Minutes of the Quarterly Board of Regents Meeting
Murray State University
Friday, February 6, 2009
1 p.m. – Jesse Stuart Room – Pogue Library

The Board of Regents of Murray State University met on Friday, February 6, 2009, in quarterly session in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. Chair Alan Stout called the meeting to order at 1 p.m. and welcomed members of the University community, news media and general public and announced the meeting is being streamed via the Internet.

Roll Call

The roll was called and the following members were present: William Adams, Marilyn Buchanon, Beverly Ford, Peg Hays, Kara Mantooth, Jay Morgan, Alan Stout, Jeff Taylor, Vickie Travis and Gina Winchester. Absent: Laxmaiah Manchikanti.

Others present were Randy J. Dunn, President; Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to the Board of Regents; Tom Denton, Vice President for Finance and Administrative Services and Treasurer of the Board of Regents; Gary Brockway, Provost and Vice President for Academic Affairs; Don Robertson, Vice President for Student Affairs; Jim Carter, Vice President for Institutional Advancement; Bob Jackson, Associate Vice President for Institutional Advancement; John Rall, University Counsel; and members of the faculty, staff, students, news media and visitors.

AGENDA
MEETING OF THE BOARD OF REGENTS
Murray State University
Jesse Stuart Room – Pogue Library
February 6, 2009
1 p.m.

1. **Roll Call**

2. **Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents November 14, 2008***

3. **Public Participation**

4. **Report of the President** — **Dr. Dunn**

5. **MSU "Spotlight:" Purchase Area Health Education Center** — **Ms. Maldaner**

6. **Report of the Chair** — **Mr. Stout**

7. **Report of the Treasurer*** — **Mr. Denton**

8. **Gifts*** — **Dr. Dunn**
   A. **Computers for Weaver Center – Department of Athletics**
   B. **Sharps Breech-loading Single Shot Percussion Pistol – Wrather West Kentucky Museum**
   C. **Vision Gloss Text Paper – Marketing and Public Relations Department**
   D. **"Great Quotes from Great Leaders" Books – Office of Development**
   E. **Overhead Valve Engines and Wrenches – School of Agriculture**

9. **Naming of Campus Facilities*** — **Dr. Dunn**
   A. **Johny B. Russell Engineering Standards Laboratory**
   B. **Lana Garner and Michael Porter Coffee Lounge and Wireless Computer Lab**

10. **Section 3.3 *Board Policy Manual**** — **Dr. Dunn**

11. <u>Personnel Changes</u>* **Dr. Dunn**

- **A. Salary Roster, Report of Resignations and Terminations and Report of New Employment**
- **B. Staff Leaves of Absence Without Pay**
- **C. Faculty Leave of Absence Without Pay**
- **D. Sabbatical Leaves**

12. <u>Committee Reports/Recommendations (Action Items Only Listed)</u>

A. Academic Affairs **Dr. Morgan**

1) **Center for Reservoir Research Name Change**

B. Athletic **Mr. Stout**

C. Audit **Mr. Adams**

1) **Audited Financial Statements – Athletics**
   - a. **NCAA Independent Accountants' Report on Application of Agreed Upon Procedures for Intercollegiate Athletics for the Year Ended 6/30/08**
   - b. **Murray State University Athletic Foundation Audit for the Year Ended 6/30/08**
   - c. **Murray State University Athletic Foundation Management Letter and Management Representation Letter**

D. Buildings and Grounds **Ms. Hays**

1) **Approval to Raze Public Safety Building Located at 16th and Olive Streets**
2) **School of Agriculture Task Force Summary Report**

E. Development/Investments **Mr. Stout**

F. Equal Opportunity/Affirmative Action **Mrs. Ford**

G. Faculty/Staff Affairs **Mrs. Winchester**

1) **Family and Medical Leave Policy Revision**
2) **Adoption of Identity Theft Program**
3) **Approval of Additional Optional Retirement Plan Vendor**

H. Finance **Mr. Taylor**

1) **2009-10 Budget Preparation Guidelines**
2) **Authorization of Bonds for Refunding H/D Bonds, Richmond Hall Completion and Pooled Projects**
3) **Course Fee Establishment**
4) **Course Fee Increase**
5) **Designation of Jesse Jones, C.C. Lowry, and Charles and Marlene Johnson Donations for CUETF**

I. Governmental Relations **Mrs. Travis**

J. International Relations **Mrs. Travis**

K. Student Life **Ms. Mantooth**

13. <u>Other Business</u>

(*Indicates Board Action Item)

Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents November 14, 2008, approved

Ms. Hays moved that the minutes of the quarterly and committee meetings of the Board of Regents on November 14, 2008, be approved as submitted. Mrs. Ford seconded and the motion carried.

Chair Stout announced minutes of the Tuition Task Force meetings on October 29, November 20 and December 3, 2008, and the minutes of the Agriculture Task Force meeting on December 1, 2008, were provided for informational purposes.

Public Participation

Chair Stout announced there were no signees for the Public Participation portion of the meeting.

Report of the President

Announcements

- **MSU Response to the Ice Storm of '09**

Dr. Dunn reported the following with regard to the ice storm of 2009:

- Wednesday morning a decision was made to cancel classes for the remainder of the week to allow students who were able to travel safely to return home. The University housed any resident students who remained (in addition to members of the community) and provided a warming center and food in Lovett Auditorium. Winslow Dining Hall personnel (as well as many faculty and staff) served hot meals Wednesday morning which was symbolic of the efforts of many individuals at the University.
- A couple days after the storm a decision was made to separate students from the community members being housed in Lovett Auditorium. The students were moved to Carr Health Building and by Saturday the University was no longer providing any emergency shelter.
- WKMS continued broadcasting throughout the ice storm by utilizing generator power and served as the public face for the University locally but also provided service to the larger coverage area after restoring the Land-Between-the-Lakes transmitter. WKMS allowed the University to meet the needs of students and the community and served as a lifeline to the area.
- The Public Safety and Emergency Management facility served as the emergency operations center for not only the campus but was also the base of operation for the county.
- Residential Colleges were reopened on Saturday and information was distributed to students indicating they could return to campus. Students began returning on Sunday and classes resumed on Monday. Debris removal and some minor repair work continue.
- Units integrally involved in the University being able to operate during the ice storm included staff from Public Safety and Emergency Management (Jeff Steen, Emergency Management Director for the University and the county), housing and dining services personnel (David Wilson, Housing Director), resident directors and advisors, and staff from the offices of Information Technology, University Communications, Regional Stewardship, Facilities Management and Accounting and Finance.
- Governor Steve Beshear visited campus earlier this week to congratulate Murray State on a job well done and was very complimentary of how the weather emergency was handled. He was also the guest speaker on WKMS while on campus.
- The University will provide hourly staff assisting with the ice storm crisis with holiday pay as a means of thanking them for their service and is reviewing the best way to address this issue for exempt employees.

- **Major Gifts Update**

Dr. Dunn reported the following major gifts:

- The University experienced a "Million Dollar December" in terms of gifts which represents the strongest December ever.
- The Office of Development has recently been apprised of a confidential major estate gift and $250,000 of the gift has already been received with an additional $250,000 to follow.
- The Jesse Jones gift is being used as a match for "Bucks for Brains" funding.

Development support at the University remains strong and unabated. Murray State, like every university considering a Capital Campaign and given recent developments in the economy, is concerned about publicly kicking off this initiative within the next year but at this point there is no indication the announcement of Murray State's Capital Campaign in fall of 2009 will be delayed.

- **Recent Accreditations**

Dr. Dunn reported the Animal Health Technology program received reaccreditation from the American Veterinary Medical Association and congratulated those involved in the self-study process and ultimate reaccreditation.

The College of Education successfully completed the first stage visit from the National Council for Accreditation of Teacher Education (NCATE) and the corresponding licensure agency for teacher education in Kentucky - the Education Professional Standards Board – during fall 2008. No issues of concern were cited during the NCATE visit.

- **University Interactive Calendar**

Dr. Dunn introduced an initiative geared toward providing a centralized location for information on campus events and improving communication through the establishment of a University Interactive Calendar. Mrs. Catherine Sivills, Assistant Vice President for University Communications, provided a demonstration on how the calendar works.

Points of Pride

- **Ricky Cox – *Carnegie Foundation***

Dr. Dunn publicly acknowledged Dr. Ricky Cox, Professor of Chemistry, who was named 2008 Kentucky Professor of the Year by the *Carnegie Foundation for the Advancement of Teaching*. Dr. Cox is currently part-time Director of the Center for Teaching, Learning and Technology (CTLT) and was selected from a group of over 300 outstanding professors in this area.

- **John Fannin – *Kentucky Music Education Association***

Dr. Dunn announced Mr. John Fannin, Associate Professor of Music and Assistant Director of Bands, has been named 2008-09 College-University Teacher of the Year by the *Kentucky Music Education Association*.

- **MSU Fulbright Scholars for 2008-09**

Dr. Dunn reported the following Murray State University faculty members have been named Fulbright Scholars for 2008-09:

- William Mulligan – Professor of History
- Stephanie Rea – Associate Professor of Music
- Latricia Trites – Associate Professor of English and Philosophy

- **Department of History – American History Association**

Dr. Dunn announced the MSU Department of History was highlighted through a video presentation at the *American History Association* annual meeting and was one of only five universities from throughout the country so recognized.

- **MSU Chapter of Sigma Phi Epsilon**

Dr. Dunn congratulated MSU's Chapter of Sigma Phi Epsilon on being recognized for having one of the top 40 grade point averages (GPAs) in the country, outperforming institutions such as the University of Maryland, University of South Carolina, University of Cincinnati and others.

Program Issues

- **Kellogg Foundation/Distinguished Professor of Nonprofit Leadership**

Dr. Dunn indicated a great deal of work has taken place on an arrangement with the Kellogg Foundation to bring a fellow officer to campus in a professorship role and that has now been effectuated. Dr. Brockway reported this past fall the 25th anniversary of the American Humanics program at Murray State was celebrated. The MSU program is the largest and most successful in the country, mainly due to the University's linkage with the Kellogg Foundation and its success in securing a number of grants from the Foundation. Through those grants the University established an active service learning program on campus, which is a leader in the country in this area, and a Center for Service Learning and Civic Engagement was created. Dr. Robert Long, Vice President with the Kellogg Foundation, visited MSU on numerous occasions and is familiar with Murray State students, faculty and the University. When Dr. Long was making plans to retire from the Kellogg Foundation he approached the University about the possibility of becoming a faculty member and this is especially impressive because he could have chosen any

university in the country. Dr. Brockway thanked Dr. Corky Broughton, Dean of Health Sciences and Human Services, and Dr. Dunn for putting together a package which allowed the University to bring Dr. Long to campus. Dr. Long comes to campus with valuable contacts, experiences and background and also brings with him a Kellogg grant to support his time at Murray State. Dr. Brockway introduced Dr. Robert Long, Visiting Distinguished Professor of Non-Profit Leadership.

Dr. Long expressed appreciation to Murray State University and the Board of Regents. He reported after 15 ½ years experience with grant making in one of the largest foundations in the world he has established a rather large network and has had a direct professional connection with Murray State for 20 years. Slightly over $1 million from the Kellogg Foundation for innovative grants has been provided to the University and Dr. Long's portfolio focuses on non-profit leadership and management around the United States and Latin America. The Kellogg Foundation has invested $50 million in the U.S. alone and among 65 institutions average grants amounted to $700,000 or more. When the Kellogg Foundation began there were 25 American Humanics programs in the U.S. and today there are nearly 250. Murray State's program is one of the oldest and largest.

About a year ago Dr. Long indicated to the Kellogg Foundation his intention to retire and they counter offered if he would remain at the Foundation for another year to train his successor they would make an investment in whatever project he wanted to pursue and have provided support of approximately $400,000 for his work at MSU. The downturn in the stock market has affected the Kellogg Foundation although it had already secured additional funding to support the regional stewardship alliance. Dr. Long will utilize his network to the best of his ability to tap into private philanthropy on behalf of the mission of Murray State.

Dr. Long reported there is something interesting about Murray State students, which he noticed when speaking to them during the January 1989 American Humanics conference, and he also wrote about MSU students in an article for the *MSU Magazine*. The article states MSU students are different and come to the American Humanics program with a commitment to give back to their community and he does not hear this universally on other campuses, especially in larger schools. When Murray State students are asked what they want to pursue after graduation they do not simply state they want to get a job. Instead, "I" is seldom used and the students refer to issues within their own communities. Over the years visiting with students at the University Dr. Long has also become familiar with the faculty and has created a service culture which has been maintained over many years. For these reasons he is not surprised Murray State has the oldest and largest American Humanics program and is delighted to be part of the program.

<u>Policy Issues</u>

- **Federal Economic Stimulus Package**

Dr. Dunn reported he continues to monitor how the federal economic stimulus package is developing because part of that legislation relates to higher education and could impact the University. There is language which would provide increases in Pell Grant maximums and student loans. There is also a provision for maintenance of effort that currently exists under federal law in regard to state support for public higher education institutions. There has been discussion about waiving this provision in the stimulus package but hopefully that will not happen because it may provide some protection for Murray State in terms of state appropriations support. A couple of weeks ago the University was asked to develop a model to meet a potential 6.7 percent state appropriation cut. If the maintenance of effort provision remains in the legislation, the University most likely would not be forced to meet this challenge and the appropriation cut would be less.

- **Governor Beshear's Higher Education Work Group Report**

Dr. Dunn reported a copy of the Governor's Higher Education Work Group (HEWG) report was presented to the Board in their supplemental packets. The Governor founded the HEWG last fall and called for two reports to be generated, one due in January on affordability issues, which is the report included in the supplemental materials. In September a second report is due that is more strategic planning oriented for higher education funding and support in Kentucky. The report provided contains an Executive Summary and includes recommendations he encouraged the Board to review.

Report of the Chair

Mr. Stout rearranged the agenda and moved forward with the report of the Chair. He introduced Mayor Tom Rushing and Matt Mattingly from the City of Murray. Mayor Rushing expressed sincere appreciation for the cooperation the City of Murray experienced from Murray State during the recent catastrophic ice storm and especially for the work of WKMS radio station in helping to disseminate pertinent information throughout the community. The new Public Safety and Emergency Management facility performed amazingly well and is a fantastic facility and Bill Call and Jeff Steen did an excellent job during the crisis, as did all citizens of Murray. Mayor Rushing thanked everyone involved in ensuring the community made it through this disaster together. Mr. Mattingly concurred with Mayor Rushing and stated the weather situation could not have been handled without the help of Murray State. The leadership the University provided and preparation and training throughout the years by public safety entities greatly benefitted Murray State, Calloway County and Murray, Kentucky.

On behalf of the Board of Regents, Chair Stout commended all faculty and staff, the administration and students for how they handled the recent devastating ice storm. The role the University played in this disaster, which Governor Beshear called the worst natural disaster in modern times for the Commonwealth, reached beyond Murray and Calloway County. Murray State stepped forward as the regional institution and people throughout the area listened to WKMS and only because of the thorough coverage provided by the radio station were those citizens able to receive crucial and much needed updates. Timing could not have been better for opening the new Public Safety and Emergency Management facility. All faculty and staff who came together performed far beyond the scope of their normal duties. While the ice storm was a natural disaster, on the national front there is an economic and financial crisis and Murray State will also meet that challenge. Murray State will not just weather the storm but will attempt to move forward with programs for the betterment of the region and the University during these difficult times. Chair Stout thanked Mayor Rushing and Mr. Mattingly for their kind words and expressed appreciation for the support the University receives from the City of Murray.

MSU "Spotlight": Purchase Area Health Education Center

Dr. Dunn introduced Loretta Maldaner, Purchase Area Health Education Center (AHEC) Director, who provided an overview of AHEC as follows:

- AHEC is a national organization (started in 1971) and only three states do not have a center (North Dakota, South Dakota and Michigan). Most centers are funded with state dollars or grants.
- Every county in Kentucky is covered by an AHEC, including the urban parts of the state. The program is divided between the two medical schools in Kentucky – the University of Louisville (UofL) Medical Campus (four western region AHECs) and the University of Kentucky (UK) College of Medicine (four eastern region AHECs).
- AHEC host institutions for the western region include Murray State University, Trover Clinic Foundation, Western Kentucky University, Family Health Centers and Park DuValle Community Health Center. Host institutions for the eastern region include Gateway Community and Technical College, Rockcastle Hospital and Respiratory Care Center, St. Clair Regional Medical Center and Hazard ARH Regional Medical Center. Most centers are located in health care institutions with the exception of the centers at Murray State and Western.
- The Purchase AHEC service area includes most of Murray State's 18-county service region and includes the counties of Ballard, Calloway, Carlisle, Crittenden, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken and Trigg. Those counties not served by the Purchase AHEC are covered by the western AHEC in Madisonville, Kentucky.
- Federal dollars for the Purchase AHEC include funding from the U.S. Department of Health and Human Services, Health Resources and Services Administration, through the UofL Medical Campus ($57,500). In 1990, the Kentucky General Assembly provided permanent, recurring state support for the AHEC program which is distributed through UofL. In 2006 additional state funding was obtained through the Kentucky General Assembly in the amount of $412,000. The Purchase AHEC also receives grant funding from the Foundation for a Healthy Kentucky through the Advocacy Grant ($50,000 for three years) and the Ballard County Local Action Grant ($40,000), from UK for Research and Advancing Community Health ($50,760) and from the Pennyrile District Health Department for Dental Health ($16,000) for total funding of $626,260.
- The main focus of the Purchase AHEC is to promote healthy communities and centers throughout the state and help coordinate the clinical education rotations for all health profession students in rural and underserved areas. The AHECs also provide continuing education for healthcare providers.

Missy Stokes, Health Career Coordinator, reported she conducts a variety of health career programs in schools throughout 12 counties, including a hands-on AHEC-sponsored Health Career Fair on the Paducah campus each year. Representatives from nursing, speech and athletic training programs participate in the fair, along with professionals from hospitals and other universities in Kentucky. Activities are provided for high school freshmen with approximately 700 students participating each year. The AHEC conducts the Gear Up program with middle school students (in rural areas) to provide them with health care experiences that would not otherwise be available to them. There is also an obstetrics (OB) simulator housed in the MSU Department of Nursing and a simulated surgery program at West Kentucky Community and Technical College (WKCTC). Health care professionals provide hands-on learning experiences in the schools served.

Ms. Maldaner stated there are other partnerships the AHEC participates in with the goal of encouraging students from this area to enroll in a health care program and activities benefiting MSU students include:

- Providing educational programs for pre-professional students, including Medical College Admissions Test (MCAT) preparation where AHEC pays for all materials, faculty conduct course reviews in various subjects and three full-length computer-based tests are administered. Approximately 15 to 20 students participate in the program each year.
- Providing free Dental Admission Test (DAT) materials for MSU pre-med students. Two years ago a rural health scholars program was initiated and six students (from any health profession in one of the 12 service counties) receive a $1,000 stipend over a four-week period during the summer and are provided with exposure to and experiences in the health care system.
- Assisting students with shadowing experiences, volunteer opportunities, mock interviews and health professions advising.

Other Purchase AHEC/MSU initiatives include:

- Cardiac Project – A cardiac risk assessment project where MSU nursing students join with AHEC staff to assess fourth grade students on glucose and cholesterol levels and fitness and the results are provided to parents.
- Work is underway with Ronald McDonald charities in Paducah to secure a Ronald McDonald Mobile Unit for Murray State.
- Advocacy Grant – AHEC staff work with the community on rural health initiatives.
- Every year Murray State nurse practitioners, faculty and students spend two days in two communities with AHEC conducting screenings for children and families, who otherwise might not have access to such services, and providing a mobile school-based dental sealant program.
- REACH – a research project made possible through a UK grant.

Report of the Treasurer, accepted

Treasurer Tom Denton presented and reviewed the financial and investment report for the period July 1, 2008, through December 31, 2008, and highlighted the following:

- Cash and cash equivalents of $68 million as of December 31, 2008, compared to $78 million for the same period in 2007. Investments of $27 million compared to $28 million in prior year. There is approximately an $11.5 million change in cash and investments primarily due to expenditures on the Science Campus and Richmond College construction.
- A change was made in the way the University reports unrestricted net asset allocations as a result of a question from Judge Taylor at the last quarterly meeting. Working capital is now reported as the quarter ends and there is $18 million in working capital as of December 30, 2008.
- The revenue picture from the state appropriation perspective shows because the University experienced cuts during the current year appropriations were $1.7 million less than at this time last year.
- Student tuition and fees look good compared to the budget and the University is currently at $47.8 million on a net basis (gross tuition less waivers) compared to a budget of $49.8 million. If the University receives $2 million more in net tuition it will make budget for the year.
- Investment income decreased dramatically from the prior year and is close to budget but the University has always budgeted conservatively.
- Expenditures of $49.5 million (less transfers of $1.4 million) amount to a total increase in net assets of $30.9 million, approximately $1.9 million over last year when there was a $2.5 million transfer for the ERP program which does not exist in the current fiscal year.
- With regard to auxiliary revenues and expenses, there was a decrease of $242,631 in Food Services but increases in Housing Services ($276,149) and the Bookstore ($187,744).
- With regard to interest earnings, the total current fund (including general fund operations) as of December 31, 2008, includes $906,000 in earnings. Current funds in the prior year were $1.9 million and this represents a decrease.

- There has been a loss in endowment funds to this point (includes funds invested with the Foundation) and in the pooled account which includes stock investments. Plant funds are currently $485,000.

Mr. Adams stated six months into the budget expenses appear to be running low and inquired whether there would be additional expenses at a later date that would change this outlook. Mr. Denton replied the figure would be less than 100 percent at year end but that is anticipated because prior year carryforwards and encumbrances ($7.4 million) are included. Prior year carryforwards are imbedded in the expenditure side within each area. The $7.4 million on the revenue side is distributed throughout expenditures which is why the percentage appears low.

Judge Taylor moved, seconded by Mr. Adams, that the Treasurer's Report be accepted as presented. Motion carried.

(See Attachment #1)

Gifts, accepted

Mrs. Buchanon moved, seconded by Dr. Morgan, that the Board of Regents, upon the recommendation of the President of the University, accept the following donations:

1) 15 computers valued at $26,280 which were donated by CAJ, Incorporated of Murray, Kentucky, to be used for Computer/Academic Lab enhancement in the Weaver Center in the MSU Department of Athletics.
2) A sharps Breech-loading single shot percussion pistol valued at $19,250 which was donated by Billy J. and Sylvia J. Pickett of Murray, Kentucky, to be displayed in Wrather West Kentucky Museum on the MSU campus.
3) 20,000 lbs. of 80 lb. Vision Gloss Text Paper valued at $11,500 which was donated by New Page Corporation of Wickliffe, Kentucky, to be used by the Marketing and Public Relations Department for publication of the January 2009 *MSU Magazine*.
4) 500 copies of the book, "Great Quotes from Great Leaders" which will be mailed by the Office of Development to MSU top donors.
5) 24 overhead valve engines and 6 wrenches valued at $8,021.40 which were donated by Briggs and Stratton of Murray, Kentucky, to be used by the MSU School of Agriculture.

Motion carried.

Naming of Campus Facilities, approved

Johny B. Russell Engineering Standards Laboratory

Dr. Dunn reported the Johny B. Russell Engineering Standards Laboratory would for now be established in the Blackburn Science Building pending discussion on transferring the Engineering Physics Program to the new Science Campus. Dr. Johny Russell has donated over $1.2 million in a gift annuity, the University will receive his estate in the amount of $900,000 and a number of endowments from these gifts have been created. This lab is very much needed by the Engineering and Physics program and is a project which Dr. Russell values highly.

Mrs. Travis moved, seconded by Mrs. Winchester, that the Board of Regents, upon the recommendation of the President of the University and the Naming of Campus Facilities Committee, approve the naming of the new Science Lab the Johny B. Russell Engineering Standards Laboratory. This lab will be housed in Blackburn Science Building and will be incorporated into planning for a new Engineering and Physics facility.

Motion carried.

Lana Garner and Michael Porter Coffee Lounge and Wireless Computer Lab

Dr. Dunn reported a significant gift and pledge has been made to the University from Lana and Michael Porter which includes matching funds from the SBC Foundation and AT&T for a total of $87,000. Mrs. Porter has been a champion of university libraries and MSU is recommending naming the coffee lounge and computer lab in Waterfield Library to reflect this dedication.

Dr. Morgan moved, seconded by Mrs. Winchester, that the Board of Regents, upon the recommendation of the President of the University and the Naming of Campus Facilities

Committee, approve the naming of the coffee lounge and wireless computer lab in Waterfield Library the Lana Garner and Michael Porter Coffee Lounge and Wireless Computer Lab.

Motion carried.

***Board of Regents Policy Manual* Revisions – Section 3.3, failed**

Dr. Dunn reported Board members are aware policy language in Section 3.3 has been discussed as revisions have been made to the *Board of Regents Policy Manual*. At the suggestion of Regent Peg Hays the University reviewed extending tuition waivers to the members of the MSU Board of Regents and the feasibility of including that provision in *Policy Manual* language. During the November quarterly BOR meeting action on this issue was tabled to allow time to answer questions which developed on the appropriateness of extending tuition waivers to Board members and also whether the benefit would be taxable. As it currently stands, no public higher education institution in the Commonwealth of Kentucky offers, or has ever offered, this benefit to Board of Regent members and none foresee offering this benefit in the future. There is nothing prohibitive in extending this provision to Regents but there are some issues which come into play, including that University policy language related to waivers does not specifically name Regents as beneficiaries of this benefit. Regents are also subject to the provisions of the *Code of Ethics* found in KRS 45A.340. Kentucky Revised Statute 164.0053(3), states that, "all governing board members…shall have no conflict of interest pursuant to KRS 45A.340, except for compensation paid to faculty, staff or student members." Additionally, KRS 164.330 states, "No member of the board shall draw any salary for their services but shall be reimbursed for necessary expenditures made in going to and from each meeting of the Board and for other legitimate expenses, except a member who resides outside the Commonwealth shall not be reimbursed for out-of-state travel." This statute delineates payments which may be made to Regents and provides only for reimbursement of specific expenses.

Dr. Dunn reported if the Regents wish to pursue the issue of whether the benefit is taxable, the University will most likely need to seek outside counsel because, while this is not a taxable benefit for employees of the University, there is uncertainty whether it would be a taxable benefit for Regents and outside counsel would be necessary to clarify the issue. Ms. Hays stated her intent in suggesting tuition waivers be extended to Regents was to offer a way for them to have a first-hand educational experience either on the main campus or the extended campuses to help better fulfill their service responsibility to the University.

Ms. Hays moved that the Board of Regents adopt and allow the extension of tuition waivers to the members of the Board by amending Section 3.3 of the *Board of Regents Policy Manual*. Mrs. Buchanon seconded and additional discussion followed.

Chair Stout is concerned with the message passage of this benefit would send to students and members of the University community and believes what Ms. Hays is trying to accomplish can be achieved through auditing a course or something similar. He asked how much it would cost to hire outside counsel to render an opinion with regard to the tax aspect of the issue and Mr. Rall indicated it would most likely cost in the neighborhood of $1,000. Dr. Morgan spoke in favor of this initiative at the last meeting particularly on behalf of the faculty because he believed it was a fairness issue. Board members are allowed access to ballgames, concerts and other events at the University and he believes access to the classroom is comparable. While Dr. Morgan does not know the particulars of tax law, if there is a way for the Board to be involved in taking a class, he suggests amending policy language to allow members of the Board access to the classroom. He also inquired whether the same issues would exist if Regents were allowed to audit a course (without being formally enrolled) and Mr. Denton reported the taxation issue would be the same whether a course is audited or taken for credit. Ms. Hays indicated by passing this motion the Board would set a precedent for the other state universities which would encourage them to review current policy and determine how to enhance the role of Regents. Simply because no other Kentucky institution offers this benefit is not a good reason for the MSU Board not to review the opportunity.

The roll was called with the following voting: Mr. Adams, no; Mrs. Buchanon, yes; Mrs. Ford, no; Ms. Hays, yes; Ms. Mantooth, no; Dr. Morgan, yes; Judge Taylor, no; Mrs. Travis, no; Mrs. Winchester, no; and Chair Stout, no. The motion failed by a vote of 3 to 7.

Personnel Changes, approved

A. Salary Roster, Report of Resignations and Terminations and Report of New Employment

In compliance with the responsibilities of the University Treasurer, as identified in the *Bylaws* of the Murray State University Board of Regents, the attached personnel reports outline the amount paid to each professor, teacher or official of the school. The personnel reports are presented to the Board of Regents at the quarterly meetings following August 15 and January 1 each year.

B. Staff Leaves of Absence Without Pay

The University offers a variety of staff leaves without pay such as family medical leave, military leave, educational leave, personal leave or a general leave of absence. Conditions and requirements for the specific types of leaves are defined in the Board-approved *Personnel Policies and Procedures Manual*.

C. Faculty Leave of Absence Without Pay

Barry Brown, Senior Lecturer in the Department of Economics and Finance, has requested a Leave of Absence Without Pay (LWOP) for the academic year, August 15, 2009, through May 15, 2010. Mr. Brown serves as Director of the Center for Economic Education and through his directorship the Center has developed curriculum for area K-12 teachers to use in their classrooms. His plans for this leave include updating these curricula in various ways, including new and updated website links, more and newer student worksheet examples, correcting minor typing and editing problems, updating content to the newest Kentucky Department of Education Core Content for Economics and adding more and better pre- and post-tests for students.

D. Sabbatical Leaves

Sabbatical leaves have been recommended for various faculty members at all appropriate recommending levels.

Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, approve the following personnel changes:

A) Salary Roster as of January 1, 2009; the Report of Resignations and Terminations for the period August 15, 2008, through December 31, 2008; and the Report of New Employment for the period August 15, 2008, through December 31, 2008.

(See Attachment #2)

B) Staff Leaves of Absence Without Pay as listed below:

Name	Department	Effective Dates
Hussman, Kara	English/Second Language Program	10/06/08-04/06/09*
Sieting, Misty	Facilities Management	01/10/09-02/13/09
Smart, Michelle	Health Services	08/15/08-05/15/09
Taylor, Steve	Facilities Management	01/01/08-06/30/09

*Intermittent Leave

C) Faculty Leave of Absence Without Pay for Barry Brown for academic year 2009-10.

D) Sabbatical leaves as listed below for the periods indicated:

NAME / DEPARTMENT	EFFECTIVE	SALARY
SEID HASSAN, Economics and Finance	8/15/09-12/31/09	full salary/1 semester

- Conduct survey and categorize information to be analyzed, with analysis being published in journals and a book.

BONNIE MCNEELY, Management, Marketing and Business Administration	8/15/09-12/31/09	full salary/1 semester

- Prepare and submit a manuscript for publication. Upgrade computer skills for improved online teaching.

SQUIRE BABCOCK, English and Philosophy 1/1/10-5/15/10 full salary/1 semester
- Complete book of essays and prepare for publication.

BARBARA COBB, English and Philosophy 8/15/09-12/31/09 full salary/1 semester
- Prepare and submit book proposal for publication.

DUANE BOLIN, History 1/1/10-5/15/10 full salary/1 semester
- Write, revise and edit four projects for publication.

MARGARET BROWN, Modern Languages 8/15/09-5/15/10 half salary/academic year
- Write a substantial course pack textbook for German 210 and co-write article and create online registration process for Foreign Language Festival.

DAVID BALTHROP, Theatre 8/15/09-12/31/09 full salary/1 semester
- Conduct research on decorative iconography for use in the design of theatre productions and produce article for publication.

ROBERT MARTIN, Biological Sciences 8/15/09-12/31/09 full salary/1 semester
- Conduct fieldwork in northern Nebraska and southern Spain and complete two papers for publication.

Mrs. Winchester seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Ms. Mantooth, yes; Dr. Morgan, yes, exclusive of KRS with regard to salary; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes.

Motion carried.

Committee Reports

A. Academic Affairs – Dr. Morgan

Center for Reservoir Research Name Change, approved

On behalf of the Academic Affairs Committee, Dr. Morgan moved that the Board of Regents, upon the recommendation of the President of the University, approve the name change for the Center for Reservoir Research (CRR) to the Watershed Studies Institute (WSI). Mrs. Ford seconded and the motion carried.

B. Athletic – Chair Stout

Chair Stout stated *ESPN Magazine* reported the rivalry between Murray State University and Austin Peay State University is the contest to watch and that resumes tomorrow night in Clarksville, Tennessee. He also congratulated the Lady Racers on an impressive record this season.

C. Audit – Mr. Adams

Audit Reports, accepted

On behalf of the Audit Committee, Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, accept the following reports for 2007-08:

a. NCAA Independent Accountants' Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the year ended 6/30/08
b. Murray State University Athletic Foundation Audit for the year ended 6/30/08
c. Murray State University Athletic Foundation Management Letter and Management Representation Letter

Judge Taylor seconded and the motion carried.

Change to Athletic Foundation Audit, approved

Mr. Adams reported discussion took place during the Audit Committee with regard to the audit for the Racer Foundation which centered on the fact there are so few transactions which occur over a period of one year and the University is paying for a full audit report to be conducted. Mr. Adams moved, with unanimous approval from the Audit Committee, that the Board of Regents permit the University to downgrade accounting procedures for the Racer Foundation to a review and compilation as opposed to a full audit, contingent upon approval of this action by the NCAA. Dr. Morgan seconded and the motion carried.

D. Buildings and Grounds – Ms. Hays

Ms. Hays reported the Buildings and Grounds Committee met during the morning session and reviewed information on energy savings during the holiday break, joint project with the United States Geological Survey, alternative proposal to complete the Science Campus project and delayed replacement of Franklin Residential College. No action was taken as a result of these discussions.

Raze Public Safety Building (#136) (16th and Olive Streets), approved

On behalf of the Buildings and Grounds Committee, Ms. Hays moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached resolution authorizing the disposition of the structure located at 16th and Olive Streets in Murray, Kentucky. Mrs. Travis seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried.

(See Attachment #3)

School of *Agriculture Task Force* Summary Report, discussed

Ms. Hays reported the *Agriculture Task Force* has met three times to date and due to the ice storm was unable to hold its meeting last week. The amount of work undertaken by the Task Force is impressive as are the conclusions reached so far. The members have put forth time, effort and diligence and work is almost completed on a full report to be presented to the Board of Regents. The *Agriculture Task Force* will meet on February 17 to finalize the report which will be presented at a potential special call BOR meeting.

E. Development/Investments – Chair Stout

Chair Stout stated Dr. Dunn and Mr. Jackson reported on development and investment issues earlier and there is no further report required from the Committee.

F. Equal Opportunity/Affirmative Action – Mrs. Ford – No report.

The Board of Regents adjourned for a short recess beginning at 2:40 p.m. and ending at 3 p.m.

G. Faculty/Staff Affairs – Mrs. Winchester

Family and Medical Leave Policy Revisions, approved

Mrs. Winchester reported the Department of Labor published its final ruling on November 17, 2008, to amend the Family and Medical Leave Act (FMLA) of 1993 and the new regulation became effective January 16, 2009, resulting in the following changes to Murray State's FMLA:

Regulatory Changes

- Significant changes to the policy were made to extend eligibility to family members of military service members to care for their needs.
- Spouses who are both employed by the University are subject to newly clarified regulations.
- Details regarding notice for the request and allowance of leave have been added to the policy.

Internal Changes

- When an employee on FMLA gives notice of resignation, benefit coverage is subject to COBRA requirements.
- A statement was added indicating Human Resources staff will handle FMLA leave processing.
- Certain civil rights protections and jurisdictional statements were added to the policy.

These changes have been incorporated into MSU'S FMLA and will become part of the University's *Personnel Policies and Procedures Manual* which is approved by the Board of Regents.

Identity Theft Prevention Program, approved

Mrs. Winchester stated pursuant to the Fair and Accurate Credit Transactions Act, the Federal Trade Commission has issued Identity Theft Rules and "Red Flags" for the detection, prevention and mitigation of identity theft. Those rules require entities with certain "covered accounts" to implement an Identify Theft Prevention Program, to be tailored to the size, complexity and nature of operations at each entity. This program will enable Murray State to protect members of the University community by reducing risk for identity theft fraud and minimize potential damage to the University from fraudulent acts. The program is designed to allow for changes to be made on an as-needed basis due to identification of additional areas of concern and for new methods to prevent, detect and mitigate the effects of identity theft to be implemented. The program will assist the University in detecting risks to covered accounts; identify signs of potentially fraudulent activity within new or existing accounts; respond to such to determine if fraudulent activity has occurred and act if fraud has been attempted or committed; and update the program periodically, including reviewing the type of accounts covered and identified risks.

Additional Optional Retirement Plan (ORP) Vendor, approved

Mrs. Winchester reported the Kentucky Legislature passed House Bill 470 during the 2008 Regular Session allowing public postsecondary institutions offering the Optional Retirement Plan to increase the number of ORP vendors from three to four. Representatives from Kentucky public higher educational institutions met as a group to evaluate and select an additional vendor that would provide the best investment options and services. Fidelity Investments was selected as the most suitable company. Currently, AIR Retirement, ING Financial Services and TIAA-CREF are offered to eligible employees. Mrs. Winchester reported a question was asked during the committee meeting regarding how many faculty and staff utilize the ORP option and the percentage is estimated to be approximately 35.5 percent. A workshop has been scheduled for April 1 for faculty and staff who are currently under the KTRS plan. This marks the first time KTRS representatives have held a workshop on campus and 65 individuals are currently enrolled.

On behalf of the Faculty/Staff Affairs Committee, Mrs. Winchester moved, seconded by Dr. Morgan, that the Board of Regents, upon the recommendation of the President of the University, approve the following:

1) Revised Family and Medical Leave Policy, effective January 16, 2009, as attached.
2) Identify Theft Prevention Program, as attached.
3) Addition of Fidelity Investments as the University's fourth Optional Retirement Plan Vendor, effective April 1, 2009.

Motion carried.

(See Attachments #4 and #5)

Mrs. Winchester expressed appreciation to all staff for their leadership during the ice storm and thanked Dr. Dunn for his leadership, quick thinking and actions. She has been contacted by many community members thanking the University for the role it played during the crisis. On behalf of Staff Congress, she presented vice presidents Tom Denton, Don Robertson and Jim Carter with a certificate and honorary residential college head membership in a new fictitious residential college on campus "Lovett Residential College."

H. Finance – Judge Taylor

2009-10 Budget Preparation Guidelines, approved

On behalf of the Finance Committee, Judge Taylor moved, seconded by Ms. Hays, that the Board of Regents, upon the recommendation of the President of the University, approve the Budget Preparation Guidelines and Priorities as presented in the attached document. Motion carried.

(See Attachment #6)

Authorization for Issuance of General Receipts Bonds, 2009 Series A, adopted

On behalf of the Finance Committee, Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, adopt the attached Resolution providing for the authorization, issuance and sale of up to $7,660,000 General Receipts Obligations, 2009 Series A of Murray State University, pursuant to the Trust Agreement dated as of the first day of the month in which such bonds are issued. Mrs. Winchester seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried.

(See Attachment #7)

Course Fee Establishment, approved

On behalf of the Finance Committee, Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, establish a course fee effective with the fall 2009 semester as outlined for the following courses:

$10 Fee
MUS 511, 513 (Advanced Music Theory Courses)
MUS 131, 132, 133, 135 (Instrument/Voice Methods Classes)
MUS 130 (Voice Class for Non-Majors)

$20 Fee
PHY 126, 131, 133
AST 116
BIO 154, 216, 499, 570, 572, 573, 574
CHE 111

$50 Fee
BPA 355 (Information Systems and Decision Making)
CSC 101 (Introduction to Problem Solving Using Computers)
JMC 394 (Introduction to Advertising)

Mrs. Travis seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried.

Course Fee Increases, approved

On behalf of the Finance Committee, Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, approve an increase in the course fee effective with the fall 2009 semester as outlined for the following courses:

From $3.50 to $10
MUS 134, 170, 173, 270, 273 and 512 (Music Theory)

From 12.50 to $20
BIO 116 and 320
CHE 105, 106, 201, and 202

Dr. Morgan seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried.

Designation of Jesse Jones, C.C. Lowry and Charles and Marlene Johnson Donations for Comprehensive University Excellence Trust Fund (CUETF), approved

On behalf of the Finance Committee, Judge Taylor moved, seconded by Ms. Hays, that the Board of Regents, upon the recommendation of the President of the University, approve the University's designation of the donations by Jesse Jones of $557,000, the C.C. Lowry Estate of $200,000 and Charles and Marlene Johnson of $35,525 for matching funds from the Comprehensive University Excellence Trust Fund (CUETF) for the 2008-10 Biennium. Motion carried.

I. Governmental Relations – Mrs. Travis

Mrs. Travis reported the Governmental Relations Committee met during the morning session and received an update from Dr. Dunn and Mr. Jackson regarding the current situation in Frankfort and what activities they have participated in to take care of Murray State and also secure possible opportunities for federal financial assistance. There was no action taken during the committee meeting.

J. International Relations – Mrs. Travis – No report.

K. Student Life – Ms. Mantooth

Ms. Mantooth reported the Student Government Association, with assistance from Dr. Tim Todd, Dean of the College of Business and Public Affairs, created a survey to be administered to students to determine what is important to them with regard to tuition. Surveys were distributed earlier this week and the majority should be returned next week. Ms. Mantooth will provide the Regents with a copy of the survey and results.

Ms. Mantooth also stated the Higher Education Rally that was scheduled in Frankfort was postponed due to the ice storm and students are getting back to their normal routines.

Other Business

Judge Taylor announced the next meeting of the *Tuition Task Force* will be held at 6 p.m. on February 10 and Ron Crouch with the Kentucky State Data Center will be the guest speaker. The Task Force is also scheduled to meet on February 26, 2009.

Dr. Dunn reported a special BOR meeting is anticipated for approval of tuition and housing and dining rates and potentially any other fees remaining for consideration. It was originally expected the CPE would adopt university tuition and fee recommendations at their meeting on March 6 but there is now the potential the CPE will set an overall cap or ceiling - baring Legislative action. If the CPE sets a ceiling on tuition the University will make a recommendation to the Board that would fall at or below the ceiling. In addition to tuition the Board will also set housing and dining rates and a special meeting is anticipated at some point to accomplish these objectives. The University cannot wait until the May 29, 2009, quarterly meeting to approve tuition and housing and dining rates because the information is essential for 2009-10 University budget preparation.

Chair Stout stated the editor and publisher for *Kentucky Monthly Magazine*, Steven Vest, was recently on the Murray State campus and wrote an article which referenced the Harry Lee Waterfield Library on the MSU campus. An article, "100 Things We Love About Kentucky," was also included in the publication and item number nine was college traditions and the focus was on Murray State's shoe tree. Chair Stout also reported numerous faculty, staff and students have commented Dr. Dunn was very involved throughout the recent ice storm crisis. He responded to the situation like a true chief executive officer and was extremely engaged. On behalf of the Board of Regents, Chair Stout expressed appreciation to Dr. Dunn for his leadership throughout the emergency.

Adjournment

Mrs. Buchanon moved, seconded by Mr. Adams, that the Board of Regents Quarterly meeting adjourn and the motion carried. Adjournment was at 4:20 p.m.

Chair

Secretary

(The remainder of this page has intentionally been left blank to allow for inclusion of committee minutes and attachments.)