The Board of Regents (BOR) of Murray State University (MSU) met on Friday, May 10, 2013, in Quarterly and Committee session in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. Chair Constantine Curris called the Quarterly Meeting to order at 8:10 a.m.

**Roll Call**

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

Others present were: Randy J. Dunn, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board of Regents; Tom Denton, Vice President for Finance and Administrative Services and Treasurer to the Board of Regents; Bonnie Higginson, Provost and Vice President for Academic Affairs; Don Robertson, Vice President for Student Affairs; Jim Carter, Vice President for Institutional Advancement; Jay Morgan, Associate Provost for Graduate Education and Research; Renae Duncan, Associate Provost for Undergraduate Education; Bob Jackson, Associate Vice President for Institutional Advancement; John Rall, General Counsel; Joshua Jacobs, Chief of Staff; and members of the faculty, staff, students, news media and visitors.

**Agenda**

**Roll Call**

Swearing-In Ceremony – Dr. Renee Fister and Jeremiah Johnson  
Judge Dennis Foust

Minutes of the Special Board of Regents Finance Committee Meeting March 14, 2013; Minutes of the Quarterly and Committee Meetings of the Board of Regents March 15, 2013*

Report of the Chair  
Dr. Curris

Quarterly Committee Meetings of the Board of Regents

**Committee Reports/Recommendations (Action Items Only Listed)**

A. Academic Affairs  
Dr. Thornton  
1) New Degree Program Proposal – Bachelor of Science in Community Health  
2) New Degree Program Proposal – Bachelor of Science in Business/Bachelor of Arts in Business in Logistics and Supply Chain Management  
3) Regents Teaching Excellence Awards

B. Audit and Compliance  
Mr. Waterfield

C. Finance  
Mr. Williams  
1) 2013-14 Tuition and Mandatory Fees  
2) 2013-14 Dining Rates  
3) 2013-14 Housing Rates  
4) Budget Planning and Review Team Recommendations  
5) Bond Issuance – Hester Hall  
6) Six-Year Capital Plan and Biennial Budget Request

D. Institutional Advancement  
Mrs. Guess
1) Naming Proposals
a. Jesse D. Jones College of Science, Engineering and Technology
b. Gene W. Ray Science Campus

Reconvene – Quarterly Meeting of the Board of Regents

Closed Session Dr. Curris
A. Appointment, Discipline or Dismissal of an Individual Employee, Member or Student

Break for Lunch (12 noon)

Reconvene – Quarterly Meeting of the Board of Regents
12:45 p.m.

Report of the President Dr. Dunn

Report of the Constituency Regents Dr. Fister/
Mr. Schooley/
Mr. Johnson

MSU Spotlight: Quality Enhancement Plan (QEP) Dr. Pervine/
Dr. Murray

Report of the Treasurer* Mr. Denton

Report of the Registrar* Ms. Roberts
(May 2013 Conferral of Degrees)

Gifts-in-Kind* Dr. Dunn
A. Prepaid Journal Article Downloads – University Libraries
B. Five Purebred Yorkshire Bred Gilts – Hutson School of Agriculture

Personnel Changes* Dr. Dunn
A. Appointment of Provost and Vice President for Academic Affairs
B. Regents Professor Emeritus Designation for Bonnie Higginson
C. Professor Emeritus Designations
D. Faculty Early Retirement Contract
E. Staff Early Retirement Contract
F. Staff Leaves of Absence without Pay

Committee Reports/Recommendations:
A. Academic Affairs Dr. Thornton
B. Audit and Compliance Mr. Waterfield
C. Buildings and Grounds
D. Enrollment Management and Student Success Mrs. Buchanon
E. Finance Mr. Williams
F. Institutional Advancement Mrs. Guess
G. Regional Services Mrs. Green
H. Ad Hoc Contract Review Dr. Curris

2013-14 Faculty Promotion Recommendations* Dr. Higginson

2013-14 Faculty Tenure Recommendations* Dr. Higginson
Swearing In Ceremony – Renee Fister

Chair Curris indicated the first item of business for the Board of Regents is to welcome the new Faculty Regent – Dr. Renee Fister – who will be sworn in by Circuit Judge Dennis Foust.

The MSU faculty elected Renee Fister to serve as Faculty Regent fulfilling the unexpired term of former Faculty Regent Jack Rose which ends June 30, 2013, and the MSU faculty further elected Dr. Fister to serve as Faculty Regent for the subsequent term beginning July 1, 2013, and commencing June 30, 2016. The students of Murray State University re-elected Jeremiah Johnson to serve as Student Regent on April 17, 2013. His third term of office will be July 1, 2013, through June 30, 2014. Circuit Judge Dennis Foust administered the Oath of Office to Dr. Fister as per the requirements of Section 164.321 of the Kentucky Revised Statutes (KRS). Chair Curris welcomed Dr. Fister to the Board.

Minutes of the Special Board of Regents Finance Committee Meeting March 14, 2013; Minutes of the Quarterly and Committee Meetings of the Board of Regents March 15, 2013, approved

Mr. Williams moved that the Board of Regents approve the Minutes of the Special Board of Regents Finance Committee Meeting on March 14, 2013, and the Minutes of the Quarterly and Committee Meetings of the Board of Regents on March 15, 2013, as submitted. Mr. Waterfield seconded and the motion carried.

Report of the Chair

Chair Curris read the following statement:

“We are all aware the Attorney General’s Office has issued an opinion that the fact that six Regents were present at the home of fellow Regent Sharon Green and there were discussions among these Regents, albeit informal, regarding the just-concluded Finance Committee meeting and the upcoming Board meeting, this constituted a violation of the state’s Open Meetings Act.

We accept that opinion. Quite obviously if only five Regents had been present, rather than the six who were there, we would not be discussing this issue today. Be that as it may, and even though the gathering was incidental, a violation did occur and we accept that judgment.

Accordingly, on behalf of those who were present, and in a broader sense the entire Board, I want to apologize to the citizens of the Commonwealth for this violation of the Open Meetings Act, and pledge that we will be more diligent in the future.

Secondly, I want to apologize to Regent Sharon Green for the attention and publicity she has been accorded. I regret that your gracious effort to give the Regents who had come from out-of-town a few moments of relaxation and socialization resulted in your act of hospitality being viewed in a different light. I apologize to you.
Those of us who attended this hospitality hour have affirmed there was nothing untoward in our conversations. There were no straw votes, there was no effort to influence anyone’s vote, there was no plan of action. To make that point clear, I want to take a few moments to share my recollections as to what was discussed in the course of the social hour. Afterwards, other Regents who were present are welcome to express their recollections. I recall four items that were discussed in various settings during the social hour.

1. First, there were comments about whether the President’s proposals to close the budget deficit, presented earlier that afternoon, would be unduly burdensome to students. Those proposals called for raising tuition and fees and reducing scholarship and financial aid, as well as reducing student work opportunities.

2. Second, I recall discussions relative to the President’s proposal to study the sale of the public radio station, WKMS.

3. Third, I recall being asked if the Board could go into Executive Session to discuss whether the President’s contract should be renewed. Reference was made to an Attorney General’s Opinion, which had been circulated to all the Regents previously, applicable to an Eastern Kentucky school board, an opinion which the President had shared with us. I recall indicating that such a move to go into Executive Session was up to the Board – it would require a motion, second and an affirmative vote – but that it could well be challenged inasmuch as the campus newspaper had already sought an Attorney General’s Opinion on this point.

4. Lastly, I recall questions as to whether the Board could vote on the contract renewal at the March meeting rather than at the May meeting as earlier envisioned, although the motion passed at the December Board meeting permitted an earlier vote. This question arose because two Regents, Susan Guess and Jack Rose, had emailed the full Board indicating that they favored a March vote. I recall also two other Regents privately indicated to me that they, too, favored a March vote. I recall saying to the Regents present that the charge to the Ad Hoc Contract Committee was to receive at this meeting requests for additional information from Regents and to await further instructions. If no additional information was sought, I indicated if the Board wished to vote at this meeting, I certainly would honor that request. I indicated that I would touch base the next day with the remaining Regents to ascertain whether they wished to vote at this meeting.

Those are my recollections of discussions pertaining to Murray State University at the gathering at Regent Green’s home. Others who were present are welcome to add or clarify my recollections. I invite anyone who was present that evening to so respond.”

Mr. Williams indicated he concurred with Dr. Curris’ reflections on that meeting and believes this represents an accurate summary. Mr. Waterfield agreed but reported he does not remember all of what was mentioned being talked about. He remembers talking about trying to decide whether to vote the next day or not but was busy talking to Mrs. Green’s husband about his big game hunting trip to South Africa the year before and he then began looking through a book on South Africa but he thinks Dr. Curris covered it well. Mrs. Guess recalls – and it may have been her – asking at least one question in regard to the Ad Hoc report that evening. Dr. Curris asked if she recalled what that was specifically and Mrs. Guess reported she believes the question was in regard to the portion of the report relating to Dr. Dunn’s relationship with the Board. Dr. Curris asked if there was anything else the Board would like to mention on this topic because he wants to ensure there is full and open discussion of what occurred at that gathering. Hearing nothing further, he indicated the Board would move forward.

**Extension of Presidential Contract, defeated**

Chair Curris read the following statement:

“As I indicated earlier this week, I have asked the Board to vote anew on the question of extending the President’s contract. I do so not because I believe the previous vote was in any way tainted or in any way influenced by discussions the previous evening. Rather, and simply stated, I would like to make sure we “clear the air” and that we dispel any notion there were any factors influencing each Regents’ vote other than individual judgments each Regent made as to what was in the best interest of Murray State’s future. If the Board is agreeable to this request, this vote anew would supersede the one taken in March. At this point I would like to ask the
Board to vote anew on the question of whether the President’s contract should be extended. Is there a motion to extend the President’s contract beyond its expiration date of June 30, 2014.”

No motion was made and Chair Curris indicated he would ask again whether there is a motion to extend the President’s contract beyond June 30, 2014. No motion was made and Chair Curris indicated he would identify the key provisions in the President’s contract. Dr. Dunn’s term of appointment as President will run from the effective date of this new contract through June 30, 2014. The Board may extend Dr. Dunn’s term of appointment only by an affirmative vote consistent with Kentucky law and Board policies. Dr. Dunn will be entitled to receive written notice from the Chair of the Board if the term of this new contract is to expire without extension. Such written notice will be delivered to Dr. Dunn prior to July 1 of the final year of the new contract. He asked whether everyone understands what is contained in the contract and no Regents commented.

Chair Curris indicated he would ask for the third time whether anyone wished to make a motion to extend the President’s contract. Dr. Fister so moved. Mrs. Sewell seconded. Chair Curris stated the motion has been made and seconded and the floor is open for discussion on whether the contract for President Dunn shall be extended.

Mrs. Guess stated the following:

“Prior to the vote in March I did not publicly comment on the Board’s consideration of Dr. Dunn’s contract renewal but I want my voice to be heard today. I voted to support a contract extension for Dr. Dunn at the March 15 Board meeting and my vote today will again support his remaining as President of Murray State University. I sincerely believe that under Dr. Dunn’s leadership this University has reached remarkable new levels of respect and recognition. I believe that the loud and overt outcries in support of and on Dr. Dunn’s behalf are a testament to strong and positive public opinion. Faculty, staff, school superintendents, former Board members and alumni from across the country have rallied around him. As representatives of every stakeholder in this state and beyond, I believe we have a personal obligation to hear the voices of those who have dedicated their lives to the continued success of this University. I acknowledge that we have differing opinions among our membership and I respect each member’s commitment to Murray State but my vote stands upon my assessment of Dr. Dunn’s performance and his value to the University and I believe it is my responsibility to take a position that puts the interests of this University above that of self, of personal opinion or public criticism. I am proud of the work we have done – we, Dr. Dunn and this Board – that we have achieved together and I hope you will support the continuation of this work. And with that in mind I want to issue a very public thank you to Dr. Dunn for his service to the University. I appreciate you and it has been my pleasure to work with you.”

Chair Curris asked whether there is further discussion on this motion. Dr. Fister indicated she is a new Regent and is trying to learn throughout the process but would also like to make note of the information provided in the eBooks (as part of her constituency report) regarding the administrative review of the President which has been made available for Board perusal. When faculty members were asked to address whether the administration should be retained they ‘strongly agreed’ and ‘agreed’ at 77 percent. Faculty ‘strongly agreed’ or ‘agreed’ at 79 percent that Dr. Dunn develops individual and program excellence. She also wants all to be aware – even though Jeremiah is not here and has previously voiced concerns – that a student survey was conducted, is online and available to the Board and 83 percent or above of the students agree the President should be retained. These are very serious opinions from the faculty, staff and students and the record should reflect how well the President has served all at this University.

Mr. Schooley reported he has worked with Dr. Dunn for at least five years in his role of Staff Congress President for four years and now as Staff Regent. Dr. Dunn and Mr. Schooley have not agreed all the time but have agreed the majority of the time. Dr. Dunn would listen to Mr. Schooley and would respond. He has worked hard for the staff in terms of compensation pay, benefits and holidays and he has the support of the staff which is evidenced by the four-year report indicating an overwhelming overall 94 percent approval rating. In regard to the draft report of the Ad Hoc Contract Review Committee, he is concerned the information provided for the regional campuses indicates enrollment decreased. The report does not mention that online class enrollment has increased from 1,200 students to over 3,000 students. There has been an
enrollment decrease at some of the University’s regional campuses but overall enrollment continues to increase which means something is working.

On behalf of the Ad Hoc Contract Review Committee, Chair Curris reported the Committee reviewed the issue of online enrollment and sought a breakdown because the group was aware online enrollments have been increasing across the country in large measure because students already on the campus, enrolled as regular students, are increasingly taking online courses. Online enrollment includes not only individuals at off-campus sites but students on campus taking courses. Dean of Continuing Education and Academic Outreach Brian Van Horn can also address this question but Chair Curris believes that data was not available to the Ad Hoc Committee and because it was not available, the Committee did not think it represented a clear picture and, therefore, the information was not included. The Committee tried to include only valid and justifiable data in the report. Mr. Schooley reported some degree programs have also been taken out of certain areas and offered completely online and students who were attending classes on campus are now earning their degree online. This is partly why it appears as though enrollment has decreased. Chair Curris indicated if the Committee could have had a breakdown which provided an accurate picture then that information would have been included in the report, along with all other enrollment data. Dr. Dunn stated that the purpose for obtaining that information should have been “for discussion.”

Mr. Johnson joined the meeting at 8:30 a.m. and Chair Curris brought him up-to-date on Board discussion. A motion is on the floor in response to Chair Curris’ request for the Board to vote anew on the President’s contract renewal and the motion has been seconded. The Board is now in a period of discussion in which any Board member can discuss whatever they wish to discuss. The floor continues to be open for further discussion.

Mr. Schooley asked whether Dr. Dunn should be asked to respond to some of the issues identified in the draft report of the Ad Hoc Contract Review Committee. Dr. Curris indicated he has no objection and the President can certainly comment. Dr. Dunn thanked Mr. Schooley for the opportunity but stated there have been multiple prior opportunities to engage in such discussion that have not occurred and to have this opportunity or for there to be an airing of concerns now likely would not have the intended effect. There have been multiple opportunities to do this work the right way – to be heard on the merits of these reports – and it has not been extended to this point so this discussion probably will not be able to be accomplished in the eleventh hour. He expressed appreciation for the opportunity.

Mrs. Sewell indicated – regardless of the outcome of this vote – this Board must be aware that about 20 years ago this region of the state was known and identified to have a birth dirk so the fact the University can maintain or even increase enrollment must be considered to be very positive, as well as the University being able to attract additional students from the tri-state region. No matter how this vote comes out and no matter who remains five years from now in the position of President of this University, those are statistics that will remain to be dealt with. Something that has happened but has not been spoken of a great deal is the University came through a very hard economic downturn starting in 2008 which has affected enrollment numbers on campus. The Board is aware of this but she wanted to voice the concern and Chair Curris thanked her for doing so.

Dr. Fister stated this President has moved Murray State forward, has increased faculty and staff morale and she believes he is an asset to the area of the world where MSU is located. He has shown vision, direction and guidance. It is unusual when a faculty stands up and says – by passing a Resolution which is uncommon for the Faculty Senate to do – they are in support of this President. Other factions are involved with any vote but she thinks this President has done immense work with donors as evidenced through the $72 million capital campaign, has brought people together, has unified the University’s direction and has been forthcoming in his aspirations moving this University forward in the next five to ten years. She asked that the Board’s consideration be positive. Dr. Dunn would be well respected to move the University forward and work with the necessary constituencies. As a result of discussion with the Development Office, she knows donors are concerned how this issue will proceed which is an issue this Board must consider.

Chair Curris asked whether there are other observations. There being none, he asked if the Board is ready to vote or whether there is any objection to voting at this time. Mr. Schooley
called for questions and Dr. Curris acknowledged questions are called for and having said that asked all in favor of voting at this time to respond by saying ‘aye.’ All Regents responded in this manner. Dr. Curris indicated the Board would now have a roll call vote. The roll was called with the following voting: Mrs. Buchanon, no; Dr. Fister, yes; Mrs. Green, no; Mrs. Guess, yes; Mr. Johnson, no; Mr. Schooley, yes; Mrs. Sewell, yes; Dr. Thornton, no; Mr. Waterfield, no; Mr. Williams, no; and Dr. Curris, no. The motion was defeated by a vote of seven (7) to four (4).

Chair Curris indicated it is obvious there is divided opinion on this Board relative to whether the President’s contract should be extended. He believes all have respected each other’s opinion and every individual has come to his or her judgment independently. He would simply say that in his experience as a Board member, as a President and as one who works with presidents and boards across the country, a university must have strong support and a very positive working relationship between the President and the Board. There are many challenges in higher education and the leadership of the University and the governing board must be singing from the same hymnal. When that does not occur all have seen examples of where problems have arisen at universities all across the country and it does not even have to be a university – it can be a hospital board or a school board. Any time there are any major divisions the work of the institution is impeded and on this basis he cast his vote that for this University to move forward the Board needs to be united in its confidence in leadership.

Chair Curris asked the Secretary to announce the outcome of the vote and she reported seven (7) ‘no’ votes and four (4) ‘yes’ votes and that the motion to extend the President’s contract was defeated.

Presidential Search Process, adopted

Chair Curris indicated he would like to move to the next step in the process to outline a proposed plan for the search for the new President of MSU. This information was provided to the Board in the supplemental eBook materials. He asked for the proposed plan to be projected so all can see how the Board proposes moving forward.

Proposed Presidential Search Process

BACKGROUND: The presidential search to be conducted by the Murray State University Board of Regents will be national in scope, confidential in deliberations, public at the time finalists are identified and will honor the University’s commitments to nondiscrimination and equal opportunity. The search process will be conducted with the utmost integrity.

TIMETABLE: The search will commence in the summer of 2013 with the expectation that the President-elect will be chosen no later than March 2014. The newly-appointed President will be expected to assume the presidency no later than the summer of 2014.

PROCESS: The Chair of the MSU Board of Regents will appoint a nine-member Search Committee representing the faculty, staff, students and alumni of the University, with five members of the Search Committee drawn from the membership of the Board of Regents.

1. The Presidential Search Committee will have full authority to structure its work and processes consistent with the timetable and stipulations outlined in this policy statement.
2. The Presidential Search Committee will have the option of engaging an external executive search firm to assist in the search process.
3. The Presidential Search Committee will be charged to identify at least two, but no more than four, candidates to recommend, unranked to the full Board as being the best qualified individuals to serve as President.
4. The Presidential Search Committee will maintain in confidence the names of all nominees and applicants, as well as its deliberations.
5. The designated finalists will be invited to campus to meet with the campus community. At least one of those meetings will be an open public forum. A process will be structured by which feedback from these meetings will be received by the Board.
6. Appropriate funding will be set aside to cover the costs of the search process, including travel expenses of Search Committee members and the candidates invited for interviews.
7. Consistent with Kentucky Revised Statutes, the Murray State Board of Regents will select the next President.
Chair Curris indicated this plan represents a traditional approach and the Board desires to have representation from the University’s key constituencies. This process is the responsibility of the Board and five Board members will serve on the Search Committee. All searches must have a degree of confidentiality in order to attract candidates the University would want, particularly those who feel they might be unwilling to expose themselves unless they were at the point of being given serious consideration. The Search Committee has full authority to conduct its work consistent with guidelines adopted by this Board today.

Chair Curris requested a motion to adopt this policy statement to guide the process for selecting the next President. Mrs. Buchanon moved that the policy outlined above for selecting a new President of Murray State University be adopted. Dr. Thornton seconded and Chair Curris opened the floor for discussion. Dr. Fister asked how the members of the Board of Regents to serve on the Search Committee would be selected and Chair Curris indicated the Chair of the Board would select those members to ensure there is adequate representation on the nine-member committee. Dr. Fister asked if the Chair would select the faculty, staff, student and alumni representatives and Chair Curris indicated that to be the case because this represents a Board committee. Clarification was provided that it will be the judgment of the Search Committee whether to engage a search firm. Chair Curris is a known independent contractor and is affiliated with, but does not work for, a particular firm, meaning there would be no conflict of interest. He is an independent contractor but to avoid the appearance of a conflict of interest, he would advise the Search Committee (if an executive search firm is selected) that the firm with which he is affiliated should not be chosen.

There being no further questions Chair Curris asked if the Board is ready to vote or if there is objection. There being no objection, all in favor of adopting this policy to guide the selection of a new President were asked to respond with ‘aye.’ All Regents responded ‘aye’ and the motion carried.

Chair Curris welcomes suggestions from members of this Board in terms of their desire to serve on the Presidential Search Committee. Appointments will likely be made within the next two weeks to give the Search Committee the option of having its inaugural organizational meeting when the Board holds its Special Meeting on June 7, 2013.

Mr. Williams stated over the last few weeks there has been considerable speculation regarding the motivations of Regents voting on this very important matter. Each Regent in this room has come to their appointment on this Board with very different backgrounds, talents and perspectives. He believes there are at least two ways in which each member is the same. The first is all took the same Oath of Office witnessed earlier today and each member has abiding respect and affection for this University. He has sincere respect for those who have disagreed with the respective decisions, both collective and individually, or the process by which those decisions have been made. He would also hasten to share he has every reason to believe – and no reason to the contrary – that each Regent who has voted on these matters, regardless of how they voted, cast their vote in accordance with what they believe to be in the very best interest of this University and have done so without any inappropriate motivation or undue influence by others. Mrs. Buchanon added that the vote today represents a divided vote but she does not feel this is a divided Board and every individual on this Board has the best interests of MSU at heart.

Adjournment

The BOR Quarterly Meeting adjourned at 8:43 a.m. to allow for the Board Committee meetings.

Academic Affairs Committee

Jerry Sue Thornton, Chair
Renee Fister
Phil Schooley
Jenny Sewell
Stephen Williams

Dr. Thornton called the Academic Affairs Committee to order at 8:43 a.m. and reported all Committee members were present.
New Degree Program Proposal – Bachelor of Science in Community Health, approved

Dr. Thornton introduced Dr. Higginson and Susan Muller, Dean of the College of Health Sciences and Human Services. Dr. Higginson indicated the Bachelor of Science in Community Health is a program Dr. Muller and her faculty created by examining existing programs, majors and minors, and recognizing that a blending of those majors and minors into the Community Health Program would benefit Murray State students and the region. This proposal includes a core of health education courses covering seven areas of responsibility of a health educator. Students in the program will be able to select one of three tracks or areas of specialization to complete degree requirements, including Gerontology, Nonprofit Leadership and Healthcare Administration. It is believed that given concerns within the University’s region, surrounding states and the nation in regard to healthcare this degree program will be beneficial, particularly in the public, non-profit sector.

Dr. Thornton commended Dr. Muller for bringing this proposal forward with the support of the faculty. This represents a popular program in universities across the country because more need is being identified within communities and students have shown a great deal of interest in this area.

On behalf of the Academic Affairs Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal from the University Academic Council for a new degree program – Bachelor of Science in Community Health. Mr. Williams seconded and stated this is a progressive move for a public university. Clearly the direction of communities and certainly the direction of healthcare are moving toward a more community health focus. The University is moving ahead of the curve in developing this program and he concurs with the proposal and congratulates all for their efforts. The motion carried.

New Degree Program Proposal – Bachelor of Science in Business/Bachelor of Arts in Business and Logistics and Supply Chain Management, approved

Dr. Higginson introduced Tim Todd, Dean of the Arthur J. Bauernfeind College of Business. This new program has been under development for several years and the effort has been led by Teresa Betts, Assistant Professor of Management, Marketing and Business Administration. She has worked with regional business partners to develop the program and Dean Todd has dedicated significant effort toward this initiative. A large team has been involved in the process of gathering data and conducting a needs assessment over the past couple of years. This region is close to six interstates within a 150 mile radius and there is access to five rail companies, four rivers, a river port, a regional airport and 124 million people are located within a day’s drive. Dr. Betts has done a remarkable job of gathering data and moving this proposal through the Council on Postsecondary Education (CPE), with assistance from Drs. Higginson and Morgan. Brian Van Horn, Dean of Continuing Education and Academic Outreach, has done a remarkable job extending the needs assessment and creating linkages with the West Kentucky Community and Technical College (WKCTC) as well as other community colleges.

Dr. Curris indicated reference was made to the Paducah Center and asked whether this is a program that will be offered on the main campus and in Paducah or solely in Paducah. Dr. Todd indicated he would not foresee the program solely being offered in Paducah but there is a large focus in that area with the WKCTC connection in terms of what is already available through the Associate of Applied Science in Logistics and Operations Management. Paducah will represent the largest market for this program.

On behalf of the Academic Affairs Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal from the University Academic Council for the new Bachelor of Science in Business/Bachelor of Arts in Business and Logistics and Supply Chain Management. Mr. Schooley seconded and the motion carried.

Dr. Curris reported the Paducah Center is scheduled to open in January 2014 and part of the contractual commitment the University made with the City of Paducah, McCracken County and the Economic Development Council indicated an expansion of programs and over a period of time the University has committed to an increased number of students in that area. He asked
whether there is a master plan in terms of how the University will reach this goal. Dr. Higginson indicated there is not a master plan but a major part of the development of these degree programs is connected to Paducah and needs which exist in that area based on the results of a needs assessment and the University’s ability to respond to those expressed interests. Some interest was expressed toward certain programs that would be exceedingly expensive for the University at this time. Both Community Health and Supply Chain Logistics will be delivered in Paducah as well as on the Murray campus. The institution is moving toward approval of the Ed.D. Program and several other programs are close to being ready to propose to the CPE. The Paducah Campus is being considered for delivery of those programs and during the planning phase consideration was given to the type of classroom spaces needed (as well as other spaces) that would support the programs being developed at the Paducah facility.

Dr. Curris indicated with the issue of the extension of the President’s contract there has been speculation in Paducah this might be interpreted as a retreat from the Board’s full-scale fulfillment of its commitment to the new center in Paducah. He is not aware of any Regent who in any way wishes to retreat from the commitments the Board has made. There is a strong feeling this was the right decision and the Board desires to see the initiative fully implemented. Some of the most important work which must occur is the development of a master plan – even though it may not contain all specifics – that demonstrates clearly MSU will follow through on its commitment to this region.

**Regents Teaching Excellence Awards, approved**

Dr. Higginson reported the Regents Teaching Excellence Award has been in existence since 1985 and recognizes outstanding teaching on the MSU campus.

On behalf of the Academic Affairs Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the faculty listed below as Regents Teaching Excellence Awardees for 2013:

- Holly Rudolph       Arthur J. Bauernfeind College of Business
- Jeanetta Riley     College of Education
- Sharon Hart         College of Health Sciences and Human Services
- Lissa Graham       College of Humanities and Fine Arts
- Dale Leys           College of Humanities and Fine Arts
- Lara Homsey        College of Science, Engineering and Technology
- Timothy Schroeder  College of Science, Engineering and Technology
- Katherine Farmer  University Libraries

Mr. Schooley seconded and the motion carried.

On behalf of the Academic Affairs Committee, Dr. Thornton requested that Dr. Higginson extend congratulations to all recipients for their outstanding teaching effort. Congratulations was expressed to Dr. Higginson on her upcoming retirement and for her many accomplishments.

**Adjournment**

The Academic Affairs Committee adjourned at 8:55 a.m.

**Audit and Compliance Committee**

Harry Lee Waterfield II, Chair  
Constantine Curris  
Jenny Sewell

Mr. Waterfield called the Audit and Compliance Committee to order at 8:55 a.m. and reported all Committee members were present.
Audit Communication for Pre-Audit Planning, received

The Audit and Compliance Committee received a report from RubinBrown via conference call with Jeff Winter, Engagement Partner, and Jason Callaham, Engagement In-Charge Supervisor, highlighting the following:

- Murray State is an important client for RubinBrown and appreciation was expressed for the opportunity to be of service to the University. This represents the last year of the current contract and RubinBrown is hopeful the firm can continue its relationship with MSU moving forward.
- The auditors participated in a detailed telephone conversation with Mr. Waterfield in April to review the materials being presented today. The purpose of this presentation is to communicate to the Board the tentative Audit Plan and while this can be presented to the entire Committee or the Committee Chair, a combination of both methods is preferred and has been accomplished this year. Input regarding the Audit Plan has been solicited from Board members.
- The scope of services and deliverables provided is similar to those offered in past years with the exception of new auditing standards effective for the University’s audit June 30, 2013 (group auditing standards). The University is a component of the Commonwealth of Kentucky and its financials are included in the state’s financial statements. The group auditing standards heighten the responsibility of the state auditor to take more control of the audits being conducted by other auditors of financial statements which are incorporated into the audit of the state. Additional work from RubinBrown might be required and there may be more inquiries by the state with regard to auditor procedures. At this point it is not known exactly how the state will proceed because they are the primary auditor and RubinBrown represents a component auditor for the state. Communications through the financial offices at the University and RubinBrown have occurred and all are working to determine exactly what will be required.
- Two major University audit focuses include the Financial Statement Audit and the OMB A-133 Single Audit. Information was provided in terms of RubinBrown responsibilities for both areas as well as limitations on the auditors’ responsibilities. RubinBrown is responsible for conducting the audit in accordance with professional standards and ensuring communications are provided to those charged with governance – the Audit and Compliance Committee and the full Board – on a variety of matters including internal control. The auditors’ objective is to express an opinion as to the fairness of the financial statements and the audit is designed to obtain reasonable – but not absolute – assurance the financial statements are free from material misstatements. Management is responsible for the accuracy and completeness of the financial statements; selecting and applying sound accounting policies; establishing and maintaining effective internal controls; identifying and ensuring compliance with applicable laws and regulations; designing and implementing controls to prevent and detect fraud; informing auditors regarding any known, suspected or alleged frauds and making all financial records available.
- The same objectives are in place for the Single Audit with a focus on federal programs including Student Financial Aid, the TRIO cluster and research and development grants where RubinBrown does not audit all grants on an annual basis. There is a process, formula and risk assessment which is undertaken to aid the auditors in determining which programs will be audited each year. Responsibilities are the same except there is more focus on whether the University complied in all material respects with the requirements of the major programs being audited.
- Information was provided on objectives and the reports which will be issued for each facet of the audit, including:
  - Financial Statement Audit (MSU and WKMS-FM) – Objectives include expression of an opinion that the financial statements are fairly presented, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles; issuance of a report on the University’s compliance based on the audit of financial statements and issuance of a report on internal control over financial reporting based on the audit of financial statements.
  - Single Audit/OMB Circular A-133 Audit – Objectives include expression of an opinion on the University’s compliance, in all material respects, with the requirements described in the U.S. Office of Management and Budget Circular A-133 Compliance Supplement applicable to each major federal award program; issuance of a report on internal control over administering federal award programs based on the audit of the University’s compliance with requirements applicable to major federal award programs and issuance of a report on the schedule and expenditures of federal awards.
  - National Collegiate Athletic Association (NCAA) Agreed-Upon Procedures – Objectives include applying NCAA-mandated agreed-upon procedures and reporting the results to the University President in addition to athletics-specific financial information; examination of records to verify compliance with Kentucky state regulations and statutes and communications required by professional standards on internal control related matter, if any.
- An engagement timeline was provided outlining the schedule for completing the objectives just mentioned. The tentative deadline of September 15 was provided for issuance of a draft Financial Statement and A-133 report. The final issuance of Financial Statements and Compliance Reports will be October 4 (per state mandate).
High risk focus areas include Student Financial Aid and other federal programs, tuition, related receivables and deferred revenue and net position. Moderate risk areas include cash and short-term investments; payroll and employee benefits, including self-insurance; capital assets; bonds payable; cash disbursements, purchasing and current liabilities; institutional loans to students and auxiliary revenues and expenses. Low risk focus areas include other assets and state appropriation revenue.

In response to a question regarding whether focus areas change between audits at the discretion of the auditors, it was reported there is a fine line between high risk and moderate risk areas. The difference is so small that significant audit procedures are being conducted on all areas except in the low risk category where auditors undertake a review but it is not as extensive as that for high and moderate risk areas. There is an element of unpredictability in an audit but this is not so much related to auditing a different area but instead undertaking different procedures in a particular area so the same methods are not continuously utilized. Tuition and Student Financial Aid will likely always be high risk areas and this is based on inherent risk and past audit history. During the audit some areas included as moderate risk could be moved into the high risk category depending on the situation.

The Audit and Compliance Committee was asked whether it was aware of anything of significance that should be incorporated into the Audit Plan or if there are areas of concern requiring a higher focus. No concerns were expressed by members of the Committee.

A summary of audit procedures by audit area were provided as follows:
- Debt – Update understanding of internal controls, obtain and review bond documents, confirm balances and debt activity for the year with third parties and test for compliance with debt covenants
- Expenses – Update understanding of internal controls and corroborate, perform analytical procedures over expenses and certain expenses as deemed necessary
- Net Position – Evaluate and review classification of net assets by category and designation
- Single Audit – Determine major programs in accordance with OMB Circular A-133 and determine whether the organization is in compliance with all applicable compliance requirements for each major program

The BOR Audit and Compliance Committee’s role in oversight and monitoring of internal controls over financial reporting includes the following:
- Meets prior to audit and at conclusion in order to discuss Audit Plan and results
- Review weaknesses in internal control and follow-up on action taken to resolve auditor recommendations
- Monitor management’s policies with respect to unethical or illegal activities
- Provide reasonable assurance that financial information is materially consistent with the result of operations
- Ensure accounting policies are consistent with applicable standards

The Audit and Compliance Committee was asked whether there have been any changes in roles and responsibilities of the Committee; any allegations, suspicions or known instances of fraud during the current year; any issues with compliance with required laws and regulations and any whistleblower reports that had been received. No suggestions were made.

Additional inquiries were discussed with Mr. Waterfield and management, including conflicts of interest, legal issues, commitments or contingencies, compensation or incentive reporting issues, grant compliance or grant availability issues and significant transactions in fiscal year 2013. Mr. Waterfield indicated no Committee or Board members have made him aware of any such issues.

The Governmental Accounting Standards Board (GASB) has changed the Statement of Net Assets (assets minus liabilities which equal net assets). The GASB had added new categories on the Statement of Net Position, including deferred outflows and inflows of resources. Due to this change the formula does not result in net assets and GASB has changed the wording to net position. When the Audit Report is presented in the Fall, the Board will see a slightly different look to what is commonly referred to as the balance sheet. RubinBrown is not aware of any deferred outflows or inflows the University has which need to be presented for 2013.

Future standards which the Board should be aware of and RubinBrown will be working with management to implement include GASB 65 which will require the University to convert certain things that are currently being reported as net assets and liabilities to deferred outflows or inflows or period expenses. The term deferred should only be used in conjunction with outflows and inflows and not revenue. Financial statement classifications that will change for MSU were provided.

An amendment to GASB Statement No. 25 and No. 27 will effectively change the accounting and reporting for pensions. Under this statement, an employer will recognize a net pension liability equal to its total pension liability, net of plan net position restricted for pension (i.e., unfunded amount). A 10-year schedule of pension information will be required as supplemental information. This amendment is effective for the period beginning after June 15, 2013, and is retroactive, meaning prior periods presented will be restated.

Mr. Waterfield reported this information was provided for informational purposes only and required no Committee action.
Adjournment

The Audit and Compliance Committee adjourned at 9:15 a.m.

The Board of Regents adjourned for break at 9:15 a.m. Dr. Curris reconvened the BOR Committee meetings at 9:30 a.m.

Finance Committee

Stephen Williams, Chair
Marilyn Buchanon
Constantine Curris
Renee Fister

Mr. Williams called the Finance Committee to order at 9:30 a.m. and reported all Committee members were present.

Bond Issuance – Hester Hall, adopted

Mr. Denton introduced Greg Phillips, Hilliard Lyons Partner, who has issued bonds for the University for a number of years. Board approval is being requested on $15,795,000 General Receipts Bonds for Hester Hall, to install sprinklers in a portion of College Courts and conduct small upgrades in other residence halls. Mr. Phillips reported Hilliard Lyons anticipates selling the bonds, subject to approval today, on May 29, 2013. Interest rates are currently low and have been for some time and the University has previously taken advantage of this opportunity. It is believed MSU will have a receptive sale with strong bidding. Rates around 3.25 percent are anticipated and the University’s annual debt service on the bonds is estimated to be slightly over $1 million per year. Work undertaken with Moody’s over a week ago went well and a bond rating of Aa3 rating is anticipated. Mr. Phillips will attend the Bond and Oversight Committee meeting in approximately one week and individuals at the Office of Financial Management are in full support of the proposed financing, have participated in poll calls and the bond issuance should have a favorable outcome.

On behalf of the Finance Committee, Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, adopt the Resolution providing for the authorization, issuance and sale of approximately $15,795,000 General Receipts Bonds, 2013 Series A, pursuant to the Trust Agreement dated as of May 1, 2007, and a Fourth Supplemental Trust Agreement to be dated as of the first day of the month in which the bonds are issued. Mrs. Buchanon seconded and the motion carried.

Six-Year Capital Plan and Biennial Budget Request, approved

Kim Oatman, Chief Facilities Officer, reported that at the March Board of Regents meeting the administration presented top priorities for General Fund and Agency Bonds. The full report is being presented to the Board for approval today and is similar to the last Six-Year Capital Plan but includes changes to the top priorities which the Board has approved. Mr. Denton reported over those six years there are two particular years where the administration is requesting approval for the biennial budget requests.

The 2014-16 top eight Capital Plan budget priorities are as follows:

1. Construct/complete New Science Complex – Final Phase ($36,890,000)
2. Construct New Breathitt Veterinary Center ($32,468,000)
3. Construct Madisonville Postsecondary Education Center ($21,500,000)
4. Upgrade Campus Electrical Distribution System ($13,038,000)
5. Renovate Blackburn Science ($34,952,000)
6. Construct New University Library ($69,725,000)
7. Replace Campus Steam Distribution System ($5,968,000)
8. Complete Life Safety Projects – E&G Pool <$600,000 ($2,219,000)

Dr. Curris asked with regard to upgrading the campus electrical distribution system whether the University is on the cusp of an emergency or whether this is part of a scheduled plan to
strengthen the infrastructure. Mr. Oatman reported approximately $13 million needs to be spent to upgrade the entire system. These represent aging systems and as they fail the University is making repairs. He is not focused on a major campus-wide issue but is concerned about small areas which arise associated with maintaining an aging system. At some point this work must be undertaken on a campus-wide basis. Dr. Dunn reported there have been two to three emergencies where a building would “go down” and the University has spent many thousands of dollars to make patches and this priority must remain on the list in order for the work to eventually be undertaken.

On behalf of the Finance Committee, Mrs. Buchanon moved that the Board of Regents, upon the recommendation of the President of the University, approve the 2014-2020 Six-Year Capital Plan and the Capital Budget Requests for the 2014-16 State Biennial Budget. Dr. Fister seconded and the motion carried.

Budget Planning and Review Team Recommendations, approved with revisions

Appreciation was expressed to Mr. Denton for his leadership and patience while discussing this issue with Mr. Williams over the past several days. Setting tuition and mandatory fees and housing and dining rates are part of the normal budgeting process. The Board has other significant budget considerations resulting from Budget Planning and Review (BPR) Team recommendations. The Board approved the majority of the BPR recommendations at the last meeting but some were deferred and are now being discussed for either inclusion or exclusion. A decision must be made with regard to tuition and mandatory fees and housing and dining rates but also those scenarios the Board desires to move forward with relative to the salary pool. Information provided by Dr. Fister in regard to salaries was included in the eBoard books. Mr. Denton reported the previously-approved BPR recommendations have been compiled and consideration has been given to how to effectuate implementation.

The recommendation submitted to the Board by the President included approval of BPR recommendations #116 (add a main-campus only, per semester fee of $25 to support Student Health Services) and #118 (Student Government Association appropriation will match the original mandatory fee allotment adjusted for inflation – increases since 1999-2000 total $199,235). Mr. Denton reported these recommendations are not included in the $5 million total but the Board had indicated they would be submitted for further discussion and study. The remaining items presented were included in the $5 million figure and if the Board makes any changes that would result in a reduction to the $5 million. Any changes made to recommendations #116 and #118 would result in an increase to the $5 million figure.

Student Health Services Fee (Recommendation #116), deferred

A $25 fee for Student Health Services would be specifically designated for that area and would represent an offset to the General Fund. Confirmation was provided that imbedded within the mandatory fee the University currently charges there is a portion designated for this purpose but over the years the old fee has been folded into the General Fund portion of the mandatory fee. Dr. Dunn indicated it is not fair to say Student Health Services costs are structured within the mandatory fee. Before the folding together of all separate discrete fees into one mandatory fee over 20 years ago a Health Services fee was charged. Dr. Curris clarified the University charged a separate Health Services fee at some time in the past and about 20 years ago the Board decided to include such fees into one fee and presumably the amount going to Health Services would continue to go to Health Services but over the years that has changed. Dr. Dunn indicated the mandatory fee goes into the General Fund except for three to four areas where there is a discrete listing (including wellness and athletics). Mr. Denton reported the mandatory fee is not designated specifically to Health Services. The Board is being asked to approve a $25 per semester, stand-alone, separate fee to fund Student Health Services. The original fee 20 years ago was $10. In response to a question regarding the cost of running the Student Health Services operation, the amount reported was $659,000 (includes eight full-time employees).

Mr. Johnson has talked to students about this fee and while they are not happy about paying another fee they would rather do so than have the service outsourced or be required to pay each time the facility is utilized. Dr. Fister added that most people have an insurance co-pay per doctor visit, for MSU employees this is $25, and the recommendation being presented represents one co-
pay. Charging $25 for the entire semester (given the fact some students visit Student Health multiple times per semester) would save parents from having to make a co-pay for each visit which would be the case if they visited a private physician. Tom Hofacker, Director for Human Resources, reported approximately 1,200 faculty and staff utilize Health Services per year and although numbers were not available in terms of student use, Dr. Robertson reported the facility is used extensively by the student body and usage continues to increase each year. The student satisfaction level with Student Health Services is high. This represents a nurse-run facility and is staffed with Nurse Practitioners, although a doctor is present several hours twice per week, and the operation is able to address most student needs. In response to whether faculty and staff will also be assessed this fee, Dr. Dunn reported they would not because when the move was made to allow for faculty and staff utilization of Student Health Services one of the drivers – out of the study undertaken with the Insurance and Benefits Committee – was that would reduce the University’s cost as a self-insurer for health insurance because employees would receive acute care through Health Services (reducing employee health care costs).

Mr. Williams asked if this recommendation is not approved whether management would anticipate outsourcing the service or if an alternative source of the $400,000 would be pursued. Dr. Dunn reported one of the BPR recommendations was to undertake a study to determine how much it would cost to bring in a third-party provider to operate Student Health Services. One stipulation would be the service would be provided on site and the level of services would be at least equal to those currently offered. Due to Board action at the last meeting, and even if this recommendation passes, that study should move forward unless the Board has changed its mind. Mr. Williams reported outsource firms take on this work for a profit and he would rather the University and students have that money in their pockets instead of giving it to a proprietor. Dr. Curris indicated this is not part of the estimated savings and he would feel comfortable having more information before making a final decision. Dr. Dunn indicated the study could be undertaken by an outside consultant and this work will take place during 2013-14 with Student Health Services remaining unchanged for now.

On behalf of the Finance Committee, Mrs. Buchanan moved that the Board direct the University administration to proceed to undertake a study of Student Health Services and not include Item #116 in this year’s Budget. Dr. Curris seconded and the motion carried.

**Student Government Association Appropriation (Recommendation #118), eliminated**

Mr. Williams reported this recommendation was delayed for further discussion because the amount of the cut represented more than that being proposed for other campus units. There was sensitivity on the part of the Board to the total impact of this recommendation in terms of cost to students. It is extremely important for a strong Student Government Association to be in place with a very active agenda and that should not be jeopardized. Dr. Curris indicated many Board members believed this was an excessive recommendation and asked whether an alternative is being proposed by the University. Dr. Dunn reported no alternative has been proposed, the recommendation has been made and it stands. If one considers what the fee for SGA operations had been from the time of the mandatory fee rollout (allowing for the same increases over those years that have attached to tuition) this provides a certain amount of money. SGA expenses are over this amount so all of the increases that have attached to the fee as part of the mandatory fee (from its inception) are being taken into consideration. Over the years the expense overage amounts to approximately $40,000. Per an agreement this year, SGA no longer bears the expense of the Presidential Lecture. The argument offered in March and being made again today is if the Board wants to allow for this over budgeting for SGA operations then it will stand. If the Board decides SGA needs to stay within budget for their operations – which has been asked of many other University units – then the Board should approve the change. Arguments can be made on both sides but the SGA fee will not be adjusted upward to help cover the cost of operation.

Mr. Johnson indicated he believes this represents an excessive cut and in comparison to other institutions (whether benchmark or Kentucky institutions), for the money spent Murray State’s SGA is right where it needs to be. Some institutions are excessive and some added a $10 student fee increase last year to fund their Student Government Association operations. Dr. Dunn asked how much of the scholarship support funds SGA leadership and Mr. Johnson indicated currently the executive officers receive scholarships but scholarships for student workers was removed to allow for additional programmatic funding. Over the years the SGA has had no increase in overall budget while the cost for concerts, lectures and innovative activities have increased. This has
necessitated identifying another way to fund events and led to the elimination of scholarships for SGA student workers. Mrs. Buchanon indicated some programming occurs on the weekends and this encourages students to remain on campus which is an important consideration.

On behalf of the Finance Committee, Mrs. Buchanon moved that funding for the Student Government Association remain as currently structured. Dr. Curris agreed and Dr. Fister asked if a compromise could be reached where this recommendation could remain feasible because cuts have also been made in many other areas. Dr. Curris indicated there is a line between dealing with policy and managing on the part of this Board and it was expressed at the last meeting the Board thought this recommendation was excessive. Given the administration’s reiteration of the position it took last time, he does not feel comfortable getting involved in the internal management of the University by altering the recommendation. If the choice being offered to the Board is to approve the recommendation or not approve it, he agrees with Regent Buchanan that it should remain as is. Dr. Dunn indicated in essence SGA is being given an increase because due to no longer having to bear the cost of the Presidential Lecture. Mr. Williams seconded and the motion carried.

The Board had previously asked the administration to identify those proposed recommendations which were approved at the March Board meeting that have a direct impact on students and for those recommendations to be subjected to additional review in terms of total cost increase per student. There has been some question whether additional items within the budget recommendations should be on the list provided but these recommendations and additional revenues have been approved and are now included in the Budget assumptions, amounting to an estimated per student cost increase of $89.22 unless the Board takes action to remove any recommendations.

**Combine Summer Orientation Fee and Graduation Fee into One-time Matriculation Fee (Recommendation #102), deferred**

On behalf of the Finance Committee, Mrs. Buchanan moved that the Board of Regents continue to approve recommendation #102 – Combine the current Summer Orientation Fee ($130) and Graduation Fee ($30) into a one-time Matriculation Fee ($150) paid by all new students – but to defer implementation for one year to 2014-15 to allow for clean implementation. Dr. Curris seconded and the motion carried.

**Reduce Housing Scholarship (Recommendations #62) and Reduce Non-federal, Non-grant Student Work Accounts (Recommendation #193), eliminated**

Dr. Curris is troubled with the total impact of these recommendations on students. There are a lot of good uses for dollars at the University but every time fees are raised or scholarship assistance is reduced it translates to further student indebtedness and this represents a major issue across the country. He finds two items most troublesome, the first being reducing housing scholarships given the concerns the Board has about maintaining full occupancy in the residence halls. The second concern is reducing student campus work opportunities because this represents a way for students to help pay for college expenses and having documented work experiences at the University adds to their capabilities and resume when seeking employment. He suggests eliminating these two BPR recommendations because they help both the student and the University. Mrs. Buchanan agreed and indicated she worked in Alumni Affairs while attending college which gave her an attachment to this University for the remainder of her life and no dollar value can be placed on this. Mrs. Guess inquired whether any scholarship funding raised by the comprehensive campaign could be used for housing scholarships and Dr. Jackson indicated most scholarship dollars raised represent endowments that are academic in nature and very few dollars could be devoted toward housing.

On behalf of the Finance Committee, Dr. Curris moved that recommendation #62 – Reduce housing scholarships by $80,000 a year for three years, to a maximum of $240,000 – be eliminated from BPR implementation ($80,000) and recommendation #193 – Reduce non-federal, non-grant student work accounts by 10 percent – also be eliminated from BPR implementation ($250,000). Mrs. Buchanan seconded and the motion carried.
Commonwealth Honors Academy (Recommendation #172), clarified

In response to a request for clarification on how Recommendation #172 – Commonwealth Honors Academy will utilize fee support ($195) – affects students, Dr. Dunn confirmed this change will affect incoming new students but has been delayed for one year.

Reduce Legacy Waiver (Recommendation #190), clarified

Mr. Williams indicated in terms of recommendation #190 – Reduce Legacy waiver to half the difference between in-state and out-of-state tuition rates starting with new students (grandfather existing Legacies); for Regional State Legacies, continue to apply regional discount first, then add up to $1,000 capping the addition of Legacy add-on to the in-state tuition rate – implementation was deferred for one year to 2014-15. Dr. Curris stated the President indicated he does not believe this will have a significant impact on Legacy students and Dr. Dunn confirmed a student’s collegiate choice will likely not change based on the proposed difference. In terms of the relationship to pricing and choice there is nothing to suggest the University will be hurt by this recommendation but that represents an opinion.

Mrs. Buchanon indicated she does not believe the $700,000 figure provided is all-inclusive of price increases that will affect students. Mr. Williams also believes this is true in terms of the overall cost of attendance – not necessarily the cost for incumbent students.

Eliminate Graduate Tuition Waivers for Spouses and Dependents (Recommendation #127), revised

Dr. Fister reported concerns have been expressed from multiple faculty and staff in regard to this recommendation because they have accepted jobs at Murray State with the understanding they will receive graduate tuition waivers for their spouse or partner and many feel this benefit is now being taken away and they could have accepted jobs at other places with a larger increase in salary. MSU may lose faculty over such an issue. She does not recommend the Board add back the total recommendation because it represents $175,000 for the University. As a compromise, if two graduate courses for a spouse or partner per academic year are offered, that individual would not only be paying graduate tuition to the University but a benefit for faculty and staff would be retained. Academics have been severely affected by the budget recommendations and she has been encouraged to consider maintaining this benefit for faculty and staff. Mr. Schooley indicated he has also been approached by professional staff and faculty and this recommendation concerns them for the same reason stated by Dr. Fister. Dr. Curris indicated he could be supportive of this modification, particularly if it will impact the University’s ability to attract and retain faculty, and Mrs. Buchanan indicated she would also support the change.

The recommendation originally approved in March included the elimination of graduate tuition waivers for spouses and dependents ($175,000 savings). On behalf of the Finance Committee, Dr. Fister moved that the Board of Regents revise the recommendation to decrease the reduction from $175,000 to $100,000 and allow the University to offer graduate tuition waivers for two courses, totaling six credit hours per academic year, for spouses and partners. Dr. Curris seconded and the motion carried.

Recommendations in the projected budget and not revised by the Board of Regents include:

1) #1 – Increase tuition for the online MBA from $15,870 to $18,000
2) #128 – Reduce the regional state tuition discount waiver by $100 per semester
3) #177 – Uncap the graduate tuition rate calculation
4) #187 – Reduce Racer Advantage Grant internal scholarship support

2013-14 Dining Rates, approved

Dr. Robertson reported a 4 percent meal plan rate increase is being recommended which represents an increase range from $14 to $64 per semester depending on the dining plan level. Rationale was provided, including:

- Institutional support is increasing by $88,312 as a result of the BPR recommendations
- An anticipated increase in health benefits expense with the implementation of new federal regulations in 2014
- Possible staff salary increase (for every 1 percent increase the cost to Dining Services is approximately $18,795)
- Continued need to fund deferred maintenance and facility improvements
  - Future capital project (Winslow expansion, servery remodel)
- 2 to 3 percent increase in cost of goods amounting to approximately $76,880 to $115,320 (below national average due to aggressive commodity buying and membership in a Group Buying Organization)

The unlimited use plan is typically purchased by students living on campus and provides unlimited access between the hours of 7 a.m. to 10 p.m. and includes guest meals and flex dollars. Other residential plans include the 175/400 and the 150/300 plans which provide a combination of plan and flex dollars. The 4 percent dining rate increase would result in an additional $64 per semester for the unlimited plan, $64 for the 175/400 plan and $62 for the 150/300 plan. Commuter plan increases range from $5 to $39 depending on the plan chosen. A comparison of rates between MSU and other universities was provided and while some schools have not yet set their rates, with the proposed increase Murray State will remain in the middle.

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposed 2013-14 meal plan rates based on a 4 percent increase for all meal plans. Dr. Curris seconded and the motion carried.

**2013-14 Housing Rates, approved**

Dr. Robertson reported the proposed rate increase for housing is complex and reflects a restructuring of rates dependent on the particular residence hall plus a 4 percent increase. These rates have been recommended by MGT of America, Inc. and were developed as part of the strategic housing plan. The information provided reflects a variety of rates and information on rates comparable institutions are charging for similar facilities was provided. A portion of the rate increase will provide the levy needed for the increased debt service to remodel and, in some cases, begin planning for new construction; providing funding for routine maintenance and cleaning and providing monies necessary for housing scholarships which are provided each year. Also included is an increase in institutional support and recommended upgrades.

Mr. Williams clarified that during discussion on the BPR recommendations the Housing Study was brought forward and represents a comprehensive study covering multiple years and the Board did not have adequate time to digest the entire study. The study is not being brought forward for discussion and approval today. For this year the budget assumption being advanced includes the year one recommendation provided in the study. The Board will review the Housing Study at a future date. Dr. Dunn indicated that is fair to say and the Board also requested another pro forma based on a lower residency level and that information has been provided. Occupancy rates over the past couple of years were reviewed and on average, between fall and spring semesters, have been at 93 to 94 percent. The Board needs at some future point to review the Housing Study taking into consideration this additional information. Dr. Robertson indicated approval will allow for implementation of the first year recommended rates and the University can proceed with plans for Hester Hall. Information was provided based on price restructuring and a 4 percent housing rate increase and how the various housing units would be affected. The recommendation presented creates variable rates with the newer facilities costing more than the older facilities but it also provides students with a choice of where they want to live. Information on the impact of the rate increase for each facility has been provided. Dr. Curris indicated the sense was that this change in structure and rate increase would not have a significant impact on students desiring to live in the residence halls and Dr. Robertson confirmed this to be the case based on University study and the MGT Housing Strategic Plan. Dr. Dunn indicated for each facility in which there is premium pricing the University has had to turn students away.

Dr. Robertson reported an increase in the rate for College Courts is also being recommended but those facilities have not experienced any cost increase for a number of years. The rates being proposed brings the rate charged for College Courts more in line with the market and is reflective of the renovations, maintenance and upgrades which have been undertaken and will continue over the summer and throughout the next year. A housing comparison taking Murray State’s middle rate of $2,200 and comparing it with the rates at other institutions was provided. Some
schools have set new rates while many have not which represents a combination of comparisons. Currently MSU is slightly below the middle of the group even considering some universities have not yet set housing rates.

On behalf of the Finance Committee, Mrs. Buchanan moved that the Board of Regents, upon the recommendation of the President of the University, approve the indicated room rate increases for the residence halls and College Courts as recommended by the consultants (MGT of America, Inc.) in the Strategic Housing Plan as originally presented. Dr. Curris seconded and the motion carried.

2013-14 Tuition and Mandatory Fees, approved

Mr. Denton gave a PowerPoint presentation which showed Murray State’s position relative to other Kentucky comprehensive and regional benchmark institutions in terms of tuition and fees. The information provided illustrates MSU is considered to be a “best value” in terms of the cost of tuition. A comparison of annual tuition, mandatory fees and housing (double occupancy) among the public regional institutions was provided and Murray State has the third best rate. A chart was presented outlining tuition increases at MSU over the last decades. Information was provided on the per semester dollar increase for Kentucky institutions with a maximum tuition increase of 3 percent (as set by the CPE). Under the assumption all Kentucky public universities will increase tuition at the 3 percent allowable rate, MSU would rank lowest in terms of per semester dollar increase. The average cost of attendance is based on tuition and mandatory fees; room, board and books (excluding personal costs) and the National Center for Education Statistics and the Consumer Financial Protection Bureau served as the source for this information. MSU ranks second lowest in terms of cost and information was provided illustrating where Murray State would rank with the Kentucky comprehensive and regional benchmark institutions with a 3 percent tuition increase (compared to 2012-13 tuition rates for those other universities) and MSU also fares well in this comparison.

Mr. Denton provided the following revenue and other funding sources scenario:

- Gross tuition increase from 3 percent rate increase $2,749,382
- Gross tuition from 2 percent enrollment increase 1,832,921
- Gross tuition from prior year actual excess over budget 567,880
- Mandatory fee increases (3 percent) 259,651
  - Subtotal gross tuition and fee increases $5,409,834
- Less scholarships and waivers (2,640,237)
  - Net tuition and fee increases 2,769,597
- State Appropriations – General Operations -0-
- Remove use of carryovers in FY12-13 budget (1,892,166)
- Total revenue and other funding sources 877,431

New expenditure commitments could include a salary pool (amount unknown), other salaries ($153,500) which includes promotions and reclassifications, fringe benefit increases ($1,174,728), priority/new programmatic spending commitments in academic affairs ($415,000) and priority/new spending in other areas ($287,391).

On behalf of the Finance Committee, Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, approve the 2013-14 undergraduate, graduate and doctoral tuition and mandatory fee rates representing a 3 percent increase for the 2013-14 academic year as presented. Mrs. Buchanan seconded and the motion carried.

Mr. Johnson stated he is never in favor of tuition and mandatory fee increases but understands they are necessary in order for the University to function properly. Mrs. Buchanan cautioned the Board that it has increased the overall cost of attendance. A 3 percent tuition increase is one component but the total cost of attendance at MSU has actually been increased by 11 percent.

FY14 Budget Scenarios, discussed

Mr. Denton reported various budget scenarios were included in the eBoard books and are based on the $5 million discussed earlier from the Budget Planning and Review Team recommendations, the 3 percent tuition and mandatory fee increase and a 2 percent enrollment
increase assumption. Budget scenarios for salary increases were provided for 3, 3.5, 4, 4.5 and 5 percent. There is a net deficit for each scenario before utilizing net BPR recommendations which must be taken into consideration because it results in varying balances remaining in BPR savings. A 3 percent salary increase would amount to a deficit of $3.5 million that must be covered with BPR savings and results in a net gain of approximately $1.5 million. In terms of a 5 percent salary increase there is a $5,025,000 deficit and subtracting the BPR recommendation savings amounts to a $25,000 deficit. All should keep in mind the figures provided do not take into account the $501,000 in changes just approved by the Board. Each of the remaining balance figures provided should be reduced by $501,000 to account for those changes.

Dr. Curris indicated enrollment information was provided for Spring 2013 compared to Spring 2012 and headcount enrollment is up, FTE is up slightly and full-time and graduate enrollment are down slightly. In terms of first-time enrollment, there are fewer freshman, transfer, international and graduate students. The latest data leads him to question the validity of a 2 percent enrollment increase assumption and whether this represents a reasonable estimate. Applications may be up but it is also known students engage in multiple applications and the question becomes how comfortable the Board is with the projected enrollment increase. The budget scenarios are predicated on a 2 percent increase but the latest data may not support that projection and if it is not met there will be a shortfall.

Mr. Denton reported online enrollment increases continue and for the last couple of years there has also been excess actual dollar increases over budget, representing a trend. Dr. Dunn indicated the latest state/county report was provided for Fall and because there are few first-time enrollees during the Spring he cautioned the Board to not be too concerned about that area because the number of first time enrollees on a Spring-to-Spring comparison are so few compared to first-time freshmen and transfer students during Fall semesters. Fred Dietz, Executive Director for Enrollment Management, stated that currently indicators for Fall are very strong – application pool numbers are trending upward and first-time freshman orientation numbers are up about 2 percent and continue to trend upward. Transfer applications and the transfer pool are encouraging and work is underway to continue to secure early commitments. It is difficult to compare Spring to Fall and this is the first Spring semester in three to four years there has been a decline in first-time numbers. It is not believed this represents a trend but the situation will be monitored closely moving forward. Significant money and time is spent toward improving retention and it is expected those numbers will provide an enrollment boost which will be helpful in meeting the 2 percent enrollment increase assumption.

**Recommended 2 Percent Enrollment Increase, discussed**

Mr. Williams reported the recommendation of the President contained a budget assumption of a 2 percent increase in enrollment and the question now before the Board is whether that is a valid budget assumption. Dr. Curris remains cautious about this assumption although he is encouraged by and appreciates Mr. Dietz’s comments. Mr. Williams asked if enrollment is off one-half of a percent what that amounts to in terms of dollars and Mr. Denton reported this would represent approximately $500,000. Dr. Fister moved that the Board approve the 2 percent enrollment increase assumption which has been included in the budget scenarios presented. The motion did not receive a second.

Dr. Curris indicated the decision made by the Board translates into what can be accomplished in terms of salaries and a determination needs to be made of what represents a prudent amount given the various scenarios provided. He certainly does not favor the University overextending itself. Dr. Fister indicated her understanding is the 2 percent enrollment increase assumption has been used for at least the last two years and all have been fine with that percentage. The goal was met and even exceeded at certain times which is why she did not give pause to the 2 percent enrollment increase assumption. Dr. Dunn confirmed the 2 percent enrollment increase assumption has been used for at least a couple of years and if the administration did not feel this increase was justifiable it would not have made the recommendation but the Board is free to set those parameters.

Dr. Curris asked Mr. Williams as Chair of the Finance Committee whether he has a recommendation. Mr. Williams indicated what is being discussed represents a great deal of data that must be summarized by judgments. Clearly in terms of the degree of risk desired by the Board a 1.5 percent increase assumption is less risky than 2 percent but he would not see a need
to go less than 1.5 percent. He is also not incredibly uncomfortable with the 2 percent assumption being recommended by the President but the Budget this year is unusual due to the extremely large number of moving parts. The University is also experiencing turnover in key positions and that always make the Finance Committee Chair nervous about slippage. He does feel there is an unusual amount of risk given the multiple circumstances which currently exists so he would feel safest with a 1.5 percent enrollment increase assumption, although that will place more pressure on the remainder of the Budget. Mrs. Buchanon indicated she favors the 1.5 percent assumption and feels the Board should err on the side of caution. Dr. Curris asked if a 1.5 percent enrollment increase assumption is approved whether the Board would feel comfortable with a 3.5 percent salary increment. He would like to do as much as possible in terms of salaries and if additional enrollment materializes that will provide options for salary increases next year.

Dr. Fister provided scenarios regarding faculty and staff salaries, including the example of an MSU employee with an income of $50,000 in 2009 who received a 1 percent salary increase in 2010 and a 4 percent increase in 2011 indicating that individual’s salary would currently be $52,520. If the average cost of living over the last four years increased by 2 percent annually, then this person would need to make $54,122 to simply maintain cost of living and MSU is $1,062 behind in wages for this individual. Federal agencies allow for a 5 percent increase in the calculation of future wages. If the person making $50,000 received these raises, then that person would currently be making $60,775. This represents a loss of $8,255 in four years and is detrimental in many areas but especially in terms of retirement. Information was provided on the percentage change in salaries with regard to IPEDS institutions and MSU is third from the bottom in this comparison. Appreciation was expressed to Faculty Senate President Kevin Binfield and the Salary and Compensation Committee for helping compile the information presented. Among the public regional universities MSU has had only a 2.99 percent change in salaries over several years. In relation to the U.S. News and World Report ranking of Murray State in the top ten public universities in the South, the University is near the bottom 40 percent salary-wise among those institutions. Individuals have been hired away from MSU by institutions such as Appalachian State, Berea, the University of South Carolina at Columbia and recently, Clemson. In terms of these institutions Murray State ranks in the bottom 20 percent in terms of salaries. MSU faculty and staff are speaking with their feet and the Board was encouraged to do as much as possible in regard to salary increases. The Treasurer’s Report indicates net assets are up $13 million and the General Fund is up $3.4 million. The Board has an opportunity to help faculty and staff who need a raise. She would hope the Board could approve higher than a 3.5 percent increase although she will defer to Dr. Curris on that estimation considering the conclusion to proceed with the 1.5 percent enrollment increase assumption. Mr. Schooley is comfortable with the 2 percent enrollment increase and would recommend at least a 4 percent salary increase. Mrs. Buchanon asked how the state of Kentucky will handle raises for employees and Mrs. Green indicated state employees will receive no raise this year and have not had a raise in three years.

Mr. Williams asked how the assumption of the tuition rate increase of 3 percent, as well as the other increases already approved in housing and dining and an enrollment increase of 1.5 percent ($500,000 reduction), adjusts the balance remaining for the 3.5, 4 and 4.5 percent salary increases. Mr. Denton indicated there would be $500,000 in budget savings and a $500,000 decrease which would result from changing the enrollment percentage to 1.5 percent, meaning $1 million would need to be subtracted from the bottom line in each of the scenarios presented. For a 3.5 percent salary increase there would be a balance remaining of $136,169; for a 4 percent salary increase there would be a negative $252,000 balance remaining in BPR savings and for a 4.5 percent salary increase the BPR savings would be a negative $639,000 balance. Dr. Curris indicated the Board is either faced with approving a 3.5 percent salary increase or “rolling the dice” and offering a 4 percent increase. He asked the Finance Committee Chair for his recommendation and Mr. Williams indicated based on the scenario just outlined he would recommend an enrollment increase assumption of 1.5 percent and a salary increase of 3.5 percent. He believes a 4.5 percent increase is out of the question but if a strong argument is raised for the 4 percent increase he could be persuaded. He does not want to put the University in the situation where it is addressing a deficit budget for the next year. Management and the Board are committed to the BPR recommendations and the associated savings but this represents a $5 million item which includes almost 80 recommendations across a large complex institution which is a big undertaking in one year with the leadership changes in a number of areas. For
those reasons he is trying to be reasonable but understands the risk involved with an unusual Budget implementation and must err on the side of caution.

**Recommended 2 Percent Enrollment Increase, amended**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents amend the enrollment increase assumption from 2 percent to a 1.5 percent. Mrs. Buchanan seconded and the motion carried.

**FY14 – 3.5 percent salary increase, approved with caveat**

On behalf of the Finance Committee, Dr. Curris moved that the Board of Regents approve a 3.5 percent across-the-board salary increase for faculty and staff with one caveat. If the budget scenario is improved this year over what has been presented with the 3.5 percent salary increase, the Board would have already identified that increase as a priority for salaries for next year. Mrs. Buchanan seconded and the motion carried.

**Adjournment**

The Finance Committee adjourned at 11:15 a.m.

**Institutional Advancement Committee**

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

Mrs. Guess called the Institutional Advancement Committee to order at 11:15 a.m. and reported all Committee members were present with the exception of Dr. Thornton who departed for the Nashville airport.

**Naming Proposals, approved**

**Jesse D. Jones College of Science, Engineering and Technology**

Dr. Jackson expressed appreciation to Steve Cobb, Dean of the College of Science, Engineering and Technology (CSET) and his faculty; staff in the Office of Development and this Board for the recognition it has given donors during the campaign over the last few years. Private funding will be even more important in the years to come as more demands are placed on public funding. The first recommendation is for the naming of the Jesse D. Jones College of Science, Engineering and Technology and the University Naming Committee has reviewed the proposed naming and unanimously makes this recommendation to the Board. Many Board members know Dr. Jesse D. Jones personally and he is the largest donor to the CSET and one of the largest donors to this institution. Dr. Jones made yet another significant gift in December 2012 and continues to make current and estate gifts.

On behalf of the Institutional Advancement Committee, Mrs. Green moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities, Programs and Activities Committee, approve the naming of the College of Science, Engineering and Technology as the Jesse D. Jones College of Science, Engineering and Technology. Mrs. Sewell seconded and the motion carried.

**Gene W. Ray Science Campus**

Dr. Jackson reported the second recommendation is for naming the Gene W. Ray Science Campus. Many Board members have known Dr. Ray personally many years. It is important to note that several years ago – after the higher education reform of 1997 – Dr. Ray, through his Foundation, provided the seed funds for development of the MSU Telecommunications Systems Management Program. He helped the University develop that program which is now a Program of Distinction recognized statutorily in the Commonwealth. Dr. Ray continues to be extremely
generous to Murray State. Both Dr. Ray and Dr. Jones have given much more than money to Murray State, including their expertise and time. Dr. Ray serves as a member of the MSU Foundation Board of Trustees and both he and Dr. Jones visit campus frequently.

On behalf of the Institutional Advancement Committee, Mrs. Sewell moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities, Programs and Activities Committee, approve the naming of the new Science Campus as the Gene W. Ray Science Campus and a permanent marker denoting this name and Dr. Ray’s biography be permanently erected in the Science Campus area. Mrs. Green seconded and the motion carried.

**Paducah Campus, discussed**

Mrs. Guess stated comments made by individuals in Paducah as well as people around the region in regard to the Paducah Campus illustrate there is concern about the status of the project. She appreciates Board members have indicated support for the project but the concerns being expressed center around fundraising for enhancement of the facility, including technology, furniture and equipment. Dr. Jackson reported a meeting was held yesterday with Dr. Dunn and Mr. Denton in regard to where the University stands financially on the project. A meeting will take place with Dr. Van Horn over the next few months to determine immediate needs which must be met. Confirmation was provided that the administration had previously identified a donor who has made other donations to the University and it was thought some of those funds could be made available for the Paducah project. Given recent events, however, this is no longer the case. Next week the University will review needs and develop a plan to address what will be necessary to complete the facility in terms of technology, furniture and fixtures. Mr. Oatman has undertaken a great deal of work on this issue and has reviewed the financial statements in detail. Potential naming opportunities have also been considered. Dr. Jackson estimates the amount necessary to complete the Paducah Postsecondary Education Center in terms of technology, furniture and equipment to be between $400,000 to $500,000. Dr. Dunn provided confirmation a donor had been approached and was supportive of providing a commitment in that amount to meet these needs. Due to recent events, the donor is no longer inclined to provide that support. Dr. Jackson was informed of this decision and will now work with a number of individuals to determine how to address the issue moving forward but these needs will not likely be met through the generosity of one donor. Due to the short amount of time until the opening of the facility in January 2014, Mrs. Guess indicated this is very disconcerting.

**Adjournment**

The Institutional Advancement Committee adjourned at 11:20 a.m.

**Closed Session**

Mr. Waterfield moved that the Board of Regents convene in Closed Session to discuss a matter which could lead to the appointment, discipline or dismissal of an individual employee, member or student, pursuant to KRS 61.810(1)(f). Mr. Williams seconded and by a show of hands Regents Buchanon, Green, Guess, Johnson, Sewell, Waterfield, Williams and Curris indicated they were in favor of the motion to go into Closed Session. Regents Fister and Schooley indicated they were not in favor of the motion to go into Closed Session. The motion carried.

Dr. Curris indicated the Board anticipates adjourning for lunch following Closed Session with the Plenary Session to resume at 12:45 p.m. Closed Session began at 11:20 a.m. and ended at 11:50 a.m. when the Board adjourned for lunch.

**Quarterly Board of Regents Meeting, reconvened**

Chair Curris reconvened the Quarterly Board of Regents meeting at 12:45 p.m. and reported the Board of Regents went into Closed Session prior to lunch to discuss matters which might lead to the appointment, discipline or dismissal of an employee. No action was taken in Closed Session.
Report of the President

Dr. Dunn reported during the Committee meetings the Board reviewed official enrollment figures for the Spring semester as well as projected enrollment numbers for Fall 2013. Those reports were included with the quarterly updates in the supplemental portion of the eBoard book.

Pursuant to policy and as has been shared with the Regents via email, the Board has a policy in place regarding use of outside areas by non-university groups and any time a change is made to that policy or elements of the policy change in terms of its practical application as President he is obligated to report this to the Board. Given plans for Commencement tomorrow and Congressman Mitch McConnell’s visit to campus, for those who may desire to have an area of open use on campus for purpose of protest or otherwise making their feelings known, the University is opening up another area at the CFSB Center for that purpose and this goes beyond the extant policy which provides a Free Speech Zone adjacent to the Curris Center. Any group moving away from the University Free Speech Zone would normally be required to have a sponsor to be allowed to use that space but in order to not have any controversy or confrontation, a temporary Free Speech Zone has been established for purposes of demonstration during Commencement.

Report of the Constituency Regents, received

Faculty Regent

Dr. Fister reported 28 faculty members were recognized on April 18, 2013, at the Faculty Recognition Banquet for exemplary teaching, research, mentorship and service. If Regents would like a copy of the program extras are available. Members of the faculty were recognized during the event for 10, 15, 20, 25, 30, 35 and 40 years of service – overall representing 845 years of dedication to the University. Retiring faculty members were also recognized.

Appreciation was extended to Jack Rose who served as Chair of the Provost Search Committee, along with 17 other faculty and staff and one MSU student. This process involved many hours of work and all were commended for their efforts. Dr. Rose has also provided invaluable counsel in recent weeks leading up to this Board meeting.

Faculty members have dedicated their time and talents to this institution. Faculty scholarship has been remarkable this year with $6 million (103 grant awards) processed through the Office of Sponsored Programs to date. There have been 457 faculty and 188 staff members over the last five years who have provided services to the Office of Regional Outreach. Approximately 100 faculty members have utilized the Undergraduate Research and Scholarly Activities Office and have been actively involved with 300 students who have been given an opportunity to conduct or present research. Faculty Senate initiatives which will be brought to bear with regard to the Southern Association of Colleges and Schools include assessment, budget, comprehensive salary studies, increased protection for Lecturers and discussion of evaluation of departmental Chairs. The Faculty Senate is working diligently to be forthcoming about issues of which the Board should be aware. Budget issues were discussed earlier and as a component of “Your World to Explore” and it is “The Finest Place We Know” it is believed faculty, staff and students can help this University move forward.

Staff Regent

Mr. Schooley reported a five-page summary of the results of the Staff Perspective Survey was included in the eBoard book and the full results of the study can be found in the Resource Center. A total of 1,038 surveys were distributed with 531 being returned (51.2 percent). Out of 40 questions the three staff agreed most strongly with again this year were: 1) Murray State is highly regarded in the community and region (94.7 percent); 2) Murray State actively contributes to the community and region (94.3 percent) and 3) I am proud to tell people I work for Murray State (92.7 percent). Staff Congress recently held its election and all 30 vacant seats were filled.

Student Regent

Mr. Johnson reported this semester has been a busy one for students across campus, ranging from All Campus Sing to the Step Show and many other events. This year an “Overall
Champion” category was added to the All Campus Sing competition and that award was presented to the Black Student Council. Students collected about a square block of canned food for Needline. The Board was encouraged to attend Honors Day to support MSU students as they prepare for Commencement tomorrow. Today at 5 p.m. there will be a bench dedication outside of Wilson Hall in honor of Miss Ashley Brown, a Murray State student who passed away this past November. He thanked the Board, faculty and staff on campus and those within the community for being there for students this past year. It speaks volumes when the President and two Regents, in addition to the Student Regent, attend various events in support of students and shows no matter where one is located this University represents one big family that is supportive of one another. He is glad to be a Racer.

Chair Curris thanked Mr. Johnson for his report and congratulated him on being re-elected Student Regent. As Regent Buchanon pointed out, Mr. Johnson is only the second student body President to thrice be elected and although Mr. Johnson had good opposition he prevailed.

Spotlight

Dr. Dunn reported strong movement is occurring with the University’s Quality Enhancement Plan (QEP) in conjunction with institutional accreditation and it would be helpful for the Board to be aware of that direction. Robert Pervine, Associate Dean of the College of Science, Engineering and Technology and Adam Murray, Dean of University Libraries, serve as QEP co-directors and presented the following:

- The new QEP topic is “Bring Learning to Life” which includes experiential learning and the application of knowledge and skills in the real world.
- A Quality Enhancement Plan is required by the Southern Association of Colleges and Schools (SACS) as part of the University’s ten-year reaffirmation process. The University does not have an option in terms of whether to undertake the QEP and if this work is not done well sanctions could be imposed.
- The standards related to the QEP are the guidelines within the entire SACS procedure that are forward looking. The remaining SACS compliance reports review the progress of the University over the last ten years. The QEP is meant to be a transformational plan focused on student learning and the learning environment.
- SACS expects the QEP plan will be developed based on assessment results with a focus on learning outcomes that are in alignment with the mission of the University. A focus is also placed on the ability of the institution to successfully complete the plan. One of the most important components SACS is looking for is broad participation in the development and implementation of the plan. SACS does not want this process to be decided and implemented administratively but rather it must “bubbl e up” from the University community.
- As with any plan, SACS requires the QEP to have specific goals and ways to measure whether the University has met those goals.
- Dr. Pervine and Mr. Murray have spent a great deal of time working to secure broad participation across the University community, beginning in Fall 2011 with faculty, staff and students. Surveys were distributed (with associated feedback mechanisms) and conversations have taken place in regard to possible topics for the Quality Enhancement Plan. Effort has been dedicated toward communicating with off-campus groups including alumni, Chambers of Commerce, Town & Gown partners and other employers of MSU students. Throughout this process six broad themes have consistently emerged. These themes were presented to a faculty-led series of work teams that prepared concept papers last summer. Those concept papers were given to a faculty-led review committee this past Fall and that group provided rankings for the identified topics. Two rankings rose to the top and those were presented to the entire University community for feedback. This process resulted in a very clear indication of what the QEP topic should be – the application of knowledge and skills in a real world setting.
- The various work teams involved in QEP include 48 faculty and 22 staff and each team has been charged with soliciting student feedback as work progresses. The different feedback mechanisms provided have amounted to over 1,700 responses and all are pleased with the amount of participation offered by the different constituency groups. An effort has been made to involve classes with different elements of the development of the QEP and a Marketing class worked to develop a Marketing Plan.
- A purpose statement was utilized by the Development Committee which began meeting in the Spring to begin the process of constructing the Quality Enhancement Plan. This statement speaks to improved experiential learning, which represented a guiding principle, and providing professional development that will support problem-solving critical thinking and will include creating thinking activities. The Committee created and refined goals throughout the past semester ultimately culminating in two goals. The first is to improve the institutional environment as it relates to experiential learning with a desire to improve awareness of available opportunities and an increased perception of the value of those opportunities. The second is to actually provide experiential
marketing opportunities. The Marketing class mentioned earlier developed a social media marketing campaign and a group of Art and Design students are working to develop a QEP logo. The name, “Bring Learning to Life,” was the result of a suggestion by an MSU student, illustrating that many elements of the QEP have already involved students.

- It is believed the QEP will dovetail nicely with many of the elements of the Board’s Strategic Directions Statement and will provide distinctive educational experiences. Through co-ops and internships regional partners will be involved in this initiative which will also include regional workforce education. One of the main anticipated outcomes over the course of five years includes a positive impact on the employability of Murray State students, representing a subject which has recently received federal scrutiny as Congress considers issues surrounding student debt and return on investment for a college education.

Chair Curris indicated this obviously represents a SACS expectation for any institution undertaking the reaccreditation process and asked whether the MSU proposal being developed is different from those being developed by other institutions. Dr. Pervine responded that the University’s SACS consultant indicated he had never seen a topic exactly like this before. When considering experiential learning in general there are certainly other universities undertaking similar learning projects but it is believed MSU may be pursuing something unique with this proposal. Mr. Murray reported one of the curriculums involved is instead of solely focusing on experiential learning it is hoped a range of different initiatives that apply to the concept of application of knowledge in a real world setting can be included, such as critical thinking, the ability to think creatively and information literacy. The goal is to scale this concept across the entire University curriculum in a flexible way so the academic departments can focus on providing students with the skills necessary for entering their respective workforce.

**Report of the Treasurer, accepted**

Mr. Denton reported the following with regard to the Financial and Investment Reports:

- With regard to the Statement of Net Assets as of March 31, 2013, cash and general investments are $122 million – up $5.6 million from prior year.
- Capital assets increased $4.6 million and include Elizabeth Hall capitalization and the Basketball Practice Facility. Bonds decreased by $4.1 million but this number will increase once bonds are issued this summer for Hester Hall.
- With regard to the revenue and expenditure report for the General Fund (nine months ended March 31), the budget for net student tuition and fees is approximately $75 million and the University is currently at about $73 million but by the end of the year with normal summer school enrollment the University will likely be $500,000 to $800,000 in excess of the tuition budget.
- The bottom line is approximately $24.8 million compared to $21.5 million indicating the University is $3.4 million better off at this point compared to last year. Although there may be some timing differences, overall a healthy bottom line increase is expected. The University must also overcome carryovers utilized in the current budget ($1.9 million).
- Auxiliaries have experienced a good year and at this point are $1.3 million higher than prior year with almost all of the increase being in the Dining Services area because revenue is up and costs are down. Much of the auxiliaries excess will be applied toward upcoming bond payments for Hester Hall.
- A question was asked in terms of capital projects, including an expansion of Winslow Dining Hall at some future point, and whether there would be an expectation that project would be self-supporting from these excess revenues or whether it would represent a bond issue. Mr. Denton indicated there has been discussion that this may be a larger project (in excess of $1 million) which would require “piggybacking” onto another bond issue. If the University is able to undertake this work in increments over a period of time, then the project could be covered by utilizing excess revenues.
- Current fund realized earnings are approximately $700,000 compared to $755,000 in prior year due to interest rates in the Frankfort banking account not being as healthy as last year.
- There has been a significant increase in Endowment Funds (MSU Foundation) of 16.01 percent with over $1 million in earnings compared to $400,000 at this point last year.
- The majority of Plant Funds have been expended for capital projects.
- Information was provided on University expenditures over $25,000 for facilities, grants and non-recurring or non-routine items which were incurred during this reporting quarter. Information was provided on Personal Services Contracts over $10,000 and Memorandum of Agreements over $50,000 during fiscal year 2012-13.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period July 1, 2012, through March 31, 2013, as presented. Mrs. Sewell seconded and the motion carried.

(See Attachment #1)
**Report of the Registrar, approved**

Dr. Dunn reported under Kentucky Statute the Board is required to approve or ratify the awarding of degrees. A list of graduates commencing in Spring 2013 has been provided. Mr. Schooley moved that the Board of Regents ratify the awarding of the degrees to individuals on May 11, 2013, as recommended by the Registrar. Mr. Williams seconded and the motion carried.

(See Attachment #2)

**Gifts-in-Kind, accepted**

Dr. Dunn reported the University is presenting two gifts-in-kind which reach the threshold requiring Board approval for acceptance and background information was provided for each gift. The gift of prepaid journal article downloads will benefit the University Libraries and is part of the Hilda Jones Estate and the gift of five purebred Yorkshire bred gilts will be used to restart the University’s swine barn operation and were donated by O. L. Robertson who is well-known in the Hutson School of Agriculture.

Dr. Curris indicated several years ago there was public and negative reaction to the wonderful aromas resulting from the University’s swine operation and asked if a similar situation was anticipated with this gift. Dr. Dunn stated no problems were expected, the issue had been vetted out in the discussions about restarting the program and the operation will be monitored closely.

**Prepaid Journal Article Downloads – University Libraries and Five Purebred Yorkshire Bred Gilts – Hutson School of Agriculture**

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of 989 Prepaid Journal Article Downloads valued at $21,758 which were donated by the Hilda Jones Estate of Murray, Kentucky. He further moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of Five Purebred Yorkshire Gilts valued at $7,890 which were donated by O. L. Robertson of Puryear, Tennessee. Mrs. Guess seconded and the motion carried.

**Personnel Changes, approved**

Dr. Dunn is pleased to present to the Board for approval the appointment of Jay Morgan as Provost and Vice President for Academic Affairs. Dr. Fister earlier thanked Dr. Rose who served as Search Committee Chair as well as other members serving on the Committee and Dr. Dunn reported he followed the work of the Committee and was available for consultation. The Search Committee did an outstanding job, served the University well and presented him with an outstanding recommendation in Dr. Morgan. It is particularly pleasing Dr. Morgan has been serving as the University’s SACS reaccreditation liaison and as that work is approached in 2013-14, culminating with the on-site visit, he believes it is particularly helpful to maintain this continuity.

Chair Curris stated as a former Regent Dr. Morgan should feel comfortable in this venue and asked if he would make a few comments. Dr. Morgan personally thanked the Search Committee, many who have sent congratulatory letters for, hopefully, confirmation this morning. He is pleased, humbled and honored to be considered by the representatives of the constituency groups who participated in the interview process. Two-full days were spent interviewing on campus and the process was clean and efficient. He is constantly impressed by the breadth of the MSU faculty and dedication of staff. Most importantly, he is proud of and pleased to work with MSU students. He looks forward to working with the Board and with the various constituency groups across campus in his role as Provost and Vice President for Academic Affairs.

**Appointment of Provost and Vice President for Academic Affairs**

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Dr. Joseph A. Morgan as Provost and Vice President for Academic Affairs, at a fiscal year salary of $160,000, effective July 1, 2013. Dr. Fister seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes; Mrs.
Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Chair Curris reported Dr. Thornton excused herself from the meeting in order to travel back to the Nashville airport to attend a retirement gala being held in her honor tonight upon retirement after a distinguished record as President of the Cuyahoga Community College. Prior to departing Dr. Thornton asked him to convey her endorsement of Dr. Morgan’s appointment.

**Regents Professor Emeritus Designation**

Dr. Dunn reported in similar situations – which was the case with former Provost Gary Brockway – the Board approved the honorary designation of *Regents Professor Emeritus* in situations where imminent qualifications calls for such and given Dr. Higginson’s distinguished service and return to the faculty he is honored to recommend her for the designation of *Regents Professor Emeritus*.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the *Regents Professor Emeritus* designation for Bonnie Higginson, effective July 1, 2013, in recognition of her distinguished service and invaluable leadership to Murray State University. Mr. Williams seconded and the motion carried.

**Professor Emeritus Designations**

Dr. Dunn reported there is also the situation where retiring professors at different professorial ranks are leaving the University after distinguished service and, where appropriate, they can be recommended to receive *Professor Emeritus* designation. This represents an honorary designation and has no benefit in terms of salary or position but provides access to certain benefits at the University and the individuals named deserve this designation. According to the Murray State University Bulletin, the rank of *Professor Emeritus* is assigned to Assistant Professors, Associate Professors or Professors who have limited or terminated their responsibilities as ranked faculty members after ten or more years of distinguished service to MSU. The presented designations have the support of the Provost.

Dr. Fister moved that the Board of Regents, upon the recommendation of the President of the University, approve extending the honorary title of *Professor Emeritus* to the following retiring faculty members, effective May 15, 2013:

- Lillian Daughaday, Associate Professor – Political Science and Sociology
- Richard Dougherty, Professor – Art and Design
- Andrew Kellie, Professor – Industrial and Engineering Technology
- Robert Martin, Professor – Biological Sciences
- Bonnie McNeely, Professor – Management, Marketing and Business Administration
- Creighton Miller, Professor – Applied Health Sciences
- Janis Murphy, Associate Professor – Educational Studies, Leadership and Counseling
- Pamela Rice, Associate Professor – Applied Health Sciences
- Stephen White, Associate Professor – Biological Sciences

Mr. Schooley seconded and the motion carried.

**Faculty Early Retirement Contract**

Dr. Dunn reported a part-time Early Retirement Contract is being requested for faculty member Lillian Daughaday. Dr. Daughaday is worthy of *Professor Emeritus* status upon her retirement but particularly in her area of Sociology – which is experiencing a resurgence – her services can be utilized to assist the University in covering courses in the newly-named Department of Political Science and Sociology. The Early Retirement Contract being recommended is for a term of two years.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the following faculty application for early retirement:

- Lillian Daughaday – Professor Emeritus
  Department of Political Science and Sociology – College of Humanities and Fine Arts
  2013-14 – $29,934 for half-time appointment for the academic year
Mr. Schooley seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes (exclusive of Kentucky Revised Statute – KRS – in regard to salary); Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Staff Early Retirement Contract

Dr. Dunn reported a Staff Early Retirement Contract is being submitted to the Board for consideration. A four-year contract is being recommended for Tom Denton and represents a typical half-time post-retirement contract. In discussions with Mr. Denton and others on his staff, it is believed there is a need for continued coverage in certain areas of functionality within that vice presidential area. The best use of Mr. Denton’s time, talent and attention would be particularly dedicated toward overseeing the University’s property and debt management work. For some number of years discussion has taken place about one person overseeing all of the University’s property management but due to financial considerations this recommendation has not been moved forward because it would add another staff member which has caused some concern. In structuring the proposed Early Retirement Contract it is believed it will allow for the most effective use of Mr. Denton’s time to cover a large body of work within that vice presidential area and could be particularly helpful moving forward. There is presidential authority to move forward with this recommendation – and although the Board may want to have some discussion – this presents an opportunity for a member of Mr. Denton’s senior staff to provide interim coverage and that represents Dr. Dunn’s recommendation. Chief Facilities Officer Kim Oatman would also be utilized in terms of expanding his portfolio to take on oversight in one particular area to “even out” the load across leadership in Finance and Administrative Services. Dr. Dunn expressed his deep thanks for outstanding service by Mr. Denton to the University which is very much appreciated.

Mr. Williams has communicated with the Board on this issue via email and will not repeat that here but has also had considerable discussion with Mr. Denton over the last week, as well as communication with the President. Mr. Denton has provided 24 years of distinguished service to this University, is owed a huge debt of gratitude for his extraordinary work and will be missed terribly. Mr. Denton is an extraordinary Vice President for Finance and Administrative Services and is wished well. The University is extremely lucky to be able to have him continue his work in a part-time capacity and it is hoped an opportunity to thank him will be presented to the Board in June.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the following application for early retirement:

Effective with the 2013-14 fiscal year contract:

Thomas W. Denton (Effective July 1, 2013, through June 30, 2017)
Vice President Emeritus and Director for Property and Debt Management
2013-14 – $82,275 for half-time administrative appointment plus any salary adjustment for 2013-14 and future salary adjustments in accordance with University policies and procedures

Mr. Waterfield seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes (exclusive of salary as per KRS); Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Staff Leaves of Absence Without Pay

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ray Chapman</td>
<td>Dining Services</td>
<td>3/1/13-4/17/13</td>
</tr>
<tr>
<td>Karen Dowdy</td>
<td>Accounting &amp; Financial Services</td>
<td>2/22/13-2/22/13*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2/28/13-2/28/13*</td>
</tr>
<tr>
<td>Tina Flener</td>
<td>Procurement Services</td>
<td>1/4/13-1/22/13</td>
</tr>
</tbody>
</table>

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay as listed below:
Committee Reports/Recommendations

Academic Affairs Committee – Dr. Thornton

Chair Curris intervened in Dr. Thornton’s absence.

New Degree Program Proposal – Bachelor of Science in Community Health, approved

Chair Curris reported the Board earlier received a thorough briefing of a new degree program proposal – the Bachelor of Science in Community Health. The Academic Affairs Committee voted unanimously to recommend approval of that proposal to the full Board for adoption and asked if there is a motion to approve the Bachelor of Science in Community Health degree.

On behalf of the Academic Affairs Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal from the University Academic Council for a new degree program – Bachelor of Science in Community Health. Mr. Williams seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

New Degree Program Proposal – Bachelor of Science in Business/Bachelor of Arts in Business and Logistics and Supply Chain Management, approved

Chair Curris reported the second recommendation from the Academic Affairs Committee is for approval of a new degree program – the Bachelor of Science in Business/Bachelor of Arts in Business and Logistics and Supply Chain Management. An excellent report was received during the morning Committee meeting and the Academic Affairs Committee recommends adoption of this program proposal and its implementation. He requested a motion to that effect.

On behalf of the Academic Affairs Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal from the University Academic Council for the new Bachelor of Science in Business/Bachelor of Arts in Business and Logistics and Supply Chain Management. Mr. Schooley seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Regents Teaching Excellence Awards, approved

Chair Curris indicated the third recommendation from the Academic Affairs Committee is to recognize and authorize the Regents Teaching Excellence Awards. Discussion centered on how pleased all are with the recognition of outstanding teaching on the MSU campus. He requested a motion to approve these awards.
On behalf of the Academic Affairs Committee, Dr. Fister moved that the Board of Regents, upon the recommendation of the President of the University, approve the faculty listed below as Regents Teaching Excellence Awardees for 2013.

Holly Rudolph  Arthur J. Bauernfeind College of Business
Jeanetta Riley  College of Education
Sharon Hart  College of Health Sciences and Human Services
Lissa Graham  College of Humanities and Fine Arts
Dale Leys  College of Humanities and Fine Arts
Lara Homsey  College of Science, Engineering and Technology
Timothy Schroeder  College of Science, Engineering and Technology
Katherine Farmer  University Libraries

Mrs. Green seconded and the motion carried.

Audit and Compliance Committee – Mr. Waterfield

Auditor’s Report, accepted

Mr. Waterfield reported that the Audit and Compliance Committee and the full Board had a phone conference with RubinBrown representatives Jeff Winter and Jason Callaham outlining the FY13 Audit Plan. This report was presented for informational purposes only and required no action.

On behalf of the Audit and Compliance Committee, Mr. Williams moved that the Board of Regents accept the Auditor’s Report. Mrs. Sewell seconded and the motion carried.


Enrollment Management and Student Success Committee – Mrs. Buchanon – No Report.

Finance Committee – Mr. Williams

Mr. Williams reported the Finance Committee met to discuss a number of recommendations relative to the University Budget and those will be handled in the order listed on the agenda. The Board will meet in Special Session in June for final Budget approval which will include the Budget assumptions being approved today.

2013-14 Tuition and Mandatory Fees, approved

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached 2013-14 undergraduate, graduate and doctoral tuition and mandatory fee rates representing a 3 percent increase for the 2013-14 academic year. Mr. Schooley seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, no; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

(See Attachment #3)

2013-14 Dining Rates, approved

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached 2013-14 meal plan rates based on a 4 percent increase for all meal plans. Mr. Schooley seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, no; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

(See Attachment #4)
2013-14 Housing Rates, approved with revision

Mr. Williams reported the initial recommendation to the Board of Regents, upon the recommendation of the President of the University, was to approve the attached room rate increases for the Residence Halls and College Courts as recommended by the housing consultants (MGT of America, Inc.) in the Student Housing Strategic Plan.

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached room rate increases for the Residence Halls and College Courts as recommended by the housing consultants (MGT of America, Inc.) in the Student Housing Strategic Plan. The Board further moved to amend the recommendation to approval of the Plan as originally presented for the first year only with the remainder of the housing study to be reviewed and discussed in further detail. Mr. Waterfield seconded and the roll was called with the following voting: Mrs. Buchanan, yes; Dr. Fister, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, no; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

(See Attachment #5)

Budget Planning and Review Team Recommendations, approved with amendments

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents approve the following Budget Planning and Review Team Recommendations with any associated amendments.

Recommendations directly affecting students but not included in the projected budget:

Item #116 – Add a main-campus only, per semester fee of $25 to support Student Health Services – deferred for further study, including identifying alternatives for student health services

Item #118 – Student Government Association appropriation will match the original mandatory fee allotment adjusted for inflation increases since 1999-2000 – eliminated from BPR implementation

Recommendations included in the projected budget:

Item #62 – Reduce housing scholarships by $80,000 a year for three years, to a maximum of $240,000 – eliminated from BPR implementation

Item #193 – Reduce non-federal, non-grant student work accounts by 10 percent – eliminated from BPR implementation

Item #102 – Combine the current Summer Orientation Fee ($130) and Graduation Fee ($30) into a one-time Matriculation Fee ($150) paid by all new students – implementation deferred to 2014-15

Item #190 – Reduce Legacy waiver to half the difference between in-state and out-of-state tuition rates starting with new students (grandfather existing Legacies); for Regional State Legacies, continue to apply regional discount first, then add up to $1,000 capping the addition of Legacy add-on to the in-state tuition rate – implementation deferred for one year to 2014-15

Item #127 – Eliminate graduate tuition waivers for spouses and partners – revised to decrease the reduction from $175,000 to $100,000 and allow the University to grant two graduate course waivers totaling six credit hours per academic year for spouses and partners

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

Chair Curris reported it was expressed earlier by the Chair of the Committee and others that this concludes Board action in terms of the Budget Planning and Review Team recommendations and
some items have been deferred for further study. These approved recommendations were necessary to deal with the deficit encountered by virtue of the reduction in state appropriations. The Board commends the process undertaken and thanked everyone who participated.

**Budget Assumptions, revised**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents approve two additional budget assumption revisions as follows:

1) A 1.5 percent increase in enrollment be assumed instead of the 2 percent enrollment increase recommended by the President of the University; and

2) A 3.5 percent across-the-board salary increase be approved for faculty and staff with the notation if the University has a solid financial performance year the Board would prioritize advancing further faculty and staff salaries as much as possible next year.

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

**Bond Issuance – Hester Hall, adopted**

Mr. Williams reported the Finance Committee received a presentation on the Bond Issuance for Hester Hall from Mr. Denton and the University's Bond Agent Greg Phillips (Hilliard Lyons).

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, adopt the attached Resolution providing authorization, issuance and sale of approximately $15,795,000 General Receipts Bonds, 2013 Series A, pursuant to the Trust Agreement dated as of May 1, 2007, and a Fourth Supplemental Trust Agreement to be dated as of the first day of the month in which the bonds are issued. Dr. Fister seconded and there being no further discussion the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

(See Attachments #6 and #7)

**Six-Year Capital Plan and Biennial Budget Request, approved**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Six-Year Capital Plan and Biennial Budget Request as presented. Mrs. Green seconded and there being no further discussion the roll was called with the following voting: Mrs. Buchanan, yes; Dr. Fister, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

(See Attachments #8 and #9)

**Institutional Advancement Committee – Mrs. Guess**

Mrs. Guess reported the Institutional Advancement Committee is advancing two naming recommendations – the Jesse D. Jones College of Science, Engineering and Technology and the Gene W. Ray Science Campus. In addition, the Committee discussed the status of the Paducah Campus and determined required enhancements to the facility will be addressed through the Development Office. All are hopeful work on this initiative will begin immediately.

**Naming Proposals, approved**

*Jesse D. Jones College of Science, Engineering and Technology*

On behalf of the Institutional Advancement Committee, Mrs. Sewell moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming...
of Campus Facilities, Programs and Activities Committee, approve the naming of the College of Science, Engineering and Technology as the Jesse D. Jones College of Science, Engineering and Technology. Mrs. Guess seconded and the motion carried.

**Gene W. Ray Science Campus**

On behalf of the Institutional Advancement Committee, Mr. Johnson moved that the Board of Regents, upon the recommendation of the President of the University and the University Naming of Campus Facilities, Programs and Activities Committee, approve the naming of the new Science Campus as the *Gene W. Ray Science Campus* and a permanent marker denoting this name and Dr. Ray’s biography be permanently erected in the Science Campus area. Mr. Schooley seconded and the motion carried.

**Regional Services Committee – Mrs. Green – No Report.**

**Ad Hoc Contract Review Committee – Dr. Curris**

Chair Curris indicated the Ad Hoc Contract Review Committee has no report and with the blessing of this Board will cease to exist. Hearing no reasons why this Committee should remain in existence it was declared retired.

**2013-14 Faculty Promotion Recommendations, approved**

Dr. Higginson reported a pleasant part of her job as Provost is to be able to recommend faculty for promotion. A total of 24 faculty are being recommended for promotion, with 18 being recommended for promotion to Associate Professor and six for promotion to the rank of Professor. Each has been properly vetted through the promotion process which involves adherence to strict criteria and procedures within each of the decision-making units.

Dr. Fister moved that the Board of Regents, upon the recommendation of the President of the University, approve the following faculty for promotion to the respective rank, effective with the 2013-14 academic year:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>PROMOTE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Amanda Grossman</td>
<td>Accounting</td>
<td>Associate</td>
</tr>
<tr>
<td>*Si Chen</td>
<td>Computer Science and Information Systems</td>
<td>Associate</td>
</tr>
<tr>
<td>*Barbara Washington</td>
<td>Adolescent, Career and Special Education</td>
<td>Associate</td>
</tr>
<tr>
<td>*Yuejin Xu</td>
<td>Educational Studies, Leadership and Counseling</td>
<td>Associate</td>
</tr>
<tr>
<td>Alan Bakes</td>
<td>Educational Studies, Leadership and Counseling</td>
<td>Associate</td>
</tr>
<tr>
<td>*Rory Goggin</td>
<td>English and Philosophy</td>
<td>Associate</td>
</tr>
<tr>
<td>*Timothy Johns</td>
<td>English and Philosophy</td>
<td>Associate</td>
</tr>
<tr>
<td>*Paul Walker</td>
<td>English and Philosophy</td>
<td>Associate</td>
</tr>
<tr>
<td>*Martin Battle</td>
<td>Political Science and Sociology</td>
<td>Associate</td>
</tr>
<tr>
<td>*Kathy Callahan</td>
<td>History</td>
<td>Associate</td>
</tr>
<tr>
<td>*David Pizzo</td>
<td>History</td>
<td>Associate</td>
</tr>
<tr>
<td>*Todd Hill</td>
<td>Music</td>
<td>Associate</td>
</tr>
<tr>
<td>Sue-Jean Park</td>
<td>Music</td>
<td>Associate</td>
</tr>
<tr>
<td>*Ian Norris</td>
<td>Psychology</td>
<td>Associate</td>
</tr>
<tr>
<td>*Anthony Ortmann</td>
<td>Geosciences</td>
<td>Associate</td>
</tr>
<tr>
<td>*Masaru Okuda</td>
<td>Industrial and Engineering Technology</td>
<td>Associate</td>
</tr>
<tr>
<td>*Dina Byers</td>
<td>School of Nursing</td>
<td>Associate</td>
</tr>
<tr>
<td>Barbara Kearney</td>
<td>School of Nursing</td>
<td>Associate</td>
</tr>
<tr>
<td>Barbara Cobb</td>
<td>English and Philosophy</td>
<td>Professor</td>
</tr>
<tr>
<td>Cynthia Gayman</td>
<td>English and Philosophy</td>
<td>Professor</td>
</tr>
<tr>
<td>Latricia Trites</td>
<td>English and Philosophy</td>
<td>Professor</td>
</tr>
<tr>
<td>Scott Locke</td>
<td>Music</td>
<td>Professor</td>
</tr>
<tr>
<td>Wade Northington</td>
<td>Breathitt Veterinary Center</td>
<td>Professor</td>
</tr>
<tr>
<td>Kathleen Farrell</td>
<td>School of Nursing</td>
<td>Professor</td>
</tr>
</tbody>
</table>

*Faculty also being recommended for tenure.

Mr. Schooley seconded and there being no further discussion the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes (exclusive of KRS with regard to salary);
Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

2013-14 Faculty Tenure Recommendations, approved

Dr. Higginson reported this represents the most important decision in a faculty member’s life and she is pleased to recommend 19 individuals for tenure at Murray State University. They have been thoroughly vetted at the department, collegiate and Provost levels.

Dr. Fister moved that the Board of Regents, upon the recommendation of the President of the University, approve the granting of tenure to the following faculty, effective with the 2013-14 academic year:

<table>
<thead>
<tr>
<th>NAME</th>
<th>DEPARTMENT</th>
<th>PRESENT RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Amanda Grossman</td>
<td>Accounting</td>
<td>Assistant</td>
</tr>
<tr>
<td>*Si Chen</td>
<td>Computer Science and Information Systems</td>
<td>Assistant</td>
</tr>
<tr>
<td>Jeffrey Seaton</td>
<td>Management, Marketing and Business Administration</td>
<td>Assistant</td>
</tr>
<tr>
<td>*Barbara Washington</td>
<td>Adolescent, Career and Special Education</td>
<td>Assistant</td>
</tr>
<tr>
<td>*Yuejin Xu</td>
<td>Educational Studies, Leadership and Counseling</td>
<td>Assistant</td>
</tr>
<tr>
<td>Sharon Hart</td>
<td>Applies Health Sciences</td>
<td>Assistant</td>
</tr>
<tr>
<td>*Timothy Johns</td>
<td>English and Philosophy</td>
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<td>*David Pizzo</td>
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<td>Patricia Long</td>
<td>Psychology</td>
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<td>Psychology</td>
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<td>*Anthony Ortmann</td>
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<td>*Masaru Okuda</td>
<td>Industrial and Engineering Technology</td>
<td>Assistant</td>
</tr>
<tr>
<td>Kimberly Bellah</td>
<td>Agricultural Sciences</td>
<td>Associate</td>
</tr>
<tr>
<td>*Dina Byers</td>
<td>School of Nursing</td>
<td>Assistant</td>
</tr>
</tbody>
</table>

*Faculty also being recommended for promotion to the next highest rank.

Mr. Schooley seconded and there being no further discussion the roll was called with the following voting: Mrs. Buchanon, yes; Dr. Fister, yes (exclusive of KRS with regard to salary); Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; Mr. Williams, yes; and Dr. Curris, yes. The motion carried.

Hester Hall Energy Exemption, approved

Dr. Dunn reported that given the change in leadership on the Buildings and Grounds Committee Mr. Oatman would handle presentation of the Hester Hall Energy Exemption. Mr. Oatman reported the Board just approved the bond issuance for Hester Hall renovations. The University is moving forward with this project and by utilizing other funds the design process began in March. Through the design process the consultant identified an issue that is now being shared with the Board. State statute requires renovations or projects above $5 million be LEED certified. Section 2(2) of the statute refers to the requirement to be LEED certified and Section 2(3) requires seven points be met on the Optimized Energy Performance Line on the LEED scorecard. Section 2(4) requires the building to meet an Energy Star Rating (for which there are no exemptions) but the statute does allow for exemptions for the LEED certification and the seven point requirement. The consultants do not feel as though there will be an issue meeting LEED certification but with the renovation it will be very difficult to meet the seven point requirement. Requirements for an exemption include whether it will move the project over budget and if it does meet Energy Star Rating requirements then exemptions are allowed. The renovation will meet the Energy Star Rating and the LEED certification requirements. An exemption is being requested for Section 2(3) for meeting seven points on optimized energy performance. A letter to this effect was provided to the Board.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the exemption from the statutory requirement of 200 Kentucky
Administrative Regulation (KAR) 6:070, Section 2(3). Mrs. Sewell seconded and there being no further discussion the motion carried.

Resolution of Appreciation – Jack Rose, accepted

Dr. Curris welcomed Jack Rose and his wife Janice and indicated the Board is delighted they are present today. Dr. Curris read the following resolution:

MURRAY STATE UNIVERSITY
BOARD OF REGENTS

RESOLUTION OF APPRECIATION

JACK ROSE

WHEREAS, Jack Rose has served with distinction as the faculty representative to the Board of Regents of Murray State University; and

WHEREAS, he was elected to this Board of Regents by his fellow faculty members in September 2010; and

WHEREAS, Jack Rose provided leadership on the Board through service as Chair of the Buildings and Grounds Committee and rendered service as a member of the Academic Affairs, Finance and Institutional Advancement committees of the Board of Regents; and

WHEREAS, Jack Rose’s service often required the sacrifice of valuable time and the contribution of many hours of difficult work which was rendered selflessly, without reference to personal inconvenience; and

WHEREAS, it is the earnest hope of his fellow Regents that Jack Rose continue his valued service to Murray State University in future years, and it is their expectation that Murray State faculty will continue to benefit from his thoughtful advocacy on major issues of policy;

NOW, THEREFORE, ON THIS 10TH DAY OF MAY, TWO THOUSAND AND THIRTEEN, BE IT RESOLVED that the Board of Regents of Murray State University express to Jack Rose their deep appreciation for his dedicated service to the University and their abiding respect and esteem for his many contributions to the Board;

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

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Resolution of Appreciation for Jack Rose. Mrs. Guess seconded and the motion carried.

Chair Curris added that Dr. Rose and Janice have been philanthropists for this University, have done much to advance various causes and all are grateful to both for their work. Dr. Rose stated he is glad Janice came with him for two reasons – 1) she loves him and 2) a few people around this room know the other reason. With that having been said, he is glad Janice is here. He thanked the Board of Regents for this Resolution and while it may be a little bit overboard he appreciates it just the same. He complimented Dr. Fister and indicated all who have been with her here today already know these two things – 1) she is prettier than he is and 2) she is smarter than he is. The faculty got a real boost with Dr. Fister and he is pleased she is representing the faculty and working on behalf of the faculty and staff. He welcomed her to the Board and acknowledged the hard work she will be expected to undertake in the future. He and Janice both have two degrees from Murray State University and both are first generation college graduates. He has a niece and Janice has a nephew – both first generation college graduates – and the niece has two degrees from Murray State. Their son has two degrees from MSU. He and Janice are both very thankful to this institution because it means so much to so many people. He is glad he
was able to serve on the Board at a time when he believes the Board extended itself and the University to the point where MSU is now a comprehensive, regional university. While he was on the Board there are two very clear examples of this – the delegation from Hickman County High School presentation to the Board in regard to the Falcon Academy and the four river counties and all the work which has taken place with local businesses which evolved into the Racer Academy within the region and beyond. All can be proud that Murray State is a high quality regional university. He is glad to be able to be a part of this and appreciates the efforts of all. He leaves with one challenge and that is for everyone in this room and everyone who loves this institution and who knows the capacity of this University to work hard to ensure MSU moves forward in a positive direction. Appreciation was expressed to Dr. Rose for his comments.

Resolution of Appreciation – Retiring Faculty and Staff, accepted

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Resolution for Retiring Faculty and Staff as presented below:

BOARD OF REGENTS
MURRAY STATE UNIVERSITY
Resolution

WHEREAS, the following faculty and staff members of Murray State University are retiring or have retired during the 2012-13 academic year.

Barry Brown, Economics and Finance, 22 years
Lillian Daughaday, Sociology, 32 years
Richard Dougherty, Art and Design, 21 years
Bonnie Higginson, Early Childhood and Elementary Education, 34 years
Marcia Johnson, English and Philosophy, 21 years
Andrew Kellie, Industrial and Engineering Technology, 31 years
Robert Martin, Biological Sciences, 20 years
Bonnie McNeely, Management, Marketing and Business Administration, 26 years
Sam McNeely, Management, Marketing and Business Administration, 26 years
Creighton Miller, Applied Health Sciences, 21 years
Janis Murphy, Educational Studies, Leadership and Counseling, 22 years
Gerald Novak, Educational Studies, Leadership and Counseling, 5 years
Pamela Rice, Applied Health Sciences, 31 years
Kathryn Timmons, Applied Health Sciences, 30 years
Stephen White, Biological Sciences, 32 years

Susan Adams, University Libraries, 29 years
Judy A. Crunk, Breathitt Veterinary Center, 33 years
Ricky E. Dail, CFSB Center, 10½ years
Thomas W. Denton, Finance and Administrative Services, 24 years
Glen D. Edwards, Dining Services, 28½ years
William A. Franklin, Teacher Quality Institute, 12 years
James French, Public Safety and Emergency Management, 8½ years
Bobby D. Galloway, Facilities Management, 27½ years
Roberta Garfield, Health Services, 35 years
Hal Kingins, Facilities Management, 8½ years
Fügen Muscio, Institutional Research and Accountability, 30 years
Gaynell Pritchett, Facilities Management, 10 years
Paul B. Radke, Office of Development, 27 years
Samuel Rice, Information Systems, 29 years
Gerald Sons, Facilities Management, 9½ years
Linda Sue Thompson, College of Humanities and Fine Arts, 18 years
Deborah S. Wagoner, Facilities Management, 26 years

WHEREAS, they have served Murray State University faithfully, loyally and professionally; and

WHEREAS, the University is cognizant and appreciative of the vital support and services of these members; and

WHEREAS, they have served the students of Murray State University on a daily basis with warmth, understanding and concern and have performed their responsibilities in a dedicated manner;
NOW, THEREFORE, ON THIS 10TH DAY OF MAY, TWO THOUSAND AND THIRTEEN,
BE IT RESOLVED that the University recognize these individuals and their collective total of
740 years of service to Murray State University; and

BE IT FURTHER RESOLVED that the Board of Regents expresses its deep and heartfelt
appreciation to these faculty and staff for their loyalty and devotion to the institution and their
contributions to the betterment of the University.

Constantine W. Curris, Chair
May 10, 2013

Mrs. Guess seconded and there being no further discussion the motion carried.

The Board adjourned for a break beginning at 2 p.m. Dr. Curris reconvened the Quarterly Board
of Regents meeting at 2:10 p.m.

**Board of Regents Organizational Issues**

**Meeting Dates for 2013-14, approved**

Chair Curris indicated he would like to select the September Quarterly meeting date and the date
for the Annual Planning Retreat and Work Session. When the Board meets in Special Session on
June 7, 2013, it will likely adopt the full meeting schedule for 2013-14. Dr. Thornton had to
leave early and this will at least give her time to provide input in terms of her schedule prior to
the June meeting. The Board of Regents Annual Planning Retreat and Work Session was
scheduled for Thursday, September 5, 2013, and the Quarterly Board of Regents meeting was
scheduled for Friday, September 6, 2013.

**Officers for 2013-14 – Chair, Vice Chair and Secretary, elected**

Dr. Curris indicated he would turn the gavel over to the Secretary who stated in accordance with the
*Bylaws* of the Board of Regents, all officers are elected annually at the spring Quarterly
meeting and shall serve for one year, commencing July 1 following their election, and a separate
election will be conducted to elect each of the officers: Chair, Vice Chair and Secretary. The
Treasurer is appointed by the Board, serves at the pleasure of the Board and shall not be a
member of the Board.

The Secretary declared nominations for Chair of the Board of Regents are in order. In
accordance with the *Bylaws* of the Board each member will be recognized for the purpose of
making a nomination. Recognition of members shall be in the same order as roll call and
nominations require no second. If a Regent is nominated for any office they may withdraw their
name from consideration. After each member has had a roll call opportunity to make a
nomination if only one name has been placed in nomination for that office the person will be
declared elected by unanimous consent. If more than one name is placed in nomination for an
office a vote shall be taken and should this occur additional information will be provided at that
time.

The Secretary called the roll for nominations for Chair of the Board of Regents and Mrs.
Buchanon nominated Dr. Constantine Curris. All others passed. The Secretary indicated there
being only one nomination for Chair Constantine Curris is elected Chair by unanimous consent,
according to the *Bylaws* of the Murray State University Board of Regents.

Dr. Curris thanked the Board for electing him Chair and indicated he hopes he can be helpful
during this next year of transition but emphasized a couple of years ago he expressed his
personal belief that there is a lot of talent on this Board to serve in certain positions. The Board
has elected him Chair and he accepts that nomination but will not be a candidate for election one
year from now and all should think about future leadership for the Board.

Chair Curris indicated the election for Vice Chair would be undertaken following the same
procedure and opened the floor for nominations. The roll was called for nominations for Vice
Chair of the Board of Regents. Mrs. Buchanon passed. Dr. Curris nominated Marilyn
Buchanon. All others passed. Dr. Curris indicated there being only one nomination for Vice
Chair Marilyn Buchanon is elected Vice Chair by unanimous consent, according to the Bylaws of the Murray State University Board of Regents.

Chair Curris opened the floor for nominations for Secretary. The roll was called for nominations for Secretary of the Board of Regents. Mrs. Buchanon nominated Jill Hunt. All others passed. Chair Curris indicated there being only one nomination for Secretary Jill Hunt is elected Secretary by unanimous consent, according to the Bylaws of the Murray State University Board of Regents.

Treasurer, reappointed

Chair Curris stated the Board of Regents would like to appoint Tom Denton as Treasurer and Mr. Denton reported he would act in the position of Treasurer until the Board appoints a new Treasurer which is not required today although he will retire June 30, 2013. Chair Curris indicated the Board of Regents will reappoint Mr. Denton and will reconsider and address this issue at the next meeting. Appreciation was expressed to Mr. Denton for his service and future service.

Board Committee Structure, discussed

Chair Curris indicated all will recall when the Board of Regents adopted the current Committee structure it was based in fair measure on an existing structure and after a period of use the Board would evaluate its effectiveness. That time period has passed and the Board should decide whether changes need to be made to the current Committee structure. He is not referring to the appointments to the Committees. Once the Board decides what the appropriate Committee structure will be the Chair will ask Board members to identify committees they would like to be appointed to. To the degree that it is feasible, he will try to ensure Board members receive at least a couple of their preferences. Chair Curris opened the floor for discussion in terms of changes Board members would like to make to the Committee structure.

Mr. Waterfield indicated he sees no need to change the current Committee structure and good discussions took place at the time when the current structure was first adopted. Mrs. Guess initially did not like the Committee structure but as time has passed believes it does work. Mrs. Sewell believes the Committee structure works except there is no Chairman for the Buildings and Grounds Committee. If everything remains the same with the Committee structure, all should remember Regent Phil Schooley has a great deal of knowledge in this area and is here on campus and understands how buildings are utilized. Chair Curris indicated given the sentiment to continue the current Committee structure for the coming year, Board members should indicate to him those Committees they would prefer to serve on if they have not already done so. He will be in touch with the Board to discuss the Presidential Search Committee and associated appointments. Every request to be on the Search Committee, obviously, cannot be honored and the Board decided today to limit the number of Regents to serve on that committee to five (5). Several Board members have expressed an interest in serving on the Committee but if others are interested and have not so indicated that they should feel free to do so.

Other Business

Chair Curris inquired whether there was other business to be brought before the Murray State University Board of Regents. Hearing none, he asked if the Board is ready to adjourn. Mr. Waterfield moved that the Quarterly Board of Regents meeting adjourn. Mrs. Guess seconded and the motion carried.

Adjournment

The Quarterly Board of Regents meeting adjourned at 2:20 p.m.
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