

**Minutes of the Special Board of Regents Meeting
Annual Planning Retreat and Work Session
Murray State University
Friday, September 5, 2008
9 a.m. – Miller Memorial Golf Course – Clubhouse Conference Room**

The Board of Regents of Murray State University met on Friday, September 5, 2008, in Special Session for the Annual Planning Retreat and Work Session in the Clubhouse Conference Room at Miller Memorial Golf Course, 2814 Pottertown Road, Murray, Kentucky. Chair Alan Stout called the meeting to order at 9:10 a.m.

1. Roll Call

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

Others present were Randy J. Dunn, President; Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to the Board of Regents and Joshua Jacobs, Chief of Staff.

**AGENDA
SPECIAL MEETING OF THE BOARD OF REGENTS
Murray State University
Miller Memorial Golf Course – Clubhouse Conference Room**

**Friday, September 5, 2008
9 a.m.**

**ANNUAL BOARD OF REGENTS
PLANNING RETREAT AND WORK SESSION**

- 1. Roll Call**
- 2. Joint Discussion with Council on Postsecondary Education (CPE) Leadership (Dr. Richard Crofts, Interim President; John Turner, Chair; Dan Flanagan, Vice Chair)**
- 3. Organizational Review and Strategic Initiatives Update**
- 4. Regional Stewardship Update**
- 5. Presidential Evaluation Instrument and Process**
- 6. Strategic Plan and Accountability Indicators**
- 7. Future Issues Analysis**
- 8. Board of Regents Operational Issues**
- 9. Regents' Initiatives and Issues**
- 10. Adjournment**

2. Joint Discussion with Council on Postsecondary Education (CPE) Leadership

Chair Stout introduced and welcomed members of the Kentucky Council on Postsecondary Education leadership team, including Dr. Richard Crofts, Interim President; Mr. John Turner, Chair and Mr. Dan Flanagan, Vice Chair. Mr. Turner commended the members of the Board for their willingness to serve as trustees of the University and stated that it is a very challenging role in public institutions today, especially with the objectives of the “double the numbers” initiative which is discussed frequently at the CPE to ensure that as a coordinating body all understand whether the objective is aligned with the goals of House Bill 1 and the 1997 postsecondary education reform. The overall goal is to double the number of baccalaureate degree holders in the Commonwealth of Kentucky by 2020 to bring Kentucky up to the average of the rest of the nation. He further indicated:

- In terms of graduation and retention rates MSU is the benchmark institution in the Commonwealth of Kentucky among public institutions.

- There are many challenges which exist in Kentucky because it is a poor state in relation to funding and that lack of funding makes it increasingly difficult to keep postsecondary education affordable.
- One of the challenges regarding affordability is that the Board must take into consideration the net cost of attending Murray State. The sticker price is what people in the media tend to focus on but it is not the actual net cost most students pay. In reviewing cost individuals must also understand the return on invested capital. Most young people tend to focus on four years of education and do not take into consideration the ensuing 40 years and how quickly the money they invested in higher education is returned to them. The CPE must do a better job of elevating this discussion so that the institutions and students think more strategically, especially in discussions relative to how trustees of the institutions make decisions regarding tuition increases. MSU raised tuition by 6 percent but must determine if that allows the University to maintain its quality, credibility and value as well as whether it supports underlying infrastructure costs.
- Another challenge the universities face in doubling the numbers is finding those students. The CPE initiated a program two years ago to identify people in Kentucky that had some college credit but no degree. They discovered there are over 11,000 individuals in Kentucky with 90 or more credit hours who have never received a degree. Further, as reported by Dr. Dunn and Chair Stout, there are 14,000 individuals in the Paducah and McCracken County area alone with some college credit but who have not achieved or attained a baccalaureate degree. That is quite a challenge in a state as small and as poor as Kentucky and the universities must figure out how to not only get those students back into the system but how to get them through the system. CPE initiatives over the last two years have been geared toward double the number of baccalaureate degree holders by 2020 and regional stewardship and regional outreach initiatives are essential to ensuring the success of this endeavor.
- There were 600,000 plus stem degrees awarded at the baccalaureate level in 2005. There were 30,000 awarded in the United States and approximately 500,000 awarded in Asia. This represents the transition taking place from an underdeveloped country and is evidenced by the number of individuals with “blue collar jobs” who have not only baccalaureate degrees but post-baccalaureate degrees as well. The emphasis here is on educating and elevating intellectual capital as a generator of financial capital. The U.S. must also make this transition much as it did 80 years ago.
- The Board is encouraged to examine their role in supporting Murray State University to achieve its role in doubling the number of baccalaureate degree holders in the Commonwealth of Kentucky by 2020.

Mrs. Buchanon asked if the federal higher education bill that is being proposed has been signed by the President and Dr. Dunn indicated he believes it has. Mrs. Buchanon asked if the bill still contained language encouraging states to continue to be supportive of higher education financially and whether it indicates the states will be penalized with decreased federal awards if they do not. Dr. Dunn indicated there is a provision in the higher education bill that will grade institutions in terms of cost by looking at tuition as a percentage of revenue or amount expended per student and MSU will most likely fare well in this scenario. Mrs. Buchanon stated she understood the bill to contain language stating if the states did not continue to show a strong input financially, as far as appropriations are concerned, then as a state Kentucky would miss out on federal funding for various projects – not just education. Chair Turner indicated that he is not familiar with that provision.

Dr. Crofts reported that there was and he believes still is a provision related to federal grants in the way that all federal grants include a requirement that the agency that is getting the money have in place “maintenance of effort.” The idea behind this is the federal government is not going to provide grant money to an institution to apply toward a specific initiative and then have that institution take the federal money plus any money it has already been using for that particular initiative and expend it on something totally different. This general principle was included in the bill but Dr. Crofts believes the provision has been considerably watered down and he doubts whether any state will be substantially impacted. The idea was for the federal government to take an additional role in higher education because to this point the federal government’s role in higher education has been limited to student financial aid and grants. Dr. Dunn provided further clarification stating that a university can supplement but not supplant funding – meaning that the University cannot use a grant and pull back funding on something else that is already being done and that has been part of the requirements for a majority of federal grants for some time.

Dr. Crofts indicated that he has had higher education responsibility at the state level in three other states (Minnesota, Montana and Mississippi) before coming out of retirement to return to Kentucky and, therefore, specializes in poor states. He highlighted the following:

- While in Montana he labored for nine years to convince the executive and legislative branches of government to adopt some sort of agenda for its public universities and they always found some excuse not to do that. Kentucky has a wonderful reputation nationally for having done that and the Kentucky policy agenda for postsecondary education is nationally-known and highly regarded and great progress has been made. A lot remains to be done and by the time the CPE goes before the legislature in the next legislative session there will be ten years left before determining whether the 2020 goals have been met. Those goals are important but they are stretch goals and the work remains important. If the 2020 enrollment goal is achieved the quality of life in the Commonwealth will improve and there will be more money coming into the state from educated citizens and the cost of some massive state programs will go down. Educated people are healthier and it takes less money for their medical care. They do more preventative care and are more likely to have insurance and are much less likely to be on Medicaid and educated people for the most part do not spend time in prison.
- The state budget is out of control particularly as it pertains to Medicaid and criminal justice. In the last decade there has been a huge transfer of funds from education to Medicaid and criminal justice.
- The issue of affordability and the cost of education must also be addressed. It is critically important for the Board of Regents to manage Murray State University and it is not the CPE's role to do that. The CPE helps set goals and monitors whether those goals are being achieved for public higher education in the Commonwealth. In the 2006 graduating class, on the average those who graduated with a baccalaureate degree had accumulated about 140 credit hours. A 5 percent tuition increase in Kentucky amounts to about a \$300 increase for the cost of education for that student and family which is not an insignificant sum but certainly is not insurmountable. If it takes a student 140 credit hours instead of 120-125 credit hours to graduate that means the student stays in the system for at least one additional semester and that costs on average about \$8,000. If the system is to save some money and ensure that these students complete their education in a timely manner, then work must be undertaken on this particular issue and there is a very significant savings to be realized from being able to do so. The CPE is working with the universities to lower degree requirements to 120-125 hours but students must also be careful about what courses they take so they do not end up with 15 to 20 extra hours. There are many issues related to affordability but there are also things that can be done to address those issues.

Mr. Flanagan thanked the Board for serving in their role as volunteers on behalf of Murray State University. He appreciates the efforts underway at MSU and during his years at the CPE he has focused on cost containment for the institutions which translates into better opportunities for students. He commended MSU for its reputation for cost containment and stated that the University brings forth a good perspective to professionals regarding what higher education should be about. Board members, through their own resources and experiences, can bring to the table ideas that will help the overall mission of the University.

Mr. Flanagan stated that when the CPE first began discussing the double the numbers goals they did so in terms of how to meet the goals of House Bill 1. If the state doubles the number of current degree holders by 2020 that would simply bring the state up to the national median. Kentucky has made great progress but other states have as well. The CPE and the Governor and his staff are very much committed to increasing the number of baccalaureate degree holders in Kentucky and all agree that everyone must work even harder. He encouraged the Board to make a commitment to work as hard as possible to increase the educational attainment of the citizens in the Commonwealth. Mrs. Buchanon inquired as to whether the enrollment numbers for the double the numbers initiative have changed since the inception of the initiative and Mr. Flanagan indicated the numbers have not changed.

Mr. Turner encouraged all Board members to attend the CPE Governor's Trusteeship Conference on September 29, 2008. The purpose of that conference is to provide university trustees with an indication at the macro level of what is taking place in postsecondary education and it is tailored to directly meet needs that the trustees have identified.

Mr. Adams stated that the problem with STEM education is finding individuals who are qualified to teach at the secondary level and he believes that the possibility of getting retired scientists in the field of chemistry and retired engineers to go into secondary education and teach math and science where there is currently no one going into those fields should be reviewed. He asked whether Mr. Turner could provide influence to change the entire way of thinking with

regard to STEM education because in order to have more individuals trained in STEM education there must be more teachers and utilizing retired teachers might be a way to meet this need.

Dr. Crofts stated that he has worked with the Educational Professional Standards Board (EPSB) in other states and they are responsible for teacher certification. He understands that some progress has been made in alternative certification but agrees with Mr. Adams that the state cannot complain about not having math and science teachers when they have people available who spent careers in business and industry and the government and military. The state must find a way to get those people on-line quickly and that does not mean sending them back to school for a four-year degree. That simply is not the answer. Some major cities have established their own teacher certification programs that have been approved by the relevant agencies. Those cities could not wait for the traditional approach of the universities to produce the teachers they needed. While this issue remains more under the purview of K-12, he agrees it should be high on the EPSB agenda. Dr. Crofts encouraged the Board members to contact him or the CPE if they have particular ideas that would be helpful to discuss during the Governor's Conference.

Dr. Dunn reported that the 2008 budget recommendation included a piece on targeted funding for degree production but it did not survive the trials and tribulations of the budget this year. Its inclusion was a positive sign as the universities had tangible evidence that the CPE was ready to "put their money where their mouth was" with regard to doubling the numbers and fulfilling degree targets. Mr. Flanagan indicated that he believes the CPE needs to do this again and providing an incentive for degree production is one of the best things the CPE can do. People in business and industry are rewarded for doing great things and the CPE will keep this in mind as budget preparation begins for the next biennium.

Chair Stout asked Dr. Crofts to comment on the new CPE and state government administrations and asked whether he sees any changes in the CPE administratively that Dr. Crofts has targeted as wanting to change from a procedural or methodological standpoint. Dr. Crofts reported that he was given several assignments, including:

- Seriously review the tuition setting policy and process and in September the Council will discuss the information he has prepared.
- Pay careful attention to the issue of quality and affordability. He believes there needs to be a high level, statewide look at financial aid programs. Over a period of time the state decided to put lottery profits into student financial aid. The state is currently getting all the funding that is ever going to come from the lottery unless proceeds increase. Need-based aid versus merit aid should be reviewed and how effectively financial aid programs are working should be examined because some are not necessarily doing what they were set out to do. Dr. Crofts stated that what is being done in terms of financial aid and nontraditional students should also be reviewed, citing that 14,000 individuals in Paducah have some college credit but no degree. One of the biggest obstacles these potential students face is they have very little access to financial aid because of the way the federal and state regulations are currently structured.
- Stabilizing and improving relationships between CPE staff and the universities. The tuition process last year raised some angst among some Council members and local boards and the CPE also had a difference of opinion with the Governor. Dr. Crofts reported that he has tried to get some of these relationships moving in the direction of everyone working together and not as adversaries. The Governor has pronounced his support for postsecondary education and has acknowledged budget difficulties exist. The Governor indicated postsecondary education was a high priority and even mentioned moving the CPE back to its direct reporting relationship to the Governor. While these efforts have not cost the Governor anything on behalf of postsecondary education, he believes they are on the right track. The legislature is a more difficult challenge in part because with the Governor you are dealing with one person and can come to an understanding but with the legislature it is difficult to reach any type of consensus. Dr. Crofts' goal is to establish an environment where the new CPE president can come into office and get a running start and know that relationships are in pretty good stead.

Dr. Dunn stated he believes Dr. Crofts is absolutely correct regarding the need to start addressing student financial aid programs as part of this solution and that has not been done to the extent

necessary in Kentucky which has put the state at somewhat of a disadvantage in comparison to other states and that gap must be filled. Currently universities are expected to cover a lot of the need-based funding. A few years ago at Murray State the Racer Advantage Grant was started and was funded at \$200,000 the first year but was cut back to \$150,000 this year. The state should, to the extent possible, cover the cost of need-based funding so that frees capacity for the University to their funds for merit-based awards. The difficulty of getting financial aid for transfer students or nontraditional students coming into the system must also be addressed.

Mr. Adams indicated that the Board members understand that Murray State is a Kentucky institution and is state-supported and they are also aware of the service areas that MSU must provide service to. The University's market area is really Tennessee, southeast Missouri, northeast Arkansas, southern Illinois and southern Indiana and there are tuition reciprocity agreements in place for some of those areas. However, the University needs more flexibility in how it reaches out without forgetting the role of serving the people of Kentucky. For MSU to be viable and to be able to get students it must be allowed to reach out to individuals within a reasonable driving distance from Murray.

Dr. Crofts indicated the CPE is attempting to address the issue and in the draft of a policy that is being considered they are clearly acknowledging that the CPE must be open to these new ideas and realize tuition rates are set differently by institution. Murray State is different and the population areas in Kentucky are small with out-of-state populations being larger and not that far away. He stated that as long as he remains at the CPE all will remain attuned to this fact but he added that the CPE must also be aware of the political issue that is going to surface regarding whether non-resident tuition rates are fair to Kentucky taxpayers. In Montana he was able to convince the legislature that non-resident students were a good thing for the state and that they were subsidizing the education of Montanans. The CPE must be able to sell that message as well because people must understand there is going to be a significant number of those non-Kentuckians who come to MSU, receive an education, love it here, and decide to settle here, which is often referred to as "brain importing." In order to be successful, the message must be clearly conveyed that Murray State cannot accomplish what the CPE wants it to if it is not given some flexibility with regard to neighboring regions. Mrs. Buchanon indicated she is glad to hear that because the demographics of Murray are similar to those of Morehead but in the 2020 numbers Murray State is expected to have only 200 fewer graduates with baccalaureate degrees than the University of Louisville and that goal is going to be tough to meet.

Chair Stout expressed appreciation to the CPE representatives and thanked them for their willingness to speak to the Board as they departed the meeting.

Dr. Dunn encouraged Board members to engage in discussion and deliberation on issues that are important to them and the agenda allows for that flexibility.

Mrs. Winchester stated that Dr. Crofts mentioned incentives and encouraging students to earn their college degree quickly and indicated she has issues with his comments for the following reasons:

- 1) Many students who attend MSU need remediation courses and it will take at least one if not two semesters for these students to complete those courses to prepare them for college-level courses. They simply are not prepared when they arrive at MSU.
- 2) Students are encouraged to participate in internships, study abroad trips and other things that expand their educational opportunities and these things take time and most students will not have these opportunities once they begin work full-time.
- 3) Some of the University's accrediting agencies require that students complete a certain number of credit hours.
- 4) High school juniors are being brought to campus and the universities are providing them with full tuition but they are only 19 to 20 year olds and need direction regarding what course of study to pursue.

Chair Stout believes the implication was that when a student graduates with 130 or 140 hours and they only needed 120 hours, then those additional hours were wasted and he does not necessarily believe that is the case and all Regents agreed. Dr. Dunn indicated Dr. Crofts' comments come from the fact that some students choose to add to their educational experience but some also change majors three or four times. He does not believe Dr. Crofts was as much

scolding the University as he was saying more than sticker price comes into play when discussing the true cost of education. How to offer better advising so that students do not take an overabundance of courses and initiatives of that nature must be considered.

Dr. Dunn stated there is a lot more to affordability than what is set as the tuition price and to the extent possible universities should keep the requirements for a baccalaureate degree to around 120 hours but noted there are one or two academic areas that have an extremely high major hour requirement – otherwise the University is in good shape.

Mrs. Buchanon asked with regard to doubling the number of baccalaureate degrees where all these students are going to go to work in the Commonwealth so they remain in the state of Kentucky. There must be more business and industry opportunities made available to these students. Judge Taylor indicated that there is a gentleman out of Frankfort that provides statistical data on the number of graduates and the total number of citizens versus where we were and where we are and the population decline. Kentucky is turning the corner on a steep population decline and Ron Crouch from the University of Louisville can provide numbers that show the state is about to go into a freefall in terms of not having enough people to fill jobs in Kentucky and the country. Mr. Crouch has statewide and national credibility and he believes it would be helpful for Mr. Crouch to come to this area of the state because he could crunch the numbers for this particular region to provide an idea of the situation that the region is facing. Couples are having fewer and fewer children and of those not as many are graduating from high school which, in turn, affects colleges. He believes that is why there is such a large influx of immigrants, especially the Hispanic population. In another 25 years there are not going to be enough people to do the jobs available and that situation has already been evidenced in agriculture, in addition to people finding themselves working longer and longer.

Mrs. Ford asked how many new Hispanic students there are and asked whether a trend is developing. Dr. Dunn indicated it is relatively flat and he believes there is a need to push on Latino enrollment. There is hesitancy from some groups on campus that a move in this direction will take away from another segment of the population. Dr. Dunn stated that during his Inaugural speech he stressed the importance of the University targeting the Latino population. Mr. S.G. Carthell, Director, African American Student Services and Ethnic Programs, has started a program for Latino students. Dr. Morgan stated that the student population at Mayfield High School is 20 percent Latino and the elementary school population is close to 30 percent and all agreed Murray State must recognize this growing student population. Dr. Dunn has reached out to the Hispanic community and recently visited a community activist center in Chicago, Illinois. While there he indicated that the University would identify some type of funding for any student interested in attending Murray State and that student would also be provided with a favorable tuition rate. Dr. Dunn believes that current faculty can also be helpful in this endeavor. He indicated outreach centers must be visited and asked the Board whether they wanted him to step up the initiative a little more. The consensus of the Board was that the Hispanic population must not be ignored and should be actively pursued.

The Board recessed for a break beginning at 10:25 a.m. and ending at 10:35 a.m.

Mr. Adams stated that he is interested in hearing a report on how the recruitment area is performing with regard to new personnel and effort. He added that the University must also do a much better job of recruiting students who live in relatively close proximity to Murray State. Historically the University has not done a good job of recruiting those students and is losing them to every other university in the state simply because Murray State did not reach out. There are students who indicate that they did not receive anything from Murray State until after they had received scholarship offers from other universities.

Dr. Dunn reported that at a future Board meeting Alison Marshall, Interim Executive Director for Enrollment Management, and Shawn Smee, Director, Office of Recruitment, would make a presentation regarding final enrollment numbers and outline enrollment activities that have taken place. Dr. Dunn expects enrollment number for the next year to be flat or just slightly above last year. Recruitment staff do a majority of their recruitment work in the summer to ensure yield but because changes in the Enrollment Management office were made in May, their efforts will not have a significant impact on enrollment for this fall. He assured Mr. Adams that initiatives are underway to ensure that the University does a much better job recruiting in the local area. Mr. Smee is working especially hard on this endeavor and at the recent Murray-Calloway football

game held at Stewart Stadium a kiosk was set up to provide information on Murray State. Chair Stout indicated that a similar set-up should be considered for the Graves and Marshall County game. This year the University will hold receptions in different parts of the state to attract students, there will also be a Murray and a Calloway County reception and visitation to these schools will be increased. Dr. Dunn indicated that he is confident that the recruitment office will not take for granted the local students and are aware of the fact that they must recruit students from the local and five surrounding counties. Dr. Dunn reported that scholarship packages for 2009-10 are being finalized and recruiters are already out on the road. This marks the first time the University has attempted to align recruitment visits with the scholarship award packages which will allow recruiters to inform potential students exactly what they could expect to receive from Murray State if they meet performance requirements. In the past recruiters were only able to review a student's transcript and indicate what they would "probably" qualify to receive. Work continues to determine a way to make scholarship awards automatic and although the awards may not be large, students with a moderate ACT will know they will receive some money to attend Murray State and will know instantly how much that will be.

Dr. Dunn stated that the remediation piece is large and is getting even larger and as a result of a change made in the Commonwealth, lead by the CPE, there will be a wave of students coming into the system and the University will not have the means to pay for the remedial education they will require. Mrs. Buchanan indicated that a Courier-Journal article ran this morning regarding Kentucky juniors in high school and their preparation for college. Dr. Dunn stated the main issue is that one can predict from ACT scores how students will perform in certain classes when they enter the University setting. This college preparedness scale indicates that Kentucky is not in good stead as a Commonwealth.

Mrs. Buchanan indicated that when she was in high school there was one Murray State staff member who was a permanent fixture in the high school and students could identify with him. She does not believe that is currently happening. Dr. Dunn indicated the University is moving back to that idea somewhat but the days of there being only one person that students identify with is gone because it is a different recruiting era and a different group of students. He agrees that for students there must be a point of contact who engages them with this University. The Recruitment Office understands this concept and also the fact that they must all play that role within the schools. The students must have the sense that if they have questions or need help with something there is someone at Murray State who will respond back to those inquires.

Mrs. Ford indicated that Marshall County has a Christmas Tournament which is the biggest event in the area and Mid Continent College was present everywhere but there was no sign of Murray State. Mrs. Ford also has a granddaughter graduating this year with a 31 ACT and a 4.0 grade point average but indicated she has never been contacted by Murray State. Dr. Dunn stated that in the past many things he considers to be "no brainers" that everyone else was already doing was not being done by Murray State and he agrees the situation Mrs. Ford just described should not happen. Mrs. Buchanan suggested MSU have a presence at Hoop Fest which would provide an opportunity for the University to reach students from all the surrounding counties. Dr. Dunn added that this event also draws in areas such as Memphis, Nashville and Chicago. Mrs. Buchanan stated it had been reported that the contract with the recruiter in Louisville has not been renewed but she wants to ensure that area is still being covered and Dr. Dunn reassured her that it is being reworked through the Recruitment Office.

Dr. Morgan asked how the CPE "double the numbers" plan compares to MSU's 12x12 goal of 12,000 students by the year 2012. Dr. Dunn indicated the University's 12x12 goal is somewhat more aggressive but, as Dr. Crofts indicated, the double the numbers goal is highly aspirational and is a stretch goal. If the University follows the trajectory of the CPE to 2020, the University would most likely have 11,400 or 11,500 students. Recruitment personnel have been asked to work toward meeting the CPE targets over the next four years which will place the University within a reasonable range of the targeted 12,000 students.

Chair Stout stated that some changes had been made to the Board committee appointments for 2008-09 and that new listing is located behind Tab 5 in the supplemental materials.

3. Organizational Review and Strategic Initiatives Update

Dr. Dunn indicated that a major focus of last year's BOR Retreat was that organizational infrastructure work needed to occur and issues related to the operation and functioning of the University needed to be resolved before a shift could be made toward improvement initiatives, growth and development and fostering new ideas. The two major initiative pieces last year were Regional Stewardship and the Paducah effort. Since the organizational infrastructure work has been completed and operationally the University is more stabilized and secure, the University must now look to how to make their work more initiative driven. Fostering change, nurturing growth and undertaking new and better things comes through the initiatives that the University will take on that puts it into new areas doing new things with new audiences and publics.

Dr. Dunn informed the Board that during the quarterly Board meeting on September 12 they will be presented with the last of the *Policy Manual* revisions and the previously approved policy sections are on-line. The only remaining piece to be developed is a University-wide Code of Ethics which will eventually be brought before the Board and will be housed in the BOR *Policy Manual*. The policy would cover everyone associated with the University. Dr. Dunn stated that the CPE has been pushing on this initiative for a number of years and it is time for the University to take a look at the issue because there are many areas within the University's current policy that do not speak to the ethical considerations that attach to a Code of Ethics that applies to any employee of the University. This would include whether it is appropriate for a University employee to use University time and equipment to do political work and what the definition of political work is. It must also be decided what a vendor is able to provide to someone at the University who is in a position of making a choice on the acquisition of materials or equipment or writing an Request for Proposals (RFP). Dr. Dunn is not implying that is an issue at Murray State but that there is an obligation to set the expectations for the University around these areas and not leave them to chance. The responsibility for this work is being shared between Dr. Dunn and Mr. Jacobs but will include internal vetting among those areas that will be most impacted.

Dr. Dunn indicated enrollment at this point is in good shape and if there is a "soft spot" it would be evaluating how enrollment targets are set across sectors. This has been worked out with regard to international enrollment and it is based at 5 percent of total overall enrollment. Undergraduate enrollment goals have been worked out with the CPE but the University needs to do some targeting within graduate student goals. Dr. Dunn believes the University must push harder on out-of-state tuition and that there is elasticity in pricing where the price could be increased without decreasing the number of out-of-state students.

Dr. Dunn stated that the budget reallocation has half-way become a lost cause. In essence, this is an approach to zero-based budgeting but he envisioned a process by which the University could take a new look at the budget and ask the units to think about what they are doing and how they are spending their money and what their needs are in order to rework the budget – not to spend less money necessarily but to make better use of the money they do have. The original budget cut of 12 percent was amended to something much less and this process was set aside so the University could get through the budget process and identify the \$2 million plus in savings. The actual process of reallocation cannot be undertaken quickly and at some point the idea of budget reallocation must be reviewed further, but for now the review has been set aside.

Judge Taylor stated that from a policy standpoint some line items are fixed because they have always been that way. There are also numerous line items that are plugged with numbers without names or amounts. The explanation from the departments is this amount of money is used for adjuncts, visiting professors, etc. He hears from others within the departments that perhaps the budgets are being "fudged" at the expense of other departments. He believes the University must take a fresh look at the process to ensure fairness to everyone but also to take stock of the totality of the budget and the environment the University is currently in. There are positions not filled in the budget and there seems to be an understanding within the departments that those positions will remain unfilled but the money will instead be used for office supplies. If there is a supply and equipment need he believes that should appear in the budget but over time it has developed to where units cannot get money for those needs and decided to use a budget line item to fill the needs instead. Judge Taylor indicated that a budget is a flexible guide that is used to steer the ship and but it is now being used more to drive the actions of the departments.

Dr. Morgan reported there is a tone on campus among the academic community that resources do not follow growth among certain units. Over the past five to fifteen years there are units that have grown substantially but some faculty and staff members feel that the resources have not followed that growth. This many times leads to a unit feeling like they might not want to grow. The School of Agriculture has experienced phenomenal growth over the last several years and is up over 20 percent in incoming freshman this year alone, however, the budget for the School of Agriculture was cut and that affects the overall operational analysis of that unit. As a Board it must be decided if resources will follow growth because in some units there is the opportunity for growth. Dr. Morgan indicated they simply have no incentive to recruit additional students. One might argue that the cuts were made to Breathitt Veterinary Center and a personnel line but those fund the overall operations of the School of Agriculture. Breathitt supports the classroom and laboratory structure for almost 300 agriculture students within the Animal Health Technology and Pre-Vet areas. Even though the BVC is a separate unit it is still instructionally supporting students in the School of Agriculture. Dr. Morgan is disappointed in the cuts to Agriculture and has expressed that concern to the President and others and while he sees that those cuts were needed in some cases, the severity of them impacts the entire unit. A graph from the School of Agriculture has been circulated that illustrates the cuts were much more severe compared to the minor cuts or scratches some other units on campus experienced and those units are not growing at the rate that the School of Agriculture is growing. He indicated that the Board needs to think about where resources are allocated in the future and encouraged that high growth areas be rewarded with increased funding. The Board has set a tone on campus that is not a good tone. Mrs. Buchanon indicated that she agrees.

Dr. Dunn stated that he disagrees with Dr. Morgan's assessment and has a much different view of the School of Agriculture and their budget. If one looks at the chart that was contained in the *Annual Report* for the School of Agriculture and backs out money that was paid for two particular employees then that paints a different picture. Exactly the situation that Dr. Morgan just outlined is what the University will be going to with zero-based budgeting. That approach says there will be centralized control and the units are willing to give to the President, vice presidents, Budget Director, and ultimately the Board because they adopt the budget, the ability to do exactly what Dr. Morgan is protesting now. One cannot have it both ways. He believes there are internal reallocations and cost savings that can be achieved through taking that operational issue on but that approach takes a lot of time and will amount to what Dr. Morgan is saying he does not like right now. The issue comes down to centralization versus decentralization. MSU is currently a highly decentralized campus in terms of budgeting because the administration does not capture money from vacant lines. The trade-off has been that the University will function in this way, with deans and directors managing their units, but that they must figure out a way to do the type of adjustment Judge Taylor mentioned within the units. The units must identify where growth is occurring and must shift resources accordingly. Decision making can be done this way versus centralizing the budget function to the central administration. If one works on a campus that does centralized budgeting and position control then about this time of year the Budget Office distributes a letter indicating that money located in vacant lines will be pulled back. If the unit needs more resources it then presents its case to central administration. Dr. Dunn is not against this idea and believes it may make for some good decisions, but people do not like it and the Board will hear things similar to what Dr. Morgan is saying. The deans are currently given a budget and have been provided with the freedom to make internal reallocation. Dr. Dunn has never indicated to a dean that if they need additional resources that they cannot come and request those additional resources. For example, Dr. Tim Todd, Dean of the College of Business and Public Affairs, has done just that. He made a presentation for a new initiative and now the University is going to fund the Professional Master of Business Administration. Dr. Dunn likes the fact that the deans and directors have the freedom to maneuver and work but he also knows that better decision making and better use of funding comes with centralized control. If the University moves to more centralized control and does not have carryforwards then the various units on campus must defer to the central administration, working in concert with the deans and directors, to make those judgments. The deans and directors would not micromanage the decisions of the central administration but would follow them and see what the impact is on the institution and programs.

Dr. Dunn indicated that there are currently too many unresolved issues, including ERP and budget cuts that make it very difficult to take the issue of budgeting right now. The University is coming to the day, however, when it can save resources by undertaking internal reallocation. Judge Taylor indicated that he has reviewed two budgets for Murray State and there are many

questions in those budgets. Historically what happened with zero-based budgeting is what is being discussed here. One reason local governments from a public budgeting standpoint began using modifications and went to a different approach was because zero-based budgeting was based upon two premises – efficiency and effectiveness. Judge Taylor stated that from the perspective of the Board, they are approving a budget that is going to require a more centralized approach and that he has discussed this issue in great detail with Mr. Denton. Dr. Dunn agrees that at some point the Board will need to decide whether to take this issue on and what the timing aspect of that will be. Dr. Morgan suggested there might be middle ground and he believes in allowing those persons most closely involved in the process to make the decisions. Dr. Dunn indicated this item will be on the Board's agenda for discussion at some future point in time.

Chair Stout requested an update on preparatory work for the Capital Campaign and ERP implementation. Dr. Dunn indicated that he feels confident in regard to preparatory work that has taken place on the Capital Campaign. Dr. Alan Zacharias has done groundwork in the Office of Development to make sure that infrastructure is ready to successfully conduct a campaign. Mr. Paul Radke has been moved to the Development Office to fulfill the role of planned giving and School of Agriculture work. Dr. Dunn indicated that he feels positive regarding where the Development Office is with the Capital Campaign. The campaign was slowed down a bit so that he has the opportunity to visit with donors and they have the opportunity to get to know him better. However, the branding element for the University must still be resolved and a firm decision must be made regarding "Kentucky's Public Ivy" tagline. The University is contracting with a firm to review the branding element and conduct research and this will be paid for through carryforwards.

Everything is on schedule with regard to ERP implementation with each of the module implementations remaining on schedule. The finance module has "gone live" and the financial aid model will be in place by January 1, 2009. A lot of work is currently taking place with regard to Human Resources and one of the major portions of that was the area of payroll. Student Services are also hitting full stride in terms of planning to enable that area to come online. Mr. Jacobs reported that there are some unique scenarios at the University and when those happen MSU staff members are working with Banner to address any such cases. Mrs. Winchester indicated that all staff members are taking on a yeoman's job in making the ERP implementation happen on a very aggressive schedule. She asked all to keep in mind that these staff members are not only working on the ERP implementation but are also performing their regular jobs and many are working very long hours. Discussions have taken place regarding whether temporary help can be brought in to assist with the workload but those people cannot be trained to do these jobs overnight, especially in these critical areas. Dr. Dunn indicated that built into the ERP budget was several thousands of dollars for human resources specifically for the purpose of human resource costs, whether bringing in temporary employees or paying overtime. Those funds are being utilized but not nearly to the extent that is needed because these units cannot hire someone from off the street and ask them to cover payroll. Chair Stout asked when the faculty module goes live and Mr. Jacobs reported that would be part of the Student Services module that would be the last to come on line but planning work is currently underway. The freshman class entering in fall 2009 should be able to fully utilize the ERP system. Mrs. Buchanon asked whether students will be able to do MAP reports on-line and Mr. Jacobs confirmed that service would be available to them.

Mrs. Ford asked if the \$8 million budgeted for ERP implementation will cover the entire scope of the project and Dr. Dunn indicated that the University should come in pretty close to budget. Mr. Jacobs reported that initially the University had been told that additional people would be hired to fill in for employees that are being stretched in the various areas but what was discovered was that someone cannot be hired off the street to run payroll. Therefore, the contingency money and payroll money is being used to increase training and increase opportunities to leverage the system.

Dr. Dunn stated that he will provide the Board with a written update on the Capital Campaign and ERP implementation at some point in the future but there are currently no major worries.

Dr. Morgan asked when the first softball game would be held and Dr. Dunn reported that the search for the Head Coach is currently underway but the first game would not be played until the 2009-10 season.

Mrs. Travis asked Mrs. Winchester to thank the staff on behalf of the Board for their work to ensure the successful implementation of the ERP system. Mr. Jacobs reported that Athletics is holding a “MyGate Night” at one of the home ballgames and Dr. Dunn added that once the implementation is completed the University will hold a celebration event for those most heavily involved in the ERP process that could perhaps be sponsored by the Board of Regents.

Dr. Dunn reported that as the move is being made from operational bolstering to focusing on new initiatives or projects, a way to provide updates via online reporting is being reviewed. Individuals could then go to a website to see an update on progress toward various initiatives underway at the University. Some of those initiatives will include internationalization, 12x12 enrollment, potential to look to a partnership program with UK on medical training in Murray and regional stewardship. Operationally Dr. Dunn feels positive about the University across all functional areas.

4. Regional Stewardship Update

Mrs. Winchester provided a review of the regional stewardship initiative and stated that the CPE provided all the regional institutions, with the exception of UK and UofL, the opportunity to write a grant that would essentially put the resources of Murray State to work for the 18-county service region. Murray State received funding which was provided in three phases.

The first phase was to build the infrastructure within the institution. The \$200,000 received the first year was used by MSU to create an Office of Regional Stewardship and Outreach and hire internal personnel.

The second phase of funding guidelines required the University to form an Advisory Council consisting of a diverse group of individuals representing the 18 counties. Mrs. Winchester spent many months talking to key leaders and collected the names of individuals who would be valuable to the Advisory Council. At least one representative from each county was selected for a total Council of 21 members. The Council members met for the first time in January 2008 and began going out into their own communities to collect a needs assessment over the course of three months. During this second phase of funding the CPE required the Regional Stewardship Office to determine what the needs of the 18 counties might be and those needs are documented on the Regional Stewardship website. The information collected was returned to the University and Mrs. Winchester and her staff sorted through the information with the assistance of New Cities Institute, a consulting firm, who helped the University sort through the documentation and put together a vision plan. Mrs. Winchester indicated that each of the Regents had been presented with a brochure that highlights the vision plan with the following goals:

- 1) Educational Attainment
- 2) Entrepreneurial Spirit
- 3) Collaborative Governments
- 4) Quality of Life

The Advisory Council then designed specific objectives centered on these four goals and the Office of Regional Stewardship wrote a proposal to the CPE requesting that they help fund internal support to help meet these objectives. Mrs. Winchester stated that she put together a vision plan and proposal to spend \$300,000 to meet these four objectives. The Advisory Group indicated any money to be spent should be for educational attainment. The CPE eventually approved the plan and the University received an additional \$300,000 in funding in May.

The third phase of the regional stewardship initiative included a \$600,000 competitive grant pool to be used for project work in the counties. That funding was subsequently cut from the budget and there was no funding for project work. Mrs. Winchester reviewed the \$300,000 in funding internally among university administrators and came to the conclusion that if the money was spent internally to hire staff, which is what the Council wanted the universities to do, then within a year if that funding does not reoccur it could amount to hiring someone and then turning around and letting them go. She personally was not comfortable with that and did not believe the Advisory Council would be either. Discussion centered on ways to complete some of the projects that the counties really wanted to accomplish with that \$300,000 without having to put all of it toward internal support.

Mrs. Winchester then polled the academic side of the University and requested suggestions on ways to utilize the \$300,000 to accomplish something significant within a year so she could go back to the Council and show them how the money was utilized and request additional funding. The deans and directors were very creative and came up with specific projects for the Advisory Council to approve, including:

- 1) STEM Initiative
- 2) Project Lead The Way
- 3) Cultural Awareness Series (College of Humanities and Fine Arts)
- 4) Project Access (collaborative effort between Hopkinsville Community College and the MSU School of Agriculture)
- 5) Center for Entrepreneurship
- 6) Individual to write Federal and Foundation grants for the region in the event state funding is not continued.

The Advisory Council indicated that there was an enormous need in this area for educational leadership, not necessarily in higher education, but at the elementary and secondary level. Across the state of Kentucky this year alone, 35 new superintendents were hired and these were not superintendents who had been at another school – they were first-time superintendents. Ten of those superintendents were in Murray State's 18-county service region. Due to this fact, the idea was presented to hold a leadership academy to bring in experts to help these new superintendents begin to build the skills they will need to be successful in their school systems and districts. This was accomplished very quickly by partnering with the West Kentucky Educational Co-Op (WKEC), utilizing their resources and staff, and spending only \$25,000 of regional stewardship money toward this initiative. The Office of Regional Stewardship has already hosted two of those academies and very positive feedback has been provided from over 50 superintendents across the state who took advantage of an academy. When planning the training sessions Mrs. Winchester made it clear to the WKEC that each of the 18 counties in the service region would be represented and the ten new superintendents mentioned earlier did attend one of the two academies.

Also implemented was the Principal Mentorship Program in the service region which continues the Kentucky Principal Internship Program that was cut from the budget this year. The school systems also requested that the ACT Tool Kits be provided again and money was advanced to accomplish that. Mrs. Winchester also reported that the schools asked if they could actually come to the campus for specific target programs such as the technology Cyber Cave. Small groups of students would travel to campus and Regional Stewardship provides project funding to offset the cost of travel and will allow the schools to choose the programs they want to participate in. Mrs. Winchester pointed out that all of these projects are centered around those secondary and elementary schools and getting opportunities out to them and that the University could not do this before because the resources were not there. Mrs. Winchester stated the goal is to have all of the school systems in the 18-county service region actively participating, not just those within close proximity. The schools that seem to have been left out of what has traditionally been done are being specifically targeted.

Mrs. Buchanon inquired with regard to the Center for Entrepreneurship when students are encouraged to do something significant in their communities whether that includes public service. Dr. Dunn stated there are education modules that teach kids about how to be an entrepreneur and how to write a business plan and secure funding. There is a competition that takes place where the student writes the plan and then makes their product or service and competes against other students. This is particularly valuable in building economic principles and ideas of business ownership early. There is a Center for Economic Education on campus in the College of Business and Public Affairs that has offered this type of event in the past. BPA wants to move toward an Entrepreneurship Center being the umbrella for all outreach activities and they are trying to figure out a way to get this initiative as a standing effort of the Center. Mrs. Ford stated that the Incubation Program for business has existed for many years and asked whether that would coordinate with the Entrepreneurship Center. Mrs. Winchester stated that this is already happening. Organizationally both have been moved under the College of BPA and the Center for Entrepreneurship to house all outreach activities will have different pieces and the Innovation Center will be one of those pieces.

Mrs. Winchester announced that the Regional Stewardship Reception will be held on Thursday, September 11, from 5 to 7 p.m. in the Murray Room, Regional Special Events Center. The

reception will be hosted by the Advisory Council members and will include community leaders from the 18-county service region.

Chair Stout indicated that getting the Office of Regional Stewardship and Outreach started from scratch has been an incredibly daunting task and commended Mrs. Winchester for being able to pull the initiative together and for the work involved in doing so. He believes the initiative is extremely worthwhile and has a tremendous amount of potential and value to the region. Dr. Dunn also commended Mrs. Winchester for her work and for successfully pulling off such a Herculean effort. The challenges included spending a limited amount of money on education and keeping the CPE happy that these funds were to be spent using the capacity of the University. MSU was the only university that approached this initiative in terms of using the funding to increase the capacity of a great regional state university to build the region. Mr. Adams complemented Mrs. Winchester on providing a thorough update on regional stewardship. He understands that she is proceeding as her Advisory Council wishes but when he thinks of regional stewardship he thinks of touching all areas of the region. When he first viewed the information presented he thought state money was being run through a state university to accomplish things within the University. He understands and supports what is being done, specifically with regard to educational attainment.

The Board adjourned for lunch at 12:15 p.m.

Chair Stout called the Special Board of Regents Meeting back to order at 1 p.m. He welcomed Ms. Kara Mantooth for her first official meeting and welcomed Mrs. Marilyn Buchanon who Governor Steve Beshear recently reappointed to the Board and stated that he intended to make this announcement at the beginning of the Retreat.

5. Presidential Evaluation Instrument and Process

Dr. Dunn indicated that a generic evaluation tool adapted from evaluation instruments recommended by the Association of Governing Boards (AGB) was previously provided to each Board member. The instrument reviews both the functional areas of performance (finance, external relations and academic affairs) as well as the process areas (communication and decision making) and combines those two areas into one document. The instrument also provides a checklist and space for narrative comments. Included in the supplemental materials provided was the presidential evaluation “policy” adopted by the Board of Regents in 1994. Dr. Dunn is not sure whether the document is actually policy because the official minutes from the meeting state that the Board received a report from a presidential evaluation group and what has been presented is the report the Board adopted at that time. An Ad Hoc Presidential Evaluation Committee has recently been appointed to review the presidential evaluation issue and Dr. Dunn and Ms. Joyce Gordon, former Associate Vice President for Human Resources, worked prior to her retirement to identify indicators and criteria. The process has not made significant progress, however, and he requested that the topic of presidential evaluation be discussed during the Retreat to identify a way to restart the process. Dr. Dunn stated he prefers an evaluation instrument that contains a narrative element and considers both functional and process areas. Conversation has also taken place regarding the necessity for the presidential evaluation process to be carried out on an annual basis instead of on the current biennial and four-year review schedule. Chair Stout indicated that conducting regular presidential evaluations is important for the Board and the President so both are aware of each other’s expectations. Since the *Policy Manual* is currently being revised and updated, the Presidential Evaluation Policy certainly should be included in that work. Mrs. Winchester added that during her first Governor’s Trusteeship Conference it was impressed upon Board members that an annual evaluation is the best model to utilize.

Mrs. Buchanon reported that in the past a presidential evaluation has been conducted every two years in addition to a four-year review of the President. Dr. Dunn believes the review on the two-year cycle is a “lesser” one with the four-year review involving internal and external constituencies and perhaps even hiring a consulting firm. Mrs. Buchanon stated if the Board decides to continue to conduct the four-year evaluation she recommends utilizing a process similar to the one already in place. She does not believe the Board requires the services of a consulting firm and is capable of evaluating the President. The Board members reached consensus that they are capable of evaluating the President of the University and the services of a

consulting firm are not required but all agreed that a Board member may need to take responsibility for shepherding the evaluation process.

Mrs. Buchanan likes the way the presidential evaluation process has been conducted in the past which involved conducting the evaluation in Closed Session between only the Board and President. Chair Stout asked whether the reason for going into Closed Session was to discuss a personnel issue and Mrs. Buchanan indicated that was the case. Dr. Dunn informed the Board that the Attorney General has recently ruled that a governing body can no longer go into Closed Session for the purpose of conducting an evaluation. The case where this decision was rendered involved a school system and the evaluation of a school superintendent. Until the courts overturn the ruling, the Attorney General's opinion has the effect of law. According to statute, the Board can go into Closed Session to discuss the appointment, dismissal, etc. of an employee but the Attorney General has ruled that conducting a general evaluation does not meet the criteria of the statute. Dr. Dunn indicated he would send a copy of the Attorney General's opinion to the Board. Mrs. Buchanan asked if the situation might be different since the opinion was rendered as it applied to a public school system and Dr. Dunn stated the opinion would also be applicable in a university setting.

Dr. Dunn added that the Attorney General's opinion could be appealed and the University will monitor the situation. Mrs. Buchanan stated that she does not think it is fair to Dr. Dunn for the Board to not be able to go into Closed Session for the purpose of discussing his performance evaluation. Dr. Dunn agreed that it will have a chilling effect on the ability of boards and presidents to talk about this topic. He assured the Board that John Rall, General Counsel, has reviewed the Attorney General's opinion and is waiting to see the end result because the school district has indicated it will appeal the decision of the Attorney General. The school system will have a lot of assistance from the Kentucky School Board and the Kentucky Association of School Administrators in its effort to convince the courts to change the ruling. Mr. Adams indicated that he sees both sides of the issue. If the evaluation is held in Closed Session, to the disadvantage of the President, there is no official record of what is said and anything could be said outside of that evaluation and the President would have no documentation of the evaluation and there also is no documentation for the Board to act on to justify their actions.

Dr. Dunn agrees but in essence feels the Board does exercise this ability if before January 1 it indicates it does not want to renew his contract. Unless action is being taken for an arbitrary or capricious reason the decision will stand. The difficulty is it does not shape and mold the behavior of the President over time to ensure a better fit with the Board. The evaluation plays an important role in accomplishing this as well as for providing a summative element to determine whether the President remains. Dr. Dunn indicated that the Board could give him a perfect evaluation but still vote not to renew his contract because it is within their ability to exercise that authority. The two are not tied together and the evaluation is more about shaping behavior.

Chair Stout indicated an evaluation tool that has been distributed provides some objectivity to the criteria for analysis of how the President is performing. Mrs. Buchanan asked if any Board member has opposition to filling out the form individually and returning it to Chair Stout. The individual forms should not be saved after Chair Stout compiles the results and should be returned to the individual Board members. The Board agreed that this would be an acceptable manner in which to proceed.

Chair Stout indicated that as long as the Board is not openly defying the Open Meetings Law by covertly meeting and openly establishes a process for handling the presidential evaluation it has every right to establish its own process with regard to this issue. Mrs. Buchanan added that if any Board member becomes unhappy with the process they could indicate such and ask that the process be reviewed again. Judge Taylor indicated if an exchange of evaluations among Board members occurs that could be viewed as open communication among Board members and could be considered as taking action. Dr. Dunn stated there is no Board action taking place and the Board members are simply agreeing to fill out the evaluation form and send them to Chair Stout. Chair Stout will compile the information and will discuss the results with Dr. Dunn to indicate where the Board is in terms of the presidential evaluation and no official Board action will take place.

Chair Stout stated that there is documentation of the current process in place for evaluating the President of the University and it is not clear whether that process was adopted or simply

presented to the Board. Dr. Dunn clarified the document was approved by the Board in 1994. Chair Stout indicated that what the Board is discussing loosely follows the process already in place. Dr. Dunn cautioned that the timelines in the current document are an issue and Mrs. Buchanon stated those could simply be changed to be more in line with the calendar or school year. Mr. Adams stated the dates should reflect the dates in the President's contract. Mrs. Ford inquired as to what would happen if the CPE asked whether the Board evaluated the President. The Board could indicate that it conducted an evaluation and voted to renew his contract for an additional year but the process being discussed does not produce a document that could be presented to the CPE. Chair Stout indicated that according to current policy the review itself is confidential but also that a brief public report (summary statement) will be made by the Chair.

Judge Taylor asked for clarification on why the current document refers to a biennial review but states the evaluation should be conducted in May of each year. He questioned whether the process should begin in May and for Dr. Dunn that would amount to five months into his second year, and that ideally the evaluation would come at the end of the second year and not half-way through the second year. Dr. Dunn indicated that general consensus last year was that since he was only six months into the presidency it did not stand to reason that an evaluation be conducted at that time. As of December 1 he will have completed two years at Murray State and that is the main driver behind his request to bring the presidential evaluation issue to resolution. Mrs. Buchanon stated that with the previous two presidents the timing of their hiring was such that evaluating them in May would not allow enough time to have passed for any sort of meaningful evaluation and the thought process was similar to what it was for Dr. Dunn last year.

Ms. Hays stated that if the evaluation instruments are returned to Chair Stout and he summarizes and communicates the information to Dr. Dunn and then she goes back and reads the summary that the Chair prepared and it does not accurately portray her evaluation -- she would think the Chair did the summary the way he wanted it done and she would not want the Chair to be put in that position. Dr. Dunn indicated that the easiest way to keep that from happening is for the compiler to simply write down every comment exactly as it was received and not try to edit or summarize. Ms. Hays asked if the Chair no longer has the original documents used to summarize the comments and a Board member contradicts his interpretation whether that could cause an issue. Dr. Dunn again indicated the compiler should put the information together exactly as it is received. Mrs. Buchanon suggested that names should not be provided beside any of the comments.

Chair Stout requested that each Board member return the presidential evaluation to him by October 1 and all Board members agreed that was acceptable. He would then compile the information and discuss with President Dunn prior to the November quarterly meeting. A motion could then be made to accept a revised evaluation instrument for use in subsequent years. He asked for an opinion from the Board on establishing the process of distributing the evaluation document each year at the Retreat and requesting that the document be returned to the Chair for the results to be compiled before the November meeting.

Mr. Adams stated that from a contractual standpoint if the Board meets with Dr. Dunn and expresses a concern and indicates that his contract will not be renewed (because Dr. Dunn essentially always has a four-year contract) that would basically be an indication that the Board does not grant a one-year extension to his contract and it would then become a three-year contract. It could again become a four-year contract at a later date if performance improves. Dr. Dunn stated that his current contract is silent on the evaluation issue. The Board has the option of giving him a perfect evaluation but can still vote to not renew his contract. An evaluation is not necessary for the Board to exercise this option although it would be helpful. The Board has one thing they decide on and that is whether to vote not to renew.

Chair Stout clarified that Dr. Dunn asked for this discussion to be on the agenda because he wants to put something in place from a professional standpoint to know where the Board thinks he needs to focus and what he is doing well. It also helps the institution when it is evaluated by various professional organizations. Dr. Dunn stated it is simply good governance practice to conduct an evaluation of the President. Chair Stout agreed it is in the best interest of the institution to undertake an evaluation and that this discussion is taking place to determine the mechanics of how best to do that.

Ms. Hays asked if the Board adopts the format of distributing the evaluation instrument at the Retreat each year for it to be returned to the Chair by October 1 for use at the November Board meeting whether the Board could go into Closed Session in November and use those summary evaluation compilations as a basis for discussion on a personnel issue. Chair Stout indicated if the Board goes into Executive Session for purpose of renewal of the President's contract that is acceptable as long as it is not for the purpose of conducting a general evaluation. Dr. Dunn stated that the Chair would have the final document that serves as the basis of whether the Board will renew his contract and that then becomes a question of personnel appointment. Chair Stout indicated that he is not rendering legal advice but agrees with the Attorney General because some institutions do find creative ways around the Open Meetings Law. If the Board goes into Executive Session to consider the President's contract then that is a personnel appointment issue which is covered under the Open Meetings Law. Dr. Dunn indicated that proceeding in this manner would put the University in a much better position than the school system.

Ms. Hays and Mrs. Buchanon requested that language be changed with regard to when the evaluation instrument is distributed, indicating that they did not like reference to it being distributed each year at the Board Retreat because sometimes the Board does not meet in Retreat, and all agreed wording should be changed to the month of September. The Board further agreed that conflicting language as it pertains to dates and biennial and/or four-year reviews should also be corrected.

Chair Stout indicated he plans to proceed in this manner unless a Board member passes a motion to the contrary, stating that the current policy on presidential evaluation needs to be reworked. Mrs. Winchester asked whether the policy could be included with the revisions to the *Policy Manual*. Mr. Jacobs reported that the first attempt at revision of the *Policy Manual* focuses on simply getting the document up to speed as much as possible. There will be multiple opportunities to add different pieces to the *Policy Manual*. Dr. Dunn indicated that most likely the Board will be looking at some piece of policy language at every quarterly meeting to update or make changes to the *Policy Manual* so that it remains current.

Chair Stout stated that consensus of the Board is that University staff conduct a comprehensive review of the current Presidential Evaluation Policy and that the policy be revised and updated for Board review and adoption during the November quarterly meeting. The Board further desires that policy language be changed to reflect that presidential evaluation will occur on an annual basis and that the Association of Governing Board (AGB) evaluation tool be included as part of the policy.

Until a more formal Presidential Evaluation Policy is adopted, Chair Stout requested that Board members complete the AGB instrument and return it to him by the end of September. Once he has compiled and recorded the results of the evaluations, Chair Stout will return the evaluation instruments to the appropriate Board member. Mrs. Hunt Lovett will send a reminder about the due date and University staff will review and revise the current policy in preparation for adoption at the November quarterly meeting.

6. Strategic Plan and Accountability Indicators

Chair Stout stated discussion regarding the Strategic Plan and accountability indicators will be carried over to the September 12, 2008, quarterly meeting unless any Board member objected. Dr. Dunn asked the Board members to review the proposed revisions to the University's master planning document that was provided in the supplemental materials and respond back to him if they have an issue with any of the changes. The changes include:

- 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 clause to first sentence of Mission Statement "Murray State University serves as a nationally recognized residential comprehensive university, with a strong extended campus and online presence, offering high-quality baccalaureate and master's degree programs."
- 4) Change *Strategic Planning* Goals section to *Characteristics of the University* and remove reference to "shall" and change form of verb accordingly for each statement.

- 5) Add new section *Strategic Imperatives – Fostering Excellence/Creating Communities/Building Partnerships/Extending Outreach.*

Mrs. Winchester asked whether reference to dates would be deleted from the document and Dr. Dunn indicated his intention is to have the MSU Comprehensive Plan as an open-ended document. Each year the Board should take time to review the document and make any necessary changes. Ms. Hays suggested that the document be dated somewhere and Dr. Dunn stated that a revision date would be added.

Mrs. Winchester asked if the word “regional” could be added into the Mission Statement. Dr. Dunn suggested that the new value being added is “Regional Responsibility.” Ms. Hays expressed the concern that if regional is added to the mission statement then the boundaries around Murray State will be drawn in instead of eliminating those boundaries. Dr. Dunn believes adding the value of “Regional Responsibility” brings focus on regional stewardship and the Board concurred.

Dr. Dunn stated that the revised Board of Regents agenda for September 12 will include the *MSU Comprehensive Plan* and the Board will be asked to adopt the new strategic plan document and a full copy will be provided that reflects the changes outlined above.

7. Future Issues Analysis

Chair Stout asked if any Board member has concerns about the Task Force on Developing Murray State University’s Extended Campus at Paducah Final Report regarding an increased and expanded MSU presence in Paducah, Kentucky. He expressed appreciation to all Task Force members for the time they devoted to the effort and their commitment to the process. The Task Force has made a specific recommendation to the University and they believe what has been proposed is in Murray State’s best interest. A lot of discussion and debate took place around a variety of possible options with the ultimate goal of being able to use this document in the future as a model when evaluating needs in another community or how the Henderson, Hopkinsville and Madisonville extended campuses are performing. Input from the community regarding their needs is absolutely essential and Murray State should not determine what it is willing to offer but instead should be responsive to the curriculum needs of the community. Chair Stout indicated that the bottom line of what the Task Force has recommended is that the “University exercise its option to purchase the Barkley Woods property” with the idea of ultimately constructing a new facility there.

Chair Stout indicated that the Task Force considered remaining in the Crisp Center, renovating the Crisp Center, going to other locations, and utilizing abandoned school buildings. The top two options that emerged were constructing a facility on the West Kentucky Community and Technical College (WKCTC) campus and constructing a new facility along the I-24 corridor as close to the WKCTC campus as possible. The first option might have been feasible but it became readily apparent that the dynamics in Paducah were such that the Paducah Junior College (PJC) Board owns the real estate but there is also the WKCTC Board and overlying those two entities is the Kentucky Community and Technical College System (KCTCS). Because each of these entities has their own agenda it quickly became apparent to the Task Force that while it may have been able to work through PJC and WKCTC issues, the third layer KCTCS involved state oversight and it would be necessary for them to own the building thus limiting MSU’s control. Chair Stout stated that given the history of the other regional universities with their extended campuses and problems they have experienced, and after hearing the KCTCS position, the Task Force decided the option that is being proposed is the one that would best serve the interests of Murray State University.

Mrs. Winchester asked if a representative of the Task Force would attend the September 12 Board of Regents meeting and Chair Stout reported that the entire Task Force was invited to attend and a presentation of the report is on the agenda for 11 a.m. during the Committee of the Whole meeting. Some Task Force members who had conflicts due to professional commitments provided letters of support for the work and final recommendation of the Task Force. Chair Stout indicated that the Board would be asked to adopt the report during the Plenary Session and then take any action pursuant to the report. Dr. Dunn stated that this agenda item has been set up to be heard by the entire Board as a Committee of the Whole and that vetting out can take place during the committee meeting with the vote on the final report being taken during the afternoon

Board meeting. Recommendation language will be for the Board to approve the Task Force Report and that is different from accepting it. The Board may proceed as it wishes from there. Mr. Adams clarified that any action from that point forward would require a separate motion from the Board. Chair Stout stated that there are two separate actions the Board would consider taking. The first would be approving the report and then if the Board wanted to take substantive action it could entertain a motion to authorize the University to exercise the option to purchase the land but this would indeed be a separate action of the Board. Dr. Dunn agreed these comprise two separate actions and the Board would not be agreeing to purchasing land by approving the Task Force Report. Mr. Adams asked if by extension this means that the Board accepts the recommendation of the Task Force and plans to apply that recommendation by purchasing the property. Judge Taylor stated that a separate motion would be required to implement the recommendation to acquire land. Dr. Dunn indicated that there are two potential actions – one to vote to get the report received, and if the Board decides to proceed, they can then move forward to exercise the option to purchase the land.

Chair Stout reported that the University will be prepared to present a recommendation regarding the land as it would for any other real estate action. Dr. Dunn stated if it is the desire of the Board to proceed with the second action, the University will be prepared for that but a recommendation is not contained in the meeting notebook.

Dr. Morgan asked with regard to the land purchase if Dr. Dunn sees any potential for mid-year rescissions to the budget that would dramatically reflect the University's balance sheet. Dr. Dunn indicated that as of Wednesday of this week the universities have been told that it is not anticipated, however, the state is behind in their revenue projections. Current thinking is to the extent that revenue projections do not hold, the way the state will deal with that is through a rescission directly to the state agencies. They have actually published a listing of those who they desire to be left alone and that currently includes K-12, higher education and services for the blind and disabled. Officials have indicated that they will try to protect the universities but revenue is not on track and the state is only half-way to where its revenue needs to be to fund their budget. Dr. Morgan asked when those rescissions would be reported down to the agencies and/or universities and Dr. Dunn indicated that no specific date has been set but it would definitely not occur before the election.

Chair Stout reported that he served as a member of the Task Force as did Regents Manchikanti and Mantooh and President Dunn. Mrs. Ford asked whether consideration was given to remodeling the Crisp Center and adding on to it and what the cost associated with that would be. Dr. Dunn indicated there was no costing out of repair but drawings and specifications of the building were provided to members of the Task Force and they toured the current facility. Various options were put on the table for review and if the Task Force opted to entertain one of those options it would then be studied from a cost perspective. There was no support from the Task Force for pursuing the option of renovating the Crisp Center. Chair Stout indicated that Dr. John Yates, Dean, Center for Continuing Education and Academic Outreach, provided general observations regarding the building, including that the back part of the building is a large warehouse area and in the past the area had been reviewed and for all practical purposes it was not cost effective to do anything with that area and it would be necessary to start from scratch to build on.

Chair Stout reported that discussions also took place with regard to options that had been discussed in the past but the Task Force adamantly felt the location was not attractive. Mrs. Ford indicated the location was unattractive to the Task Force but asked whether students were polled to gain their input. Chair Stout indicated that Teresa Wheeler served as the student representative of the Task Force and provided tremendous insight into the process. She graduated in May and was a student attending classes at the Crisp Center and at WKCTC at the same time. She talked about how geographically it was very difficult for students who are running back and forth between the two locations and how it would help from the transfer standpoint and from the perspective of students taking classes at both locations to have the campus more closely located to the community college. There was also a lot of discussion regarding the need and desirability of having a facility located off of I-24. Ms. Wheeler is not able to attend the quarterly meeting but has provided a letter to the Board which is contained in the meeting notebooks which very effectively summarizes the student's perspective. Dr. Dunn stated that Mr. Phil Bryan, former Registrar, also served on the Task Force but cannot attend the quarterly meeting and he has also provided a letter of support for the Task Force Report.

Dr. Morgan inquired as to whether discussion took place with the Economic Development Corporation (EDC) or any of the other commercialization or industrial boards in McCracken County and Paducah regarding deeding property to the University or cost sharing in the purchase of property outside of the PJC Foundation Board. Chair Stout indicated the criteria that the Task Force identified as being a high priority were close proximity to the community college and close proximity to I-24 and that was prior to the Barkley Woods property becoming available.

Mrs. Buchanon stated that she understands that the Board will accept the report but she does not feel that means the Board must proceed exactly as the Task Force recommends. Chair Stout agrees and indicated if the Board accepts or adopts the report that does not substantively do anything other than adopt this report and put it into the University records. To take any specific action will require a totally separate motion. Ms. Hays stated that the option is through January 2009 and there is no need to take action during the Board meeting next week and the issue could be reviewed at the November meeting. She stated that she understands there was an auction of contiguous property that sold for approximately \$26,000 an acre adjacent to this land but the University is paying \$40,000 per acre. This was also reported in the Paducah Sun and she asked why the University is paying so much more per acre for comparable land. Mr. Adams stated the parcel of land that was purchased for \$26,000 an acre is not located on I-24 and it is on the backside of the property and does not have frontage to I-24 which would account for the discrepancy in price. Chair Stout does not believe the University needs all of the property in question but that can be decided further down the line. The University could hold the land for future development or sale since it is very attractive property.

Mrs. Buchanon inquired as to whether the University took the option to buy a little time and Chair Stout confirmed that to be the case. She asked whether it would be in the best interest of the Board to wait until the legislature is in session to see what is going to happen there. Judge Taylor indicated the University has the money to purchase the land but to build a facility the legislature would need to provide funding. The University regularly buys land on a speculative basis and he cited the Racer Foundation purchasing land in Hopkinsville as a good example of the profit the University realized on a purchase of that land. He does not see any downside of owning the land in Paducah given its location along I-24. Mrs. Winchester asked if at the time the University exercised the option on the property if it locked in a price and Dr. Dunn confirmed that to be the case. Chair Stout indicated the University optioned the land for \$1 million. Mrs. Winchester asked whether that \$1 million is over and above what has been set aside for parking lots and other buildings on campus and whether these monies are all part of the same pool. Dr. Dunn stated that in the E&G budget there is a land acquisition line item and land is also purchased for parking from the auxiliary budget by using parking proceeds. Sometimes general fund money is used to buy parking land but in essence the University will be utilizing that budget and also applying some carryforward money to cover the \$1 million. Mrs. Buchanon asked for clarification on which accounts the money will come from and Dr. Dunn indicated he would forward that information to the Regents.

Mrs. Winchester asked what would happen with regard to the current lease agreement for the Crisp Center. Dr. Dunn indicated the University must still figure that out and he does not have the answer at this point. He reminded the Regents that the day before the University purchased the option a set of conference calls took place with the CPE and the Finance and Administration Cabinet and no one knows the answer for sure. The building will reside with the University even if it is not used because the University is purchasing the building on a lease-purchase agreement and is receiving an appropriation for the amount of the lease. Chair Stout reminded all that the University has equity in the building if the decision is made to sell the facility. Mr. Adams confirmed that UK owns the building and MSU is on a lease-purchase agreement with UK.

Ms. Hays indicated that she would want to know how the University will get out from under the Crisp Center before becoming obligated to another facility. Dr. Dunn reminded her that right now the University is not committing to a facility but to land. Ms. Hays stated that she is thinking past the land to a potential building and questioned how the University will get loose from the Crisp Center and this must be decided before she could obligate the University to two facilities. She could not agree to go ahead and build a new building and resolve the Crisp Center later and that must be figured out before she could move forward. Dr. Dunn reported that he is not sure a definite answer is readily available but state officials could be polled to indicate what they would see happening in this scenario and perhaps be convinced to put those opinions on

paper. Judge Taylor indicated in a best case scenario after the University requests an appropriation to construct a facility it would still need to operate out of the Crisp Center for two to three more years. Dr. Dunn indicated if a facility is constructed it will be done in two phases with money being allocated in 2012 and occupancy starting in 2014 and the University will have the Crisp Center paid off by then. Judge Taylor indicated this makes the concern a potential non-issue considering the timeframe involved. Chair Stout stated that if the University exercises the option to purchase Barkley Woods property that will say a great deal regarding Murray State's commitment to increasing its presence in Paducah and will go a long way toward raising funds in the Paducah and McCracken County area. He believes there will be community support and help in this endeavor from the standpoint of seeking legislative and capital funding.

Ms. Hays stated if the University has not talked to the Paducah Economic Development Council that it should. If the University is going to spend \$1 million on this land and requires the help of industry with constructing a facility, industry in Paducah should be given time to commit to the idea. Chair Stout indicated the Economic Development Council for Paducah and McCracken County is the Greater Paducah Economic Development Council (GPEDC). Ms. Hays further indicated that statements are being made that money, etc. will come from Paducah but pointed out that Murray State has not seen anything yet except for the hard work of the Task Force. She feels if that community is serious and will support the facility then they need to indicate how much they are willing to invest in the project.

Mrs. Buchanon inquired as to whether an appraisal had been done on the property. Dr. Dunn indicated that one appraisal has come back with another to follow. The University is required to have two separate appraisals for the purchase of property. Mrs. Buchanon asked if an environmental study had been conducted and Dr. Dunn reported the report came back clean.

Dr. Dunn stated that the Board must determine how tuition at Murray State is treated. Judge Taylor will Chair a Tuition Task Force and the membership of that Task Force will be announced within the next week or so. He is looking at contracting with someone to review questions around pricing to produce a body of information on how the University should proceed this year in terms of decision making with regard to tuition. Good discussion took place during the morning session with the CPE indicating they have taken a more activist role in that they have exercised their statutory authority to set tuition. They do not have to do what the boards of the institutions suggest and the CPE is considering reworking the process to figure out another way to do tuition setting and that must be taken into consideration by MSU as well. There may be a push to get a deal structured where General Assembly leadership and the Governor might be willing to do some level of guaranteed state support. The institutions would then agree to a tuition percentage, such as 5 percent over the next five years. Dr. Dunn indicated that would be a good deal for Murray State. Dr. Dunn further stated that tuition setting at the CPE was a disaster this year and was not a source of pride for the Commonwealth. That is why the CPE is trying to figure out how to make the process more structured. The University must figure this out as well and some of the assumptions that the University has been working under must be examined more closely. Ms. Hays asked what the CPE timetable is and Dr. Dunn responded that Dr. Crofts wants to have the process figured out before he leaves office within the next six months. Ms. Hays asked where that leaves MSU in terms of how to proceed and Dr. Dunn indicated that does not mean the University should just sit on its hands and he simply wants the Board to understand that the CPE is also reviewing the tuition issue.

Judge Taylor asked whether any information is available on whether the tuition freeze bill has been pre-filed and Dr. Dunn replied that the bill is pre-filed every session but so far it has not gained traction.

Mrs. Ford asked whether the University has seen any results as a consequence of the Board's 6 percent tuition increase and whether it has impacted the University in terms of attracting more students. Dr. Dunn reported that price is not a driver on choice and selection except within a small group of students who are paying for college themselves. The University does market that tuition is low and price has always worked to Murray State's advantage, but even considering the relative low pricing enrollment growth remains flat.

Ms. Hays asked with regard to property acquisition whether anything is taking place with Pogue Library and the Dinh property. Dr. Dunn reported that Mr. Denton had a discussion with Mr. Dinh and it appears that his mother is ready to talk about selling but most likely the price will be

well above what the University could afford to pay. Prior to this latest development, however, there was absolutely no discussion.

Ms. Hays asked for an update on the Murray-Calloway County Hospital partnering with the UK College of Medicine on a three or four-year student program. Dr. Dunn indicated that initiative is still in planning stages but reported the UK College of Medicine made an overture to expand their third and fourth year medical training with a rural focus and they wanted to move part of the program to Morehead and part to Murray. UK had a previous arrangement with Morehead and although they were not necessarily doing any training, the relationship certainly did exist. UK plans to start this initiative in Morehead to offer third and fourth-year MD clinical training and then bring the program to Murray in 2009-10. They would be centered out of a hospital because there has to be a place to do this work – to house students and classrooms. The majority of third and fourth-year MD training involves shadowing doctors and not spending the day in the classroom. UK is working on a way to bring several parties together to help them fund the program, including the local hospital and Murray State. Both would be expected to contribute resources toward the program. Although Murray State would be expected to make a contribution to the program, perhaps some of the contribution could come back to the University in terms of fees for those services that are provided to the medical students, such as use of the residential colleges, access to testing and counseling services and the use of a pre-med coordinator.

Dr. Dunn added that the driver on this initiative will be on the hospital to indicate it is ready to move forward and can dedicate space to the project in its new building. Ms. Hays inquired as to what needs to happen to get Murray-Calloway County Hospital moving on the project and Dr. Dunn indicated that there is an issue between Primary Care and the MCC Hospital and that must be resolved because UK needs all of those doctors and the entire medical community must be part of this initiative. Mr. Jacobs reported that in terms of doctors trained and prepped to conduct clinicals, the hospital is not currently ready to accommodate students. A physician's syllabus must be reviewed and their training must be evaluated. At this point there is much to be done programmatically because these efforts together comprise the medical education degree program. Once this process has been completed the physician in question could be the clinical faculty in Murray for this specialty. The CEO of MCCCH understands this but others in the system think this can be turned on a dime and that cannot be done. UK is also advising that there must be lead time and the hospital needs to have more of an acknowledgment that there is preparation work that must take place for this initiative to happen. Ms. Hays asked if anyone is helping the hospital do this and Dr. Dunn reported that there is limited coordination although everyone wants this project to come to fruition. He keeps in touch with the Dean at the UK College of Medicine on a monthly basis and while the Dean may be waiting for him to jump start the program, he does not believe the University needs to get in the middle of the issue because the hospital is going to be the main anchor of the initiative. The University will be a partner but the hospital must pull the trigger to get everything moving. Ms. Hays asked whether an Economic Development Council should head up an initiative such as this and Dr. Dunn agreed that should happen. She asked whether that group or person should not be the catalyst that pulls everything together to get the process started. Mr. Jacobs added that currently there is not much benefit to Murray State outside of having a name connection. The University is about building partnerships in the community but is not going to run with the program and push the hospital to participate without having some level of support. Dr. Dunn added that the programmatic piece must be figured out so the University knows exactly what benefits will be afforded to its pre-med students. Dr. Dunn agrees that someone needs to take the helm on this initiative and agreed to talk to Dean Perman again to determine if there is a way he can work behind the scenes.

8. Board of Regents Operational Issues

In the interest of time, all Regents agreed discussion regarding operational issues would take place at a later time.

9. Regents' Initiatives and Issues

Dr. Morgan indicated that the parking lot in the middle of campus is a wonderful addition to campus and those responsible deserve a lot of credit. Dr. Dunn stated that the Regents should have received an e-mail indicating that visitor parking has been doubled in this area. Dr. Morgan indicated the parking lot has relieved a lot of pressure and has been well accepted by faculty and staff.

Mrs. Winchester invited each Board member to join her American Heart Association Heart Walk Team and the date of the walk is October 18.

Ms. Hays indicated that the 21st annual Trail of Tears Native American Pow Wow will be held tomorrow and Sunday in Hopkinsville.

Mrs. Travis thanked Dr. Dunn for the regular communications updating the Regents regarding what is happening on campus and indicated the reports are extremely helpful.

Mrs. Ford stated she would like to have an update on the proposed health department project with Murray State University and indicated that Larry Davis came to Murray to talk with Dr. Dunn last year. The Health Department wants to put a health department on or backed up to the MSU campus and she asked whether the project has been dropped or simply forgotten. Dr. Dunn stated that he remembers meeting Mr. Davis but does not remember him pitching the idea. Mrs. Ford indicated Mr. Davis has a lot of influence in the state and if the University wants the project to happen it can be done and would mean a lot of money and resources for Calloway County and MSU. She indicated the project would be coordinated through the State Health Department and projects like this should not be allowed to drop. Dr. Dunn agreed to follow up on the project. Chair Stout indicated he is aware there is a push to establish health care centers on a more regional basis and Mrs. Ford agreed the initiative was along these lines.

Mrs. Buchanan asked whether Dr. Gary Brockway, Provost and Vice President for Academic Affairs, has given thought to expanding the MSU Nursing Program. Dr. Dunn reported that meetings have taken place in conjunction with the planning for the new UK initiative and the hospital would like for the University to expand its program because the need for additional nurses is there but there are two issues. The first is that the nursing program involves lag funding and if the University increases the number of nursing students, it must also have seed money available to hire new faculty and get the enhanced program up and running. The University is currently maxed out with 36 students, which is driven by a clinical faculty and accreditation. Part of living so close to the vest financially and not having some room to maneuver is being able to spend money on that type of thing and until the University figures out what the source of funding would be, and it has been discussed with the hospital to put a network of regional hospitals together to assist in this initiative but the University has not heard back from them yet. Dr. Dunn reported that right now the University cannot get enough clinical spots because they are given away to the University of Louisville and West Kentucky Tech. MSU needs more clinical spots in the hospitals – especially at MCCH. Mrs. Buchanan asked if anyone has talked with Cathy Long and suggested that Corky Broughton, Dean of Health Sciences and Human Services, do so. Chair Stout indicated that this message also came up in the Paducah Task Force meetings and health care in Paducah through more nursing-related courses would be welcomed.

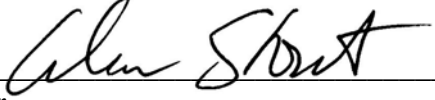
Dr. Dunn reported that the University of Louisville is going to Owensboro to conduct nursing education. They did not ask for Western's blessing and will be going into the medical center there and will do nursing preparation right at the center. Mrs. Buchanan asked if MSU could partner with UK or UofL and Dr. Dunn indicated that is a possibility and discussion continues around this issue. In addition, an Interim Chair with a doctoral degree has been in place for two years and the University has conducted a search but is having a difficult time getting a doctoral person to come in and run the nursing program because of location and because it is not a stand-alone school. Dr. Dunn indicated nursing really needs to be a stand-alone college but has held back because of the reluctance to create additional administration involved in creating another campus unit.

10. Adjournment

The Special Meeting of the Board of Regents adjourned at 3 p.m.



Secretary



Chair