

**Minutes of the Committee Meetings
Board of Regents
Murray State University
Friday, November 14, 2008
Jesse Stuart Room – Pogue Library**

**Academic Affairs Committee
8:30 a.m.**

**Jay Morgan, Chair
Beverly Ford
Alan Stout
Jeff Taylor
Gina Winchester**

Chair Stout called the committee meetings of the Murray State University Board of Regents to order at 8:40 a.m. and welcomed Regents, members of the general public and University community.

Creation of New Academic Program – Athletic Training, approved

Dr. Morgan, Chair of the Academic Affairs Committee, reported all members were present with the exception of Mrs. Ford. One agenda item before the Committee is approval of a new academic program in Athletic Training. Dr. Gary Brockway, Provost and Vice President for Academic Affairs; Dr. James Broughton, Dean of the College of Health Sciences and Human Services; and Dr. Pearl Payne, Interim Chair of Wellness and Therapeutic Sciences, discussed the new academic program. Dr. Brockway indicated this would be a stand-alone program housed in the College of Health Sciences and Human Services. The program has been offered as an emphasis but due to accreditation standards and because students must be certified as athletic trainers due to those standards, it is now necessary to recognize the Bachelor of Science degree in Athletic Training as an undergraduate program. Dr. Broughton added Murray State's Athletic Training program is one of only three accredited programs in Kentucky. Dr. Payne currently teaches the 099 level class for the department and reported one-third of current students are exercise science majors and are very enthusiastic about the program. She anticipates there will be even greater demand for the program in the future.

Mr. Adams asked whether freshmen can be fully admitted into the program and Dr. Broughton indicated the accrediting agency determines how many students can be accepted into the program and currently the number is limited. Dr. Payne stated there are two exercise science courses students must take so it is essentially a one-year process and the need exists for additional qualified faculty to teach these courses. Mrs. Travis asked what percentage of student athletes are involved in the Athletic Training Program and it was stated the number is very low due to the time commitment required by the program. The curriculum is extremely rigorous and a great deal of practicum experience is required. This is a very sophisticated profession and student athletes have difficulty managing the number of hours required outside of the classroom.

Mrs. Winchester inquired if this is a collaborative program with the community colleges and Dr. Payne indicated the program functions much the same as any 2+2 program with students attending the community college for two years and then another two to three years at Murray State. Mrs. Buchanon asked how difficult it would be to have more students accepted into the program and Dr. Broughton stated the accrediting agency makes its decision on how many students can be admitted to the program based on the number of qualified faculty available to teach the courses and MSU currently has only one full-time faculty member with those qualifications (although there is a vacancy for a faculty member who can teach the core requirements).

Mrs. Winchester moved that the Board of Regents, upon the recommendation of the President of the University, approve adding the Bachelor of Science degree in Athletic Training (CIP 51.0913) undergraduate program, housed in the Department of Wellness and Therapeutic

Sciences, to Murray State University's program inventory. Judge Taylor seconded and the motion carried.

Dr. Morgan reported the College of Education has successfully completed the first stage of the National Council for Accreditation of Teacher Education (NCATE) accreditation process. NCATE is the national accrediting body authorized by the U.S. Department of Education to determine which colleges meet rigorous national standards in preparing teachers and other school specialists for the profession. It is especially important to note that the accrediting agency cited no areas for improvement.

Adjournment

The Academic Affairs Committee adjourned at 9 a.m.

Audit Committee 9 a.m.

**Bill Adams, Chair
Beverly Ford
Laxmaiah Manchikanti
Alan Stout
Jeff Taylor**

Mr. Bill Adams, Chair of the Audit Committee, called the meeting to order at 9 a.m. and reported all members were present with the exception of Mrs. Ford.

Audited Financial Statements – General, discussed

Chair Stout moved, seconded by Judge Taylor, that the Board of Regents, upon the recommendation of the President of the University, accept the following reports for 2007-08:

- 1) Independence Letter
- 2) House Bill 622 Compliance Report for the year ended 6/30/08
- 3) Kentucky Lease Law Compliance Report for the year ended 6/30/08
- 4) General Financial Statement for the year ended 6/30/08
- 5) Management Letter and Management Representation Letter

Discussion followed with Mr. Tom Denton, Vice President for Finance and Administrative Services, and Mr. Keith Messmer, BKD partner from Evansville, Indiana. A handout was also distributed which contained condensed financial information for Murray State University, indicating the following:

- Summary of the balance sheet over the last four years with a comparison from 2007 to 2008. Cash and restricted cash has increased approximately \$10 million due in large part to the construction of Richmond College and general receipt bonds that have not yet been spent.
- \$28.2 million in investments – \$19.7 million with the MSU Foundation and \$8.5 million in various sinking and debt services funds (subject to risk and downside market turns)
- \$147 million in capital assets and net depreciation which is a combination of what has been spent during the year on construction, less accumulated depreciation, for a net increase of \$5.6 million
- Other assets have increased approximately \$450,000, primarily from interest receivable on investments.
- Total assets of \$261 million, a significant increase from where the University was at the end of 2005, representing steady and sure progress from a financial stability standpoint
- Liabilities and net assets - deferred revenue decreased from \$5.5 million to \$3.5 million primarily due to \$1.9 million in Science Complex deferred revenue with the other line items being fairly comparable from year to year
- Outstanding debt – revenue bonds increased approximately \$12 million from the prior year
- Other liabilities decreased to \$13.1 million with the primary driver being accounts payable and in the prior year the University had construction payables somewhat higher than this year.
- Overall net assets of \$188 million broken down between unrestricted (investment in capital assets) and restricted, net assets representing the net worth of the University (\$9.2 million increase from a balance sheet standpoint)

- Income statement – overall increase for the year of approximately \$9.2 million, versus \$21 million in the prior year, with the major change being attributed to the decrease in state appropriations for capital projects.
- Operating revenues of \$94.7 million this year, versus \$89.1 million last year, which represents a steady increase with tuition and fees being the biggest driver of revenues (includes rate increases and student recruitment and retention)
- Expenses of \$150 million this year, versus \$144 million last year. Other education and general \$69.3 million versus \$64.9 million (includes considerable upfront expenses associated with the ERP project and various items under the Capitalization Policy).
- Nonoperating revenues decreased to \$61.8 million because state appropriations are depressed and this figure will continue to go down given the current situation and expenses cannot be offset with appropriations.
- Overall \$9.2 million increase for the year.

Mr. Messmer reported the General Financial Audit Statements had been provided to Board members and because BKD is independent with respect to the University, if any independence issues arose during their campus visit they would be reported in the Independence Letter. In connection with the University's audit BKD reviews internal controls, processing of transactions and approvals, and under House Bill 622 there are requirements the University must meet in regard to processing these documents. While each transaction was not audited BKD did not note any issues to indicate the University was out of compliance with the requirements of HB 622 pertaining to construction management authority. Mr. Denton added this also refers to financial management activities being undertaken by the University. Dr. Dunn stated with regard to the option/purchase in Paducah, Kentucky, the Board has granted authority to the President and the Vice President for Finance and Administrative Services to make that type of decision.

Mr. Messmer reported the Kentucky Lease Law Compliance Report is a summary of real property leases awarded by the Finance and Administration Cabinet in 2008 and BKD is required to review those leases and test any new or updated leases entered into during the year to ensure they were properly approved according to the requirements of the Lease Law. BKD noted no problems in this area. Chair Stout clarified his understanding that MSU had terminated the lease on the Henderson Property (Green Street) and is no longer responsible for the property and Mr. Messmer indicated that to be the case.

General financial statements for the year ended June 30, 2008, were provided and Judge Taylor stated the audited number with regard to unrestricted net assets as of June 30 is \$34.1 million. The report Mr. Denton provided during the September Board of Regents meeting projected \$25.5 million and he asked for clarification on the discrepancy. Mr. Denton indicated unrestricted net assets were \$31 million at June 30, 2007, and in 2007-08 increased by \$3.1 million for a total of \$34.1 million as of June 30, 2008. The \$3.1 million increase included \$600,000 for auxiliaries and a \$2.5 million increase in the E&G fund. There were some extraordinary items, including interest income being much higher than projected, repayment of the \$2.25 million College of Science advance to get the building in the dry and tuition being about \$1 million higher for the year than budgeted.

Judge Taylor asked for a breakdown on unrestricted net assets (line items) and Mr. Denton indicated that is provided in the general financial statements. Judge Taylor stated at the September meeting a projection of \$11.6 million for departmental operations was made (\$300,000 decrease with an additional allocation for the Public Safety building). A final number of \$14.5 million is shown for departmental operations and he questioned whether this is carryovers and Mr. Denton indicated that to be the case and the departments were very conservative with their money. Judge Taylor stated this represents 3 percent of the increase and working capital which has not changed since he has been on the Board and Mr. Denton indicated the number should have been adjusted to match accounts receivable and inventory and is specifically tied to balance sheet accounts. Judge Taylor reported the general contingency number was projected at \$3.9 million and the audited number is \$7.8 million and Mr. Denton stated if all allocations and revenue contingencies in the specific calculated amounts have been accounted for then what remains is the general contingency. The full \$8 million from E&G funds have been transferred for the ERP project and what is represented in this report are final audited numbers.

In the Management Letter, Mrs. Buchanon stated with regard to significant issues discussed with management, the issue of declines in value of Foundation investments subsequent to year-end

was cited and asked for clarification. Mr. Messmer reported this represents the first year the auditors have done this but in the financial statements there is a footnote indicating when the report was issued, as of September 30, there was a 10 percent decline in the Foundation's investments and further noted a continued decline in October. This is a disclosure because there is \$19.7 million with the Foundation does not include state monies.

Mr. Adams requested clarification on self-insurance accrual and accounting for library online subscriptions which were noted as significant issues. Mr. Messmer stated self-insurance accrual was reviewed this year (three months accrued) and although it is consistent with the way it has been done in the past, audits over the last three to four years revealed it used to be 90 days but is now closer to 60 days. The auditors felt the accrual was a little on the high side and therefore adjusted it down by approximately \$500,000. Mr. Denton reported for this fiscal year the adjustment kept the University from going over budget. A certain amount was budgeted for claims and had the University accrued the full three months like it normally does, it would be over budget by approximately \$500,000 on health insurance. Judge Taylor asked for clarification regarding the \$900,000 increase in health insurance and Mr. Denton clarified this is money available to the University if it switched from self-insured to fully insured and would be available for any remaining claims. What Mr. Messmer is referring to is a liability account where there is a flow in from employee payroll deductions, deposits and institutional deposits go through that account, and when claims are paid the amount is reduced. If the University was going to have to have an increase in accruals it would need to increase the amount flowing through that account. Because that was not the case the University did not have the increase and was pretty much on target with expense estimations for the year. Mr. Messmer reported with respect to Library capitalization BKD reviews any periodicals and books that have been capitalized. BKD also requested the administration review on-line subscriptions because libraries historically group everything together and give it a ten-year life and the auditors prefer to use more of a ten-year average. On-line subscriptions typically have a one-year life so management reviewed the issue and made an adjustment because it should not have been part of the ten-year cycle.

Mrs. Buchanan asked with regard to the Management Letter and other control deficiencies which references the student financial aid notification finding if the situation has been resolved and Mr. Messmer confirmed that to be correct. She asked for further clarification regarding bank reconciliations and Mr. Messmer reported this is an extremely small finding and the University's operating account bank reconciliations during the year were not being done in a timely manner which is mainly due to the amount of time staff are spending on ERP training. It is not a finding BKD has encountered before and is unique to the situation this year. Dr. Dunn indicated because the Management Letter is being discussed it might be worthwhile to explain the severity of findings across material weakness and across control deficiencies. Mr. Messmer reported this represents expanded communication from what the Regents have received in the past and there are three levels of deficiencies: material weaknesses, significant deficiencies and other control deficiencies. The level of severity comes with the material weaknesses and BKD had no findings at that level or at the significant deficiencies level and three control deficiencies were reported. BKD is not required to report control deficiencies but it is the firm's policy those be brought to the attention of the Audit Committee.

Mr. Adams requested clarification on the issues listed under "Other Matters" in the Management Letter and Mr. Messmer stated pledges receivable refer to the situation the University is in with an FASB entity (the Foundation) and a GASB entity (the University). The University receives pledges and the question is whether those pledges are for the Foundation or for the University. There are different accounting rules for each and BKD is trying to ensure the Development and Accounting offices know which entity applies to the donation being received in order for it to be reported correctly. This will become an even more important issue as the University enters into the Capital Campaign. Currently there are not a lot of donor restricted endowment funds at the University level but the Uniform Prudent Management of Institutional Funds Act (likely to be passed soon in Kentucky) provides statutory guidelines for the management, investment and expenditure of donor-restricted endowment funds that do not have explicit donor stipulations. GASB Statement No. 49 is also a new accounting standard coming in next year but Mr. Messmer does not believe it will affect the University and was listed to provide information regarding accounting and financial reporting standards for pollution. He is currently not aware of any such issues at Murray State.

Audited Financial Statements – General, accepted

On behalf of the Audit Committee, Dr. Laxmaiah Manchikanti moved (previously moved by Chair Stout) that the Board of Regents, upon the recommendation of the President of the University, accept the following reports for 2007-08:

- 1) Independence Letter
- 2) House Bill 622 Compliance Report for the Year Ended 6/30/08
- 3) Kentucky Lease Law Compliance Report for the Year Ended 6/30/08
- 4) General Financial Statements for the Year Ended 6/30/08
- 5) Management Letter and Management Representation Letter

Chair Stout seconded (previously seconded by Judge Taylor) and the motion carried.

Audited Financial Statements – Federal Funds, accepted

Mr. Messmer reported the U.S. Office of Management and Budget Circular A-133 has been prepared by BKD and addresses the University's compliance with federal requirements in regard to federal funding (federal financial aid awards). It is required this reporting be made to the Federal Audit Clearing House and the State Auditor of Public Accounts. The only finding noted was that notification on student withdrawals had not been made in a timely manner. Submitted with this finding was the University's corrective action plan to address the issue.

On behalf of the Audit Committee, Chair Stout moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2007-08:

- 1) U.S. Office of Management and Budget Circular A-133 for the year ended 6/30/08 (federal funds)

Judge Taylor seconded and the motion carried.

Contract for Fiscal Year 2008-09 Audit, authorized

Mr. Denton stated in fiscal year 2005-06 BKD was selected to perform an annual audit of Murray State's financial statements and the University entered into a four-year contract with BKD at that time to conduct those audit services for a base fee of \$101,500. This year marks the final year of the audit contract which will require that a risk assessment be conducted following the same Risk Assessment Standards issued by the American Institute of Certified Public Accountants Auditing Standards Board (which were also undertaken for the 2007-08 audit). The anticipated total cost of the annual audit will range from \$129,500 to \$150,500 depending on the additional hours incurred for the risk assessment. Mr. Denton reported there would normally be the expectation of a reduction in the second year of conducting risk assessment, but because the University has implemented a new ERP system (with a completely new financial module as of July 1) BKD will in essence be conducting an entirely new risk assessment on the new system. Several Regents clarified the risk assessment will come at a cost over and above the base price and Mr. Messmer reported the original BKD contract was for \$101,500 per year for four years with no base increase. Because a totally new risk assessment will be required due to the new ERP system (now involving information technology personnel review) that amounts to conducting a totally new audit which will require additional research and documentation due to a change in many University control systems and much more reliance being placed on the ERP system. Ms. Hays asked how much the risk assessment will cost once it becomes a more standardized procedure and Mr. Messmer indicated once the contract with BKD is complete the University will take the contract out for bid in 2010. A lot has changed since BKD bid the base of \$101,500 for their services and audits have become much more expensive but believes it will be in the base range of \$125,000 to \$150,000. Dr. Dunn asked if there is an extension option with BKD and Mr. Denton reported an extension is not part of the current contract. Chair Stout asked if the majority of risk assessment work can be completed from the BKD home office or if individuals were required to come to campus. Mr. Messmer reported the BKD Audit Team spent two weeks on site but a lot of the work is completed off site to reduce travel costs.

On behalf of the Audit Committee, Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, authorize the renewal of the final year of the

contract with BKD LLP for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2009, at a maximum total cost of \$150,500. Dr. Manchikanti seconded and the motion carried.

Unaudited Financial Schedules, discussed

Mr. Denton stated when format reporting was changed three to four years ago to meet the new GASB requirements, his office continued to prepare the MSU Audited Supplemental Financial Schedules in the old format to provide a different way of looking at the University's financial information but has steadily been making an effort toward discontinuing preparation of this report. The report requires a great deal of work to put together and if the Board is not utilizing the information he would like to discontinue its preparation. Chair Stout and Mrs. Buchanan indicated they believe it is time to move on. Mr. Adams asked which report provides the most clear and concise information and Mr. Denton indicated each provides its own specific type of information. What the Board receives from the auditors is the new GASB format which presents the information from a corporate perspective instead of from the university accounting fund basis perspective. The new format (based on an entire financial system concept) is also what other governmental entities are utilizing and to be consistent the University is moving toward this type of report. The next report is not due for another year and Chair Stout inquired about the cost involved in producing the document and Mr. Denton indicated the main concern is the amount of staff time involved. Dr. Dunn stated the decision depends on the role the Audit Committee wants to play and there is a tradeoff between staff time it takes to prepare the document and the value that is derived from the report to the extent to which the information helps the Board perform its governance responsibilities. If there is desire to provide information regarding a specific program that can be handled on a case-by-case basis. Mr. Adams asked if this information would be provided at budget time and Mr. Denton stated the Board would continue to receive the budget in its current form. The Audit Committee agreed to review the issue during an upcoming meeting and make a recommendation to the full Board.

Mr. Adams thanked Mr. Messmer for his work and Mr. Denton thanked Mr. Messmer and his professional staff; Jackie Dudley, Director of Accounting and Financial Services; and Amy Sasseen, Assistant Director for General Accounting, for their assistance with the audit reports.

Adjournment

The Audit Committee adjourned at 9:50 a.m.

Finance Committee 9:45 a.m.

**Jeff Taylor, Chair
Bill Adams
Marilyn Buchanan
Peg Hays
Alan Stout**

Judge Jeff Taylor, Chair of the Finance Committee, called the meeting to order at 9:50 a.m. and reported all members were present.

Comprehensive University Excellence Trust Fund (CUETF), discussed

Mr. Tom Denton, Vice President for Finance and Administrative Services, stated through the Kentucky Council on Postsecondary Education (CPE), the Comprehensive University Excellence Trust Fund affords the comprehensive universities the opportunity to match private funds to state funds dollar for dollar to set up endowment funds for either scholarships or endowed chair programs. Previously the matching program was available for endowments only; however, House Bill 406 designates the comprehensive universities can also fund capital projects with these funds upon the approval of the allocation by the Board of Regents. It is being requested that the total \$1,580,000 request be broken down into two parts, endowment matching and capital matching, which will allow Mr. Bob Jackson, Associate Vice President for Institutional

Advancement, to proceed with potential donors. Judge Taylor asked if traditionally with the endowment program the University deferred those monies to the Foundation to manage and Mr. Denton indicated that to be the case. He also asked if these monies are already included in this year's budget and Mr. Denton indicated they are not included in the University's internal budget but those funds are in the Foundation. Dr. Dunn stated this recommendation is simply a designation the Board is required to make for the use of *Bucks for Brains* funding and as an institution receiving this match Murray State is being asked to declare a proration or split on non-capital and capital. What is being presented represents the University's best guess on future gifts that might be good candidates for matches with the *Bucks for Brains* monies and providing the declaration back to the Commonwealth as best the University knows at this point. It could happen the University does not receive any gifts for capital and have nothing to match and if that does occur the issue would be brought before the Board to again change the split. The Office of Development has reviewed potential gifts from each of the colleges and has taken into consideration the current market situation in arriving at the requested split. Mr. Denton added no funds are coming from the University's general fund.

Mr. Jackson stated HB406 set aside different monies for endowments which are outside of general appropriations for base funding for the universities. The \$1.5 million represents a separate line item outside of the Commonwealth's budget. The Board would also be required to approve each match identified. Dr. Dunn reported \$50 million was split between the University of Louisville and the University of Kentucky (research institutions) and the remaining \$10 million was split among the comprehensive universities with Murray State's share being \$1.5 million. Mr. Jackson stated the CPE wants the Board to render a decision on how the University intends to split these funds before it acts further and the designation can be changed again if necessary anytime before the quarterly May Board meeting. This work must be completed by June 30 because the funds are directly tied to bond sales and capital construction bond (bricks and mortar) sales are handled very differently than non-capital construction bond sales (endowments for scholarships).

Judge Taylor asked what a match might be used to accomplish on the capital side and Mr. Jackson stated an example at the Science Complex would be a new Satellite Science Library that would be located in the Chemistry Building (Jones Hall). Funds are currently being discussed that would provide for total private funding of the science library as a satellite library specifically for the sciences and faculty research. A secondary endowment would also be provided to maintain the satellite library which would assist the Science Complex greatly due to its distance from the main University Library. Dr. Dunn reported Mr. Jackson has a working list that is being reviewed internally to determine the best use of the referenced \$1.5 million. There is a strategy involved in the process with some donors being inclined to give whether or not there is a match with other donors inclined to increase a gift if a match is attached to it. As any such projects come to fruition they will be presented to the Board of Regents for approval. He credited Mr. Jackson and the Development staff for their strategic approach to this process.

Mr. Jackson indicated conversations have taken place with the CPE and there are some complicating factors involved in the process, including a statute that is only two sentences but a volume of administrative guidelines. University staff members are reviewing those guidelines to clarify the mechanics of the process. The *Bucks for Brains* program is in its fourth year but an additional complicating factor of this initiative is that 50 percent of these funds must be matched for STEM initiatives (science, technology, engineering and mathematics). The Development Office is being very strategic on who they approach and how they approach those individuals to bring in new money as leverage for the STEM initiative. Once the University gets past the 50 percent STEM initiative piece, the other 50 percent is easier to match because there is more flexibility. Judge Taylor asked if the University would now have the ability to accept unrestricted donations that are not given for STEM (general donations) but are normally deferred to the Foundation. Dr. Dunn reported the donation would still be held by the Foundation and the University will have no problem meeting the \$1.5 million requirement and the main issue is meeting the guidelines attached to the legislation. Mr. Jesse Jones is a benefactor for Murray State and will assist in meeting the STEM field requirement at the Science Complex but other institutions may have a tougher time reaching 50 percent of giving in that area. Thankfully Mr. Jones has indicated his willingness to assist the University in this way. There is also a provision which would allow the University to go back in retrospect to previous donations that have not previously been matched.

Comprehensive University Excellence Trust Fund (CUETF), approved

On behalf of the Finance Committee, Mrs. Buchanon moved that the Board of Regents, upon the recommendation of the President of the University, approve the University's request for \$1,580,000 (\$1,281,500 for endowments and \$298,500 for capital) in matching funds from the Comprehensive University Excellence Trust Fund (CUETF) for the 2008-10 biennium. Ms. Hays seconded and the motion carried.

Stimulus Check, discussed

Dr. Morgan reported while developing the budget in May 2008 the Board indicated it would take into consideration in February 2009 the possibility of diverting the \$400 stimulus check faculty and staff received in late July, early August to employee base pay and potentially making it retroactive for the 2008-09 contract. He placed this recommendation before the Finance Committee for possible consideration and asked Mr. Denton to compile preliminary figures for consideration at the February meeting which would allow the University time to address any potential budget rescission or further budget cuts. Dr. Dunn stated by virtue of Board action taken at that time it will appear on one of the committee agendas for the February quarterly meeting.

Adjournment

The Finance Committee adjourned at 10:05 a.m.

***Ad Hoc Policy Manual Committee* 10 a.m.**

Alan Stout, Chair
Beverly Ford
Jay Morgan
Jeff Taylor

Chair Stout called the Ad Hoc *Policy Manual* Committee to order at 10:20 a.m. and reported all Committee members were present with the exception of Mrs. Ford.

Board Policy Manual Revisions – Section 2.20 and Section 5.1.1 – Affirmative Action, discussed

Dr. Dunn reported in looking at policy review and revisions an issue surfaced with regard to the various versions of the University's Nondiscrimination Statement and the discrepancy requires resolution. He asked Mrs. Sabrina Dial, Director of Equal Opportunity, and Mr. Josh Jacobs, Chief of Staff, to come forward for any questions following the discussion.

Dr. Dunn stated with regard to Section 2.20 in the preamble paragraph the University is trying to clarify there is one Nondiscrimination Statement for the University. As this policy was communicated across campus it became clear everyone was using different versions of the same theme and the administration determined it would be wise to have stronger language where the Board affirmatively states the Nondiscrimination Statement for the University. For internal purposes it is not that large of an issue but if the federal government reviews the statement with regard to a contract or creditors find two different statements that could cause an issue for MSU.

Dr. Dunn reported some wording has been changed in the Nondiscrimination Statement because Mrs. Dial has now had the opportunity to examine the policy as it was enacted by the Board and think through the optimal language that should be included. Mrs. Dial believes the University needs to be clear on veteran status, including that as a class within the language, and having the policy as it applies to admissions clearly stated. With regard to disabilities in particular, in Section 2.20 some language has been changed from opportunity to access to fit the style when talking about service to individuals with disabilities. The first sentence of Section XIII – Equal Education Opportunity – has also been deleted.

Dr. Dunn stated with regard to Section 5.1.1 discussed previously by the Board, the fix now becomes striking within that policy language which created confusion around other things that were not part of the overall University Nondiscrimination statement. The remainder of Section 5.1.1 is the same as what was previously approved by the Board. Dr. Dunn stated the constituent bodies will be charged with reviewing language in their governing documents to ensure that it is consistent and in compliance with the University's policy language.

When the Board reviewed this policy in February there were questions around veteran status and the Board acted to include that class in policy language. Also at that time it was decided marital status and political affiliation would not be added to the Nondiscrimination Statement. Dr. Dunn stated the University is making an effort to include all veterans which is in compliance with the Vietnam Veterans Act and through this language the Board is strengthening the Non-discrimination Statement. The Act refers to the awarding of federal contracts over \$100,000 and if the University is going to be a federal contractor in that amount it needs to approve this language.

Mr. Adams asked for clarification on the change in language in Section 2.20 from the provision of services to "other" provision of services. Dr. Dunn indicated the equal opportunity language mentioned other benefits and services and the intent was to ensure this one statement reflects that. Mr. Adams is concerned this change in language opens the door for a lot of different things without knowing what those other benefits and services consist of. Dr. Dunn indicated this would be driven by the facts of a case that may come to the University where it is being argued an individual has been discriminated against. University administrators were simply trying to retain the meaning from the policy previously approved by the Board.

Mrs. Dial reported other benefits and services issues come into play with various programs on campus and being able to provide access for handicapped individuals to enter and access those types of programs in campus buildings. Mr. Adams indicated he is not referring to access but the provision of "other" services. Dr. Dunn stated this would be factually driven if an individual or group charges a basic right that should be accorded has been denied. He does not believe the use of the word "other" drastically changes the meaning of the policy and if it is not there someone could still come forward and make a claim. Mr. Adams added this is another opportunity to "tag things on" and Dr. Dunn asked him to remember it is language already contained in the *Policy Manual* and is meant to be reflective of the language being removed under the equal education opportunity policy. Consensus was the use of the word "other" does not change the meaning of the policy language because if someone decides to make a claim they will do so whether the word is there or not. Mr. Jacobs also pointed out the use of the word "other" is in conjunction with employment and admissions services specifically.

Board Policy Manual Revisions – Section 2.20 and Section 5.1.1 – Affirmative Action, approved

On behalf of the Ad Hoc *Policy Manual* Committee, Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, approve the following amendments to the *Board of Regents Policy Manual* and communicate those changes to the University's constituency bodies for any necessary amendments to their governance documents:

1. Addition of clarifying language to previously approved *Section II – The University* (Section 2.20) with the modification of using the word "the" and not "other" in *Section I – Policy Statement*.
2. Deletion of the first bullet point in *Section V – The Students* (Section 5.1.1). (This is in addition to other changes presented at the September 12, 2008, meeting.)

Dr. Morgan seconded and the motion carried.

Board Policy Manual Revision – Section 3.3 – Employee Tuition Waiver, discussed

Dr. Dunn reported at the last quarterly Board of Regents meeting a request was made for the University to consider tuition waivers for members of the Board of Regents. It was suggested this be accomplished by taking the current language with regard to employees and altering it to include sitting appointed members of the Board. This could have been accomplished through separate policy language but it was determined the best approach would be to add this language

to the University Tuition Policy currently extended to employees. There is some question regarding pertinent law, according to some who have reviewed the issue, but there is also no prohibition on it being done. Dr. Dunn is not necessarily recommending the change because it appears to be an unsettled area of the law. Mr. Rall reviewed the issue a few years ago and determined at that time no other public institutions had adopted tuition waivers for the members of their Board of Regents. Dr. Dunn reported no Kentucky institution has instituted this policy in the intervening time period and Mr. Jacobs indicated that to be the case although he has not received a response from two institutions. Dr. Dunn stated a marginal cost would be involved in offering this benefit.

Judge Taylor asked when tuition waivers are provided to existing faculty and staff whether a 1099 form is issued because it is a benefit from a tax standpoint. Mr. Denton stated there have been several IRS regulations in the past regarding tuition waivers for employees and there were some situations where a 1099 form would be issued although it is no longer the practice because tuition waivers are excluded benefits. Ms. Jackie Dudley, Director of Accounting and Finance, stated the University is not required to issue a 1099 form for tuition waivers because it is considered a non-taxable benefit for employees. Judge Taylor asked if this same situation has been reviewed with regard to Board members because they are not employees of the University. Mr. Denton reported he has not reviewed the issue from that perspective. Dr. Dunn stated the argument could be made that a tuition waiver would be considered income because Regents are not employees of the University. Mr. Jacobs read from a letter submitted by Mr. Rall who reviewed KRS statutes which stated Regents are not intended to be beneficiaries of anything as substantial as tuition waivers.

Ms. Hays indicated she asked about the possibility of granting tuition waivers to Regents after discussion that took place on the role of Regents at the University. Faculty, staff and student Regents operate within the University world and the remainder of the Regents operate in a world outside of that. This benefit would provide the Regents with a different viewpoint and perhaps better stewardship of their responsibilities as Regents. No Regents would misuse the benefit to obtain a degree but it would allow each to become better prepared on behalf of the University at no true expense to Murray State. Individuals at the extended campus sites have suggested she take a class to get a true feel for the classroom setting students experience. Dr. Morgan stated from an academic standpoint he views this as a question of access. Presently the University allows Regents to have access to the Wellness Center, food outlets, sporting events and the Library and perhaps they should also be allowed access to the University's academic apparatus. Chair Stout added he was initially opposed to this request because he was concerned about the message it would send and if a Regent wanted to take a class then they could pay to do so. After talking to Ms. Hays he understands where she is coming from and does not believe it would come into play that often. At Ms. Hays' suggestion Chair Stout agreed there needs to be clarification on whether there is a compensation issue with regard to the 1099 form.

Board Policy Manual Revision – Section 3.3 – Employee Tuition Waiver, discussed

Dr. Morgan moved to table action on *Board Policy Manual* Revision – Section 3.3 – Employee Tuition Waiver until the next quarterly meeting so the administration can provide clarification on whether this would be considered a taxable benefit. Judge Taylor seconded and the motion to table carried.

Board Policy Manual Revisions: Section VI – The Governance Units, approved

Dr. Dunn reported revisions to Section VI – The Governance Units - appeared on the agenda for the quarterly Board meeting in September but due to time constraint issues review was postponed until now. Reference to the Affirmative Action Committee states membership is made up of three members of the faculty, three members of the staff, two students, one representative of Public Safety and the Director of Equal Opportunity and members of the committee are appointed by the President. Mrs. Winchester asked if in the past recommendations came from the governing body to the President to assist in making these appointments. Dr. Dunn stated unless noted otherwise the President has authority to name those committee members but the approach he has taken is to solicit those names from the constituency bodies. Mrs. Winchester asked if language outlining that practice needs to be added for clarification and Dr. Dunn stated as President he prefers to have the ability to appoint individuals to certain committees who have the expertise or background in a given area. He

suggested the language remain unchanged and if at some point a President begins to abuse that authority the Board can change the policy at that time. He reminded the Board he has asked the Faculty Senate to consider expanding the committee to a Diversity Committee to be more proactive in this area and also because that is the direction the Commonwealth is heading.

Judge Taylor moved that the Board of Regents, upon the recommendation of the President of the University, approve the following amendment to the *Board of Regents Policy Manual*:

1. The Ad Hoc Policy Manual Committee brings a recommendation for changes to *Section VI – The Governance Units*.

Dr. Manchikanti seconded and the motion carried.

Adjournment

The Ad Hoc Policy Manual Committee adjourned at 11 a.m.

Committee of the Whole 11 a.m.

University of Kentucky (UK) College of Medicine/MSU Partnership, discussed

The meeting of the Committee of the Whole began at 11 a.m. Dr. Dunn stated given what has transpired to this point regarding a potential University of Kentucky/College of Medicine and Murray State partnership the Board needed to be provided with a briefing on discussion and planning around the initiative. The University is looking to partner with both the UK College of Medicine and the Murray-Calloway County Hospital (MCCH) for the establishment of a site in Murray for the preparation of third and fourth year medical students. This initiative has been discussed for over a year and the Board has been apprised of those discussions. Dr. Dunn stated there is also a recommendation the Board endorse and support MSU's partnership with the UK College of Medicine and MCCH for execution of an agreement to establish the *Murray Regional Site Educational Project* as part of UK's *Rural Physician Leadership Program*. He reminded the Board that the MSU Foundation has voted to support a \$250,000 pledge toward this program if the University desires enter into the initiative.

Mr. Keith Bailey, Chief Executive Officer, Murray-Calloway County Hospital, indicated he would bring the Board up-to-date on the view the hospital takes on this initiative and the programs necessary to establish a clinical campus in Murray. The program would be developed in collaboration with Murray State University, Murray-Calloway County Hospital and the UK College of Medicine. Students would spend their third and fourth years of medical school in Murray which represent the clinical years (basic science years normally spent in Lexington). Students would also complete their residencies in Murray and it is likely a high percentage of those students will then locate and become private practitioners in the general service area.

Mr. Bailey stated as a part of their commitment to this initiative the UK College of Medicine would expand the number of students enrolled in medical classes by 10 students specifically for this program. This is significant because anyone who studies the demographics of what faces the region over the next few decades realizes the physician shortage is one of the key issues to be addressed in the health care and education fields. This initiative also represents an opportunity to work together to address these two important issues. Students from rural counties in Kentucky would be considered for the program. Some rural counties in Kentucky have not had a student enrolled in medical school for some time and this would be a vehicle to attract students to the University to study basic sciences and pre-med preparation in anticipation of having a greater opportunity to attend medical school and obtain a medical degree. Residencies would be provided in Murray as part of post-graduate education. One program assumption is that the students would begin in 2012 and after finishing their last two years of medical school their residency would begin in 2014. Although this is a long-range project, the potential it has for the region is significant. The benefits to this program include that it will:

- Help attract and retain physicians to western Kentucky;

- Enhance Murray State as a leader in health care education and provide an opportunity for the University to expand its student population to reach more and teach more; and
- Have a positive economic impact on western Kentucky.

Mr. Bailey stated in regard to program support this initiative requires financial support to cover operating costs. Estimates range from \$500,000 to 750,000 per year and there is some indication that type of support could come from health care providers. The Board of MCCH has already made a commitment to put money into the initiative on a yearly basis because of its importance to building and retaining the right kind of medical community to serve the people who live in this area. The hospital would look to Murray State for such a commitment as well and would seek out private donors. This program will have a tremendous appeal to private donors because it will enhance the economic and quality of life factors in the entire community.

Dr. Emery Wilson stated he was Dean of the UK College of Medicine for approximately 17 years and was a faculty member prior to that. This initiative came about due to a projected physician shortage for the state of Kentucky. Currently Kentucky is 2,300 physicians short of the national average and in the future – whether looking at the current supply, need or demand for physicians – the state will face a shortage even greater than what exists today which is particularly true for rural areas. The Association of American Medical Colleges (AAMC) and the Commission on Graduate Medical Education, which is a congressional committee, have both proposed that an increase in the number of physicians is necessary to fill this gap. The AAMC projects at least a 30 percent increase in physicians is required and this cannot be accomplished solely through increasing class size and there must be new medical schools or new branch campuses. The physician shortage is in large part a result of an aging population, more chronic diseases and a difference in the work-life schedule of young physicians who are interested in taking care of patients but are also interested in taking care of family and having a work-life schedule that is more amenable to their lifestyle. Currently Kentucky is the 6th most rural state in the nation and while 43 percent of Kentucky's population lives in rural areas only 23 percent of physicians practice in those areas. Some counties do not even have a physician and over the last five years two counties in the Purchase area have not had a student apply to medical school, much less attend.

Dr. Wilson stated one thing to be accomplished through this program is to create a pipeline in this part of the state and UK is currently implementing a similar initiative at Morehead State University, with the goal of starting these clinical campuses at both ends of the state. There is also an opportunity for translational research because the National Institute of Health (NIH) has changed the way it funds research. The NIH used to fund individual research projects but now funds research in the translational sciences and instead of funding each individual project they have consolidated funding into \$20 to \$30 million operations and only 60 of these clinical translational science awards will be provided throughout the country. Kentucky would be fortunate to receive just one of these awards and UK is actively pursuing the opportunity. Part of the application submitted two weeks ago contained a provision for conducting research in rural communities which represents a real strength for UK in the application process. The goal is to not only conduct research in rural areas but also translate research done in laboratories to the practitioner and the rural areas.

Dr. Wilson outlined the continuum of a medical education as follows:

- All medical students go to college, undergraduate school (most for four years) and rarely a student will enter medical school after three years. There are one or two schools that will accept students out of high school into two years of undergraduate school and then four years of medical school, combining a bachelor's and MD degree but this does not occur very often.
- Medical school lasts four years with the first two devoted to the basic sciences, including anatomy, physiology, pharmacology, pathology, etc. The next two years are the clinical years when students actually come in contact with patients and it is during these two years that UK would transfer students to Murray.
- Medical students must then do a residency which could last from three to six years, depending on the type of residency. Primary care residencies (family practice and pediatrics) and internal medicine last three years, OB/GYN residency is three years and a neurosurgery residency is six years. In some cases students will sub-specialize, for example, in neurology, reproductive endocrinology or infectious diseases, and will do a residency and then a fellowship to specialize which takes an additional one to three years. Only about 10 percent of residency graduates participate in a fellowship.
- There is continuing medical education throughout a physician's lifetime.

Dr. Wilson stated the reasons to locate this program in Murray include:

- Strong medical community with practitioners, Murray State University and MCCH.
- Students would spend their third and fourth years learning medicine in a community and then hopefully remain in that community. If physicians complete their residency in a community they are more likely to remain in that community, with about 65 percent of medical students staying in the area where they complete their residency.
- Physicians contribute to the economic development of a region, with each physician making an economic impact of \$1.5 to \$2.5 million to the community, depending on their specialty.

Dr. Wilson stated benefits to Murray State include more students being interested in a pre-medicine or health science career and the possibility of providing the University with the opportunity to offer new and more professional programs. There will also be more research and community engagement opportunities. He distributed a brochure outlining what is happening with the Morehead campus where students have completed the initial process. They are currently seeking volunteers in their first and second year of medical school willing to commit to Morehead for their third and fourth years. Dr. Emery announced Mr. Keith Travis, MCCH Development Officer, was unable to attend today due to the birth of his grandchild.

Dr. Dunn stated the Dean of the UK College of Medicine, Dr. Jay Perman, also sent regrets for being unable to attend the meeting due to an out-of-town conference but asked that his appreciation be passed along to the Board of Regents for their willingness to consider this proposal. In conjunction with this initiative the University is also attempting to put together an endowment to support MSU pre-med majors. Because there is a donor who is interested, ways to strengthen the pre-med program through an endowment are being examined as are opportunities to work this initiative around advisement, clinical opportunities, assistance for application purposes and a host of other things. An Endowed Chair in Pre-Medicine has been established and there are internal candidates within the MSU College of Science, Engineering and Technology who have background in the medical field and a Ph.D. in the science area who will be able to fill this position. These individuals will advise pre-med students but also will spearhead this effort.

Dr. Morgan asked what the peak numbers would be projected out over time and Dr. Wilson replied the number would most likely be ten students in both the third and fourth year. The number would remain at this level for a while because resources must be available in the first two years to accommodate the increase in class size which is why a lot of medical schools cannot currently increase class size. UK has increased class size (seats in a classroom) to accommodate 10 students for Murray and 10 students for Morehead but must have a new building before they will be able to accommodate more. At any one time Murray State could have 20 students. It must be taken into consideration how many residents could be in Murray once the program matures which is difficult to predict. Dr. Morgan asked whether these individuals will be disseminated in Fulton County and throughout the west Kentucky region and Dr. Wilson reported during the third year most of the students would be in Murray because there are six core subjects that any medical school must teach. In the fourth year medical school students complete more electives and if they choose to specialize will spend a majority of their time with a specialist in that chosen area. It is also during this fourth year when students spend most of their time at an off-site location which could include Paducah, Murray or surrounding rural counties. Mr. Bailey reported there are other providers and hospitals throughout Murray State's 18-county service region that might also receive these students. Dr. Wilson reported most of the residency programs are attached to hospitals because that is where the funding goes - Medicare generally pays the hospitals. It is possible for a consortium of hospitals or practitioners to receive that funding but historically Medicare is the main source of funding for residency programs. He does not believe MCCH can support residents for six different residency programs but with the Paducah hospital and others in the region it will be possible to support residency programs in different disciplines.

Mr. Adams asked what input has been received from surrounding hospitals in Madisonville, Hopkinsville and Paducah regarding this program and Dr. Wilson replied most of the input centers on why UK is not doing this program with them. One answer is because of Murray State University and the goal is to develop ties with a regional comprehensive university because of the potential for joint degrees. Mr. Adams asked what the interest level is from students to attend at Morehead and the potential for them to come to Murray. Dr. Wilson stated there are students from rural areas who want to live and practice in a rural area and those students are the ones being considered because they are most likely to successfully complete the program. The

program is not so different that students will think it is not a good idea and the curriculum is very much the same as that at UK, with the addition of information they are likely to need in a rural community. During the first two years information students receive will be put in the context of a rural community. During these first two years students will also spend time in the community talking to the Judge-Executive and school board to determine the health care role they will play in the community. During the third year students will have a continuity clinic where they follow the same patients throughout the two years they are in Murray and this does not currently happen at the University of Kentucky. Students will also complete a community research project and will become involved with diagnosing a practice – going into a practice and observing what happens and how many physicians, nurses and practitioners it has, how many lab tests are done, what equipment the practice has and whether it is reasonable and profitable for them to have the equipment they may need. Students diagnose the practice so when they go into practice for themselves they will have a better feel for what is needed.

Mrs. Buchanon inquired whether a program is available for medical students that practice in a rural area to have part of their student debt removed. Dr. Wilson stated this would require legislative support but the Kentucky Medical Association has a program that provides scholarships for those going into medically underserved counties. One problem is a student from a particular county might decide to go back to that county to practice but by the time they complete their medical education the community is no longer medically underserved and a better system is needed to handle such situations.

Mr. Adams asked what percentage of students enrolled at the UK College of Medicine are from Kentucky and Dr. Wilson reported 85 percent of the students are from Kentucky and it is not likely students will come from another state unless they are a legacy. Ms. Hays asked how the program is being marketed to students and whether that marketing starts in the high schools. Dr. Wilson stated the Area Health Education Center (AHEC) programs essentially market to middle school, high school and college students and some offer as many as 20 programs. Applicants are also targeted through a uniform admissions process that all medical schools and medical students use. When a student applies they indicate whether they are interested in the rural program.

Chair Stout reported he attended the Foundation Board of Trustees meeting when this issue was addressed and one member of the Board, Dr. Tom Logan, is very passionate about and supportive of the program. This also presents an opportunity to meet the regional mission of Murray State in a very substantive way and he believes the University should commit resources to meet that challenge. More than one medical provider in the area has mentioned to him they are aware of the program and strongly support it. As the program develops these providers will want an opportunity to participate in the program and he salutes MCCH for taking the lead on this initiative. Dr. Dunn set forth as one of the missions of the University to build partnerships and this certainly fits with that mission and will benefit western Kentucky. Chair Stout saluted Morehead for being the pioneer of this program, expressed appreciation to all for being present today and recognized Dr. Richard Crouch who is a member of the medical staff of MCCH and a practicing family physician in Murray.

Dr. Crouch stated he is a member of the baby boomer generation and in the early 1950s school boards were building elementary schools and in the 1960s were building high schools and it is nearing time for this group to need an increased health care system. There are also a number of doctors over 50 years of age who are looking forward to retirement which will cause a shortage of physicians nationwide. He is a graduate of the UK College of Medicine and believes there is going to be a wave of baby boomers coming into the health care system within a relatively short period of time. The health care system must be prepared and is behind in Murray but this program will provide an opportunity to add more doctors to a rural area where they will be greatly needed.

Dr. Manchikanti reported there is a similar program in Madisonville with the University of Louisville which has existed for some time and asked how successful the program is. Dr. Wilson reported the program has room for ten students but usually has only five or six student volunteers. He does not know why this is the case because funding from the Coal Severance Tax supports the program and provides funding for scholarships. UofL has not prohibited students from opting out of the program but this issue will be addressed with the UK, MCCH and MSU program so students understand it is not to be used as a way to get into medical school and then decide they do not want to practice in a rural area. Once students are in the program they must

remain in the program. Dr. Wilson indicated this is not currently being done because this option was not available when the first and second year students now in the program started. Students being admitted are now aware of the program. Dr. Wilson indicated specialists in Murray will serve as faculty for the University which has accreditation implications that must be addressed. Anyone teaching medical students must have a faculty appointment at a University and the medical school which is similar to the situation in Madisonville. There is a diffusion of physicians from communities such as Paducah and even if those students attend medical school in Paducah there will be diffusion into surrounding counties. Mr. Bailey reported meetings have taken place specifically with the chief executives of the two hospitals in Paducah and UK/MCCH/MSU have been invited to make additional presentations which will involve additional administrative staff and members of the hospital boards. The reaction has been very enthusiastic and positive although there are no firm commitments for co-sponsorship, support or financial assistance. Dr. Manchikanti indicated in order for this program to be successful the Paducah hospitals must be included from the beginning and Mr. Bailey stated this need has been recognized which is why meetings with the two CEOs took place earlier this month. Dr. Crouch reported a neurologist from Charleston, South Carolina, has been recruited to Murray and is currently in his last year of training and is a graduate of the Pikeville College School of Osteopathic Medicine. He completed his third and fourth years of training in Mayfield and Paducah, married a Murray State graduate and they are moving to Murray in July which is one example of students from other universities coming to the area to complete their rotations and making the decision to return to the area to practice.

Mr. Adams clarified approval of the motion before the Board does not represent a monetary commitment at this point. Dr. Dunn indicated that to be correct and it is an endorsement of the Board indicating presentations have been received and the administration is charged with moving forward and continuing this work. At some point the University will enter into a partnership agreement which would be brought before the Board for approval.

University of Kentucky (UK) College of Medicine/MSU Partnership, approved

Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, endorse and support Murray State University's partnership with the University of Kentucky College of Medicine and Murray-Calloway County Hospital for execution of an agreement to establish the *Murray Regional Site Educational Project* as part of UK's *Rural Physician Leadership Program*. Mrs. Buchanon seconded and the motion carried unanimously.

Operating Procedure for Presidential Evaluation, approved

Chair Stout moved that the Board of Regents, upon the recommendation of the Chair of the Board, approve the *Operating Procedure for Presidential Evaluation* and evaluation instrument as presented. Dr. Morgan seconded and discussion followed.

Ms. Mantooth asked if the former Student Regent could be asked to complete the Presidential Evaluation prior to departure from the University. Due to the timing of when the Presidential Evaluation is prepared, the new Student Regent has just come on board and she does not believe they can adequately evaluate the President when they have worked with them for such a short period of time. She believes it would be much more beneficial for the past Student Regent to complete the evaluation. Chair Stout indicated this is a very practical consideration and the Board should consider how to address the issue.

Motion carried.

Report of the Tuition Task Force

Judge Taylor stated the organizational meeting of the Board of Regents Tuition Task Force was held on October 29, 2008, and provided the following overview:

- A variety of information was disseminated to members of the Task Force and because it is such a complex issue they have been given time to review and digest that information.
- The Task Force is examining an array of major issues and perhaps some type of recommendation to be made to the full Board. In either event a report will be presented at some point.
- All Regents are welcome and encouraged to attend the Tuition Task Force meetings. The next meetings have been scheduled for November 20 and December 3, 2008. Both meetings will be held at 6 p.m. in the Jesse Stuart Room of Pogue Library.

- Dr. Dunn will make a presentation at the November meeting to provide his perspective on tuition at Murray State. Dr. Brockway will make a presentation at a future meeting as well.
- Statistical information will be provided to the Task Force from the Kentucky State Data Center and could include a visit from Ron Crouch to provide county statistical information and information for the entire state.

Adjournment

The Committee of the Whole adjourned at 11:57 a.m.

Buildings and Grounds Committee

Peg Hays, Chair
Bill Adams
Marilyn Buchanon
Kara Mantooth
Jeff Taylor

Chair Stout stated Ms. Hays requested the Buildings and Grounds Committee be added to the agenda for a short report. Ms. Hays called the Buildings and Grounds Committee to order at 11:57 a.m. and reported all members were present.

Establishment of Agriculture Task Force for discussion at Plenary Session, approved

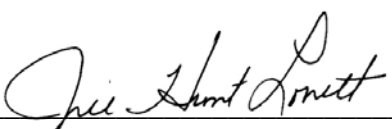
As Chair of the Buildings and Grounds Committee, Ms. Hays moved to establish a special Board of Regents Agriculture Task Force to study long-term planning of farms and facilities and programs and relationships for the MSU School of Agriculture and to make recommendations to the Board of Regents with its reported findings at the February 2009, quarterly Board of Regents meeting. The intention of the Task Force is to finish the work started by the School of Agriculture Long-Range Farm Planning Committee that President King Alexander established in 2005 and complete work initially started by that committee. Judge Taylor asked whether the Task Force would report to the full Board or the Buildings and Grounds Committee and Ms. Hays suggested discussion regarding this issue take place during the afternoon plenary session.

Dr. Dunn stated it might be beneficial to see where the work of the Long-Range Farm Planning Committee ended because there was some trajectory from that group where it had a recommendation and a finding and some action was taken as a result but did not progress from there. If the Agriculture Task Force wishes to expand its membership or take on other issues there are very legitimate items in regard to overall planning for the School of Agriculture which could be considered and Dr. Dunn could share those additional issues if it is the intention of the Task Force to take on that additional work. If the work of the Task Force is limited to the original group's work on farm acquisition then it can be discussed where that objective sits at this point in time versus expanding the charge of this group. He thinks it would be a good idea for the Task Force to review other long-range planning issues for the School of Agriculture as part of its charge. Ms. Hays indicated her vision for the work of the Task Force is not limited exclusively to farm acquisition and the intention is not to do any long-range planning for the Breathitt Veterinary Center (BVC), although the BVC will be considered.

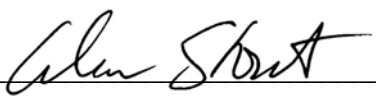
Mrs. Buchanon seconded and the motion carried.

Adjournment

The Buildings and Grounds Committee adjourned at 12:05 p.m.



Secretary



Chair