Minutes of the Quarterly Board of Regents Meeting
Murray State University
Friday, September 12, 2008
1:30 p.m. – Jesse Stuart Room – Pogue Library

The Board of Regents of Murray State University met on Friday, September 12, 2008, 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 1:30 p.m. and welcomed all members of the campus community and general public.

Swearing In Ceremony – Kara Mantooth and Marilyn Reed Buchanon

In keeping with Section 164.321 of the Kentucky Revised Statutes, Governor Steven L. Beshear, on July 3, 2008, re-appointed Mrs. Marilyn Reed Buchanon, 136 Reed Drive, Grand Rivers, Kentucky, as a member of the Murray State University Board of Regents. Mrs. Buchanon shall serve for a term expiring June 30, 2014.

Ms. Kara Mantooth was elected by her fellow students to serve as President of Murray State University's Student Government Association on July 1, 2008, which qualifies her to serve as Student Regent. Ms. Mantooth's term of office is July 1, 2008, through June 30, 2009.

Chair Stout thanked Judge-Executive Larry Elkins for being present and welcomed the parents of Kara Mantooth, Bob and Sheree, and asked them to stand and be recognized. He stated that Ms. Mantooth is already having a positive impact on the Board and is doing an excellent job representing her fellow students.

The Oath of Office was administered to Ms. Mantooth and Mrs. Buchanon by Judge-Executive Larry Elkins.

Roll Call

The roll was called and the following members were present: William Adams, Marilyn Buchanon, Beverly Ford, Peg Hays, Laxmaiah Manchikanti, Kara Mantooth, Jay Morgan, Alan Stout, Jeff Taylor, Vickie Travis and Gina Winchester. Absent: none.

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; Jim McCoy, Associate Provost; Bob Jackson, Associate Vice President for Institutional Advancement; John Rall, University Counsel; and members of the faculty, staff, students, news media and visitors. Chair Stout reported the meeting would be streamed via the Internet as part of continuing efforts to increase transparency of the Board of Regents but it is currently not online due to a campus-wide internet outage. Technicians are working to address the problem and the meeting is also being videotaped.

REVISED

AGENDA
MEETING OF THE BOARD OF REGENTS
Murray State University
Jesse Stuart Room – Pogue Library
September 12, 2008
1:30 p.m.

1. **Swearing In Ceremony – Kara Mantooth and Marilyn Buchanon** **Judge Elkins**

2. **Roll Call**

3. **Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents May 16, 2008; Minutes of the Special Call Meeting of the Board of Regents May 30,**

2008; and Minutes of the Task Force on Developing Murray State University's Extended Campus at Paducah Meeting on April 21*

4. **Public Participation**

5. **Report of the President** — **Dr. Dunn**
   A. MSU Comprehensive Plan*

6. **MSU "Spotlight:" Greek Affairs** — **Mr. Baurer/ Ms. Meriwether**

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

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

9. **Gift*** — **Dr. Dunn**
   A. Adtran Netvanta 7100 VOIP System and Phones

10. ***Faculty Handbook* Revisions*** — **Dr. Brockway**

11. **NCAA Governing Board Certification*** — **Dr. Dunn/ Mrs. Ford**

12. **Department Name Changes*** — **Dr. Brockway**
    A. Department of Art and Design
    B. Department of Theatre

13. **Personnel Changes*** — **Dr. Dunn**
    A. Personnel Reports
       1. Salary Roster
       2. Report of Resignations and Terminations
       3. Report of New Employment
    B. Staff Leaves of Absence Without Pay
    C. Faculty Early Retirement Contract
    D. Appointment of Chief Facilities Officer and Director of Facilities Design and Construction

14. **Tenure Recommendation*** — **Dr. Brockway**

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

    A. Academic Affairs — **Dr. Morgan**

    B. Athletic — **Mr. Stout**

    C. Audit — **Mr. Adams**
       1) Acceptance of Kentucky Institute for International Studies (KIIS) Audited Financial Statements

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

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

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

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

    H. Finance — **Mr. Taylor**
       1) Designation of Lowery Endowment as Quasi Endowment
       2) Approval of Endowment Report

    I. Governmental Relations — **Mrs. Travis**

J. International Relations **Mrs. Travis**

K. Student Life **Ms. Mantooth**

L. Ad Hoc Policy Manual Committee **Dr. Dunn/ Mr. Jacobs**
1) ***Section III - The Employees***
2) ***Section IV - The Faculty***
3) ***Section V – The Students***
4) ***Section VI – The Governance Units***
5) ***Section VII – The Agreements***

M. Committee of the Whole **Mr. Stout**
1) **Report of the Task Force on Developing Murray State University's Extended Campus at Paducah and Consider Acquiring Property**

(*Indicates Board Action Item)

Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents May 16, 2008, and Minutes of the Special Call Meeting of the Board of Regents May 30, 2008, approved

Chair Stout reported that the minutes of the meeting of the Task Force on Developing Murray State University's Extended Campus at Paducah for April 21, 2008, do not require Board approval and were provided for informational purposes.

Mrs. Travis moved that the minutes of the quarterly Board of Regents meeting and Committee meetings on May 16, 2008, and the minutes of the special Board of Regents meeting on May 30, 2008, be approved as submitted. Dr. Manchikanti seconded and the motion carried unanimously.

Public Participation

Chair Stout stated that no individuals signed up to speak during the public participation portion of the meeting.

Report of the President

Announcements

- ***YouTube* Recruitment Video**

Dr. Dunn reported that he intended to show the Murray State recruitment video that appears on *YouTube* but the Internet is currently down and that is not possible. He recommended that the Regents access the video from the MSU Homepage. He thanked the Broadcast Services staff and graduate student, Chris Haynes, who produced the video.

- **Development Report**

Dr. Dunn stated that the University experienced its best development year so far for giving to the University. Rather than announcing a particular gift, he asked Mr. Jackson to update the Board on prospects that are being reviewed as well as some of the initiatives that are underway. Mr. Jackson reported the following Capital Campaign highlights:

- For the year just ended, FY 2008, the University experienced a record year of support with $8.5 million. This success is due to the generosity of dedicated alumni of the University and the efforts of the staff of the Office of Development.
- "Bucks for Brains" will continue to play a key role in the Campaign and starting July 1, a new round of funding will begin in the amount of $1.58 million and matching opportunities are being reviewed.
- Comprehensive Campaign "Quiet Phase" is aggressively moving forward and Dr. Dunn will personally visit as many potential donors as possible.
- Several major gifts are in process and include:

Foundation Gift	$750,000 to $1 million
Corporate Gift	$500,000+
Major Prospect	$1 million +
Major Estate Gift	$750,000+

Two Bequest Notifications (within last 30 days)

- Planned Gift Portfolio included 40 gifts in 2005 which increased to 99 gifts in 2008, totaling $21.8 million ($4.5 million in 2005) of a portfolio of planned gifts to the University.
- Additional work is ongoing with corporate and foundation research and prospects and new individual prospect research is underway in an effort to "grow" the donor pool.
- The Faculty and Staff Campaign ended June 30 and 30 percent of all employees donated over $146,000 to the University. Mr. Jackson recognized Dean Ted Brown, College of Humanities and Fine Arts, and his faculty and staff who won the President's Cup Award with a donation rate of 55.4 percent.
- Dr. Dunn reported the University is on the cusp of a major gift leading into the public phase of the Capital Campaign.

Mrs. Buchanon stated that in recent years she has noticed an increase in the University's charitable remainder trust gifts and asked for clarification on whether this refers to an individual giving their assets to the University, with the University paying interest on those assets until their death. Mr. Jackson indicated that is the case but those gifts are counted when they are actually given to the Foundation and last year there were two large and notable trusts. One was a gift annuity which will be held and managed by the Foundation, with interest being paid on those assets and the charitable gift being held on an irrevocable basis. Chair Stout inquired whether the point had been reached with any of the charitable remainder trusts where the gift has actually been received. Mr. Jackson indicated that has not transpired mainly because charitable remainder trusts are relatively new and in 2005 the University held only three such trusts.

Mr. Jackson further stated this is a relatively new initiative put in place in 2005 because it is a critical component of a campaign and the development of a University to build up a portfolio of planned gifts for the future, whether they are bequests (notifications only) or whether they are trusts (where the money is actually held by the Foundation). Mr. Jackson clarified that most bequests are not known ahead of time and are only counted when actually received by the University. A portfolio of known bequests does exist but they are not counted in current giving numbers until they are actually received.

Mrs. Buchanon asked how much of the $8.5 million mentioned earlier results from University fundraising efforts. Mr. Jackson reported it all results from fundraising efforts but actual cash received by the University is $5.6 million and includes two large trusts received last year. One such donation was a 560-acre farm in Ohio that was given to the MSU Foundation from the Tuck family (valued in excess of $2 million). This property was received as a gift, was put into a trust and was quickly sold out of that trust and is now being managed by the Foundation. Another large trust-like vehicle, gift annuity, came from Dr. Johny Brown Russell who donated condominiums in Florida to the Foundation (valued in excess of $1.2 million). Mrs. Buchanon asked for clarification on $600,000 that has been raised for athletics and Mr. Jackson reported this money is a result of the ongoing annual Athletic Department fundraiser for all sports.

- **Recent Appointments**

Dr. Dunn stated that due to *BOR Policy Manual* changes that have been previously approved the Board now approves only permanent appointments at the Dean (or comparable) level or above but he will continue to apprise the Board of other administrative changes taking place across the University. Those changes include:

- Brian Van Horn – appointed Interim Dean, Continuing Education and Academic Outreach
- Sabrina Dial – appointed Director of Equal Opportunity
- Shawn Smee – appointed Director of Recruitment
- Lesa Harris – appointed Director of Admissions
- Lori Mitchum – appointed Director of Financial Aid and Scholarships

- **MPR Unit Now *University Communications***

Dr. Dunn reported that the Marketing and Public Relations Office has changed its name to University Communications to more accurately reflect the activities of the office and their increased focus on meeting the 12x12 enrollment goals and the objectives of the Capital Campaign. Mrs. Catherine Sivills, Assistant Vice President for University Communications, reported that this has been a collective effort on the part of all of the units that fall under her supervision.

- **Bachelor's Degree in Athletic Training (HSHS) Approved by CPE**

Dr. Dunn stated that Murray State recently received approval from the Council on Postsecondary Education (CPE) to offer a new degree program – the Bachelor's Degree in Athletic Training through the College of Health Sciences and Human Services – which will come before the Board

for approval during the November quarterly meeting. Dr. Dunn thanked Provost Gary Brockway and Dean Corky Broughton for their efforts in this initiative.

- **Accreditation Status Officially Granted**

Dr. Dunn reported that the Murray State Communications Disorders program was recently accredited by the Speech-Language Pathology group, the Council on Academic Accreditation (CAA). Interim Chair Pearl Payne, Wellness and Therapeutic Sciences, spearheaded the effort for the University and it was an especially difficult accreditation to achieve.

- **Automatic Scholarship Award Process**

Dr. Dunn indicated the University is moving toward reworking the scholarship program and University-funded scholarships which are provided as part of the budget, to arrive at a point where automatic awards for students can be done. The University has created an index that factors in ACT and GPA scores and provides the University with the ability, for the first time, to go on the road with guaranteed automatic scholarship offers in hand. Recruiters set out about a week ago to start bringing in the freshman class for 2009 and they must have the ability to talk to students about automatic awards. This is a powerful recruitment tool and is something the University must be able to do in order to attract quality students. Additional work is taking place around other scholarships, including transfer scholarships and rethinking how the Presidential Scholarship can be used more strategically. The first piece of this process, the automatic award, is in place and it is tremendously important for the University. Dr. Dunn thanked Dr. Robertson, Mrs. Mitchum and the members of their staff for making the automatic scholarship award process happen.

Points of Pride

- ***U.S. News and World Report* Rankings**

Dr. Dunn announced that *U.S. News and World Report* has again recognized Murray State and the University remained in the Top 20 of all Public/Private Master's Level Institutions in the South.

- **J. W. Foster – Culinary Institute of America's Enhancement Program**

Dr. Dunn reported that MSU Chef J. W. Foster recently participated in the Culinary Institute of America's (CIA) Enhancement Program. Chef Foster was one of less than 15 institutional chefs in the country chosen to participate in the prestigious CIA program and the honor provides great exposure for Murray State University.

- **Ramesh Gupta – Fellow of the Academy of Toxicological Sciences**

Dr. Dunn announced that Dr. Ramesh Gupta, Professor of Toxicology at the Breathitt Veterinary Center, has recently been named a Fellow of the Academy of Toxicological Sciences and will be recognized during their international conference. Dr. Gupta is a prolific researcher and is the author of the only publication on veterinary toxicology.

- **Johny Brown Russell – 2008 OAK Award from CPE**

Dr. Dunn reported that MSU Alumnus Dr. Johny Brown Russell has been selected by the CPE as the 2008 recipient of the Outstanding Alumnus of Kentucky (OAK) Award. Dr. Russell will receive the honor during the 2008 Governor's Trusteeship Conference on September 29, 2008. Dr. Dunn expressed appreciation to Mr. Jackson and Mr. Carter for their assistance in this honor coming to fruition.

Policy Issues

- **Higher Education Reauthorization Bill**

Dr. Dunn indicated that the Higher Education Reauthorization Bill has been signed and contains elements that are important to Murray State University. This is also known as the Higher Education Opportunity Act and will amount to growth in the Pell Grant award (if funded) to $6,000 with automatic growth to $8,000 over the next six years. This is very positive for MSU because the University's pricing fits well with the Pell Grant and the grant will follow the University's pricing if funds continue to be appropriated. There are a significant number of MSU students who access the Pell Grant.

Dr. Dunn reported there is also a special program for schools in rural areas and he is a member of the American Association of State Colleges and Universities (AASCU) rural university network. That group participated in brainstorming sessions regarding what they would like to see happen and the Co-Chair of the group, President Bob Bell at Tennessee Tech, was very influential in going to Capitol Hill and getting this program passed. He conveyed the thoughts of the workgroup, which included having award monies spent on special recruitment and retention initiatives and other types of support particularly for rural institutions who qualify. An accurate national graduation rate will be identified and improved loan counseling will be provided for borrowers as part of the financial aid package. Due to an increase in the use of student loans, even though this is an unfunded mandate, it is important work for the University to undertake. Dr. Dunn further reported that a "maintenance of effort" requirement for the states was also passed which requires the average amount of state support provided over the five most recent academic years – backing out capital, research and development expenditures – cannot drop below an established amount.

- **MSU Comprehensive Planning Process**

Dr. Dunn stated when the current Strategic Plan was initially established it covered a five-year period and he would like to make changes so that it is more of a continual planning document that the Board reviews annually. The elements of the document should not be changed for purposes of serving as a master planning document for the University and the typical parts of the document, including the Vision Statement, values, Mission Statement and the statements that set forth how the University is going to do what it does (strategic planning goals) are all important. Dr. Dunn indicated there needs to be a master planning document that has Board approval while at the same time provides flexibility to undertake initiatives he views as being important for the University. The Board is being asked to take action to change the planning document and the administration is working on addition additional elements that are currently missing from the document, including:

1) Unit planning which refers to planning that takes place at the college, department or office level and how that ties into the University plan; and
2) Accountability which refers to whether the University is hitting the mark on the things it wants to accomplish.

Dr. Dunn reported that many institutions are moving away from strategic planning and are entering a post-strategic plan era due in large part to the fact that resources and people change. Environmental events could occur that would immediately change the plan and cited as an example the incident at Virginia Tech. When that event occurred, some of the other planning work was set aside and the institution moved forward to figure out how to address safety and security issues for the campus. Current thinking is that a good university has in place stimulus response flexibility and must be maneuverable and flexible given the demands placed upon it. Dr. Dunn also believes that strategic plans are "top down" instruments and are non-creative in that they do not take advantage of creativity and the opportunity for growth that can come from the individual units. If the units are told they must follow a set University goal it may or may not make sense to that particular unit and they could determine they need to be doing other things instead which is why Dr. Dunn wants to move toward strategic imperatives.

Dr. Dunn proposed the following revisions to the University's master planning document:

1) Change document title from *Strategic Plan 2003-2008* to *MSU Comprehensive Plan.*
2) Add new value of "Regional Responsibility – Murray State values using our capacity and responsibility for service and outreach to improve the quality of life for people and institutions in our region and the Commonwealth."
3) Add a clause to first sentence of Mission Statement: "Murray State University serves as a nationally-recognized residential comprehensive university, <u>with a strong extended campus and online presence</u>, offering high-quality baccalaureate and master's degree programs." This is not intended to diminish MSU's role of being a strong residential university but enrollment growth must be reviewed and continued development of extended campus and online programs is necessary in order for the University to reach the 12x12 enrollment goals.
4) Change section name and structure of statements: *Strategic Planning Goals* to *Characteristics of the University* which parallels with the *Characteristics of the MSU Graduate*. Remove reference to "shall" and change the form of the verbs accordingly for each statement (e.g., "The University shall conduct…" to "The University conducts…"). These are intended to be goals of the University but 30 plus goals are too many to accomplish and at most two to four areas must be

targeted as a means of changing an institution and making it better – for initiating new ideas, growing and developing. These strategic planning goals speak to the characteristics of how Murray State wants to operate as a university. The *Characteristics of the MSU Graduate* are then used as a means for institutional improvement leading to Southern Association of Colleges and Universities (SACS) accreditation.

5) Adding a new section called *Strategic Imperatives – Fostering Excellence/Creating Communities/ Building Partnerships/Extending Outreach*. This would involve a review of the imperatives to determine where the University will look to make progress around fostering excellence, creating community, building partnerships and expanding outreach – these areas that will strategically take the University to the next level. The imperatives would serve as the anchor for whatever the University might do strategically.

Dr. Dunn stated he is not against strategic thinking but is not a fan of the old strategic planning model. A simplistic structure will be developed where the units will be asked to accomplish a couple of goals. One of those goals will be an improvement goal for the unit that relates to what the department would like to do to make itself better, looking at how it compares to other departments similarly situated, and needs they have and opportunities that exist to figure out what needs to be done to make the program better move it forward. They will also be asked to choose at least one of the imperatives as a unit and will develop a plan to be presented to the administration that will then review the plan and look for ways to assist. A small pool of money must be made available to help units that might need assistance in proceeding with this work. A lot of work has already taken place internally to have an online reporting system in place to assist in this effort. Dr. Dunn added that communication is always challenging in an institution as large as Murray State and an online means of communicating status developments on university-wide initiatives will play a valuable role in this process.

Dr. Dunn stated that the second missing piece to planning is accountability for the institution. The Board must begin to look at possible university-wide accountability indicators and determine whether progress is being made toward those overall indicators of institutional health. Approximately 15 potential accountability indicators were provided during the Board Retreat on September 5, and Dr. Dunn indicated discussion needs to take place around these indicators. From these indicators the University will need to determine a set of aspirational peer institutions, perhaps utilizing the *U.S. News and World Report* list and other research of universities similarly situated to Murray State that are the great mid-major universities in the country at the master's level. Such institutions include James Madison, Truman State, Portland State, University of Wisconsin La Crosse, University of Wisconsin Eau Claire and Indiana University of Pennsylvania. Murray State must begin reviewing these indicators in terms of how the University compares to these aspirational peers in an effort to determine whether this is a league MSU can work into. The University cannot remain static if it wants to fit solidly within this group.

MSU Comprehensive Plan, approved

Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, approve the changes outlined above to create the *MSU Comprehensive Plan* and authorize the development of unit planning and accountability components to be utilized in conjunction with the *Comprehensive Plan*. Dr. Morgan seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes: Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried unanimously.

MSU "Spotlight": Greek Affairs

Chair Stout announced the beginning of the "Spotlight" portion of the meeting and introduced Mr. Jim Baurer, Curris Center Director and Ms. Renita Meriwether, Student Life Associate, who gave a PowerPoint presentation on Greek Affairs at Murray State University. Mr. Baurer reported the following highlights:

- MSU has eight (8) sororities and 14 fraternities with a total of 912 undergraduate student members. Undergraduate women comprise 10.7 percent of the membership (452 students) and undergraduate men comprise 14.5 percent of the membership (460 students) and Greek chapters range in size from four to 90 members.
- Greek students consistently achieve a higher term grade point average (GPA) when compared to the campus average. The fraternity GPA for spring 2008 was 2.76 compared to 2.66 for all male

undergraduate students and the overall sorority GPA was 3.14 compared to 2.95 for all female undergraduates.

- All Greek organizations participate in a governance structure involving one of three governing councils, including the Pan-Hellenic Council, National Pan-Hellenic Council and Inter-fraternity Council. All three bodies have a President and Advisor and are necessary because the rush/recruitment requirements of the fraternities and sororities vary widely. Mr. Baurer introduced Sarah Farmer, President, Pan-Hellenic Council and Dr. Ginny Richerson, Advisor; Jennifer Pryor, President, National Pan-Hellenic Council and S.G. Carthell, Advisor; and Kenneth Burgess, President, Inter-fraternity Council, and Jim Baurer, Advisor.
- Mr. Baurer presented the names of the Presidents and Advisors of each fraternity and sorority to illustrate how many students, faculty and staff are involved in the Greek system at Murray State.
- Ms. Meriwether reported that all Greek organizations participate in philanthropic activities and examples of the national philanthropies they support include the Arthritis Foundation (Alpha Omicron Pi – Mr. MSU), March of Dimes (Alpha Phi Alpha – Step Show) and St. Jude Children's Hospital in Memphis (Alpha Gamma Rho – Tractor Pull).
- A Greek Wall of Fame is located on the 3rd Floor of the Curris Center and displays national awards received by various chapters. There is also a President's Cup awarded each year and part of that competition is academic and part is athletic. For this past year academic awards were presented by Dr. Dunn to Alpha Sigma Alpha and Sigma Phi Epsilon for the highest academic averages on campus and athletically there was a tie in the sorority division among Alpha Gamma Delta, Alpha Sigma Alpha and Tri Sigma and the winner in the fraternity division was Lambda Chi Alpha.
- Over 200 men expressed an interest in joining a Fraternity for the fall and 140 women expressed interest in joining a Sorority.
- There are a number of awards that chapters compete for, including non-academic Greek awards, academic achievement and Award of Excellence. A significant amount of time is also devoted to membership education related to risk management issues.
- Some Greek chapters provide off-campus housing and the Sorority Suites provides meeting space for members. The University provides some housing exemptions which allow students to live in those facilities who otherwise would be required to live on campus.
- Greek chapters promote themselves through campus banners, display cabinets, flags, letters and informational mailings. Mr. Baurer indicated that several other informational pieces were provided in the Board packets, including the Greek Relationship Statement which outlines the relationship between the University and Greek chapters.

Chair Stout thanked Mr. Baurer and Ms. Meriwether and reminded everyone that the Mr. MSU competition, sponsored by Alpha Omicron Pi, would be held later this evening and encouraged as many Board members as possible to attend the event.

Report of the Chair

Chair Stout reported that Board members participated in a Retreat held last week at Miller Memorial Golf Course. At the beginning of the Retreat, Board members met with CPE leadership, including Interim President Richard Crofts, Chair John Turner and Vice Chair Dan Flanagan. All reaffirmed the CPE's commitment to the *Double the Numbers* concept which illustrates the importance of the University achieving enrollment, retention and graduation goals.

Chair Stout stated that the Regional Stewardship Kick-Off held the evening prior was an excellent event and commended Mrs. Winchester for her work in getting the leadership of west Kentucky together and as a cohesive force and for instituting very substantive projects to improve the quality of life within western Kentucky and the service area.

Chair Stout commended Dr. Dunn for bringing openness and transparency to the University and providing accessibility to information which is evidenced through a number of initiatives, including an Internet presence and streaming of Board meetings, public participation segment of the quarterly Board meetings, Presidential Blog where students interact with the President, Board of Regents website, and public posting of University policies online.

Chair Stout indicated that work continues on updating the Board of Regents *Policy Manual*. It has been almost 20 years since the *Policy Manual* has been revised and it is a time-consuming process started by Ms. Rebecca Watts, former Deputy to the President, and now being completed by Mr. Joshua Jacobs, Chief of Staff. It is important that the policies contained within the *Policy Manual* are practical and applicable to the University from the standpoint of operations. If there are outdated policies contained in the *Policy Manual* and the University is not following those policies that could lead to future liability issues. Chair Stout commended the Board for their patience in reviewing the *Policy Manual* and stated that once it is completed it will be a living document that will be regularly updated.

Report of the Treasurer, approved

Treasurer Tom Denton presented and reviewed the financial and investment report for the period July 1, 2007, through June 30, 2008. Mr. Denton highlighted the following:

- Total assets increased by $18.8 million and of that amount there was an $11.2 million increase in cash or cash equivalents due to bond proceeds being used to construct the new Richmond Residential College.
- Increase in capital assets, net of accumulated depreciation, of $5.6 million; increase in bonds payable of $11.9 million and issued bonds of $14.5 million and with some management bonds that amounts to a $11.9 million net increase.
- With regard to revenue and expenditures for the general fund, state appropriations revenues are $54.5 million which represents $1.5 million less than the budget due to the mid-year cut; student tuition and fees on a net basis total $49.6 million which is $2.7 million in excess of the budget and about $1 million was for gross tuition and $1.7 million was for tuition waivers.
- Investment income of $3,088,000 which is a significant increase over the budget. All but $600,000 will be moved to the plant fund into the CERR for campus renovations.
- Net change in fund balance: Food Services increased by $462,546, Housing declined by $84,939 (a significant amount of furniture was purchased for the residence halls and the first payment was made on some bonds) and the Bookstore increased by $330,993. Overall there was almost a $600,000 increase in auxiliaries.
- With regard to restricted funds the bottom line shows a decrease of $134,588 but that relates more to a timing situation with revenue and expenditures not matching up in the same fiscal year.
- There are two areas that experienced significant changes. The West Regional Center for Emerging Technology (Business Incubator) experienced $800,000 less in grants. These were grants that did not apply to this specific area but were grants previously managed by that entity. There was also a drop in investment income which means the University is recognizing the unrealized loss in investments. As the market changes and the values go down, that is not an actual loss to the University but it must be recognized on the accounting statements.
- There are other earnings that are realized out of the Foundation. With regard to investment earnings there are much stronger cash funds of $6.6 million generated this year compared to $4.9 million the prior year. There are strong realized earnings with University endowments held by the MSU Foundation realizing a yield of 10.8 percent earnings. Chair Stout clarified that the University is getting a 10 percent return and Mr. Denton indicated that is the University's annualized rate of return and primarily includes Capital Guardian investments.

Mrs. Buchanon requested clarification on what the public services expense includes and Mr. Denton stated that most of the cost is for Breathitt Veterinary Center (BVC) operations and is not an educational focus but comes from services provided to the general public.

Mr. Adams asked with regard to non-mandatory transfers where the $9 million was moved and Mr. Denton indicated those funds were either transferred to auxiliaries, restricted funds, loan funds or plant funds. These funds do not flow in just one direction and can move back and forth so this figure represents the net amounts in those various accounts and the largest amount represents capital outlay. Mr. Adams asked if any of the funds transferred were moved into an unrestricted account and Mr. Denton stated if that is the case it would be a small amount. Most of the $9 million is for a construction renovation and maintenance account with ERP comprising the remainder.

Judge Taylor inquired whether he is correct that the University's unrestricted funds are $30.3 million as of June 30, 2008, and Mr. Denton indicated that is the case. Judge Taylor asked for explanation regarding the inter-account elimination that is shown on the Balance Sheet and Mr. Denton indicated that between funds there are monies owed and transfers that need to be made within the University. Ms. Jackie Dudley, Director of Accounting and Financial Services, reported that the amount would eventually zero out among the different funds. Judge Taylor stated that the University was at the same number or slightly below as of June 30, 2007, and indicated the number has been broken out in the past and includes the $8 million earmarked for ERP and asked how much of the ERP money had been used as of June 30. Mr. Denton responded $3.9 million has been expended to vendors. The full $8 million has been transferred from the General Fund to the Plant Fund. Judge Taylor asked where the University stands in regard to funding for the new Public Safety building and Mr. Denton stated that the $2.3 million for the project is not included in the $30.3 million. There has been a transfer of $2.25 million for the Science Campus and that is included in the balance of that account. Judge Taylor indicated it appears the carryforwards did not change from 2007 to 2008 and asked for clarification. Mr. Denton reported that carryforwards do not change until the audit is completed.

Judge Taylor stated it was reported that there was a $2.4 million increase in investment income on the restricted funds and that had been carried over to plant funds for campus renovations. Mr. Denton indicated that of the $3,088,000 approximately $2.5 million has been transferred to the

CERR account which is in the plant funds. Judge Taylor inquired as to whether this money has been spent for campus renovations and Mr. Denton said it had been allocated. As an example, there is a matching program for capital renewal projects where the University spends 70 cents for every state dollar for projects such as roofs, elevators, electrical work and other projects that are not highly visible. Dr. Dunn reported that a list of such projects has been prepared and would be provided to the Board members. Judge Taylor indicated that he was basically referring to the joint Buildings and Grounds and Finance Committee meetings held last year and the classroom projects that were discussed at that time. Dr. Dunn indicated repair and renovation funds do come to the University from this program but they are used for the type of repairs necessary to simply keep the University running. Judge Taylor indicated that an increase in the plant fund is shown on the balance sheet and asked if that is due to the transfer for ERP from the unrestricted fund and also from the interest transfer that has been discussed. Mr. Denton indicated it also includes the funds used to construct Richmond College (bond issuance).

Judge Taylor stated that with regard to the investment earnings report realized earnings on unrestricted funds held by the MSU Foundation is approximately $4.7 million and historically the University does not receive interest on that amount. Mr. Denton indicated with regard to that portion of funding Judge Taylor is correct. Judge Taylor further stated that 10.8 million has been annualized and questioned how the 10 percent yield had been reached. Mr. Denton reported that the amount invested is the quarterly average and there are two quarters represented on this particular investment earnings report. For the $4.7 million and the larger fund of approximately $15 million the Foundation is giving the University a rate for both of those amounts and the 10 percent return is the split average. Judge Taylor inquired as to whether there were any other university funds in possession of the Foundation that the University is not receiving interest on and Mr. Denton indicated he is not aware of any such funds.

Mrs. Buchanon moved, seconded by Mrs. Winchester, that the Treasurer's Report be accepted as presented. Motion carried unanimously.

(See Attachment #1)

Gift, accepted

Mrs. Buchanon moved, seconded by Judge Taylor, that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the Adtran Netvanta 7100 VOIP System and phones valued at $6,191 which were donated by Adtran, Incorporated of Huntsville, Alabama. Motion carried unanimously.

***Faculty Handbook* Revisions, approved with additional revision**

Dr. Dunn reported suggested revisions to the *Faculty Handbook* include changes to existing administrative regulations and/or information and represent a correction of errors or changes to reflect current status of standing committees. Mrs. Buchanon pointed out an error under section 1.5.4.5. where the word "chances" appears and Dr. Brockway clarified the word should be "enhances."

Dr. Morgan moved, seconded by Dr. Manchikanti, that the Board of Regents, upon the recommendation of the President of the University, approve the following changes to the *Faculty Handbook* and as reflected in the attached:

1.4.3:	Reflects current membership of the Academic Council
1.5.3.8:	University Studies Committee Chair is specified
1.5.4.5:	Deletion of incorrect terminology and clarification of committee membership
1.5.4.7:	Reflects current membership of the MSU Institutional Animal Care and Use Committee
1.5.4.11:	Deletes redundant statement in "Purpose" of the Research Policy Committee
1.5.4.14:	Designates Chair of committee
2.1.4:	Deletes incorrect information on terminal degrees
2.7.5.1:	Deletes incorrect reference to Appendix C

Appendices: Corrects location of WKMS-FM, page 134.

(See Attachment #2)

Motion carried unanimously.

NCAA Governing Board Certification, adopted

Dr. Dunn stated that the National Collegiate Athletic Association (NCAA), through the Ohio Valley Conference (OVC), requires an annual certification that addresses the fact that the Chief Executive Officer runs the athletic program and it is being run properly.

Mrs. Ford moved, seconded by Ms. Hays, that the Board of Regents, upon the recommendation of the President of the University, adopt the attached NCAA/OVC Certification Form for Athletics. Motion carried unanimously.

(See Attachment #3)

Department Name Changes, approved

Dr. Dunn indicated that two academic departments have moved forward through the Academic Council to propose departmental name changes which must also be approved by the Board of Regents. The Department of Art desires to change its name to the Department of Art and Design to more accurately describe the academic programs that are offered at Murray State. The current name implies that current programs are only fine art based and the strength of the department in the disciplines of graphic design, wood/furniture design, metalsmithing and ceramics are not being adequately communicated to the public and prospective students.

Dr. Dunn further reported that the Department of Theatre and Dance has dropped the dance minor and the study of dance will be for actor training as opposed to dancer training. The faculty of the department completed a study of dance in other regional institutions as well as a study of the most populated courses in the dance minor over the last decade. Several courses are being dropped and the core dance courses of Music Theatre Dance and Jazz Dance will be retained. This department name change reflects a different focus for the department.

Mr. Adams moved, seconded by Mrs. Travis, that the Board of Regents, upon the recommendation of the President of the University, approve the departmental name change from the Department of Art to the Department of Art and Design and also the departmental name change from the Department of Theatre and Dance to the Department of Theatre. Motion carried unanimously.

Personnel Changes

A. Personnel Reports, approved

Mrs. Winchester moved that the Board of Regents, upon the recommendation of the President of the University, approve Salary Roster as of August 15, 2008; the Report of Resignations and Terminations for the period of January 1, 2008, through August 14, 2008; and the Report of New Employment for the period of January 1, 2008, through August 14, 2008. Ms. Hays seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, abstain; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried.

B. Staff Leaves of Absence Without Pay, approved

Mrs. Ford moved, seconded by Mrs. Buchanon, 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:

Name	Department	Effective Dates
Cain, Camme	University Parking	06/13/08-08/11/08
Craft, Judith	BVC Serology	05/17/08-05/31/08

DeVoss, David	Public Safety	07/14/08-07/18/08
Gallegos, Deborah	Food Service	05/10/08-11/16/08
Goff, Melissa	BVC Administration	06/05/08-07/30/08
Harper, Shara	Registrar's Office	06/24/08-12/16/08
Hopkins, John	Facilities Management	05/01/08-09/30/08
Johnson, Brittany	University Libraries	06/25/08-08/04/08
Lilly, Rebecca	University Libraries	05/09/08-06/13/08
Lindsay, Molly	Food Service	07/24/08-09/30/08
Lindsey, Della	Food Service	07/01/08-12/31/08
Naugle, Barbara	Facilities Management	07/18/08-08/26/08
Nored, Chantee	Food Service	07/01/08-12/31/08
Payne, Marva	Food Service	07/01/08-12/31/08
Sales, Laura	Facilities Management	07/01/08-07/14/08
Smart, Michelle	Health Services	08/15/08-05/15/09
Taylor, Steve	Facilities Management	07/01/08-09/30/08
Wilford, Sandra	Facilities Management	07/01/08-08/31/08

Motion carried unanimously.

C. Faculty Early Retirement Contract, approved

Dr. Manchikanti moved that the Board of Regents, upon the recommendation of the President of the University, approve the application for early retirement for Donald Bennett, effective July 1, 2008, through June 30, 2011, in the Department of Mathematics and Statistics at a 2008-09 salary of $54,182 (100 days as department Chair and Professor) and a 2009-10 and 2010-11 salary of $47,115 for half-time appointment as Professor plus salary increments for future years. Mrs. Travis seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes, exclusive of salary; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried unanimously.

D. Appointment of Chief Facilities Officer and Director of Facilities Design and Construction, approved

Mrs. Winchester moved that the Board of Regents, upon the recommendation of the President of the University, approve the employment of Kim Oatman as Chief Facilities Officer and Director of Facilities Design and Construction, effective July 1, 2008, at a fiscal year salary of $103,091. Mr. Adams seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried unanimously.

Tenure Recommendation, approved

Dr. Brockway reported that the Provost's Office inadvertently omitted Dr. Solomon Antony's name from the tenure recommendation that was approved at the May 16, 2008, quarterly Board of Regents Meeting.

Dr. Manchikanti moved that the Board of Regents, upon the recommendation of the President of the University, award tenure to Dr. Solomon Antony, Assistant Professor, Computer Science and Information Systems, effective August 15, 2008. Mrs. Buchanon seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried unanimously.

On behalf of the Board of Regents, Mrs. Buchanon and Chair Stout apologized to Dr. Antony for the oversight.

The Board recessed beginning at 3:25 p.m. and concluding at 3:45 p.m.

Committee Reports/Recommendations

A. Academic Affairs – Dr. Morgan – No report.

B. Athletic – Chair Stout

Chair Stout reported the following:

- Allen Ward has narrowed the search for the new Softball Coach to four candidates and is currently conducting interviews and a new Coach should be hired by October 1, 2008.
- Darron Boatright has resigned as Assistant Athletic Director for External Affairs. He is returning to Alabama and the Board wishes him well.
- Murray State's basketball program was ranked in the Top 30 college basketball programs by ESPN.

C. Audit – Mr. Adams

Mr. Adams reported that the Audit Committee met during the morning committee meetings and all members were present. The Committee reviewed the Audited Financial Statements for the Kentucky Institute for International Studies (KIIS) and Mr. Keith Messmer from BKD made a presentation to the Board. He reviewed the six categories of significant accounting policies and practices and found that there were no matters reportable and complimented Mr. Denton, Ms. Dudley and Mr. Carl Prestfeldt, Budget Director, for their good work.

Audited Financial Statements for KIIS, approved

On behalf of the Audit Committee, Mr. Adams moved, seconded by Judge Taylor, that the Board of Regents, upon the recommendation of the President of the University, accept the following audited financial reports:

1) Kentucky Institute for International Studies (KIIS) Program Management and Management Representation Letters
2) Kentucky Institute for International Studies (KIIS) Program audit for the year ended 12/31/07

Motion carried unanimously.

(See Attachments # 4 and #5)

Mr. Adams further indicated that pre-audit communications were presented to the Board of Regents regarding the Kentucky Institute for International Studies Program and university audits and included the general financial statements, A-133, for WKMS-FM and the Racer Foundation. This information was provided for informational purposes only.

(See Attachments #6 and #7)

D. Buildings and Grounds – Ms. Hays

Ms. Hays reported that the Buildings and Grounds Committee met during the morning committee meetings and all members were present. The Committee received a report from Mr. Denton and Mr. Oatman regarding the College Courts Replacement Project. Ms. Hays stated that the report provided valuable insight and was presented for informational purposes only.

E. Development/Investments – Chair Stout

Chair Stout stated that the Development/Investments Committee met during the morning committee meetings and all members were present. The Committee received a report from Mr. Jackson regarding development activities currently underway at the University.

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

G. Faculty/Staff Affairs – Mrs. Winchester – No report.

H. Finance Committee – Judge Taylor

Judge Taylor reported that the Finance Committee met during the morning committee meetings and all members were present.

Conie Crittenden Lowry Endowment, 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 the designation of the Conie Crittenden Lowry Pre-medical Scholarship Fund as a quasi-endowment. Ms. Hays seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Chair Stout, yes. Motion carried unanimously.

Endowment Report, approved

On behalf of the Finance Committee, Judge Taylor moved, seconded by Mrs. Travis, that the Board of Regents, upon the recommendation of the President of the University, approve the attached Endowment Match Program Report for the period ended June 30, 2008, as required by the Kentucky Council on Postsecondary Education. Motion carried unanimously.

(See Attachment #8)

I. Governmental Relations – Mrs. Travis – No report.

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

K. Student Life – Ms. Mantooth

Ms. Mantooth stated that the Student Life Committee did not meet during the morning committee meetings but reported the following:

- The Presidential election is approaching and MSU students are being provided with two separate opportunities to register to vote and a mock election is being held by the Student Government Association.
- Constitution Day will be held next Wednesday.

L. Ad Hoc *Policy Manual* Committee – Chair Stout

Chair Stout reported that the Ad Hoc *Policy Manual* Committee met during the morning committee meetings and all members were present. The Committee reviewed proposed revisions to *Sections III* through *VII* of the *Board of Regents Policy Manual* that included updating obsolete language, modifying language to reflect current policies and procedures across University functions and renumbering of policies and proposed language changes to new policies.

On behalf of the Ad Hoc *Policy Manual* Committee, Chair Stout moved that the Board of Regents, upon the recommendation of the President of the University, approve the following changes to the *Board of Regents Policy Manual*:

1. The Ad Hoc *Policy Manual* Committee brings a recommendation for changes to ***Section III - The Employees.*** (Passed unanimously)
2. The Ad Hoc *Policy Manual* Committee brings a recommendation for changes to ***Section IV - The Faculty.*** (Passed unanimously)
3. The Ad Hoc *Policy Manual* Committee brings a recommendation for changes to ***Section V – The Students.*** (Passed unanimously with the exception of Section 5.1.1 which was postponed until the 11/14/08 meeting)
4. The Ad Hoc *Policy Manual* Committee brings a recommendation for changes to ***Section VI – The Governance Units.*** (Review of entire section postponed until 11/14/08)
5. The Ad Hoc *Policy Manual* Committee brings a recommendation to delete ***Section VII – The Agreements.*** (Passed unanimously)

Judge Taylor seconded and the motion carried.

Judge Taylor indicated that a Tuition Task Force was created last year to study tuition and make a recommendation to the administration to assist with preparation of the budget and the membership of that Committee would be finalized next week. Current members include Ms. Hays and Ms. Mantooth, an out-of-state student and an in-state student, four parents and Mr. Denton. The Committee will most likely meet at the beginning of October.

M. Committee of the Whole -- Chair Stout

Report of the Task Force on Developing Murray State University's Extended Campus at Paducah, discussed

Chair Stout reported that the Board of Regents convened as a Committee of the Whole during the morning committee meetings and all members were present. The Committee previously received background information and analysis of the final report of the Task Force on Developing Murray State University's Extended Campus at Paducah, Kentucky. In addition, members of the Task Force testified before the Board regarding the report. Chair Stout called for a motion to approve the final report of the Task Force.

Mr. Adams issued the following statement:

"I would like to express my gratitude and sincere appreciation to the members of the Paducah Task Force for their diligent and expeditious work in studying this matter. This effort is visionary for higher education in Murray State's service area for all students, particularly non-traditional students. To those who say we should take care of our main campus, I agree, but our role is to educate students in our service area. We will be negligent if we delegate that responsibility and privilege of educating these students to someone else. If we do not educate them, someone else will and Task Force member John Williams assured us of that this morning. Furthermore, I do believe that we must support all the extended campus sites to the best of our ability. We cannot remain a primarily provincial university and expect to grow. We must go where the potential students are as well as provide an excellent main campus experience. I am convinced that our main campus will benefit from our successful presence at the extended campuses that we have."

Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, approve the report of the Task Force on Developing Murray State University's Extended Campus at Paducah.

Mrs. Buchanon clarified that the motion before the Board is to approve the final Task Force Report and asked whether approving the final report means the Board accepts the report. Mr. Adams indicated it means that the Board approves the recommendation that the Task Force has advanced in the report. Ms. Hays asked what the recommendation is and Mr. Adams indicated it is to "construct a new Paducah Extended Campus facility on the Barkley Woods property optioned by MSU" and that can be found on page 12 of the Task Force Report under the heading "Recommendation."

Chair Stout clarified that a motion is on the floor to approve the Task Force Report and asked for a second. Judge Taylor seconded and additional discussion followed.

Dr. Morgan asked for clarification on whether Chair Stout anticipates the Board voting to accept the Task Force Report and then having a separate motion in regard to the purchase of property. Chair Stout indicated that to be the case and protocol would require a separate motion to authorize exercising the option to purchase the property. The motion currently on the floor is to approve the Task Force Report.

Ms. Hays indicated that the report states, "Collectively the Task Force determines that the most effective means of expanding higher education programs and services in Paducah and McCracken County is to construct a new Paducah Extended Campus facility on the Barkley Woods property optioned by MSU and its recommendation to the Board of Regents is hereby duly made." She indicated that to her that means if the Board approves the report it is also approving purchase of the land and constructing a new facility. Chair Stout stated a second motion would be required to accomplish that. What is being considered is the Task Force

recommendation to the Board of Regents and the BOR can approve the report but it is the opinion of the Chair that a separate motion to authorize the purchase of property would be required. Mr. John Rall, General Counsel, agreed especially since the administration would be moving forward with a number of different agencies and there needs to be absolute clarity with regard to the intention of the Board.

Amendment to Recommendation to Accept Report of the Task Force on Developing Murray State University's Extended Campus at Paducah, failed

Mrs. Buchanon indicated she would like to make an amendment that the Board accepts the report of the Paducah Task Force but will continue to decide and discern what avenue to pursue with regard to the final recommendation made by the Task Force. Chair Stout asked if Mrs. Buchanon is moving to amend the agenda item and to change the word approve to accept and indicated if she is going to add language to the recommendation she needs to present that language. Mrs. Buchanon moved to amend the recommendation to read, "to accept the report of the Task Force but by accepting the report the Board does not necessarily accept their recommendation." Chair Stout indicated that he believes Mrs. Buchanon is simply moving to accept the Task Force report and change the word approve to accept. Mrs. Buchanon asked if by changing the language to accept whether the Board is accepting the report as is, not necessarily accepting the recommendation, and asked whether there is a difference between accept and approve. Mr. Rall indicated he does not think there is a difference between the two words and that the report is contained in the Board notebooks and the Board has already received it and will vote on it. He does support and endorse Chair Stout's idea of leaving no ambiguity about what the administration is doing. Once the report is voted on the Board has accepted it but must specifically set out in a separate motion to take any further action. Mrs. Buchanon stated that she would amend the motion to read, "That the Board of Regents accept the Task Force Report on an informational basis only." Chair Stout restated that she is moving that the Board of Regents accept the report on an informational basis only. Chair Stout stated there is a motion to amend the recommendation to read, "That the Board of Regents, upon the recommendation of the President of the University, accept the report of the Task Force on Developing Murray State University's Extended Campus at Paducah on an informational basis only." Dr. Dunn clarified that this is not the recommendation of the President and Chair Stout restated Mrs. Buchanon's amended motion as, "That the Board of Regents accept the report of the Task Force on Developing Murray State University's Extended Campus at Paducah on an informational basis only" and asked for a second.

Ms. Hays seconded but asked for clarification on whether this means the Board accepts the report and that acceptance does not allow any action to be taken without a separate motion specific to purchasing property or building a facility. Chair Stout, Dr. Dunn and Mr. Rall agree that is the intent of Mrs. Buchanon's amended motion. Mr. Rall further stated that he believes Mrs. Buchanon's intent with the amended motion is to put the report before the Board with no acceptance or rejection of the Task Force recommendation contained in the report. Mrs. Buchanon indicated that to be the case.

The roll was called with the following voting: Mr. Adams, no; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, no; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, no; Mrs. Travis, no; Mrs. Winchester, no; Chair Stout, no. The amendment to the recommendation failed by a vote of 6 to 5.

Report of the Task Force on Developing Murray State University's Extended Campus at Paducah, approved

Chair Stout indicated the Board would now consider the motion as originally presented: "That the Board of Regents, upon the recommendation of the President of the University, approve the final report of the Task Force on Developing Murray State University's Extended Campus at Paducah." Judge Taylor seconded and discussion followed. Mrs. Buchanon asked whether there would be discussion now about this issue or whether the Board has had all the discussion it intends to have and Chair Stout indicated she can discuss the issue as much as she would like and added that assuming this motion passes, he anticipates another motion will be made.

Mrs. Buchanon moved that the Board go into Executive Session pursuant to KRS 61.810(1)(b) to discuss the sale of property. Judge Taylor stated there was already another motion on the floor

that has not been addressed. Chair Stout added he does not think the motion made by Mrs. Buchanon is germane to the motion on the floor to simply approve the Task Force Report.

The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, no; Mrs. Ford, no; Ms. Hays, no; Dr. Manchikanti, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; Chair Stout, yes. Motion carried by a vote of 8 to 3.

Purchase of Barkley Woods Property in Paducah, Kentucky (McCracken County), discussed

Mr. Adams moved that Murray State University exercise its current option to purchase the Barkley Woods property in Paducah, Kentucky (McCracken County) for the purpose of constructing a new and appropriate extended campus facility for Murray State University. Furthermore, that the funds for purchase be taken from those accounts as deemed appropriate by the President in concert with the Vice President for Finance and Administrative Services. Judge Taylor seconded and discussion followed.

Chair Stout clarified that the current motion would authorize exercising the option to purchase the property that is currently under option which expires January 9, 2009. This is the property that the Task Force, after much deliberation, unanimously recommended that the University purchase. The Task Force has collectively spent hours researching what was in the best interest of Murray State University to meet the charge of the Task Force which was put forth at the November 30, 2007, Board meeting. The Task Force felt this recommendation would definitely help increase enrollment and Mr. Williams referred to the move as "increasing the dominance of MSU's position in west Kentucky and its service area."

Dr. Morgan stated that he appreciates the work of the Task Force and likes some of the options brought forward and from a personal perspective he believes Paducah is a valid market for MSU. He is sluggish on the particular option that is being discussed, however. He is reminded of the January 2008 Buildings and Grounds and Finance joint committee meeting to review campus and instructional upgrades such as classrooms and broken desks on the main campus. These were also issues that the entire Board deemed important and agreed should be reviewed. Lists were compiled and submitted and from his knowledge the University has not worked its way very far down that list due to budgetary issues. Dr. Morgan further stated that during budget discussions in the spring the Board told faculty, staff and administrators the University can afford to give them a stimulus check but that it could not be applied to their base salary because funding is limited. In May talk centered on the potential of another rescission in January 2009 and the possibility of giving funds back to the state existed which would financially limit the University even further. The University is coming into a period in October where health care rates will be released and premiums may or may not go up and he is having trouble supporting this initiative – not in and of Paducah itself – but because of issues that have led the Board up to this point.

Dr. Morgan feels the signal that the Board has been sending is that times are tight and the University cannot do the things it needs to do and is now proposing to use a proportion of fringe benefit money to purchase this property in Paducah and money is being pulled back from academic units on campus. He supported those initiatives because he believed the University needed to conserve money and he believes Paducah is a viable market and the University should be integrated there and should support the work of the Task Force but he is not totally convinced that the option being presented is viable at this point. There might be a better option available that the University could exercise and indicated his intention to vote against the recommendation for these reasons and because faculty members across campus have a general uneasiness about the option.

Dr. Dunn added that he earlier sent an e-mail identifying three sources of funding to cover the property purchase. He does not agree that money is being taken from fringe benefits and asked Mr. Denton to address that issue. Dr. Dunn indicated three sources of funds have been identified, two of which were property acquisition line items (one from current year spending and one from carryforwards which combined total roughly $600,000). The University would then utilize another line, fringe reserves, that Mr. Denton will address because it is a mischaracterization to say fringe benefits are being used to pay for the purchase of this land. Mr. Denton indicated the University is looking for a source of one-time money for purchase of the

land in Paducah whereas some of the other issues that have been mentioned, such as health insurance and salaries, would amount to recurring expenditures. There is a carryforward balance of $360,000 in the land acquisition account and $400,000 in the current year land acquisition account for a total of $760,000. It is being proposed that the additional $290,000 come from the fringe benefit reserves carryforward account. Budgeted in the current year are fringe benefit reserves which are recurring and for the past several years a balance has remained in that fringe benefit reserve account. In reviewing funding for recurring expenditures, the administration looked not only to the fringe reserve account but also to approximately $1 million in actual tuition over budget.

Mrs. Buchanon asked what else the carryforward money could be used for and Mr. Denton indicated it could be used for one-time expenditures. She specifically asked if the money could be used for salaries and Mr. Denton indicated it could not because salaries are a recurring expense and would require a budgeted, recurring source of funds. Ms. Hays asked whether the money could be used to fix some of the classroom needs previously mentioned by Dr. Morgan such as heating and cooling and repairing desks which would also be one-time expenditures. Mr. Denton indicated that interest earnings ($2.5 million) have been transferred to the CERR account and that is used for roofs and repairs of that nature. Dr. Dunn reported that the administration has solicited and tried to identify and address those needs on campus. Although he does not know the current status of that work he was at one point monitoring the process and in January stated if there is a room cold enough on campus where students are wearing gloves, then he should be called so he can visit the room in person. He received only one such call and it was for a vestibule. He believes the University has caught up with these repairs. Mr. Oatman reported that Facilities Management has been undertaking projects all along and those repairs have been covered from different sources of funding and he does not believe there is a large amount of this work still to be completed. Dr. Dunn stated it may be time to ask the units again if needs remain along these lines.

Chair Stout stated that Mr. Oatman has visited and explored the Barkley Woods property in Paducah and asked him to provide a report on the viability of this property for this intended purpose. Mrs. Buchanon asked if any member of the Board has been to see the property and several members stated that they have seen the property but have not actually walked it. Chair Stout reported that he has walked the property extensively. Mr. Oatman reported the property is well located and has high visibility and that the topography is good for developing the site. He has talked with the Chief District Engineer regarding the issue of access and there are many options available. Discussions with the Director of Planning and the City Engineer yielded positive results as well. An environmental assessment was conducted and no issues of concern were noted. Interviews have also been conducted within the neighborhood and University representatives have attended meetings of the neighborhood associations to discuss the potential of Murray State purchasing the property. Chair Stout asked whether he had looked at the property in terms of an actual footprint for a building and Mr. Oatman indicated that there is a total of 23 acres and one building would take up a very small percentage of the entire site. If access through the neighborhood is required he does not see that as an insurmountable problem and cited Madisonville Community College as an example. Chair Stout also announced that the church that is located next to the property has mentioned they would be interested in discussing the University having access there if it exercised the option to purchase the land. Mrs. Buchanon inquired whether the property is zoned low density residential and Mr. Denton indicated it is zoned in the residential class. Ms. Hays asked if the area is zoned low density residential and the University does not build on it how that affects the value of the property if the University decides to sell the land at some point and Dr. Dunn stated that would depend on the market at the time. Ms. Hays also indicated that she believes the University should have an exit strategy in place in the event the University decides to sell the property and in Hopkinsville there is no residential area as one enters the campus as it is located directly off Highway 41-A.

Ms. Hays indicated she believes non-traditional students are the ones that will help the University meet the “Double the Numbers” goal and this is true not just for Murray State but all the regional universities in Kentucky and MSU must pursue these students. Her personal concern is that she does not think the University is utilizing the Hopkinsville campus to its full potential. There is currently an Interim Director at that campus but until it is functioning to its full capacity it would be very difficult for her to approve constructing a building at extended another campus. The University should take care of what it already has in Madisonville and the

other extended campuses and should focus on the Hopkinsville campus and it bothers her that discussion is not taking place around this issue.

Mrs. Buchanon stated that the number of individuals in McCracken County with some college credit but no degree is extremely high but she believes the percentage of individuals in the same situation in Christian County is high as well. Ms. Hays stated that she does not want to hold Paducah hostage because that is not fair to the population there but in all fairness the ability exists in Hopkinsville to quickly increase enrollment with nontraditional students. The Hopkinsville campus needs a full-time Director and the community is talking about postsecondary education as is the Chamber of Commerce. Austin Peay State University has captured a lot of students and Mid-Continent is also in the community and has experienced an increase in enrollment. From this aspect it would be difficult for her to support the Paducah campus right now because the University has until January 9 before it must decide whether to extend the option to purchase land. She is not sure why any action needs to be taken right now. The issue should be examined further, more information should be gathered and the economy (state revenue) must be taken into consideration especially considering the possibility exists that the University will face another rescission. She agrees with Dr. Morgan that if faculty and staff have gone through what they did salary wise this year and then the University gets ready to expend funds for land that would make her wonder about the $400 economic stimulus check and the tone this action sets is negative, whether funding can be used for this purpose or not. She agrees with Mr. Williams that the University must send a clear marketing message and she believes the University is moving more rapidly than it should.

Dr. Dunn indicated he wants to speak to the Hopkinsville issue and there have been many challenges at that campus but overall there has been growth. The organizational communication program is being offered there and having to share a Director with the Henderson campus is not from lack of trying to identify a full-time Director for the Hopkinsville community. Programmatically the University must figure out what will work in Hopkinsville but programmatically cannot even get in the ballpark in comparison to Paducah without figuring out how to address the facility issue.

Mrs. Winchester clarified that the money being used for the $1 million land purchase is coming out of three lines and asked if realistically that money could be spent on the things Ms. Hays mentioned. She also requested clarification that spending this money will not totally zero out an entire budget line. Mr. Denton indicated that the land carryforwards do not represent a recurring budget. There is a land budget that is recurring but he is only suggesting taking one year's worth of funding from that line and next year the University will have the same budget line.

Mrs. Buchanon clarified that means the University would be using recurring money to purchase the property in the particular line that is being discussed. Mr. Denton indicated this does not cut off that funding for future years, only for the current year or the prior year. The only current year money that is being used is coming from the land acquisition account and the other two accounts are prior year monies. The land acquisition account and the fringe benefit reserves will roll forward in the budget with new money each year.

Mrs. Buchanon stated that her concerns are many and varied. One concern centers around the Crisp Center and whether renovations can be made to the facility. She feels there is a 75,000 square foot building that is not being properly utilized. The state and nation are in a bad situation economically and on Thursday morning after sales tax numbers were released for the month of August, she talked to a high level administration member in Frankfort and they are still very nervous about revenue number projections. Employment growth in the state is flat, manufacturing employment is falling, road revenue funds are down, and fuel and vehicle sales are down. Growth needed over the next ten months is large for the state and she was informed there could still be budget cuts and no one, not even the universities, would be exempt from those cuts. Higher education has had its share of budget cuts but if the situation remains the same the University is not assured of being exempt from cuts in the future and that must be taken into consideration. She also wonders if the University is faced with cuts this year or a possible giveback, where that money will come from. Dr. Dunn reported it is his inclination that the source of funds will most likely be carryforwards.

Dr. Dunn shared that Mary Lassiter, State Budget Director, and other officials made a presentation to the Interim Joint Committee and information has been put forth publicly that

there will be certain governmental entities and agencies exempt from cuts and postsecondary education has appeared in that group. This does not mean that it will not happen but it does mean that the State Budget Director for the Governor is not going to present something with state-wide visibility and application saying postsecondary education is exempt without doing everything possible to keep universities exempt. That could change and the University could be faced with a budget cut but the Governor's Office is on public record as saying postsecondary education will not be hit for those givebacks. He would temper Mrs. Buchanon's remarks because there has been a public policy announcement from the Governor's Office indicating any cuts will be made from within other state agencies and not from universities. If the University is faced with another rescission it would be necessary to use carryforwards to cover that rescission. He does not envision conducting another scrub of the budget because the areas that could be cut have already been cut. Mrs. Buchanon indicated that there have been years that the University thought it would not have to face a cut but that ended up not being the case and Dr. Dunn indicated that situation seems to occur every three years at Murray State.

Mrs. Buchanon indicated she is also concerned that for $450,000 the University could provide an across-the-board salary increase of approximately 1 percent for faculty and staff. Mr. Denton indicated the amount is closer to $700,000. Mrs. Buchanon stated that faculty and staff understand that there are bad budget years every now and then and the University was not able to do much to help them this year but the message this move sends to faculty and staff is if the University has access to $1 million to purchase property, then the University should be thinking about their faculty and staff instead. Whether the money can be used for salaries or not, the perception remains that the University is spending $1 million on property and is not doing anything to help faculty and staff. Mrs. Buchanon asked if any type of cushion exists for next year that would allow for salary increases. Dr. Dunn stated that all these issues are dependent upon one another. In an earlier e-mail to the Board he indicated if they wanted to take all the property acquisition money and put it into salaries that could be done. If the Board wants to look at tuition as a driver for what can be done on salaries and benefits that could be considered as well. It is difficult to answer the question in isolation because it is driven by a host of other factors that the Board must make a decision on. Mrs. Buchanon stated that was not a fair question to ask but also said it troubles her to not be able to take care of faculty and staff when the Board is voting to purchase property and the message that sends is not a good one.

Mrs. Buchanon further stated that in her opinion at this time it would be a financial mistake for Murray State University to exercise its option to purchase this property in Paducah. The University has until January to make this decision and there is another Board meeting before that time which would give the University two additional months to review where it stands with the state and how the budget situation is shaping up. Dr. Dunn indicated the University may not have a lot more information with regard to the budget in November than it does right now.

Ms. Hays complimented the Task Force on their work and stated that she does not want to diminish the amount of work that has gone into the process or the validity of their decision. She indicated that at the Board Retreat last week a comment was made that Paducah is excited about this endeavor and money is forthcoming. Chair Stout clarified what he said was it would open opportunities for the University in the future. She asked if that meant at this point there is no definitive commitment from anyone in Paducah and Chair Stout indicated that he has not looked for any one person but as other communities have supported Murray State's presence he believes the Paducah community will as well.

Chair Stout indicated that the motion currently before the Board looks long-range for the University and no one can know with any degree of certainty when the University will be in a position to construct a new facility in Paducah. This action would tie up a prime piece of property for this purpose that is much more suitable for a future building than the Crisp Center. He asked the Board to remember that the unused space in the Crisp Center is warehouse space and it is not the type of space the University needs. At some point Murray State will be able to sell its interest in the Crisp Center and there is equity within that facility. The building has been a tremendous incubator to establish Murray State's presence in Paducah but 20 to 40 years from now, when Murray State's presence is greatly increased through a new facility with high visibility on I-24 within close proximity to the community college, a new facility will make transfers transparent and seamless for students to go from the community college to the University and MSU will benefit greatly.

Chair Stout stated that as far as timing is concerned he is afraid if the University waits for a "perfect time" there will not be one and currently a window of opportunity exists to purchase the property. With regard to faculty and staff and the effect on salaries, when the Board considered tuition increases in the fall there was a motion made to freeze tuition to zero and all must realize what kind of message that sent. Mrs. Buchanon stated it sent the message that the Board feels sorry for the mothers and daddies of the service region. Chair Stout indicated the flip side is that it also sent a message to Murray State faculty and staff that salary increases were not the Board's highest priority and that must be taken into consideration as well. The Board approved a tuition increase of 6 percent and even at that level adjustments and containment measures were required and the University undertook those initiatives and moved forward. For the long-range plans of Murray State in Paducah he believes this move is clearly in the University's best interests.

Ms. Hays stated that the University has been considering purchasing a farm and has a wonderful School of Agriculture. She has been on the Board for six years and during that time that subject has been dodged and danced around and nothing has been done. She indicated if the Board votes to purchase property in Paducah then the next thing they should is acquire farm land. The opportunity to purchase a farm is an option that has not been acted on and it seems a blind eye has been turned to the issue. She further stated that an issue exists with regard to the University Library and there are potential properties that must be acquired by the University for that project to happen and that must become a priority as well.

Mrs. Buchanon indicated she has an issue with regard to the property acquisition money and at the November 2007 meeting, and she is not sure this is the same money being discussed, but the Board was provided with the final version of the Six-Year Capital Plan which contained language on the acquisition of land that was moved up in the legislative process and the funding source was changed as a part of examining potential needs that may arise on campus for land acquisition. She asked if the money that would be used to fund the Paducah property purchase would be the same money identified earlier to purchase land on campus or adjacent to the campus when such land becomes available. Mr. Denton indicated this is funding that would be used for the purchase of property in Paducah but he has talked to state officials from the CPE with regard to that language and they felt because the University has a campus in Paducah this would fit in with the Six-Year Capital Plan. The University would also have to go through the Office of the Finance Secretary to get this purchase approved. Mrs. Buchanon stated that comments from the area's state Senator have already appeared in the newspapers regarding money that was appropriated and asked whether that is the same money Mr. Denton is talking about. Mr. Denton clarified that the University has not received money from the state for this purpose.

Ms. Mantooth stated that her role as Student Regent is to determine what would be best for the students of Murray State University. She asked whether this decision would ever impact tuition. She can see that for the future if the University builds on this land in Paducah it would have a positive effect on the McCracken County area. She questioned if the $1 million is expended how that will impact current Murray State students and any additional cost that may mean for them. Dr. Dunn reported that this initiative is tuition neutral because the funding to purchase the land is already built into this year's budget which is driven by the tuition rates that have already been passed. Chair Stout indicated that the goal of this initiative is to increase enrollment at the McCracken County campus and some believe that Murray State's enrollment could even double there. All the extended campuses generate revenue through their tuition which comes to the University. Chair Stout indicated this is an enrollment issue and the overall goal is to increase Murray State's presence in Paducah to provide greater access to education for nontraditional students who, due to their situation with regard to family and job, need access to higher education within relatively close proximity. As Murray State attempts to meet the CPE double the numbers initiative, making education more accessible to these individuals will result in an overall increase in enrollment. If Murray State does not increase its presence in Paducah, another entity will.

Judge Taylor indicated he is in favor of moving forward with this initiative and that now is the appropriate time. A move such as this should have been undertaken 5 to 20 years ago to help Murray State increase enrollment. With regard to the Strategic Plan which has now become the Comprehensive Plan, Dr. Rainey Wells and Dr. John Carr set the course for the University in 1922 and in talking about the future of Murray State they used vision buoyed by courage and foresight. If there was ever a time for this Board to use vision, courage and foresight, it is now.

The Board has an opportunity to pursue an initiative that should have been pursued a long time ago. There are 14,000 residents of McCracken County who have some level of college but not a four-year degree and that is the target group for this facility. Mr. Williams during the morning committee meeting estimated, through research conducted by the Task Force, that there are 25,000 such students in just this region alone. The Task Force further indicated that an extremely high percent of community college students who graduate do not go on to college to complete a four-year degree. Those numbers alone makes it clear this is the market the University must pursue. MSU is a regional university with strategic goals, including providing greater educational access and academic outreach to Kentucky's population, keeping tuition affordable, making education accessible to a diverse population and playing an active role in regional economic development. These are some of the main goals for Murray State and this initiative fits along every line of those goals.

Judge Taylor indicated there is currently $30 million in unrestricted funds which includes the carryforwards and that is over and above the ERP money, the security building and any other obligations that the Board has previously approved. If MSU is unable to construct a facility in the future the land can be sold and the University will recoup its money to utilize for other purposes. Mrs. Buchanon indicated there is no guarantee that the University will get its money back, and Judge Taylor clarified that there are "maybes" in everything that the University does. Judge Taylor added if MSU is going to be the regional university it must step up and increase its presence in Paducah. The Board voted not to raise tuition at a level sufficient for faculty and staff to receive raises and because he works in state government he knows that many employees have not received a raise in four years. In fact, most have received little or nothing and that is simply the state of the way things are and it does not mean the University should simply lay down when it has an opportunity to grow. Enrollment has flat lined on the main campus and if the University does not start growing and increasing enrollment faculty and staff may as well need to start getting their resumes together. If the University does not start generating and graduating more students it is going to lose money in the long run. If there are 1,000 new students, whether they come from Paducah, Madisonville, Hopkinsville, Henderson or from the main campus, that amounts to $2.8 million per semester or $5.6 million per year in additional revenue, less some adjustments and discounts. That would pay for this land purchase and also keeps the University from having to raise tuition. Murray State raised tuition the least of any of the other public universities in the state and has been criticized by some. The University's position should be to protect students and even though faculty and staff did not receive a raise, no one was laid off and salaries have not been reduced – and both of these scenarios have happened in the history of the institution.

Judge Taylor stated that Dr. Wells and Dr. Carr in 1922 were operating with four rooms and an auditorium but they had vision, courage and foresight to move forward to bring the University to where it is today. This Board must start utilizing the same vision, courage and foresight. He wants to upgrade the Hopkinsville campus but stated the Board cannot base its growth on what is being done on one extended campus. There are needs in Henderson and Madisonville that must be addressed but the point is the University must continue to move forward in order to grow. This University should be the economic engine of the entire region and every individual should benefit from Fulton to Henderson to Madisonville to Hopkinsville to Murray and Paducah. The region should look to Murray State to educate students who will become leaders, build businesses and be productive in these communities. Murray State has flat lined with regard to enrollment growth while Western Kentucky University is approaching 19,000 students. The reason they are able to accomplish this is because they are going out and doing exactly what MSU has not – they are constructing a building in Owensboro and are trying to secure another building and everyone is applauding their foresight. No one in the city of Bowling Green is saying WKU cannot do that but instead agree if the University is going to meet the CPE enrollment numbers and grow a move into this area must occur.

Judge Taylor further stated that growth will be within the nontraditional student population. Demographics across the country indicate that there are fewer students coming out of the high schools over the next 10 to 15 years and by looking at the big picture and showing some vision, the University must recognize that it must look to a different population to increase enrollment. There are fewer high school students and more universities competing for those students and that must be addressed by MSU. He encouraged the Board to help make Murray State the regional university it is supposed to be. He acknowledged that some issues have occurred over the years between Paducah and Murray but he sits outside that "war" because he lives on the other side of

the lakes. As an alumnus, not a Board member, he does not like to sit back and watch the pettiness that goes on between the two communities in regard to this issue. He believes it is time to put down the sabers and the swords – the war is over and it is time for Murray State to start acting like a regional university. Paducah is not going to take Murray's university away. MSU is the regional university and it is time to start acting like it.

Mrs. Travis stated this is a passionate issue and she has been surprised by Murray townspeople and how some of them have asked her not to support this initiative in Paducah. When she asks them why they cannot explain their opinion and she believes they are deferring to the old war that Judge Taylor mentioned. There are also those who cannot imagine why the University would not undertake this initiative because as the regional university it is Murray State's responsibility. She wants to be sure that the faculty and staff understand that the Board is not choosing land over families and asked if the University had raised tuition an additional 3 percent, as was requested, how much more per semester that would have amounted to for each individual student. Mr. Denton indicated it would amount to and additional $162 per year that the students would be required to pay. Mrs. Travis indicated if the Board had voted to raise tuition by an additional 3 percent that would have eliminated some of the issues that the University is now facing. Someone is going to attract these students and that should be Murray State. No Board members want to intentionally hurt MSU's main campus but instead only want to do what is best. Everyone knows that the residential colleges need updating but that work continues even while the University is considering purchasing land in Paducah. Mrs. Travis mentioned the CPE double the numbers initiative and that Murray State is responsible for serving as the regional University and must move forward to protect the jobs of the future. She added that she is in favor of purchasing the land in Paducah and that land will hold its value and could be sold at a later date if the University is unable to obtain funding to construct a new facility.

Mrs. Buchanon stated that from listening to Mr. Williams during his presentation she learned that of the students currently enrolled in Paducah approximately 40 percent are from McCracken County, 30 students are from Calloway County, 37 students are from Graves County and some students come from Marshall County. She questioned whether the University needs to review this situation because if students are traveling from Murray to take classes in Paducah that does not amount to and increase in enrollment and perhaps more should be done to offer classes at night and on weekends on the main Murray campus.

Executive Session Motion, failed

Mrs. Buchanon moved that the Board of Regents go into Executive Session pursuant to KRS 61.810(1)(b) to discuss the acquisition and sale of property and if the purchase is discussed publicly it could affect the purchase price.
Chair Stout stated that Mrs. Buchanon made a motion and asked for a second and there was no second at this time. He then indicated that he would oppose going into Executive Session because the University has an option to purchase the land in Paducah and he does not see how going into Executive Session could affect the value of the property. Mrs. Buchanon stated that her request has nothing to do with the property in Paducah, Kentucky.

Mrs. Ford seconded Mrs. Buchanon's motion.

Dr. Dunn indicated that Mr. Rall should be consulted and that the purpose for the Executive Session must be made known publicly. Chair Stout asked if the request for Executive Session is to discuss the section of the Open Meetings Law pertaining to real estate. Mrs. Buchanon indicated the request is pursuant to KRS 61.810(1)(b). Mr. Rall indicated that statute pertains to the real estate sale or purchase exception and that in order to go into Closed Session it is necessary to demonstrate that public discussion will affect the value of the property.

Mrs. Buchanon indicated she believes that to be the case. Chair Stout stated that he did not see how that could be the case because the University has an option on the land in question. Mrs. Buchanon stated this is not the Paducah property but is a different piece of property. Judge Taylor referenced *Robert's Rules of Order* and if the request for Executive Session is not relative to the motion before the Board they cannot go into Closed Session. Ms. Hays asked if Mrs. Buchanon has knowledge of another potential property acquisition that could affect the option in Paducah then that would be relevant. Mr. Rall stated that would be the decision of the Chair whether that is germane but there is currently another motion on the floor. Chair Stout asked

Mrs. Buchanon if she is requesting to go into Executive Session to discuss potential acquisition of property other than the Paducah property. Mrs. Buchanon indicated that to be the case and that Ms. Hays stated the situation perfectly.

Chair Stout indicated he has two issues. The first is there is already a motion on the table in regard to the Paducah property which is locked in by an option price. The second is the Board has had discussions about keeping things as open and transparent as possible and has tried to limit going into Executive Session to very specific situations. He decided to let the Board vote on whether to go into Executive Session.

Mrs. Buchanon asked if Chair Stout was refusing her request to go into Executive Session. Chair Stout indicated he will let the Board decide whether to go into Executive Session. The roll was called with the following voting: Mr. Adams, no; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, no; Ms. Mantooth, no; Dr. Morgan, no; Judge Taylor, no; Mrs. Travis, no; Mrs. Winchester, no; and Chair Stout, no. The motion failed by a vote of 8 to 3.

Purchase of Barkley Woods Property in Paducah, Kentucky (McCracken County), approved

Chair Stout stated the motion currently before the Board presented earlier by Mr. Adams, and seconded by Judge Taylor, is that Murray State University exercise its current option to purchase the Barkley Woods property in Paducah, Kentucky (McCracken County) for the purpose of constructing a new and appropriate extended campus for Murray State University. Furthermore, that the funds for purchase be taken from those accounts as deemed appropriate by the President in concert with the Vice President for Finance and Administrative Services. The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, no; Mrs. Ford, no; Ms. Hays, no; Dr. Manchikanti, yes; Ms. Mantooth, no; Dr. Morgan, no; Judge Taylor, yes; Mrs. Travis, yes; Mrs. Winchester, yes; and Mr. Stout, yes. Motion carried by a vote of 6 to 5.

Mrs. Buchanon stated that she would like to go on record as saying that because the Board voted not to go into Executive Session there is a piece of property in Murray, Kentucky, that is for sale that would be very beneficial to the University and no one wanted to hear about that particular piece of property. Mrs. Travis asked why the Board was not made aware of this piece of property earlier and Mrs. Buchanon indicated it is because she only became aware of the availability of the property last evening.

Motion for Executive Session, passed

Judge Taylor indicated that there is nothing that would prohibit the Board from going into Executive Session at this time to discuss another property purchase. Mrs. Buchanon moved that the Board of Regents go into Executive Session. Chair Stout indicated there is a motion to go into Executive Session pursuant to KRS 61.810(1)(b) to discuss deliberations on future acquisition or sale of real property when the publicity would likely affect the value of a specific piece of property to be acquired for public use or sold by a public agency.

Mrs. Buchanon requested that it be entered into the record that not going into Executive Session before the Board took its vote on the purchase of the Barkley Woods property could have affected the result of that vote.

Chair Stout stated that he has a motion and requested a second. Mrs. Ford seconded and the motion carried unanimously. Chair Stout stated that Mrs. Buchanon has indicated in her opinion there will be no action taken following Executive Session.

Executive Session began at 5:15 p.m.

Chair Stout indicated that he would entertain a motion to convene in Open Session and Ms. Hays so moved, seconded by Ms. Mantooth. Open Session began at 5:18 p.m.

Chair Stout announced there was no action taken in Executive Session and stated that there being no other business before the Board he would entertain a motion for adjournment. Ms. Hays moved for adjournment, seconded by Mrs. Ford.

Adjournment

The quarterly meeting of the Murray State University adjourned at 5:20 p.m.

Chair

Secretary

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