

**Minutes of the Special Board of Regents Meeting
Murray State University
Friday, May 30, 2008
Jesse Stuart Room – Pogue Library
8 a.m.**

The Board of Regents of Murray State University met in Special Session on Friday, May 30, 2008, in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. Chair Alan Stout called the meeting to order at 8 a.m. and indicated because it is a special call meeting the Board is limited to the discussion of items on the agenda.

1. Roll Call

The roll was called and the following members were present: William Adams, Marilyn Buchanon, Beverly Ford, Peg Hays, Laxmaiah Manchikanti, Alan Stout, Jeff Taylor and Gina Winchester. Absent: Eric King, Jay Morgan and Vickie Travis. Chair Stout stated that the absent members of the Board had previous personal or professional commitments that prohibited their attendance.

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

**AGENDA
SPECIAL MEETING OF THE BOARD OF REGENTS
Murray State University
Jesse Stuart Room, Pogue Library
Friday, May 30, 2008
8 a.m.**

1. Roll Call

2. 2008-09 University Budget*

3. Adjournment

(*Indicates Board Action Item)

2008-09 University Budget, discussion

Dr. Dunn indicated that an Executive Budget Summary for the fiscal year 2008-09 has been distributed and would be referred to throughout the budget explanation process.

(See Attachment #1)

Dr. Dunn further stated that a very conservative budget is being presented for fiscal year 2008-09 at approximately \$135 million and which has been driven by the fact that the University has faced a significant loss in state appropriation. Even taking into consideration the loss in state appropriation, the education and general budget increased slightly – one-tenth of one percent – due to the Board's willingness to increase tuition and fees by 6 percent and through the \$2.1 million in cuts that were endorsed at the May 16, 2008, quarterly meeting.

Mr. Denton provided an overview of the Executive Budget Summary for fiscal year 2008-09 which included the following highlights:

- Overall \$1.2 million in total education and general operating income represents less than a

1 percent increase.

- The University is facing a \$3.125 million decrease from the 2007-08 beginning year base which the state divided into two pieces, 3 percent in current year and approximately 3 percent in 08-09, with a total impact of 6 percent reduction in the University's budget.
- A detailed summary of the 2008-09 budget decrease allocated by area of appropriation within the budget was provided.
- The University received authorization from the General Assembly for the 2008-10 biennium to use residual funds appropriated for Phase III of the new Science Complex to complete the Chemistry Building and reimburse itself for \$2,250,000 to "dry in" the Chemistry Building.
- The University received authorization from the General Assembly for \$15 million for construction of a residential college to replace Franklin Hall and authorized a scope increase of \$1,923,000 to complete Richmond Hall.
- Upon the request of the Council on Postsecondary Education (CPE), the state has provided \$13.9 million for Capital Renewal and Maintenance Funds for the higher education system for 2008-10. Murray State's share of the allocation is \$986,000 with an institutional match of \$690,600 required.
- The University received authorization in the amount of \$17.9 million for a project to replace College Courts utilizing third party funding.
- State trust funds for the University have decreased by \$104,185.
- Faculty Development Trust Funds were reduced by \$4,244 but will continue to be used to support the Center for Teaching, Learning and Technology on the Murray State campus.
- Appropriation to Breathitt Veterinary Center was cut by \$150,200.
- Infrastructure portion of the Regional Stewardship Program has been incorporated into the base of the net operating appropriation for the University for 2008-10.
- Tuition and mandatory fee rates will increase by \$165 per semester for resident undergraduate students with a gross tuition increase of \$3.7 million. Only \$2.6 million will actually be collected with \$1.1 million of the gross tuition increase being discounted for scholarship and waiver programs. Of the 6 percent tuition increase the University will collect 4.2 percent.
- The budget includes \$508,000 for a one-time (non-recurring) \$400 across-the-board increase for each regular, full-time employee and a pro-rated amount for each regular, part-time employee. This could become a recurring expense as the Board requested a review of the feasibility of adding the \$400 to employee base salaries which will be undertaken during the February 2009 quarterly meeting.
- The budget includes a \$50,000 recurring salary enhancement pool for 143 hourly employees making less than the Calloway County annual per capita personal income of \$16,566 per year. The budget also includes salary increase monies for academic promotions, staff job reclassifications and job audits, equity pay across various disciplines, ranks and position as well as increases for faculty and Staff Excellence awards and a minimum wage increase for student employees.
- Two new full-time faculty positions were added in Agriculture Systems Technology and Business Education and eight part-time faculty positions were converted to full-time faculty positions in various departments.
- Fixed cost increases for utilities and health insurance are expected to be around \$1 million.
- An increase of \$1.2 million was budgeted for existing scholarships, tuition discounts and geographical waivers and an additional \$150,000 was dedicated to the need-based Racer Advantage Grant.
- The Enterprise Resource Planning project was approved by the Board of Regents and authorized for \$8 million in the 2006-08 state budget and approximately \$4.3 million will have been expended from the beginning of the project to June 30, 2008.
- The University has budgeted \$398,000 for other institutional priorities, including WKMS-FM Repeater Towers (\$116,000), planning initiatives and Southern Association of Colleges and Schools (SACS) accreditation (\$25,000), two new faculty lines (\$90,000), non-personnel recruitment operations (\$30,000), adjunct replacement for Residential College Heads (\$25,000), online upgrade of Eluminate (\$41,000), increase in the bank credit card fees (\$25,000), audit contract increase (\$25,000) and general insurance increases (\$21,000).
- A portion of the budget was used to provide \$100,000 in athletic Title IX expenditures to improve opportunities in women's sports, including start-up costs for a women's softball program.
- The state funding outlook for the University is not favorable with only an increase of \$517,000 for Murray State enacted for 2009-10. The net operating appropriations rate of increase in state appropriations over the five year period ending 2008-09 has averaged 1.4 percent per year.

Dr. Dunn stressed that while considering the budget for 2008-09 it is important to note that the University is likely to receive no more than \$517,000 in new funding for 2009-10. The cost to the University of providing the \$400 across-the-board increase for all employees would basically consume the \$517,000 increase in appropriation. Dr. Dunn believes the Board deliberated carefully on this issue and attempted to find the right balance between increasing revenue while

maintaining affordability. What the University was able to net, however, is not providing the type of revenue needed to maintain the current level of programs and services for the future.

Dr. Dunn indicated in reviewing trends over the past year it is clear that funding will most likely not come from the state. One aspect of the higher education reform issue suggests where the state wants to continue to go with regard to state support and there is an effort underway for the state to target monies for particular programs and this has been part of the history of education reform in the Commonwealth. Dr. Dunn specifically mentioned as examples the Regional University Excellence Trust Fund which allowed for establishment of the MSU Center for Telecommunication Systems Management and the Regional Endowment Trust Fund which provided funding for the Bucks for Brains program. Other initiatives are funded in this manner, including the Action Agenda, Regional Stewardship, engineering education programs in the state and postsecondary education centers and developmental education. The state trend is moving toward sending universities state monies to be used for specific purposes. This is occurring at the expense of the unrestricted general appropriation that the University has been dependent on for some time and which has been the basis for Murray State to keep tuition low when compared to other state universities throughout the Commonwealth. Continuation of restricted revenue and the fact that the costs to maintain Murray State University are not going to abate is of concern. If salary issues are set aside, technology commitments must continue; the cost of periodicals, electronic databases and the enhancement of other holdings within the Library must be addressed with recurring funding; operating and capital replenishment funds throughout the institution also need to be increased; and health care costs continue to increase.

Dr. Dunn indicated over the next year these issues must be carefully reviewed and discussion must take place regarding tuition and fees throughout the University and a long-term strategy must be developed. The money is not going to come from the state and the Capital Campaign payoff is some number of years away. The University must also consider where costs can be contained. Many struggled over the \$2.1 million cut but those cuts were readily identifiable and if the University must go back and make additional cuts, that will certainly cause the face of the University to change. The administration must develop a long-term strategy to address this issue especially since the picture for the future is unknown.

Dr. Dunn indicated that during the May 16 meeting Judge Taylor asked for more specificity around the balance projections and a review of the ratio of net assets to revenue. A chart, Unrestricted Net Assets vs. Revenue, providing a comparison between the Kentucky public comprehensive universities can be found in the Board packets.

(See Attachment #2)

Mr. Denton discussed the attached Unrestricted Net Assets vs. Revenue chart in detail and pointed out that many assumptions have been made, including:

- \$8 million in ERP expenses would be expended by June 30, 2008.
- Zero net increase in fund balance in operations for the year.
- Given these assumptions there would be \$25.5 million in fund balance or net assets which amounts to 20.8 percent when compared to gross revenues.
- MSU was compared to the other universities that were at 25 to 31 percent.
- Assuming \$8 million in ERP had been expended, for June 30 Mr. Denton indicated he would transfer the \$8 million to the plant funds which is a project account that is already set up. If the \$8 million is not spent it will be brought back into the general funds. This is done on other projects and instead of continuing to discuss how ERP affects the balance, the transfer would be made consistent with what has been done on other projects.
- An attempt was made to predict what the net increase in operations would be, which is very difficult. Based on the assumption there would be \$1.7 million actually net revenue over the budget because of tuition and discounts. For the current year more discounts have been budgeted than have been used.
- Operating interest income, or fixed income, is projected to be \$425,000 by June 30 which will be over the amount that was budgeted but is the income earned locally. It is not part of the interest transferred to the CERR account for renovations and is a true net increase in assets.
- The ESL program should have \$250,000 in revenue but that money will remain with ESL.

Mr. Denton stated that when the information above is taken into consideration, it is projected that there will be a net increase in operations of \$3.9 million. He cautioned that this prediction has been made on many variables that could affect the outcome and cited as one example health insurance claims running higher than what was budgeted. A net increase of \$3.9 million is simply a projection at this point and Mr. Denton asked the Board to not hold the administration to that figure. Mr. Denton indicated if the revenue held at \$3.9 million the University would be at \$31 million in fund balance (25.3 percent) which is close to the same level as Western Kentucky (25.3 percent) and Northern Kentucky (26.6 percent). MSU would be closer to the middle of the pack with regard to fund balance as a percentage of revenues.

Judge Taylor asked what would happen to the net asset analysis if the University did not take out the ERP monies. Mr. Denton indicated if the ERP money is not taken out it is anticipated there would be roughly one-half left as of June 30 and adding that \$4 million to the \$29 million would amount to a total of approximately \$33 million. Judge Taylor commented that the analysis that has been undertaken is appreciated but the fourth leg of the stool must be enrollment growth and that has not been adequately addressed. If the University achieves its goal of 12,000 students by 2012, that would amount to 500 additional students per year which amounts to a substantial increase in revenue that does not currently exist. Dr. Dunn indicated the difficulty over the next couple of years will be that as the fall 2008 numbers come to light enrollment will be fairly flat because the recruiting season is over. The University will most likely not see a positive impact for restructured recruitment efforts until fall 2009 and beyond. Dr. Dunn agrees that enrollment growth will be very helpful, especially if majors spread across-the-board – if the students all want to be TSM or nursing majors that will create another issue. Dr. Dunn's concern centers mainly around how the University will address the various issues before it reaches a period of enrollment growth.

Judge Taylor asked with regard to the Foundation whether there is a projected impact on general funds that will come from gifts from the Capital Campaign. Dr. Dunn indicated if there is roughly \$22 to \$25 million for endowment purposes, the University will be able to project clearly what the revenue stream from that will be based on the historical earning of the Foundation. Mr. Denton stated that approximately 8 or 9 percent of those gifts are designated for scholarships and money for scholarships is an area where there will be an increase. Dr. Dunn indicated if an individual donates \$10 million for a building then that will not provide ongoing revenue for scholarships.

Judge Taylor stated that the University's allocation for capital building and maintenance funds this biennium is approximately \$1 million which must be matched from the University's budget by 70 cents on the dollar. He asked whether the receipt of that income is going into replacement of University dollars for operating expenses or if it is capital money. Mr. Denton stated that the general operating fund is not affected by the \$1 million increase and the increase will go specifically for maintenance and operation projects which will allow the University to replace roofs on buildings and undertake those type of projects. The University will take the \$1 million from the state and add \$700,000 to address a list of projects that need to be undertaken.

Mr. Adams stated that \$8,000 was cut from the Cyprus program and tuition waivers or whole tuition discounts have been increased by approximately \$1.5 million. He asked what the thinking is behind that decision given the present budget situation and asked with regard to this expense if there is something more involved than simply trying to attract more students. Dr. Dunn stated that when he referenced utilizing some work session time over the course of the year to look at various aspects of pricing waivers and discounts needs to be on the docket for discussion. It is clear that the Board needs to have an overall discussion about their willingness to support international waivers. Dr. Dunn added that there has been a determination over time on the MSU campus that international education is important to the culture and climate of the University and is necessary, defines Murray State and is a response to globalization. An exposure to international students is also very helpful to Murray State students given the location of the University and providing students with access to what the world is like as they enter the global workforce. Dr. Dunn continued by saying if the University is going to remain in the game of doing that work, it has to be able to show discounting for international students in order to be able to draw them into the University. If the Board determines that the University must have a strong international component, these type of things must be in place for the University to be able to attract international students.

Dr. Dunn further reported that last year during a recruitment trip to Korea and China, the room would be filled with 200 to 250 students. Dr. Brockway travelled to India and experienced a similar situation there. For these students to choose Murray State University as a place for them to attend college in the United States, they must see a discount to pricing. They have to know there is a waiver or they will go somewhere else because that is simply the nature of the market. There are many other places for them to go and, in fact, a University not too far down the road from Murray State has changed its tagline to reflect an international focus. Dr. Dunn added that a healthy international presence is essential but if the Board decides to change the culture of the University and not have an international focus, they will need to instruct accordingly. He cautioned that a great university has a strong international component and without the waivers in place international students will not choose to attend MSU.

Mr. Adams indicated when budget cuts were discussed the KIIS program was mentioned and the impression was given that the program would be hurting but he notices that a lot of money is actually being put into KIIS. Mr. Denton explained that from a program standpoint Murray State is very supportive of the KIIS program and encourages more students to become involved. Dr. Dunn indicated it is again a matter of maintaining the balance act with the Board that -- while it did not execute a written agreement -- has indicated it is supportive and willing to waive the tuition for any KIIS participant.

Mrs. Buchanon stated that Dr. Dunn mentioned traveling to Korea and China and that Dr. Brockway had been to India and asked what the cost was to the University for those trips. Mr. Denton indicated the majority of that cost would be reflected in international programs and KIIS budget. Dr. Dunn indicated revenue that comes from the English as a Second Language (ESL) Program allows the University to pay for these travel costs and that is noted in the fund balance analysis. Mr. Denton further explained that the cost of the trip varies depending on the type of trip made. For example, Chinese officials may cover part of the bill for individuals to travel to their country and may even absorb the costs of lodging, food and other expenses. In that situation the University basically covers the cost of a plane ticket and perhaps incidentals. For other trips the University pays the entire cost and it varies by program and length of stay. Dr. Brockway reported that recently a group of students travelled to China as a result of the University's agreement with the People's Education Press where MSU hosts their scholars on campus and as a result when Murray State sends faculty and students there, the People's Education Press hosts them with hotels, meals and most everything else with the exception of airfare. If Dr. Brockway travels to China to work to set up new agreements, most likely MSU would cover hotel and food expenses but the majority of those travel expenses are covered by the ESL program.

Dr. Brockway stated for Murray State to be competitive and for students to receive visas some type of scholarship or discount must be offered so that the Consulate sees the scholarship and knows the University wants that student which would make them more likely to issue a visa. The discount for international students is off of an \$18,000 price tag as most international students are graduate students. If the University gives a \$4,000 scholarship, those international graduate students are still paying \$14,000 in tuition. This differs from an in-state student who might pay \$6,000 and get a \$4,000 scholarship so it must be reviewed in relative proportion. Many of the University's graduate programs have capacity and the University needs to draw more students into the master's degree programs and this differs from what is occurring at the undergraduate level where the limits are being pushed particularly in the popular programs. Currently, the University is down 50 faculty members for the student population that now exists and as the University grows that is going to place even more pressure on these programs, particularly programs such as pre-med, biology, nursing, business, elementary education and agriculture, which are already stretched to the limit.

Dr. Brockway added that when international students come to Murray State they are placed in the MBA program but the University pays for the instructional cost of that MBA program. If a KIIS student from Centre College or the University of Kentucky goes on a program to Turkey through the KIIS program, all the instructional cost is totally paid for by KIIS and the University does not incur that instructional cost although there are some other costs involved. He advocates continuing support to waive at least the tuition and believes it is fair that KIIS is charged an administrative fee considering the number of services the University provides to them.

Dr. Dunn indicated that Dr. Brockway raised an interesting point and that is each one of the waiver lines also represents a revenue line as well. If one wants to look at the return on investment, given the pricing set for an international graduate student, the return on investment may be better there than it is on some of the state discounts the University is offering. Mr. Adams asked with regard to KIIS whether it is misleading to show that as a full tuition waiver. Dr. Dunn stated it is not misleading according to auditors because it is an asset of value to the University which must be costed out in the budget and is a cost that the University must show. Mr. Denton indicated that theoretically these discounts and waivers are foregone revenue and the question is whether the international students would have chosen to attend Murray State without them and that cannot be reflected. Mr. Adams asked if these students are counted in MSU's enrollment and Dr. Dunn indicated they are counted if taking a credit-bearing course from Murray State.

Ms. Hays indicated that she fully supports international student enrollment at Murray State University and asked how much international money from these students will come in through the Capital Campaign. Dr. Dunn stated there is no way to project that figure. Ms. Hays asked if there were prior figures or projections of what those international students will contribute to the University and Dr. Dunn indicated certain segments will be targeted during the Campaign and discussion has taken place on how to include international students. A special appeal will go to that population although exactly what that will look like has not yet been determined. A lot of campuses have an international house and that could be something included in building the enhancement program for international students. Mr. Carter added that the University has reviewed how to develop international donors but it has been difficult to move forward with that initiative because focus has been placed instead on principal donors. International scholarships have been very popular as the University-wide initiative has been advanced and there have been four different donors who have given to international scholarships. Mrs. Buchanon asked whether the University benefited from the international population during the Vision Quest Campaign and Mr. Carter responded it might have been too early in the University's process of placing emphasis on international students related to scholarships. Mr. Stout indicated as the international alumni base grows it will become a population that should be taken into consideration.

Dr. Manchikanti asked with regard to increasing health insurance costs whether the University is self-insured and has a maximum cap of how much that increase can be. Mr. Denton reported that the University is self-insured and each year undertakes a process of reviewing claims and there is a cap on large claims and a stop-loss mechanism in place. Ms. Joyce Gordon, Associate Vice President for Human Resources, reported that the administration has examined all ways of handling insurance but the University has always been self-insured. She stated that currently MSU has a \$100,000 per case specific stop-loss. Dr. Manchikanti suggested that given the increase in health care costs anticipated for this year, the University should examine this issue as well. Dr. Dunn stated that every year this discussion does take place and a consulting firm is utilized in terms of looking at pricing of the self-insurance program, taking into consideration usage. Mr. Denton reported that two years ago there was no increase in insurance costs so it is hard to say the University is up this year while others are up less when considering the overall trend.

Mr. Adams stated that the University is beginning a Professional MBA Program and a significant amount of money is being put into that program and asked for justification for the program. Dr. Dunn reported that the Professional MBA Program has been driven by a need that was brought to the attention of the College of Business and Public Affairs (BPA) by the area the University serves to fast-track professionally oriented degree programs as opposed to individuals coming to campus for typical academic instruction and put in place something structured in a way that accommodates working professionals in business and allowing them access to the MBA degree. The College of BPA asked that it be allowed to establish the program and design it in a way so that it could be taken on the road beginning in Madisonville but eventually rotating through the various extended campuses. On a per year basis the breakeven point is 20 students and the College has been monitoring enrollment and enrollment is getting very close to 20 students. The University will provide funding to get the Professional MBA Program started with the condition that the program meets the enrollment goals of 20 students as it rotates among the extended campus sites. Dr. Dunn indicated this program may at some future point give the University the opportunity to move into areas it does not typically go due to the fact that it represents a distinct

program. As part of CPE statutes, Murray State cannot offer a program in an area serviced by another University unless the program is not currently being offered in that area.

Mr. Adams asked for clarification regarding changes that have been made in School Relations and put into the Office of Enrollment Management, specifically with regard to the funding for those offices. Dr. Dunn stated that the people involved in the reorganization were primarily in the Admissions and School Relations areas and those offices were reconfigured under one Enrollment Management office which is now known as Undergraduate Admissions and Recruitment. Some individuals were also moved to international and graduate enrollment and two individuals were moved to Continuing Education and Academic Outreach to work on recruitment initiatives decentralized to those areas. Dr. Dunn indicated that the University is moving forward on some personnel costs and has told the Institute for International Studies (IIS) if they need help with recruitment they may hire an individual and he reminded the Board that IIS has some money to play with that others don't due to the success of the ESL Program. A recruitment budget of \$30,000 was established and that is illustrated in the non-personnel items portion of the priority budget. Mr. Adams asked if the amount of funding had been increased or whether there has just been a change in the way the University is going about this business. Dr. Dunn answered that there has been an increase of at least \$30,000 on the non-personnel side and whatever costs are associated with the graduate side of the equation. He pointed out that there were also savings because the Assistant Vice President position was not filled and an Executive Director was hired instead. Also, with regard to undergraduate admissions there will no longer be an Assistant Director but instead two front-line admissions counselors which may result in additional savings.

Chair Stout stated that management at the University has done a thorough job of preparing this budget particularly given the current fiscal constraints. He believes there is also the hidden issue of significant cost inflation with food, fuel and other transportation and hopes that these increases have been adequately addressed in the budget. This further highlights the importance of stabilizing and increasing enrollment. Mr. Denton added that a specific increase has not been added into the budget for the purpose mentioned by Chair Stout but the University will rely on the departments to have tighter expenditure control with the vice president ultimately responsible for their entire area – if there is a shortage in one area it will be up to the vice president to determine how to cover that cost.

Mrs. Winchester asked for clarification on the Racer Advantage Grants and whether money was left over from last year in that scholarship account. Mr. Denton reported that in year one \$200,000 was set up for the program and it appears that there will be funds remaining that will carry over into 2008-09. Mrs. Winchester clarified that is the \$150,000 referred to earlier and Mr. Denton stated the \$150,000 is on top of the amount remaining in the account for a total recurring program of \$350,000. Mrs. Winchester asked why the money was not given out last year and whether the word about the program just did not get out in time. Dr. Robertson stated that part of the situation revolved around the late start but also the amount for transfers was estimated. He believes the funds are now properly allocated. Dr. Dunn stated that when this program was established with the CPE a year ago it was the intention of both entities to commit to this program and to a student on a four-year cycle – the typical graduation pattern.

Mrs. Buchanon asked what initiatives the University is undertaking to control expenditures. Mr. Denton indicated that there is an overall increase in the general fund of less than 1 percent and some areas are going up significantly, particularly those areas where priorities have been established. Dr. Dunn indicated that with expenditures and general operating funding increasing by only 1 percent the number speaks for itself. Mr. Denton indicated that departments, by nature of this fact and that fixed costs are at \$1 million, are being very careful with their budgets.

Judge Taylor stated that with the individual departmental budget sheets there is still a line item throughout that is undesignated and asked whether this represents actual persons. Mr. Denton indicated that undesignated generally means there are a number of individuals in that line but they are part-time or temporary and those are not listed by name in the budget. Judge Taylor stated that he understands adjuncts to be those who are teaching and asked for an example of a temporary, exempt person. Mr. Denton stated that would be any temporary individual paid on a salaries basis. Judge Taylor stated that the College of Humanities and Fine Arts (HFA) has a budget item under other instruction that is undesignated and in comparison to last year, this year the number is higher at a total of \$710,000 and asked for clarification on what these monies are

for. Mr. Denton indicated this is the pool the College has available to hire non-permanent employees, including adjuncts. Judge Taylor asked what a faculty overload is and Dr. Brockway explained that the College of HFA carries the bulk of Murray State's university studies programs, representing one-third to one-half of every student who goes through the University, and including courses such as English 101 and 102, World Civilization 101 and 102 and other humanities and social science courses that students take during their first year of college. Many of these courses are taught by adjuncts, partly due to the fact that the University is down by 50 faculty members, but these courses are also taught by faculty taking on additional loads. These undesignated pools cover the salaries of these individuals and this is how the college has been able to grow over the last 4 to 6 years with declining budgets during some of those years. Dr. Ted Brown, Dean of the College of Humanities and Fine Arts, reported that he has increased adjunct pay from \$1,500 to \$2,000 and that accounts for the majority of the increase in this line item. He believes this is the minimum someone who teaches English Composition should be paid because it is one of the hardest courses to teach and it is also the minimum for someone teaching Humanities with a class size of 40 plus students. In addition, many adjuncts drive from Paducah, Madisonville, etc. to teach and the University cannot compensate them for travel expenses and, while it does appear to be a large figure, the University is more than getting its monies worth from these individuals.

Ms. Hays asked with regard to being 50 educators short and with relatively flat enrollment over the past several years, whether the University has been 50 educators short for many years. Dr. Brockway indicated this is true and Ms. Hays suggested that since the University has moved along and has continued to produce good students that perhaps the figure should be realigned. Dr. Brockway indicated that the University is fortunate to have a large percentage of full-time faculty which has led to some of the national rankings and helps maintain program accreditation with a number of accrediting agencies. The University would like to be at the point where it has 100 percent full-time faculty. Dr. Brockway feels comfortable where the University is currently in regard to faculty but also stated that it is difficult to hire adjuncts in certain areas because in order to meet accreditation guidelines those teaching at the undergraduate level must possess at least a master's degree and those teaching at the graduate level must have a terminal Ph.D. degree or comparable degree in the field. If the University was located in a major metropolitan area it would be much easier to access suitable adjunct faculty members while continuing to meet accreditation guidelines.

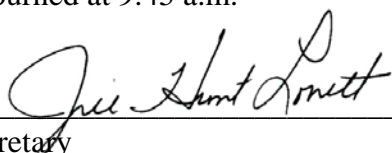
2008-09 University Budget, approved

Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, approve the 2008-09 budget. Judge Taylor seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Mrs. Ford, yes; Ms. Hays, yes; Dr. Manchikanti, yes; Judge Taylor, yes; Mrs. Winchester, yes; and Chair Stout, yes.

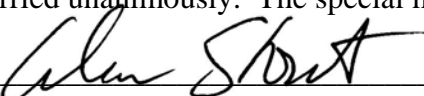
Chair Stout thanked all members of the Board for their intense study of the budget and for their comments during the special meeting. Several issues have been identified that the Board will address at its summer Retreat. Chair Stout also recognized Ms. Joyce Gordon, who is retiring as Associate Vice President for Human Resources, and the Board applauded Ms. Gordon for her 38 years of service to Murray State University. Dr. Dunn indicated she would continue to assist the University with personnel case management work on a part-time basis and that her institutional knowledge is irreplaceable. He thanked Ms. Gordon for being a pleasure to work with. Mr. Denton also stated that Ms. Gordon is indeed a pleasure to work with and he greatly appreciates her expertise. He also thanked Carl Prestfeldt, Budget Director; Dorothy Barrow, University Budget Analyst; Jackie Dudley, Director of Accounting and Finance; and Ms. Gordon for their work in putting the budget together and stated that it required a great deal of hard work.

Adjournment

Ms. Hays moved, seconded by Dr. Manchikanti, that the Special Meeting of the Board of Regents of Murray State University adjourn. Motion carried unanimously. The special meeting adjourned at 9:45 a.m.



Secretary



Chair