

**Academic Affairs Committee
Board of Regents
Murray State University
Friday, February 29, 2008
Jesse Stuart Room – Pogue Library
8:30 a.m.**

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

Mr. Stout called the committee meetings of the Board of Regents to order at 8:45 a.m.

Program/Course Fee Changes, approved

Dr. Morgan, Chair of the Academic Affairs Committee, called the meeting to order and reported that all members were present. Dr. Morgan referred the committee to their supplemental notebooks which contain a revised recommendation regarding program/course fee changes. He reported that the recommendation also requires Finance Committee concurrence. Dr. Brockway came forward to answer any questions regarding new program course fees and increases in existing course fees.

Mrs. Winchester moved, seconded by Mr. Stout, that the Academic Affairs Committee approve the program/course fee changes outlined below, effective with the fall semester of 2008. Discussion followed.

New Program/Course Fees:

- Program Fee - Option Six University Based Alternative Certification Program \$250
(For beginning candidates)

In 2001 the College of Education implemented an alternative route to certification program to assist the public schools in filling high needs areas with competent teachers. New regulations adopted this year by the Kentucky Education Professional Standards Board (EPSB) require 15 hours of supervision per year in the classroom setting. A new one-time program fee would help offset the cost of observation and monitoring requirements provided to candidates at their place of school employment as required by new state regulations. The fee would be assessed when processing the Teaching Certificate-Temporary Provisionals for certification from EPSB. The revenues from this fee would revert to the College of Education.

Course Fees – AGR

In order to offset costs for providing care for horses utilized in these agriculture courses, the following new course fees are recommended:

<i>AGR 308:</i>	<i>Equine Practicum</i>	\$50
<i>AGR 405:</i>	<i>Breaking and Training</i>	\$150

The revenues from these fees will revert to the Equine Program.

In order to offset costs for travel that is mandatory for these agriculture courses, the following new course fees are recommended:

<i>AGR 534:</i>	<i>Types and Systems of Farming and Agribusiness</i>	\$50
<i>AGR 578:</i>	<i>Research and Development of Agriculture Tractors and Equipment</i>	\$200

The revenues from these fees will revert to the School of Agriculture.

- Course Fees – ART

In order to allow the Department of Art to purchase expendable art materials at bulk rates, the following new course fees are recommended:

<i>ART 105:</i>	<i>Studio Art for Non-Majors</i>	\$15/credit hour
<i>ART 390:</i>	<i>Seminar</i>	\$15/credit hour
<i>ART 393:</i>	<i>Special Topics in 2D</i>	\$15/credit hour
<i>ART 394:</i>	<i>Special Topics in 3D</i>	\$15/credit hour

The revenues from these fees would revert to the Department of Art.

Increase in Course Fees:

The following nutrition courses provide a laboratory-based research experience for Murray State students. Current course fee income is not sufficient to cover the cost of food and other necessary supplies and an increase in course fee is recommended.

<i>NTN 231:</i>	<i>Principles of Food Service Preparation</i>	\$19 to \$30
<i>NTN 332:</i>	<i>Meal Management</i>	\$19 to \$30
<i>NTN 432:</i>	<i>Experimental Foods</i>	\$19 to \$30

The Division of Nutrition, Dietetics and Food Management would be the recipient of the revenues from these fees.

The following courses in the School of Agriculture have experienced an increase in maintenance costs in providing care for the horses utilized in the courses, including feed, farrier work, dental work, veterinary care and repair of tack and equipment and an increase in course fee is recommended to help offset the increase in cost.

<i>AGR 101:</i>	<i>Basic Horsemanship</i>	\$112.50 to \$150
<i>AGR 201:</i>	<i>Intermediate Horsemanship</i>	\$112.50 to \$150
<i>AGR 304:</i>	<i>Advanced Stock Seat</i>	\$112.50 to \$150
<i>AGR 306:</i>	<i>Advanced Forward Seat</i>	\$112.50 to \$150

The revenues from these fees would revert to the Equine Program.

The following increase of \$175 in the current course fee for the English Master's Thesis course for the low residency MFA program beginning in Fall 2008 would allow the Department of English and Philosophy to continue to pay adjunct MFA faculty members to serve as mentors to Murray State students via distance learning and also to cover travel costs for them to come to campus for thesis committee meetings and residencies. The Department of English and Philosophy will be the recipient of the revenues.

<i>ENG 668:</i>	<i>English Master's Thesis</i>	\$808.50 to \$983.50
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Mrs. Buchanon inquired as to how many students would be affected by the new program fee for the Option Six University Based Alternative Certification Program.

Dr. Brockway provided general comments on how these fees arose in the process in order to reach this point, indicating that each year he receives several proposals from the Deans, compiled from requests that have been submitted by their Directors and Chairs, requesting that new course or program fees be instituted and requests for increases in current course fees. He indicated that relatively few of those proposals reach the level where they are recommended to the President or the Board of Regents.

Dr. Brockway reported that factors he takes into consideration in reviewing fee changes include:

- 1) Are students receiving supplies in the course that they would otherwise be expected to purchase?

- 2) Are there additional costs incurred beyond what is considered to be normal instructional costs for this particular course or program?
- 3) What exactly are these costs and where is this money going to be used?
- 4) Is the course required or is it an elective? He believes this factor is important because if the fee is attached to an elective course the student has a choice.
- 5) Is the course or program at the graduate or undergraduate level?

Dr. Brockway indicated that the primary difference between the action items initially presented to the Board and the revised recommendation is the new course fee originally proposed for the English Master's Thesis was in essence an increase in an existing fee. Specifically with regard to Mrs. Buchanon's question, Dr. Brockway stated that individuals with a degree, mainly those in English, math and science, are hired by a school system but are not yet certified to teach. It is necessary for such individuals to participate in a highly specialized program to obtain certification. Dr. Russ Wall, Dean of the College of Education, explained that there are two different programs in operation at Murray State. The arts and sciences program has grown from five students to approximately 30 students per year and 30 students per year participate in the special education program for a total of 60 students currently participating in both programs.

Dr. Wall indicated there is an internship program that all students must complete during their first year in the teaching program and supervisors travel to the schools to observe those students in their teaching roles and provide feedback. He added that this program is mandated by the state but is not funded by the state. With regard to the Alternative Certification Program, the state requires that the same amount of time be spent with teachers but, again, no funds have been made available to the University to enable the provision of these services. The University must provide the service but must also be able to pay travel costs for observation and working with teachers. Assessing this fee is the only means that would cover the cost of the program.

Ms. Hays asked Dr. Wall if he could provide an example of another state university with a similar program and what they charge. Dr. Wall reported that all Alternative Route Six programs are approached differently. Some schools have an MAT program and work students through a master's degree program that is specific for initial certification. Currently MSU does not offer an MAT but it is being considered in the process of redesigning the master's program.

Dr. Brockway indicated that Murray State offers between 2,000 to 2,500 courses per year and what is represented in the recommendation comprises only a handful of courses. The fees are necessary to cover additional costs of delivering these particular programs. He reported that if the fee is attached to the Equine Program it most likely relates to the cost of maintaining horses. He stated that some programs simply provide a list of supplies needed for a particular course and leave it up to the student to purchase those supplies. The Art Program actually provides those supplies to the student because the department can purchase them in bulk and the ultimate cost to the student is less. Dr. Brockway reported that all agriculture courses being referred to are electives and that in one course in particular the fee may seem very high. *AGR 578: Research and Development of Agriculture Tractors and Equipment* is an elective course and requires extensive field trip experience to farm equipment manufacturers and dealers. This fee will help cover those travel costs.

Mrs. Winchester asked which courses are required and which are electives with regard to agriculture courses. Dr. Tony Brannon, Dean of the School of Agriculture, indicated that all agriculture courses listed are electives. Mrs. Buchanon asked whether University horses were used in the *AGR 308: Equine Practicum* and *AGR 405: Breaking and Training* and Dr. Brannon confirmed they were. Dr. Brockway added that horses are also provided for riding courses. Mrs. Winchester asked whether financial aid could be used to cover the cost of these fees and Dr. Brockway indicated it could but clarified that the fees are in addition to the tuition per credit hour that students pay for these courses.

Mrs. Ford asked whether horses that are donated to the University are used by students who do not bring their own. Dr. Brannon confirmed that this is the case and the only reason students would use their own animals would be for extracurricular riding and added that students pay a stall fee for housing their horses on campus. Mrs. Buchanon asked how much the students are charged for a stall and Dr. Brannon indicated it costs \$400 per semester. Ms. Hays asked whether this fee included food and Dr. Brannon indicated it does not.

Ms. Hays asked whether a decline in enrollment was estimated due to an increase in fees. Dr. Brockway asked the Chair of the Art Department, Mr. Dick Dougherty to address that question. Ms. Hays indicated that she is referring to all course fee increases, not just those for art classes, and asked if the \$200 fee for AGR 578 would prohibit some students from taking the course. Dr. Brockway stated that with a fee of that type it could certainly cause a student to take a second look at the course as an elective. Dr. Brannon clarified that the fee for AGR 578 is really not a new fee. The University is simply charging the fee in the right way. The students have always paid out of their pocket to participate in trips required for the course and the department is simply adjusting how that money comes to the University. This also ensures that the students have paid their fees in advance of being able to obtain a grade in the course. Ms. Hays clarified that it is not really an increase but instead a shift in how the money comes into the University. Dr. Brannon indicated that the University is now collecting the money instead of the money being collected by the School of Agriculture. Dr. Brockway indicated that the same issue exists with Study Abroad Programs and other programs requiring extensive travel and unfortunately does prohibit some students from participating.

Ms. Hays stated that the fee increase per art course amounts to \$45 per credit hour. Mr. Dougherty reported that to be the case and all courses listed on the recommendation are electives. In the past fees coming in from other courses within the department have typically been used to cover costs associated with the art courses and instituting a new course fee in the appropriate course would create a new revenue stream for that course. This would allow the money coming in from other courses that already have fees attached to them to actually be used for those courses. Ms. Hays clarified that the situation is similar to that in agriculture with there being a shift from the students purchasing the supplies to the University purchasing the supplies in bulk with the money coming through the University. Mr. Dougherty reported that it does not simply shift how money comes into the University but truly represents new course fees.

Judge Taylor asked as a result of these fee increases and based on this year's numbers what the increase in total revenue would be. Dr. Brockway reported that the alternative certification program would generate approximately \$15,000 in revenue but does not currently have a total revenue figure. He indicated that he could make that figure available for the plenary session. Judge Taylor stated that he was just curious. Dr. Brockway added that the process by which these data are gathered is being reviewed and if the Board would like to have this information included on the recommendation in the future it can be supplied. He added that revenue from these fees reverts specifically to the programs and the departments. Judge Taylor clarified that the money then becomes a part of the department's budget and Dr. Brockway confirmed that to be the case.

Dr. Morgan stated that there is a motion and a second. Motion carried.

The Academic Affairs Committee adjourned at 9:05 a.m.

**Audit Committee
Board of Regents
Murray State University
Friday, February 29, 2008
Jesse Stuart Room – Pogue Library
9:15 a.m.**

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

Mr. Adams, Chair of the Audit Committee, convened the meeting at 9:05 a.m. and stated that all members were present. He introduced Mr. Tom Denton, Vice President for Finance and Administrative Services, and Mrs. Kate Lochte, WKMS-FM Station Manager to discuss WKMS Audit documents. Mr. Denton reported that highlights of the WKMS Audited Financial Statements include revenue and expenditure comparisons between 2006 and 2007:

- In 2006 WKMS experienced an \$8,000 increase in net assets and in the year most recently completed experienced a \$56,000 decrease.
- Increase to \$147,296 from \$143,677 in total operating revenues
- Increase to \$943,832 from \$857,026 in total nonoperating revenues
- The financial statement looks healthy but a number of one-time expenditures occurred during the year, including costs for digital conversion of the tower, equipment purchases, repairs due to lightening damage and additional personnel costs.
- Balance sheet shows a decrease to \$573,058 from \$629,712 in total net assets due to these one-time expenditures.

Mrs. Lochte explained that unexpected expenditures were paid out of listener sensitive dollars and not from state funds. She reported that money expended by WKMS for operating dollars must be raised and that income levels increased by meeting the fundraising goal of \$100,000.

Mrs. Lochte indicated that WKMS received an \$85,000 grant for digital conversation in 2005 and at the same time the University was negotiating with Cingular for a lucrative lease to locate a cellular operation on the tower that Murray State University owns in Land-Between-the-Lakes and co-sites with the Kentucky Early Warning System. Mr. Denton negotiated a favorable lease for the University that would include structural reinforcement of the tower to accommodate not only the Cingular installation but also the Murray State digital installation. She further stated in order to implement the digital transmitter for WKMS that a new antenna had to be constructed inside the existing FM antenna which added weight to the tower and required that it be reinforced. It took two years to finalize this project and WKMS waited to finish its digital installation until the lease was negotiated so the University was not required to pay for the structural reinforcement.

Mrs. Lochte indicated that Cingular paid \$500 to recognize that they were currently engaged in negotiations with AT&T and if their business plan changed they could exercise the option not to fulfill the contract with Murray State. Mrs. Lochte stated that it was necessary for the University to move ahead because steel costs had increased in the intervening year and a half which amounted to a \$43,500 one-time cost to the station that was covered with listener dollars. She reported that listener dollars also covered repair costs due to lightening damage and a one-time cost for repair of the transmitter hut air conditioner. The University must use listener dollars, along with funds from the Kentucky Early Warning System that also utilizes the transmitter hut, for maintenance of transmission equipment. Mrs. Lochte indicated that it was a perfect storm year. While WKMS experienced great success with fundraising and underwriting, the station experienced little success with regard to unexpected expenditures.

Judge Taylor asked if these expenditures were reflected in operating dollars as one-time expenses. Mrs. Lochte stated that not all were one-time expenses as the station expanded personnel last year. They are also examining program expenses since the National Public Radio (NPR) raised its programming dues last year. Mrs. Lochte indicated that complete review is underway and a nationally-respected public radio consultant will examine WKMS programming in terms of making adjustments to generate more listener revenue.

Mr. Adams asked where the tower comes into play as an expense. Mrs. Lochte indicated that expense is reflected under Expenses, Program Services, Broadcasting, with an increase from \$95,775 in 2006 to \$164,984 in 2007 and the tower represents a portion of that increase.

Mr. Adams stated that personnel costs had increased approximately \$86,000, an increase of almost 18 percent. Mrs. Lochte reported that a full-time staff member was added in the news area at \$28,500, full-time broadcast technician at \$15,000 and a part-time underwriting person and that all of these positions are paid for with listener sensitive revenues. The Murray State University lines also experienced annual increases. Mr. Adams reported that Murray State increased personnel costs by only \$28,000 or 8 percent.

Mr. Adams asked if the increase in payments to suppliers from \$268,168 in 2006 to \$309,719 in 2007 was related to the tower. Mrs. Lochte indicated that scenario is likely but she would need to go back and look at additional information in order to fully answer the question.

Mr. Adams indicated that dollars from listeners increased slightly from \$176,292 to \$192,362 and asked if a plan is in place to address escalating costs and increase revenue or whether support from the University would need to continue to increase. Mrs. Lochte reported that in-kind contributions represent administrative support from the University and include facilities, floor space and accounting services. A plan is in place to expand the service of the radio station to new regions. Mrs. Lochte pointed out that WKMS represents a high tech business and is experiencing the same increases in cost as are other businesses. She stated that it must be determined whether WKMS can deliver programming to more people and at the same time convince more people to become involved through their donations. She indicated that two new channels have been added on the hi-def transmitter and WKMS has received the construction permit to establish a repeater on-site at Madisonville Community College to further expand Murray State's relationship with that entity. WKMS has also received a construction permit to establish a repeater in Fulton to expand services into Martin and Union City.

Mrs. Lochte stated that WKMS is currently in a transitional period between expanding services and determining how to pay for that expansion. She reminded the Board that Murray State University funding has remained constant over the last 38 years with the expectation that the radio station will raise the remaining half. She reported that WKMS has been successful in doing so and continues to look at ways to maintain that success. Mr. Adams asked if the other half takes into consideration Corporation for Public Broadcasting (CPB) funding and listener donations. Mrs. Lochte indicated that includes CPB, listener and underwriter support.

Ms. Hays asked since AT&T bought out Cingular whether there had been any dialogue with them regarding use of the tower. She inquired about what AT&T has done regarding the tower and Mrs. Lochte reported that they have done nothing. Mr. Stout asked whether opportunities remain to lease space on the tower. Mrs. Lochte reported that space is available and the tower is certainly sturdy. Mr. Stout indicated that there are two or three cellular providers in Murray and it would seem beneficial to open a dialogue to determine if there is interest. Dr. Dunn reported that the cellular companies are aware of the tower and Mr. Denton assured the Board that conversations have taken place on several occasions with the different companies.

Mrs. Buchanan stated this would have been a very lucrative proposition and Mrs. Lochte indicated it amounted to approximately \$20,000 that could have been added to the WKMS budget. Mrs. Lochte further reported that the station intended to use that additional funding to recoup the quasi-endowment of listener-contributed dollars that had accumulated over the years and was used as a match to ensure receipt of the digital grant in 2005. Mrs. Lochte feels the station is doing well considering the expenses that have been incurred.

Dr. Dunn indicated that the Madisonville repeater enables WKMS to ensure coverage across the 18-county service region for Murray State and will also allow much better coverage in Owensboro than has been available in the past. He further reported that work taking place in Martin, Tennessee, will provide a new market, stating that the University of Memphis station that had been servicing northwest Tennessee is no longer in business and has given up the tower. Murray State has a good opportunity to extend its reach into that area of Tennessee and in essence become the public radio station for the University of Tennessee-Martin. Dr. Dunn indicated that UT-Martin has an in-house operation that MSU would become partners with. In regard to the University's subsidizing the project, the intent is for it to remain constant without increasing or decreasing. Dr. Dunn predicted that net assets will increase next year as a result of this initiative because the University will not be facing the circumstances that existed this year.

Mrs. Lochte reported that another part of the picture with regard to expansion is that last week a \$500,000 grant application was submitted for the Public Telecommunications Facilities Program of the U.S. Department of Commerce. MSU would be committed to match \$115,000 toward the completion of these two projects. She feels the Fulton project will be a "no questions asked" project but the Madisonville initiative has been such a contentious project from its beginning in 1996 that she is unwilling to make a prediction at this point. Mrs. Lochte stated that the Federal Communications Commission (FCC) had a large filing in 1996 of mutually exclusive

applications for spectrum and it took 12 years to resolve those filings. Murray State just received a construction permit for the Madisonville signal in 2008 after having applied in 1996.

Mrs. Buchanan indicated that it is obvious coverage has increased and there are a lot of listeners in her area. She asked whether WKMS is successful with regard to fundraising outside of the Murray-Calloway County area. Mrs. Lochte reported that Murray-Calloway County and McCracken County are the largest contributing areas but donations come from all over.

Mrs. Travis asked for clarification regarding how the repeater equipment operates. Mrs. Lochte indicated it is similar to having another radio station with the repeater equipment repeating the signal being emitted from the main transmitter. She reported that a low-power translator had been installed in Madisonville north of town and has not been acceptable to WKMS in terms of signal expansion in Hopkins County. The signal expansion in Hopkins County has been discussed over a long period of time and when a window opened for commercial translator spectrum space WKMS took advantage of that opportunity at a relatively low cost. The move also represented a show of good faith to listeners.

Ms. Hays thanked Mrs. Lochte for what WKMS does for the Trail of Tears Commission and ensuring the event held in September is successful. Mrs. Lochte stated that the event is very important culturally to the region and WKMS would like to do even more.

Mr. Adams asked for a brief outline on the WKMS program of fundraising in terms of securing membership and subscriptions. Mrs. Lochte reported that in mid-January a letter is mailed to approximately 1,700 active contributors. At the beginning of February a second letter goes out to active contributors. Approximately a week and a half ago the telemarketing effort aimed at active contributors got underway. Mrs. Lochte stated that the transition to telemarketing is now taking place through the campus Phon-a-thon and contributors who have not given between 18 months to 60 months are being targeted. Those who have not contributed in over 60 months or more will then become the focus of the telemarketing effort. Mrs. Lochte indicated that the goal is to reach anyone who has ever contributed to WKMS. She stated that tomorrow morning at 7 a.m. the microphones will be open and the fundraising effort will continue until WKMS reaches its goal. She stated that the target for meeting the goal is currently 12 noon on March 8 but that realistically the drive will continue until March 10. Mrs. Buchanan asked whether individuals from around the area still come into the station as volunteers to do those fundraising programs. Mrs. Lochte indicated that many such individuals are currently sitting at the table but guests from all over the region are invited to discuss the importance of WKMS to their community.

Mr. Adams asked for clarification on the Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support (NFFS) for Year Ended 6/30/07 and whether they are separate documents. Mr. Denton indicated that the CPB document was the two-page Independent Accountants' Report that was provided to the Board but also as an 11-page on-line report. He clarified that some time ago the University moved away from presenting the full report to the Board but what has been provided represents a schedule of non-federal financial support. The full Audited Financial Statements includes the following related information:

- \$179,897 in community service grants from the CPB (current revenues)
- Total operating revenues of \$147,296 and \$943,832 in net non-operating revenues less the CPB grant and other minor adjustments represent what is in the CPB schedule of NFFS. Everything in the CPB report is also contained in the full audit but in a different format. Mr. Denton indicated that if the Board so directs this information could be presented in more detail in the future.

Dr. Manchikanti inquired as to whether the \$101,500 base amount for BKD services is part of the audit report. Mr. Denton indicated the WKMS audit and the CPB report are both included in the amount paid to BKD but that many more audit reports are included as well. He indicated the University pays for the audit by BKD and it is not included in expenses for the radio station. The \$101,500 represents the cost associated with audits for the entire University.

Mr. Adams inquired whether the auditor carries responsibility for mentioning any unusual changes in the audit and stated that had not been done in this instance. Mr. Denton indicated that the auditor would view that as management's responsibility but would do so for a fee if

requested. He stated if a catastrophic situation existed the auditors would have mentioned the change but if it is part of routine operations of the University it would not be cited.

WKMS Audited Financial Statements for the Year Ended June 30, 2007, and Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support (NFFS) for Year Ended June 30, 2007, approved

Dr. Manchikanti moved, seconded by Mrs. Ford, that Audit Committee accept the following reports for 2006-07:

1. Audited financial statement for WKMS-FM for the year ended June 30, 2007
2. Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support (NFFS) Compliance for the year ended June 30, 2007

Motion carried.

Audit Contract Renewal, approved

Mr. Denton reported that a regulatory change in the accounting industry has taken place and services provided by BKD will now require a much greater time commitment. This change includes all audits and specifically pertains to a greater analysis of risk assessment. Mr. Denton stated that included in the supplemental packets was a basic explanation of what additional work BKD is undertaking and the document contains the heading "Statement of Auditing Standards."

Mr. Denton indicated this represents the first audit for the University where these standards will be utilized. He reported that in the analysis a range of fees emerged from \$129,500 to \$150,500 depending on the additional hours incurred. While this represents a major increase, other universities are experiencing a similar situation with their auditing firms. Mr. Denton stated that a specific amount could not be identified because this is the first year the new standards will be implemented. The University's Internal Auditor has been asked to provide more assistance which has lowered the increase by approximately \$7,000. He assured the Board that there will be more investigation, review, questions and time commitment on both the auditor's part and on the part of University staff.

Judge Taylor asked given the fact that this in essence changes the scope of the audit why it was not sent out for bids, especially considering it represents a rather large cost increase. Mr. Denton indicated that many issues arose, mainly with regard to changes with ERP coming on line and the fact that the financial reporting portion is going live this summer. Judge Taylor indicated that the auditor's were not implementing ERP. Mr. Denton clarified that the new ERP system does represent a major shift in responsibilities for staff. Current auditors have a base to work from with regard to information and with the new audit situation need extra time will be needed.

Judge Taylor asked if the possibility exists to bid the project out to identify a firm willing to commit to performing such a function for a specific amount and perhaps having that amount be lower than the range provided by BKD regardless of the extra time needed to familiarize a new company with the system. Mr. Denton indicated that from the University's perspective the ERP financial module is "going live" this summer and if staff members are busy working to ensure that happens successfully it will be very difficult for them to spend additional time with new auditors. He added that there is already additional time involved because of the change in standards but even the base information that the current auditors already have would need to be repeated to a new auditor. Financial staff members are struggling just to implement the ERP system, in addition to getting the audit done given the new procedures, and to add another layer on top of that would require even more time. Dr. Dunn stated that it is also anticipated the University would end up paying more than the proposed increase from BKD should it decide to go back into the market and request a proposal from a totally new firm. Mr. Denton indicated that the main issue is implementation of the ERP system and that is an \$8 million project that does not need to be jeopardized.

Mr. Stout stated that given the size of University operations the auditing services provided by BKD and the cost associated with those services are reasonable. He reported that when Dr. Dunn first became President he asked him to examine the relationship that has existed with this auditing firm for a number of years to provide a new perspective. Dr. Dunn has indicated he

feels confident BKD is doing a good job. Mrs. Buchanon indicated that at the time BKD became Murray State's auditing firm that Mrs. Elizabeth McCoy was on the Board and she was a CPA and had great things to say about the firm. Mr. Adams inquired as to whether the University is beginning another four-year cycle. Mr. Denton responded that what is being referred to represents the third year of a four-year contract. Mr. Adams asked whether BKD is simply asking for a fee increase and Mr. Denton indicated that to be the case.

Mr. Denton indicated that once the audit process is completed with regard to general financial statements, the University has discretion to start the contract rebidding process. Dr. Dunn stated that if the University comes out of the audit process and feels it has been taken advantage of it may warrant discussion at that point and the rebidding process could be started a year early. He stated that there has been some creativity on BKD's part on the timing of this request for an increase. Dr. Dunn feels if the University rebids it will be detrimental to getting this year's audit started and would place a strain on a number of employees in Mr. Denton's area, especially given the current demands of ERP. He does not believe it would result in great savings for the University. Mr. Denton reported that BKD is aware that the administration is examining the issue and he believes they want the University's business and will act accordingly.

Ms. Hays asked whether there was any negotiation of the amount and Mr. Denton indicated this range represents the negotiation. He stated that several possibilities have been examined and the Internal Auditor was also brought into the process and credit for his time is included. Dr. Dunn reported that Mr. Denton provided two or three options that represent some cost savings and some of those were accepted and some were not. Ms. Hays stated there is a \$30,000 range and asked if the Board would be provided with a detailed listing of cost increases. Dr. Dunn indicated the increase would ultimately be based on the number of hours involved in conducting the audit and BKD would be required to justify the increase. Mr. Denton stated that the University would be provided with a report listing the number of hours and rate per hour.

Mr. Adams reiterated that the University is in the third year of a four-year contract and the issue being discussed relates to the third year of the audit. Mr. Denton stated that Mr. Adams is correct. Mr. Adams asked if the fourth year of the contract could cost even more as BKD makes their way through the process. Mr. Denton indicated that could be the case as additional information is gained throughout the process.

Judge Taylor asked if the University entered into a four-year contract with open-ended numbers. Mr. Denton indicated the four-year contract was fixed at \$101,500 with either party having the option to extend on a year-by-year basis. There is also a clause in the contract that indicates if regulatory changes occur the amount could change subject to the University's acceptance. Mr. Adams asked whether a penalty would be imposed on either party for deciding not to renew and Mr. Denton indicated that would not be the case. Mr. Stout stated that he thinks this issue should be on the Board's radar and if it is determined that the University should rebid the process must be undertaken in sufficient time to receive new proposals, analyze those submitted and make an informed decision.

Judge Taylor asked when BKD informed the University they would be raising their fee. Mr. Denton indicated that actual discussion occurred four to six weeks ago but BKD indicated that there were changes in risk assessment procedures forthcoming three to four months ago. Dr. Dunn indicated that BKD did not provide details but did reference a new set of standards when he met with them during the fall.

Mr. Stout moved, seconded by Mrs. Ford, that Audit Committee authorize the renewal of the contract with BKD LLP for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2008, at a maximum total cost of \$150,500. Motion carried by a vote of 4 to 1.

The Audit Committee adjourned at 9:45 a.m.

**Buildings and Grounds Committee
Board of Regents
Murray State University
Friday, February 29, 2008
Jesse Stuart Room – Pogue Library
10 a.m.**

**Peg Hays, Chair
William Adams
Marilyn Buchanon
Eric King
Jeff Taylor**

Ms. Hays, Chair of the Buildings and Grounds Committee, called the meeting to order at 10:10 a.m. and indicated that all members were present. The Committee has one agenda item to consider and that is the adoption of the revised Campus Master Plan. Ms. Hays reported that the Campus Master Plan was prepared by *designWORKS* and that the Board has examined this document on numerous occasions, most recently during the November 2007 quarterly meeting.

Mr. Tom Denton, Vice President for Finance and Administrative Services, indicated that Mr. Mark Arnold with *designWORKS* and Mr. Kim Oatman, Director of Facilities Design and Construction, Facilities Management, were also in attendance to answer questions.

Ms. Hays clarified that adoption of the Campus Master Plan simply provides an outline and blueprint for the future appearance of the main campus. If the University reaches the point where a particular part of the plan is to be utilized, then that aspect can be brought before the Board to be reexamined. Dr. Dunn indicated that every capital project will continue to come before the Board for approval as necessary. Ms. Hays provided clarification that all projects do not have to be constructed exactly as presented in the Campus Master Plan.

Campus Master Plan, approved

Ms. Hays moved, seconded by Mrs. Buchanon, that the Buildings and Grounds Committee approve the revised Campus Master Plan as presented. Discussion followed.

Mr. Adams indicated he remains concerned that parking is being moved to the perimeter in the dormitory areas. He understands the concept of adding green space to the living areas on campus but questions whether students will have to park 250 yards away and travel across the green space just to enter their residential college. Mr. Adams stated he has not been able to identify any reasonable access to the dormitory areas as currently outlined in the revised Campus Master Plan, with the exception of The Woods area. Mr. Arnold indicated the parking issue has been addressed and specific areas will be made available for this specific purpose. He stated that a majority of the larger dormitories will have almost front door access based on the location of the parking areas. He agreed one dormitory will be somewhat isolated in terms of parking but that two nearby parking bays have been added to address this issue. Mr. Arnold reported that with regard to the primary facilities there is parking within a few feet of the buildings. He stated that a student will not be able to park right at the front door but parking will be available in the close vicinity and various other areas could be utilized as loading zones during the move-in period. He agreed that Murray State did not want to start the tradition of students hauling their belongings several hundred feet across green space in order to get into a dormitory.

Ms. Hays asked if the need for emergency vehicles to have immediate access to the dormitories had been considered in the current configuration. Mr. Arnold indicated that fire lanes are provided in the center courtyard area and will allow access from any point in the circle. He stated that this issue could be addressed in greater detail during the project design phase.

Mr. King reported that he has talked with several students regarding moving parking to the perimeter and, while they are responsive to the idea, a concern remains with regard to accessibility to the dormitories. He indicated that the current space in the dorm circle is the area used most by students for permanent parking and he would like to see a similar area provided in the new design. Mr. Arnold stated that there would be a relatively large permanent lot for students constructed at the corner near the roundabout. A significant number of parking spaces

will also be added behind the current Franklin College when that lot is expanded and several long narrow bays are being added along the College Courts area. Mr. Arnold reported that there will eventually be a net increase in overall parking spaces to service the dorm complex.

Mr. Adams indicated that he continues to be concerned about the availability of visitor parking on campus. He stated that it is frustrating for visitors to come to campus and not be able to determine where to park and even if they do know where to park the chances of finding a space are slim to none. He cautioned that the Board needs to keep this in mind with regard to overall parking on campus. He is especially concerned that the new lot on 16th Street originally included 340 to 350 parking spaces and has now been reduced to 282 spaces. He understands that green space is being saved but this area could allow for 60 additional visitor parking spaces. Mr. Arnold reported that, in addition to honoring the green setback that already exists, what drove the change in the plan was the ability to save a number of oak trees currently on site. He agrees that area would make an excellent location for visitor parking. Dr. Dunn indicated that the place where visitor parking is needed most is the Curris Center although he agrees it is necessary elsewhere on campus as well. He concurs with Mr. Adams that visitors need to know where to go and how to access visitor parking. He does not necessarily feel the placement of those spaces should be in the new 16th Street parking area because of challenges that exist on that site.

Mr. Adams stated parking issues also exist in regard to options presented for new Library locations. He stated implications are that the Library will be for community use and regional access but sufficient parking conducive for that purpose is not currently being provided. He asked that the Board keep this in mind as plans move forward. Mr. Arnold indicated that fragmented parking does exist for all of the Library options but at some point that parking will begin to connect.

Motion carried.

The Buildings and Grounds Committee adjourned at 10:20 a.m.

**Faculty/Staff Affairs Committee
Board of Regents
Murray State University
Friday, February 29, 2008
Jesse Stuart Room – Pogue Library
10:30 a.m.**

**Gina Winchester, Chair
William Adams
Marilyn Buchanon
Jay Morgan
Jeff Taylor**

Mrs. Winchester, Chair of the Faculty/Staff Affairs Committee, called the meeting to order at 10:20 a.m. and reported that all members were present.

Staff Congress Constitution Changes, approved

Mrs. Winchester indicated that a copy of the Staff Congress Constitution had been provided to each Board member with proposed changes noted. She reported that two years ago Staff Congress began updating its Constitution and Bylaws and the revisions submitted to the Board have been approved after two readings on November 14, 2007, and December 12, 2007. The proposed revisions reflect necessary wording changes to replace outdated information or adding language that will enable Staff Congress to function more effectively.

Judge Taylor moved, seconded by Dr. Morgan, that the Faculty/Staff Affairs Committee approve changes to the Staff Congress Constitution as presented. Motion carried.

The Faculty/Staff Affairs Committee adjourned at 10:25 a.m.

**Finance Committee
Board of Regents
Murray State University
Friday, February 29, 2008
Jesse Stuart Room – Pogue Library
11 a.m.**

**Jeff Taylor, Chair
William Adams
Marilyn Buchanon
Peg Hays
Alan Stout**

Judge Taylor, Chair of the Finance Committee, called the meeting to order at 10:25 a.m. and reported that all members were present.

Judge Taylor reported that the Finance Committee met in joint session with the Buildings and Grounds Committee on January 22, 2008, and minutes of that meeting are provided in the supplemental notebooks. Mr. Stout requested that from this point forward when the Board approves minutes for the plenary session that approval should also include approval of all individual committee meeting minutes.

Program/Course Fee Changes, approved

Judge Taylor indicated that the one item of business before the Finance Committee is approval of program/course fee changes and indicated this refers to the same fees approved earlier during the Academic Affairs Committee meeting.

Mr. Stout moved, seconded by Mr. Adams, that the Finance Committee join the Academic Affairs Committee in approving the program/course fee changes outlined below effective with the fall semester of 2008. Motion carried.

Program/Course Fee Changes

New Program/Course Fees:

- Program Fee - Option Six University Based Alternative Certification Program \$250
(For beginning candidates)

In 2001 the College of Education implemented an alternative route to certification program to assist the public schools in filling high need areas with competent teachers. New regulations adopted this year by the Kentucky Education Professional Standards Board (EPSB) require 15 hours of supervision per year in the classroom setting. A new one-time program fee would help offset the cost of observation and monitoring requirements provided to candidates at their place of school employment as required by new state regulations. The fee would be assessed when processing the Teaching Certificate-Temporary Provisionals for certification from EPSB. The revenues from this fee would revert to the College of Education.

- Course Fees – AGR

In order to offset costs for providing care for horses utilized in these agriculture courses, the following new course fees are recommended:

<i>AGR 308:</i>	<i>Equine Practicum</i>	\$50
<i>AGR 405:</i>	<i>Breaking and Training</i>	\$150

The revenues from these fees will revert to the Equine Program.

In order to offset costs for travel that is mandatory for these agriculture courses, the following new course fees are recommended:

<i>AGR 534:</i>	<i>Types and Systems of Farming and Agribusiness</i>	\$50
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AGR 578: Research and Development of Agriculture Tractors and Equipment \$200

The revenues from these fees will revert to the School of Agriculture.

- Course Fees – ART

In order to allow the Department of Art to purchase expendable art materials at bulk rates, the following new course fees are recommended:

<i>ART 105: Studio Art for Non-Majors</i>	\$15/credit hour
<i>ART 390: Seminar</i>	\$15/credit hour
<i>ART 393: Special Topics in 2D</i>	\$15/credit hour
<i>ART 394: Special Topics in 3D</i>	\$15/credit hour

The revenues from these fees would revert to the Department of Art.

Increase in Course Fees:

The following nutrition courses provide a laboratory-based research experience for Murray State students. Current course fee income is not sufficient to cover the cost of food and other necessary supplies and an increase in course fee is recommended.

<i>NTN 231: Principles of Food Service Preparation</i>	\$19 to \$30
<i>NTN 332: Meal Management</i>	\$19 to \$30
<i>NTN 432: Experimental Foods</i>	\$19 to \$30

The Division of Nutrition, Dietetics and Food Management would be the recipient of the revenues from these fees.

The following courses in the School of Agriculture have experienced an increase in maintenance costs in providing care for the horses utilized in the courses, including feed, farrier work, dental work, veterinary care and repair of tack and equipment and an increase in course fee is recommended to help offset the increase in cost.

<i>AGR 101: Basic Horsemanship</i>	\$112.50 to \$150
<i>AGR 201: Intermediate Horsemanship</i>	\$112.50 to \$150
<i>AGR 304: Advanced Stock Seat</i>	\$112.50 to \$150
<i>AGR 306: Advanced Forward Seat</i>	\$112.50 to \$150

The revenues from these fees would revert to the Equine Program.

The following increase of \$175 in the current course fee for the English Master's Thesis course for the low residency MFA program beginning in Fall 2008 would allow the Department of English and Philosophy to continue to pay adjunct MFA faculty members to serve as mentors to Murray State students via distance learning and also to cover travel costs for them to come to campus for thesis committee meetings and residencies. The Department of English and Philosophy will be the recipient of the revenues.

<i>ENG 668: English Master's Thesis</i>	\$808.50 to \$983.50
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Budget Update and Special Call Meeting

Judge Taylor reported that at the present time no proposed budget has been released from the state for the Finance Committee to review and, therefore, the Committee is unable to make recommendations to the full Board for the next fiscal year. He anticipates that prior to the quarterly May 2008 meeting one or two special meetings will be called and requested committee members be prepared should the special call meetings become necessary.

Dr. Dunn indicated that during the Governmental Relations Committee Mr. Bob Jackson, Associate Vice President for Institutional Advancement, will provide an update on the state budget. He also reported a memorandum had been issued to the Board members detailing financial concerns at this point but that the Board would need to come together on at least one additional occasion once the state budget is released. Mrs. Buchanon asked if the timing of that special call meeting would be around the first or middle of April. Dr. Dunn indicated that the Board-adopted tuition and fee rate proposal must be presented to the Council on Postsecondary Education (CPE) on April 8. Once the University has a clearer picture of the state budget proposal a special call meeting will be held quickly to determine what the University's tuition proposal to the CPE will be based on the approved state appropriation. Judge Taylor asked whether those dates were subject to change and Dr. Dunn responded that the timeframe would be very tight. He indicated that currently the University administration expects to have state appropriation knowledge by the end of March. Once that is known, different tuition scenarios can be developed based on the level of state appropriation. Those tuition scenarios will be presented to the Board of Regents for action between the end of the legislative session but prior to the CPE tuition and fee meeting on April 8.

The Board members agreed to make themselves available for at least one such special call meeting, possibly two, toward the end of March or beginning of April. The meeting would involve the full Board.

The Finance Committee meeting adjourned at 10:30 a.m.

**Governmental Relations Committee
Board of Regents
Murray State University
Friday, February 29, 2008
Jesse Stuart Room – Pogue Library
11:15 a.m.**

**Vickie Travis, Chair
William Adams
Marilyn Buchanon
Beverly Ford
Peg Hays
Alan Stout**

Mrs. Travis, Chair of the Governmental Relations Committee, called the meeting to order at 10:30 a.m. and reported that all members were present. She indicated there were no agenda items that require action but several information updates would be provided. She reported that Secretary of Labor Elaine Chao would be the May 2008 Commencement speaker.

Update on 2007-2008 Budget Rescission and 2008-2009 Budget Development

Mr. Bob Jackson, Associate Vice President for Institutional Advancement, provided an update regarding the political scene in Frankfort, Kentucky, including:

- Mr. Jackson, President Randy Dunn, and Mr. Tom Denton, Vice President for Finance and Administrative Services, have made numerous trips to Frankfort since the beginning of the legislative session.
- In 2007-08 the University experienced a 3 percent rescission. The 2008-09 budget currently rests in the House and will likely remain there for a few more days as the House leadership considers two options. The Governor's version of the budget includes an additional 12 percent cut for higher education. The second bill includes revenue enhancement measures, a cigarette tax increase and other initiatives that would allow for a different type of budget.
- This weekend the House leadership and the subcommittee chairs of the Appropriations and Revenue Committee meet on budget markup to discuss the specifics of the House budget. By Monday and Tuesday the budget situation as it applies specifically to higher education will be known. A vote on the budget could come as early as next week and it will then be sent on to the Senate.

- The University presidents and other representatives have met with House leadership and a meeting with Chair Moberly allowed for open conversation in which he relayed to the University presidents what he intends to accomplish with regard to the budget. Chair Moberly is attempting to reduce the Governor's 12 percent recommended cut by one-half. The most optimistic view would be an additional 3 percent cut but it may more realistically be around 5 or 6 percent.
- The Senate will most likely not change the budget significantly but may alter the revenue makeup. It is not anticipated that the Senate will cut higher education even further.

Science Complex Language Change Status

Mr. Jackson reported that Murray State is seeking to change the language for the 2006 Science Campus appropriation and the proposed change has been recommended in the Governor's Executive Budget forwarded to the House. He indicated that he fully anticipates the language will remain in the version proposed by the House. Currently the proposed language does not include reimbursement language from the standpoint of funds the University advanced on the science project from reserve funds but an attempt is being made to ensure the language is added. Mr. Jackson indicated that trying to reimburse reserves is a very difficult process but he remains hopeful it will be completed successfully. Representative Melvin Henley has been very helpful on the House side and Senator Ken Winters has been very helpful on the Senate side and both have done a fantastic job of working together for Murray State University.

Dr. Dunn indicated that in his budget address Governor Steve Beshear explicitly mentioned Murray State and it was encouraging to have MSU referenced in terms of completion of the Chemistry Building. He agreed with Mr. Jackson that it will be an uphill battle with regard to the replacement of reserves and from the start it has been assumed that reserves will not be returned to the University. Judge Taylor asked whether the appropriation being referred to is the \$15 million from 2006 and whether the University would receive that funding once the language is changed. Mr. Jackson confirmed that to be the case. Dr. Dunn reported if reimbursement language is added then \$2.25 million will be used to reimburse the reserves and proceed to the end of the project. If the University does not secure reimbursement language then the project will be finished and any funds remaining will be placed in the bank until the University determines whether it can move forward on the Engineering and Physics Building.

Mr. Jackson indicated that some projects will be included in the budget and the Governor recommended some projects that were previously vetoed also be included. Murray State's vetoed projects were agency bond projects, one a dorm and one a renovation project for the Curris Center. There were no general fund appropriated projects on that veto list for the University. Murray State is attempting to advance the notion of bringing fairness and balance to the process to determine whether the final phase of the Science Campus can be added into the budgetary process. He indicated the University has many friends and supporters in Frankfort who are very sensitive to the needs of MSU.

Mr. Jackson reported that a legislative reception was held on February 7, 2008, and was very well attended. He indicated that it is very important for members of the Board of Regents to attend such events with the Speaker and the leadership of the House and Senate because it provides an excellent opportunity for the MSU administration to plead the University's case.

Current and Past Federal Activities Update

Mr. Jackson indicated that he and Dr. Dunn recently travelled to Washington, DC, and along with Kelley Abell, had wonderful meetings with Senator Jim Bunning and his staff and with staff from the offices of Senator Mitch McConnell and Representative Ed Whitfield. He reported that appropriation request forms were filed to receive direct appropriations to the University for the Breathitt Veterinary Center (BVC) and the Hancock Biological Station/Center for Reservoir Research. Dr. Dunn indicated that he talked with Rachel McCubbin in Senator Bunning's Hopkinsville office yesterday in order to maintain contact and right now he remains positive about being able to push some type of BVC project forward. He reported that Murray State's appropriation request was \$7.8 million and was primarily for veterinary diagnostic equipment in addition to what would be needed to expand the space to Level III of biological safety. Dr. Dunn stated that discussion took place with Ms. McCubbin in regard to the full scope of the project and she indicated she would move forward to determine where interest lies. Dr. Dunn reported that

to the extent earmarks survive in general he does feel that Senator Bunning's office will attempt to advance this project. He also went so far as to ask them to make this their number one appropriations request and while Ms. McCubbin did not go so far as to make that promise, she indicated they look very favorably upon what the University is trying to accomplish and want to help. He feels confident that the project will be on the list advanced to Senate leadership.

Mr. Jackson indicated that Senator Bunning was receptive to the project and listened intently and asked a lot of questions. Blake Brickman is Senator Bunning's Chief of Staff and he is the grandson of Governor Ned Breathitt and has a special interest in helping advance this project. During the last budget cycle in December, \$195,000 was appropriated for BVC for equipment which will allow the University to proceed to the next phase.

Mr. Jackson stated that a \$500,000 secondary request was submitted for equipment, maintenance and repair needs for Hancock Biological Station. Dr. Dunn indicated that there is a distinctive approach to this process and a sense of what there is a willingness to fund had to be developed. There are programs throughout campus that need funding but there is also a political savviness attached to figuring out what to include on a request list. BVC was obviously going to be the number one priority but the University also received some indication that it should include additional proposals and Hancock Biological Station seemed to be the most logical in terms of current interests. Dr. Dunn stated that the Center for Reservoir Research could tie into Homeland Security and fresh water issues. Mr. Jackson reported that as a result of these meetings some secondary meetings are being set with the Department of Agriculture and the Department of Homeland Security to discuss these projects and the availability of special grants. Dr. Dunn stated that with regard to the Department of Agriculture the University would not know who to call to get on someone's radar for this type of project but Congressional staffers can put one in contact with the appropriate individuals within various departments. He believes over time there will be something to show for cultivating these relationships. Mr. Jackson stated that with regard to Senator McConnell and his rank as an appropriator, he has a specialized person in the agricultural appropriations area and there is also an individual who handles Homeland Security issues. He indicated these contacts would prove to be invaluable as the University advances through the enormous departments that exist in Washington, DC.

Mr. Adams reported that 18 months ago members of the Governmental Affairs Committee, Mr. Jackson and Dr. Dunn travelled to Washington and met with Senators McConnell and Bunning. One thing he noticed is that both Senators looked at Murray State with a wary eye and he asked if their attitude is changing regarding how they view the University. Mr. Jackson indicated that the climate is changing and the meetings were very positive. Senator McConnell was recently in Murray to deliver a \$2 million appropriation for the Murray-Calloway County Economic Development Corporation and the visit was very positive. He further indicated that the meetings with Senator Bunning were positive and focused on moving forward and he senses nothing but cooperation or help from that standpoint. Mr. Adams asked specifically whether there had been a change in attitude with regard to Senator Bunning and Mr. Jackson indicated he appreciated Murray State being there and made a note of the University's presence. Mr. Jackson stated that if one does not ask they will not receive and whether it is in Washington or Frankfort Dr. Dunn has made it very clear that the ask will be made. The Development Office is moving forward in that regard and has filed the necessary paperwork to properly request appropriations.

Dr. Dunn indicated that the situation would be tougher with earmark initiatives because in his State of the Union Address the President made clear as he introduced his budget that this same approach of getting earmarks in the budget would not stand and that requests should be included as part of the budget. This increases the amount of work required on the front end but it does not necessarily mean that projects are not going to be funded but there may be more process orientation involved.

May 2008 Commencement Speaker – Secretary Elaine Chao

Mr. Jackson indicated that staff members from Secretary Elaine Chao's office have been in touch with his office and the Office of the President to begin coordinating her visit to campus for Commencement. He reported that Secretary Chao was asked to attend last year but was only able to accept this year and her visit will be an exciting one. Mrs. Buchanon asked whether the University was required to pay a fee for the Secretary to speak and Dr. Dunn indicated that the University is not paying a fee and because she is a government official her office has been

extremely careful to separate even having University staff making any sort of arrangements for her visit. Mrs. Buchanon asked whether a time limit would be placed on the Secretary's speech and Dr. Dunn indicated that issue would be addressed later if necessary.

Dr. Dunn stated that he would provide a federal budget update now in order to save time during the plenary session. He presented the following points:

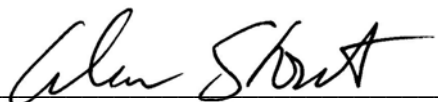
- At the beginning of February 2008 President Bush introduced the FY 09 budget. Language that had already been signed during the fall, coupled with an amount added from President's discretionary funds, increased Pell grants up to \$4,800 which is good news for Murray State due to the large number of students receiving Pell Grants.
- Supplemental Education Opportunity Grants, programs less frequently accessed by MSU students, would be slated for elimination perhaps in a direct tradeoff with the increase in Pell Grants.
- TRIO and Gear Up programs were provided with level funding while the number of students being served has not decreased.
- The Perkins Grant, a career and technical education program, has been slated for zeroing out. This is a very popular grant solidly supported by corporate and community economic development interests.

The Governmental Relations Committee concluded at 11 a.m.


Mr. Stout indicated that no other committees are scheduled to meet during the morning session. He suggested the Board review their supplemental materials prior to the plenary session and requested that all Board members be ready to start the plenary session promptly at 1:30 p.m.

Dr. Dunn indicated that included in the supplemental materials, as a result of the Ad Hoc Policy Committee meeting, is a memo from Mr. John Rall, General Counsel, accompanied by two documents, including the Operating Agreement between the University and the MSU Foundation from 1987 and a subsequent contract.

Mr. Adams indicated he is very pleased to see minutes from the committee meetings and Mr. Stout expressed agreement. Dr. Dunn indicated the practice of providing committee minutes had not previously been followed and he wanted to ensure the minutes were prepared and distributed. The Board acts on the plenary session minutes which reflect what happens during the committee meetings but at the same time there is discussion that takes place during the committee meetings that does not surface in the plenary session. He indicated that it was clear under the law that minutes of the committee meetings needed to be prepared. Dr. Dunn suggested that perhaps the Board should take one action to approve all minutes but also indicated it is a challenge to have the minutes prepared by the time the Board notebooks are mailed. He indicated the President's Office will work on that issue and one motion would be used to approve all minutes. Mr. Stout indicated that the goal should be for all minutes to be included when the Board notebooks are mailed. He asked the Board members to review the minutes as presented and during the plenary session he will ask for a motion to approve the minutes of the November 30, 2007, meeting along with the minutes from the committee meetings.



Chair



Secretary

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