Robertson confirmed students are admitted to Murray State during different times of the year and communications are being customized to correspond to when students are actually admitted. The Board suggested it could be helpful to know how much is being spent on each student as a result of these enhanced communication efforts.
- Chair Guess indicated the Board also wants to take an active role in bringing students to Murray State and encouraged her fellow members to actively participate in this process within their own communities.
- In terms of how the University is reaching junior high school students, Shawn Smees, Director of Recruitment, reported that a sequence of mailings are being sent to sophomores and juniors and the TRiO Program has also been helpful in reaching these student populations. The goal is to adjust the Yield Marketing Communications Plan so that it also works for sophomore and junior high school students. The Road Scholars Program is another important part of this work and includes actually getting these students to campus. Not only is the University purchasing student names but prospective students are also being identified through Guidance Counselors, individuals and local churches or through national organizations.
- In response to whether progress is being made toward providing scholarship information to prospective students earlier in the process, it was indicated that significant progress has been made in this regard. The Bursar's Office is working to make information available three weeks earlier than before, Foundation award letters will be issued by March 15 this year and an enhanced effort is being made to award all available scholarship dollars to upper-class students, as well as incoming freshmen, and identifying alternate awardees.
- Confirmation was provided that Louisville represents a key recruitment area for Murray State. There is a full-time staff member located in Louisville – Kendrick Quisenberry – and he has participated in 50 college fairs and completed over 70 high school visits. A recruitment reception was held in October and a breakfast workshop was coordinated for all Jefferson County public school counseling staff. One challenge in this area is that school visits are only allowed to occur during lunch – which amounts to five school visits per week. The University hosted a dinner for over 30 high school counselors, organized three “bus-in” trips for students from the Louisville area and held various recruitment workshops for civic groups. Three days of recruitment events were coordinated for Dr. Jackson although this effort was postponed due to weather. Print advertising, digital/web advertising, billboard, cable television and social media campaigns are also being employed in this area. It was indicated that the perception of where Murray State is located is also a challenge for Louisville/Oldham County students.
- It is believed more can also be done in the Owensboro/Daviess County area and many new initiatives are being employed in this regard. Four buses brought students to the Murray State campus during the Fall Semester and transfer and graduate student recruitment events were held, as well as basketball watch parties in collaboration with the offices of Alumni Relations and Graduate Studies. Cable advertising was also utilized from December 2018 to February 2019.
- Mr. Smees reported that – depending on the day – different phone calls are being made to students. Counselors and the Office of Student Recruitment are making calls daily to admitted students in their territories and are prioritized based on predictive analysis. The various academic areas are also making phone calls to students interested in their programs.

- Alumni recruitment events planned for this Summer include send-offs in Murray, Paducah, Owensboro, Louisville, Henderson, Hopkinsville and Madisonville in Kentucky, as well as Atlanta, Georgia; Evansville; Memphis, Tennessee and St. Louis, Missouri.
- An enhanced focus has also been placed on veteran and military student recruitment and retention. There has been an increase in veteran student enrollment since the discounted military rate was introduced and applications for Fall 2019 indicate this growth will be sustained. Also playing a factor in this increase are veteran services available on the Murray State campus. A national reach campaign has been explored to highlight online graduate programs beyond Fort Campbell and the website is being edited to align with best practices. Certificate and other alternative credentials that will appeal to the military market are being developed, as well as academic programming delivered in online, hybrid and short-term formats. Murray State has been recognized as a 2019-20 Military Friendly School by VIQTORY for the third consecutive year. The list is created annually based on extensive research using public data sources for more than 8,800 schools nationwide, input from veteran students and survey responses. Murray State was one of 766 schools nationally to earn this recognition. The University is also working more closely with the Kentucky National Guard to bring more students to campus to learn about Murray State and this also represents a new initiative.
- International strategies and initiatives being employed for Fall 2019 include personalized communications with individual students through phone calls, emails, texts and country-specific promotional materials. Alumni outreach has been enhanced and eight new partnership agreements are being developed and finalized. Dual degree programs being developed include Shandong University (Accounting and Finance) to begin in Fall 2019 (potentially 150 students), Northeast Agricultural University (Animal Science) to begin in Fall 2019 with approximately 30 students being on campus in Fall 2020 and Qingdao Agricultural University (Equine Science, Agricultural Technology and Agribusiness) to begin in Fall 2019 (potentially 180 students). The #YouAreWelcomeHere Campaign has also been initiated.

Dr. Jackson expressed appreciation to Dr. Robertson and Mr. Touney and their respective teams for their work in regard to enhancing enrollment efforts. The work of all involved in the enrollment effort is sincerely appreciated.

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

### **Office of Student Engagement and Success Update, received**

Peggy Whaley, Director of the Office of Student Engagement and Success, reported the following:

- Murray State has the highest retention rate among public, comprehensive schools in Kentucky. The retention rate for first-time freshmen baccalaureate degree seeking students is 79.3 percent.
- Information was presented on Fall 2018 to Spring 2019 persistence rates and for new freshmen was 91 percent; other freshmen, 73 percent; sophomores, 91 percent; juniors, 94 percent and seniors, 94 percent.
- The Recapture Campaign was also undertaken during the late Fall 2018 and early Spring 2019 semesters to encourage students to enroll for the next term. Based on a comparison of this Spring to last Spring, there was a higher number of students registering at both the undergraduate and graduate levels. The success of the campaign is due to the outreach efforts of the academic advisors, Chairs and Deans who are the ones actually reaching out to students and encouraging them to register.
- Work is currently underway to implement Starfish which is the new retention early alert software program for the University that will replace Mapworks in Fall 2019. Meetings are taking place weekly and bi-weekly with the implementation team and technology staff to ensure the right information is being loaded into the system. Communication to campus regarding this change began in January, followed by monthly updates, and Starfish representatives visited Murray State in February. Faculty and staff training will begin in April and Phase I is expected to be in place for the Fall 2019 Semester.
- A Parent/Family Council has been formed and the first meeting is scheduled for tomorrow. This group will help with recruitment, alumni efforts, fundraising and planning Family Weekend. Members of the implementation Committee include Dr. Robertson, Mr. Smees, Mrs. McGinnis, Mrs. Whaley and Kate Johnson, Coordinator of Student Engagement and Success and Jennifer Smith, Coordinator of Student Success in the Office of Enrollment Management. Parents and families will be attending the inaugural meeting tomorrow and were provided with tickets to the basketball game that evening. There is a good cross-section of families serving on the Council, including those from Missouri, St. Louis and Alabama as well as local parents, first-generation family parents and representatives from veteran/military families.
- Efforts are underway to recruit the next group of Great Beginnings Leaders. These are the first students to make a positive impression on new students and their families as they join the Racer family. Upperclassmen help first-year students move into the residence halls, take part in all the Great Beginnings events which are offered and provide overall assistance to these students as they transition into Murray State University. Over 100 Great Beginnings Leaders are being recruited for

the Fall 2019 Semester and Ms. Johnson is coordinating the recruitment and training process. Additional information can be found at [www.murraystate.edu/gbl](http://www.murraystate.edu/gbl).

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

### **Adjournment**

The Enrollment Management and Student Success Committee adjourned at 3:38 p.m.

#### **Finance Committee**

Daniel Kemp – Chair  
Eric Crigler  
Katherine Farmer  
Jerry Rhoads  
Phil Schooley

Mr. Kemp called the Finance Committee to order at 3:38 p.m. and reported all other members were present.

### **2019-20 University Operating Budget Update, received**

Ms. Dudley reported the following:

- At the last meeting the Board was provided with a working document relative to FY20 recurring uses and sources and that has been updated for discussion today. Included is a 1 percent stop-loss provision for the Performance Funding Model (\$433,000). This represents the maximum Murray State can have deducted from its state appropriation for FY20. The performance funding received for FY19 (\$557,800) is being returned to the performance funding pool for the FY20 allocation. This has been included as a budget contingency and it is unknown whether this funding will be returned to the University. Dr. Jackson reminded the Board that it recently approved a position statement related to the Performance Funding Model and how it affects universities of similar size to Murray State. There is one pool of performance funding monies and allocations to the universities are made from that one source. The Performance Funding Workgroup has been reinstated to review all components of the Performance Funding Model. Consideration is being given by legislators and others to making the 1 percent stop-loss provision permanent and having the funds come from more than one performance pool.
- A net tuition and mandatory fee reduction for FY19 flat enrollment is also included in the budget (\$3.3 million). This means that the University is budgeting for flat enrollment based on the current year enrollment situation.
- The University is offering several new scholarships and discounts. A tuition and fee increase for growth due to new scholarship efforts and fourth year grid funding in the amount of \$2.1 million is also included in the FY20 budget. The growth that is budgeted will only cover the cost of the new scholarship and discount initiatives. The growth that is being included, as well as discounts that are budgeted, net out to zero.
- There is an approximate total of \$6.9 million in funding the University must identify in order to undertake certain initiatives. This amount does not include Kentucky Employee Retirement System (KERS) and Teachers' Retirement System (TRS) contribution increases as that information is unknown at this time.
- The budget being presented includes a 1 percent cost-of-living adjustment for faculty and staff salaries as well as funding to complete the final year of reaching the \$10.10 per hour minimum pay for regular employees (approximately \$996,000 – which is the projected Education and General portion of the increase).
- Information related to the sources of funding was provided and includes a 3 percent overall reduction to each executive level (approximately \$3.5 million) which permanently eliminates 26.5 FTE, comprised of traditional contracts and retirements not filled and vacant positions (\$2.2 million salary and fringe benefit budget for these positions). Additional funding sources include the potential CPE Asset Preservation Fee (\$10 per credit hour for a total of \$1.5 million), a 1 to 3 percent tuition increase (\$610,000 - \$1,830,000, respectively) and a project management fee on all facilities and Information Technology projects (\$300,000) which would be used to fund routine/deferred maintenance pools. Added recurring revenues/reallocations/reductions totaling over \$1.5 million would need to be identified (without tuition rates included). Clarification was provided that the CPE Asset Preservation Fee can be proposed one time only and cannot be increased later as per CPE policy.
- With regard to the University's KERS pension liability, a rate freeze at 49.97 percent has been proposed and is being considered in the Legislature. If the percentage increases to 84.06 percent,

which is also a possibility, that would represent a \$4.2 million additional total cost increase for Murray State and this figure is not included in the budget numbers just reviewed. Legislative leaders and the State Budget Director have indicated that TRS rates for FY20 will remain at 15.865 percent but could increase to 30 percent in FY21, which would be an additional total cost increase for Murray State of \$4.1 million. Dr. Jackson reported two bills that freeze pension rates have already left the House and are now in the Senate. The pension situation affects every comprehensive university in Kentucky except the University of Kentucky and the University of Louisville.

- An annual undergraduate tuition and fees comparison for FY19 (includes tuition and mandatory, special use and Asset Preservation fees) was provided and shows Murray State – in comparison to sister institutions in the state – is third from the bottom in terms of lowest cost for undergraduate, resident rates. Confirmation was provided that a review of discount rates for all comprehensive universities was undertaken last year and Murray State is in line with the other institutions at the 35 to 40 percent discount level. Confirmation was also provided that course fees implemented last year are not included in the information presented because they are not assessed to every student.
- The Provost's Office is recommending a reduction in the graduate online fee from \$100 per credit hour to \$50 per credit hour, in addition to other minor course fee and program fee changes. An increase in housing and dining rates is also proposed. Cost factors contributing to the housing rate increase include higher utilities, debt service, the cable TV contract, compensation for Resident Advisors and maintenance. Dining fee cost factors are based on the Consumer Price Index.
- Additional budget initiatives being considered include campus health services options, recruitment and marketing funding, deferred maintenance pools and MSU Global (online programs). MSU Global would be funded from one-time savings from online fees (accumulated for approximately two years) and phase to recurring funding over that period of time for the third year of the initiative.
- Future budget initiatives/regional tuition goals include the elimination of multiple undergraduate regional net tuition amounts, development of a single non-resident net tuition amount and review of possible expansion of resident rates to additional surrounding counties. These would be effective for the Fall 2020 semester and would be revenue neutral. These initiatives will be discussed with campus constituency groups and will require increased incremental undergraduate students to breakeven. A broad scale marketing plan and technical implementation plan will also be required. The border states and nearby Tennessee counties would likely be the only exceptions to this work and various scenarios are being considered in this regard.
- The budget calendar was also presented to the Board. The Budget Advisory Council will meet on March 26 and a Campus Budget and Tuition Forum will be held on March 28 in Wrather West Kentucky Museum Auditorium. On April 5 the Board of Regents and the Finance Committee will meet in Special Session to make some final budget decisions and approve tuition and fees. The CPE will meet on April 26 and will be asked to approve the University's recommended tuition increase at that time. The Board will meet in Quarterly Session on June 7, 2019, to approve the final FY20 budget.

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

### **Annual Lease Report, accepted**

Ms. Dudley reported that as per Item #16 of the Delegation of Authority, the Board of Regents is to "Approve University real property and facilities' leases under which 1) the University is the lessee if the annual rental is in excess of \$100,000 or 2) the University is the lessor of University real property or facilities and the lease has a non-cancellable term exceeding one year. No additional approval will be required if an approved lease is renewed pursuant to the same terms and conditions but the Board will be advised of any such renewal. A listing of all leases will be provided to the Board annually."

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, accept the annual Lease Report as presented. Mr. Crigler seconded and the motion carried.

### **Full Board Action – Annual Lease Report, accepted**

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, accept the annual Lease Report as presented. Mrs. Rudolph seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #15)

### **Property Acquisition – 1604 Miller Avenue, authorized**

Ms. Dudley reported that the property located at 1604 Miller Avenue in Murray, Kentucky, is a high priority ranked acquisition in the University's Campus Master Plan. This is a strategic purchase of property and is adjacent to the University's existing property line directly south of the Engineering and Physics Building, west of the Nash House and directly east of 1606 Miller Avenue. If approved for purchase, the structures on the property will need to be razed. The initial use of the land will be for green space. The acquisition of 1604 and 1606 Miller Avenue (to be proposed next) will nearly complete the purchase of the full block on the corner of Miller Avenue and 16<sup>th</sup> Street as University assets.

Per the third-party appraisal, the property totals 2,612 square feet. The primary structure on the property contains a total of approximately 2,172 square feet of living space. The secondary structure contains a total of approximately 880 square feet but only 440 square feet is livable space. The estimated age of the primary building is 79 years old.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to purchase the property located at 1604 Miller Avenue in Murray, Kentucky, said authorization being contingent upon approval by the Secretary of Finance of the Commonwealth. Ms. Farmer seconded and the motion carried.

### **Full Board Action – Property Acquisition – 1604 Miller Avenue, authorized**

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to purchase the property located at 1604 Miller Avenue in Murray, Kentucky, said authorization being contingent upon approval by the Secretary of Finance of the Commonwealth. Mrs. Rudolph seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

### **Property Acquisition – 1606 Miller Avenue, authorized**

Ms. Dudley reported that the property located at 1606 Miller Avenue in Murray, Kentucky, is a high priority ranked acquisition in the University's Campus Master Plan. This is a strategic purchase of property and is adjacent to the University's existing property line directly south of the Engineering and Physics Building and directly west of 1604 Miller Avenue. If approved for purchase, the structures on the property will need to be razed. The initial use of the land will be for green space. The acquisition of 1604 Miller Avenue (see previous motion) and 1606 Miller Avenue will nearly complete the purchase of the full block on the corner of Miller Avenue and 16<sup>th</sup> Street as University assets.

Per the third-party appraisal, the property totals 4,617 square feet. The primary structure on the property contains a total of approximately 4,097 square feet of living space. The secondary structure contains a total of approximately 520 square feet of living space. The estimated age of the primary building is 79 years old.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to purchase the property located at 1606 Miller Avenue in Murray, Kentucky, said authorization being contingent upon approval by the Secretary of Finance of the Commonwealth. Mr. Schooley seconded and the motion carried.

### **Full Board Action – Property Acquisition – 1606 Miller Avenue, authorized**

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to purchase the property located at 1606 Miller Avenue in Murray, Kentucky, said authorization being contingent upon approval by the Secretary of Finance of the Commonwealth. Mrs. Rudolph seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes;

Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

### **Projects Approved by Board of Regents Chair, funding designated**

Ms. Dudley reported Delegation of Authority Item #20 states that "...Prior to moving forward, all projects costing over \$200,000 and up to the threshold designated by Kentucky statute should be reviewed by the Board Chair and the President and a determination made in terms of those projects requiring further Board approval." Two schedules were provided to the Board – one with projects estimated to cost over \$10,000 and up to \$200,000 and the other with projects estimated to cost over \$200,000 which have been reviewed by the Board Chair and President. Designation of funding is obtained from the Board to allow the institution to report the funds in the listed projects as "Board Designated" in quarterly financial reports and the annual audit.

Board Chair Guess indicated that one project over \$200,000 presented to her for approval – Einstein Bros. Bagels – was shared with the full Board when she received the request. There are additional projects over \$200,000 on the schedule presented which have not been previously submitted to the Chair for approval, including two electrical projects. Also included is construction of a pig barn on the North Farm and Board approval is being sought because the project is over \$200,000, although Dean Tony Brannon has secured donor funds for this purpose. The Curris Center parking lot project is also included on the schedule. When Chick-fil-A is added to the Curris Center, the Board was informed that parking would need to be addressed. Renderings of the reconfigurations of the Curris Center parking lot were presented to the Board. The drawings presented will increase the number of parking spaces but also address current maintenance needs. Options being considered include reworking the entrances to the parking lot or modifying them in terms of sight lines. Another issue being addressed is the current crosswalk across Chestnut Street (located between the Curris Center and Gilbert Graves Drive). There have been accidents, near misses and sideswipes at this location and a proposal is being developed to move the pedestrian crossing to a safer location. The islands currently in the parking lot will be removed and the number of parking rows will be increased from five to six, adding 30 to 50 spaces depending on the final design. New Americans with Disability Act accessible spaces will be added as well as front row visitor parking. In the drop-off zone the island size will be decreased to provide an increased radius for larger buses and emergency vehicle access. A proposal is also being considered to move the transit authority bus stop to the circle. New lighting will be installed as well as low-maintenance landscaping. The total cost for this project is approximately \$645,000 and will be funded through an internal loan from the University to be repaid from parking, dining and deferred maintenance funds – one-third from each over four to five years, depending on the overall total cost. Chick-fil-A will also bring food out to customers and it was suggested consideration be given to designating spaces for that purpose.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects on the listings presented. Mr. Schooley seconded and the motion carried.

### **Full Board Action – Projects Approved by Board of Regents Chair, funding designated**

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects on the attached listings. Mrs. Rudolph seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachments #16 and #17)

### **Personal Services Contract, approved**

Ms. Dudley reported Delegation of Authority Item #11 stipulates that the Board "...approve all Personal Services Contracts totaling more than \$50,000. The Board will be notified of all Personal Services Contracts between \$10,000 and \$50,000 before they are submitted to the Legislative Research Commission. Upon review, individual Board members may request that

these be held for approval at the next Board meeting.” The listing provided to the Board included one Personal Services Contract – architect and engineering services for the addition of branded concepts for dining venues. This will be a sole source contract from the work specified by Sodexo’s branded and franchised concepts such as Chick-fil-A, Starbucks and Einstein Bros. Bagels. The funding source will be investment funds from Sodexo.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the contract as listed in the document provided as per requirements of the Delegation of Authority Item #11. Ms. Farmer seconded and the motion carried.

#### **Full Board Action – Personal Services Contract, approved**

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the contracts as listed in the attached document as per requirements of the Delegation of Authority Item #11. Mr. Schooley seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #18)

#### **Rental Fleet Vehicle Surplus, approved**

Ms. Dudley reported that with the transition away from a campus-based rental fleet on July 1, 2018, operational vehicles were taken out of commission to ensure the University was retaining the best vehicles for operational purposes. During the Fall 2018 Semester, the University fully transitioned to the use of Enterprise for business vehicle needs. Per the requirements of Kentucky Revised Statute 45A.365 Sale of Excess Property, Murray State University has an inventory of 25 vehicles that are considered surplus property and will be sold at public auction. The established market value has been set for each vehicle based on Kelley Blue Book values and the average between wholesale and retail amounts for each vehicle. The net revenue from this auction is expected to be approximately \$100,000. These net proceeds will be placed in the sale of surplus pool, which is used for deferred maintenance needs. Confirmation was provided that a reserve price has been determined for each of the vehicles.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the sale of 25 vehicles considered surplus property per the requirements of Kentucky Revised Statute 45A.365 Sale of Excess Property. Ms. Farmer seconded and the motion carried.

#### **Full Board Action – Rental Fleet Vehicle Surplus, approved**

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the sale of 25 vehicles considered surplus property per the requirements of Kentucky Revised Statute 45A.365 Sale of Excess Property. Mrs. Rudolph seconded and the motion carried unanimously.

#### **Adjournment**

The Finance Committee adjourned at 4:27 p.m.

#### **Legislative and Economic Development Committee**

Jerry Rhoads – Chair  
Daniel Kemp  
James T. Payne

Mr. Rhoads called the Legislative and Economic Development Committee to order at 4:27 p.m. and reported all other members were present.

## Legislative Update, received

Regent Rhoads reported that today represents the 22<sup>nd</sup> day of the 30-day Legislative Session and next week will be the last full working week for the General Assembly before the Governor's veto days begin on March 14 and end March 25. Following that, the Governor will gavel back in on March 28 and officially end the Session on March 29, Day 30 of the Session. This has represented a very busy Legislative Session and the President has been in Frankfort on many occasions. Mr. Smith and Ronny Pryor, the University's Lobbyist, have also maintained a regular presence during the Legislative Session to track bills affecting Murray State University. The most important among these bills is the one related to the pension rate freeze and that was outlined earlier by President Jackson. Other individuals who have been involved with the Legislative Session on the University's behalf include College of Education and Human Services Dean David Whaley and Director of the Breathitt Veterinary Center (BVC) Debbie Reed.

An update on a number of House and Senate bills was provided in the eBoard book.

Mr. Smith highlighted the following:

- **House Bill 354** – This bill cleans up the unintended consequences of the 2018 tax reforms, especially issues caused by the taxation of nonprofit organizations (such as the MSU Foundation). It also raises the threshold for taxable income to \$10,000 from the previous level of \$1,000. If a non-profit entity raises more than \$10,000 in a year on items that would normally be taxed, any penny over that \$10,000 will be taxed. The bill has passed the House and is on its way to the Senate.
- **House Bill 38** – This bill is referred to as the “Sanctuary Cities and Universities Bill” and would have prohibited Murray State from enrolling any student who is not a legal citizen, would have placed tight restrictions on what companies the University could contract with and would have withheld state funding from the University regarding these items, among others. This bill is not moving this Session.
- **House Bill 30 and House Bill 194** – Gun bills have dominated the Legislative Session. These bills would allow anyone with a concealed carry license to bring weapons on campus but neither bill is moving. Appreciation was expressed to Chief Jamie Herring and Assistant Chief Jeff Gentry, Murray State Police Department, for their assistance in writing letters to both bill sponsors.
- **House Bill 524 and Senate Bill 212** – These bills reorganize the Strategic Committee on Postsecondary Education (SCOPE) which was created during Kentucky's Higher Education Reform in 1997. The Committee has been renamed the Strategic Committee on Higher Education. The major reorganization associated with this Committee is that it removes members of the General Assembly and others from the make-up and replaces them with the Board Chairs of each of the public universities, the CPE and the Kentucky Higher Education Assistance Authority. The Governor actually signed the Executive Order to make this change in January and these bills simply confirm that action. The purpose of the Strategic Committee on Higher Education will be to review higher education public policy. Both of these bills are expected to move in their respective Chambers.
- **House Bill 268** – This bill appropriates General Fund dollars to the research universities and gives all quasi-agencies, including universities in the Kentucky Retirement System (KRS), a one-year KERS rate freeze of 49 percent. The bill has currently passed the House and is headed to the Senate Appropriations and Revenue Committee.
- **House Bill 358** – This bill gives all quasi-agencies a one-year KERS rate freeze but would also allow the universities to opt-out of KRS entirely. The bill has currently passed the House and is headed to the Senate State and Local Government Committee where it is expected additional changes will be made.
- **Senate Bill 10** – This bill allows quasi-agencies, including universities, to opt-out of KRS entirely and would give everyone a one-year KERS rate freeze of 49 percent. Currently the bill has had two readings in the Senate but has not yet passed out of the Senate State and Local Government Committee.

Regent Rhoads indicated the last three items presented are major pension bills and each one contains specific provisions that may or may not become controversial. He asked the President to share his thoughts on the likelihood of the Legislature passing at least one of the bills with the associated provisions and whether there will also be a one-year pension rate freeze. Dr. Jackson reported that last week meetings were held with House and Senate leaders to discuss these topics and all felt confident once these bills move from the House to the Senate a pension rate freeze will be put in place for one year. He personally does not see any comprehensive pension reform coming out of this Legislative Session. Comprehensive reform may be addressed in a Special Session or through another mechanism. Appreciation was expressed to Representative Larry Elkins who has been very helpful, specifically with regard to the pension situation and understanding Murray State's position and advocating on the University's behalf.

Regent Rhoads expressed appreciation to all involved with the Posters-at-the-Capitol event. President Jackson recognized Dean of University Libraries Ashley Ireland and her team who manage this annual event for Murray State students and their faculty mentors – as well as students from other universities – to showcase their research. The event was well attended and included many Murray State faculty and staff.

Regent Payne reported that the Student Government Association also visited Frankfort recently and had the second highest number of students from other public universities visit the Capitol. Appreciation was expressed to Murray State News Reporter Daniella Tebib for covering the event.

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

### **Adjournment**

The Legislative and Economic Development Committee adjourned at 4:39 p.m.

### **Marketing and Community Engagement Committee**

Virginia Gray – Chair  
Sharon Green  
Susan Guess  
James T. Payne

Mrs. Gray called the Marketing and Community Engagement Committee to order at 4:39 p.m. and reported all other members were present.

### **Naming Opportunity – “Charles and Marlene Johnson Lobby” in Lovett Auditorium, approved**

Mrs. Bernot reported that Dr. Charles and Mrs. Marlene Johnson, both graduates of Murray State University in 1956 and 1957, respectively, are long-time supporters of the College of Humanities and Fine Arts. Annually they afford the opportunity for students and faculty to be recognized for their educational and professional achievements through the *Dr. Charles L. and Marlene Rann Johnson Music Scholarship* and the *Dr. Charles and Marlene Johnson Outstanding Music Faculty Award*. In addition, they regularly fund initiatives in the College of Education and Human Services and support special programs across campus – such as the carillons bells. To date, the Johnson’s dedication to the success of their Alma Mater has culminated in over \$254,000 for Murray State University. Dr. and Mrs. Johnson have supported the renovation efforts of Murray State’s historic Lovett Auditorium. Their financial support through two major projects (totaling \$128,000 in gifts) ensured new stage lighting, curtains, window treatments and carpet, extensive painting, lobby renovations and the purchase of a ticket kiosk, the creation of a concessions/reception room and miscellaneous other repairs. They have also supported the purchase of an organ for the Lovett Auditorium stage for over \$35,000.

Now, to continue their support of their Alma Mater, they have made a written pledge for a gift of at least \$50,000 to establish the *Charles and Marlene Johnson Colloquium Series* at Murray State University. This contribution will endow a fund for the College of Humanities and Fine Arts to bring various guest lecturers, visiting artists, musicians and academic experts to the stage of Lovett Auditorium, thus honoring the tradition of this historic campus landmark.

On behalf of the Marketing and Community Engagement Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve the naming of the “Charles and Marlene Johnson Lobby” in Lovett Auditorium at Murray State University in appreciation for this wonderful new gift, as well as to honor their tradition of giving for the University which will now total over \$300,000 (over \$200,000 invested in Lovett Auditorium) to be commemorated with a plaque of recognition located in the facility’s lobby. Mr. Payne seconded and the motion carried.

### **Full Board Action – Naming Opportunity – “Charles and Marlene Johnson Lobby” in Lovett Auditorium, approved**

On behalf of the Marketing and Community Engagement Committee, Mrs. Gray moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve the naming of the “Charles and Marlene Johnson Lobby” in Lovett Auditorium at Murray State University in appreciation for this wonderful new gift, as well as to honor their tradition of giving for the University which will now total over \$300,000 (over \$200,000 invested in Lovett Auditorium) to be commemorated with a plaque of recognition located in the facility’s lobby. Mrs. Rudolph seconded and the motion carried unanimously.

### **Gifts-in-Kind**

#### **Bay Gelding Quarter Horse “Spin Remedy” – *Hutson School of Agriculture*, accepted**

Mrs. Bernot reported that the Board is asked to accept the donation of a seven-year-old Bay Gelding Quarter horse named “Spin Remedy” donated by Kelly Bledsoe to the *Hutson School of Agriculture* at Murray State University for student use in the Equine program.

On behalf of the Marketing and Community Engagement Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the seven-year-old Bay Gelding Quarter horse named “Spin Remedy” with a value of \$10,000 from Kelly Bledsoe of Lynnville, Tennessee, for the *Hutson School of Agriculture*. Mrs. Guess seconded and the motion carried.

#### **Full Board Action – Bay Gelding Horse “Spin Remedy” – *Hutson School of Agriculture*, accepted**

On behalf of the Marketing and Community Engagement Committee, Mrs. Gray moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the seven-year-old Bay Gelding Quarter horse named “Spin Remedy” with a value of \$10,000 from Kelly Bledsoe of Lynnville, Tennessee, for the *Hutson School of Agriculture*. Mrs. Rudolph seconded and the motion carried unanimously.

#### **Leica Scanners – Institute of Engineering, accepted**

Mrs. Bernot reported that the gifts of a Leica HDS6000 Scanner and a Leica HDS4058 Scanner were donated by Phillips & Jordan, Incorporated to the Institute of Engineering at Murray State University for student use in engineering projects. Phillips & Jordan sought out the University for this gift due to their positive experience with Murray State interns.

On behalf of the Marketing and Community Engagement Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the two Leica scanners with a total value of \$18,000 from Phillips & Jordan, Incorporated of Knoxville, Tennessee, for use by the Institute of Engineering. Ms. Green seconded and the motion carried.

#### **Full Board Action – Leica Scanners – Institute of Engineering, accepted**

On behalf of the Marketing and Community Engagement Committee, Mrs. Gray moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the two Leica scanners with a total value of \$18,000 from Phillips & Jordan, Incorporated of Knoxville, Tennessee, for use by the Institute of Engineering. Mrs. Rudolph seconded and the motion carried unanimously.

### **Adjournment**

The Marketing and Community Engagement Committee adjourned at 4:45 p.m.

### **Personnel Changes**

#### **Salary Roster, approved**

Dr. Jackson reported that, in compliance with state statutes and the responsibilities of the University Treasurer as identified in the *Bylaws* of the Murray State University Board of Regents, the attached Salary Roster outlines the amount paid to each professor, teacher or official of the school. The Salary Roster is presented to the Board at the meetings following June 30 and December 31 each year.

Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the Salary Roster as of December 31, 2018, which includes new employment, retirements, resignations and terminations. Dr. Tharpe seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, absent; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried.

### **Faculty Transitional Retirement Contracts, approved**

Dr. Arant reported that at the December 2018 Quarterly Meeting, the Board of Regents approved a temporary adjustment to current retirement policies to allow Murray State University to offer a voluntary retirement plan for faculty. The adjustment expanded the possible years of a transitional faculty retirement contract from a maximum of two years to a maximum of three years. A Faculty Transitional Retirement Contract for one year or less does not require Board approval while those of two- to three-years in length must be approved by the Board.

As an informational item, two faculty members are requesting one-year Faculty Transitional Retirement Contracts as outlined below:

<b>Retiree</b>	<b>College</b>	<b>Department</b>	<b>Rank</b>	<b>Requested</b>
<b>Singh, Meenu</b>	<i>Arthur J. Bauernfeind College of Business</i>	Computer Science and Information Systems-TSM	Associate Professor	1 year
<b>Derting, Terry</b>	<i>Jones College of Science, Engineering and Technology</i>	Biological Sciences	Professor	1 year

Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the following individuals for either a two- or three-year Faculty Transitional Retirement Contract as listed below.

<b>Retiree</b>	<b>College</b>	<b>Department</b>	<b>Rank</b>	<b>Requested</b>
<b>Bell, Deborah</b>	Humanities and Fine Arts	English and Philosophy	Assistant Professor	2 years
<b>Black, Randal</b>	Humanities and Fine Arts	Music	Professor	3 years
<b>Brookhiser, Judy</b>	Education and Human Services	Community Leadership and Human Services	Associate Professor	3 years
<b>Miles, Sandra</b>	<i>Arthur J. Bauernfeind College of Business</i>	Management, Marketing and Business Administration	Professor	3 years
<b>Mulligan, William</b>	Humanities and Fine Arts	History	Professor	3 years

Mr. Kemp seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, absent; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried.

### **Faculty Sabbatical Leaves, approved**

Dr. Jackson reported that the Faculty Sabbatical Leaves, as described below, have been recommended by all appropriate recommending levels.

<b>♦CETIN, Haluk</b>	<b>Earth and Environmental Sciences</b>	<b>Fall 2019</b>	<b>Full Salary</b>
<i>Dr. Cetin plans to write a textbook, submit grants and conduct research.</i>			
<b>♦MCCARTHY, Maeve</b>	<b>Mathematics and Statistics</b>	<b>Spring 2020</b>	<b>Full Salary</b>
<i>Dr. McCarthy plans to write two papers, conduct research, attend one to two conferences and participate in additional study.</i>			
<b>♦MILLER, Kevin</b>	<b>Chemistry</b>	<b>Fall 2019</b>	<b>Full Salary</b>

*Dr. Miller plans to conduct research in support of two research projects, one of which is supported by a National Science Foundation grant to Murray State University.*

◆**OWENS, Debbie**                      **Journalism and Mass Communications**    **Fall 2019**                      **Full Salary**  
*Dr. Owens plans to attend a series of writers' workshops to lead to submissions for publication.*

◆**PARK, Ho Ryong**                      **English and Philosophy**                      **Spring 2020**                      **Full Salary**  
*Dr. Park plans to conduct research and teaching in Panama if his application for a Fulbright Fellowship is awarded. Otherwise, research will be conducted for applications for long-term grants.*

◆**PEARSON, Kelly**                      **Mathematics and Statistics**    **2019-20 Academic Year**    **Half Salary**  
*Dr. Pearson plans to conduct research in support of publication submission to peer-reviewed journal(s).*

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, grant the requests for Sabbatical Leaves for the individuals and periods indicated above. Ms. Farmer seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, absent; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried.

### **Contract of Employment – Head Women's Tennis Coach, approved**

Dr. Jackson reported that Jorge Caetano became the fifth Head Coach of the Women's Tennis Program in 2015. During his rookie season, Coach Caetano led the Racers to the Ohio Valley Conference regular-season and tournament titles earning a berth into the National Collegiate Athletic Association Championship. He had two players named to the All-Conference team and one player earned Ohio Valley Conference Freshman of the Year Honors. He has an overall record of 49-23, a conference record of 27-11 and has coached seven All-Conference Players. His 2017-18 recruiting class was ranked 23<sup>rd</sup> among Mid-Major programs.

Coach Caetano was hired as the Head Women's Tennis Coach on an OPT Visa. After the hire, he was denied his H1B Visa. Because of the Visa denial, Coach Caetano went back to school in August of 2017 and his title was changed to Graduate Assistant for Women's Tennis. He has since received his O1 Visa and is now transitioning back to the position of full-time Head Women's Tennis Coach.

Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the Contract of Employment for Jorge Caetano, Head Women's Tennis Coach for the period of January 11, 2019 – June 30, 2019, at an annual salary of \$36,000 to be prorated accordingly for the remainder of the 2018-19 Fiscal Year. Mr. Kemp seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, absent; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried.

### **Policy Change**

#### **Board of Regents Policy Manual Section 1.1 – Bylaws of the Board of Regents – Addition of Section G – First Reading, acknowledged**

Dr. Jackson reported that the 2017 Regular Session of the Kentucky General Assembly passed – and the Governor signed – Senate Bill 107 styled “AN ACT relating to gubernatorial appointments and declaring an emergency.” This enacted legislation made provisions for the removal of members of the Board of Regents for cause and in order for the Board to comply with applicable proportional representation, in accordance with the terms, processes and procedures were amended in Kentucky Revised Statute 63.080. The amended statute also provides procedures for removing all appointed members of the Board for cause.

Senate Bill 107 also amended KRS 164.350 which relates to Murray State University, to provide an amended section two (2) which states:

*“Each board shall adopt bylaws, rules, and regulations for the governance of its members, officers, agents, and employees, which shall reference the member removal and replacement*

*provisions of KRS 63.080, and the board shall enforce obedience to such bylaws, rules, and regulations.”*

In order to comply with KRS 164.350(2) the Board of Regents must amend its *Bylaws* as well as the *Personnel Policies and Procedures Manual* and the *Faculty Handbook*. The *Bylaws* of the Board of Regents are found in *Section 1.1* of the *Board of Regents Policy Manual*. *Section 1.1(F)* provides:

*Amendments.*

*“Amendments of these Bylaws may be proposed by any member at any duly constituted meeting of the Board but will not be acted upon until the next meeting. Adoption of amendments shall require a vote of a majority of the members.”*

At the duly constituted meeting of the Board on March 1, 2019, the following will be proposed as a new *Section 1.1(G)* to the *Bylaws in the Policy Manual* (first reading) for the Murray State University Board of Regents:

*G. Removal*

*“Members of the Board are subject to removal and replacement in accordance with KRS 63.080 and its provisions, processes and procedures.”*

At the duly constituted meeting of the Board of Regents on June 7, 2019, the proposal will be presented for a second reading and subsequent action by the Board. If approved, the Board should direct that similar language be included in the *Personnel Policies and Procedures Manual* and the *Faculty Handbook*. The President will disseminate the approved language to the Director of Human Resources and the Provost and Vice President for Academic Affairs for inclusion, respectively, in the *Personnel Policies and Procedures Manual* and the *Faculty Handbook* at locations deemed appropriate.

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, acknowledge the first reading of the new *Board of Regents Policy Manual Section 1.1(G)* for inclusion in the *Bylaws* following a second reading – and subsequent approval – by the Board at its Quarterly Meeting on June 7, 2019. Dr. Tharpe seconded and the reading was acknowledged.

**Supplemental Materials, received**

Dr. Jackson reported that supplemental reports were provided in the eBoard book, including the Quarterly Risk Management Report; Quarterly Status Report – Campus Major Projects Update; “Good News” Report – January 2019; Quarterly Branding, Marketing and Communication Report – October – December 2018 and Sponsored Programs – Grants and Contracts Report. These reports were provided for informational purposes only and required no Board action.

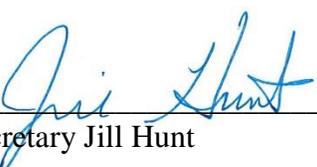
**Other Business**

Dr. Jackson indicated that the Presidential Travel Report for the Year-to-Date Ended December 31, 2018, was included in the eBoard book for informational purposes only and required no action.

**Adjournment**

There being no further business to come before the Board, Mr. Payne moved to adjourn. Ms. Farmer seconded. Adjournment was at 4:52 p.m.

  
\_\_\_\_\_  
Chair Susan Guess

  
\_\_\_\_\_  
Secretary Jill Hunt