

**Special Board of Regents Meeting
Ad Hoc Policy Manual Committee
Murray State University
Tuesday, February 19, 2008
President's Conference Room, 2nd Floor Wells Hall
9 a.m.**

Mr. Alan Stout, Chair of the Ad Hoc Policy Manual Committee, convened the special meeting at 9:05 a.m. The following committee members were present: Beverly Ford, Jay Morgan, Alan Stout and Jeff Taylor. Absent: none. Board member William Adams was also in attendance. Others present were Randy J. Dunn, President; Becky Watts, Deputy to the President; John Rall, General Counsel; and Jill Hunt Lovett, Coordinator for Board Relations and Executive Assistant to the President and Board Secretary.

History: Ms. Watts conducted an initial review of *Section I – The Regents* and *Section II – The University* of the Board of Regents Policy Manual and indicated Mr. Rall; Tom Denton, Vice President for Finance and Administrative Services and Jim Carter, Vice President for Institutional Advancement, previously provided review and recommended changes with President Dunn providing final approval and advancing the proposed recommendations to the Committee. At the quarterly Board of Regents meeting on November 30, 2007, the Board reviewed *Section I – The Regents* and determined that a special committee meeting be held prior to the quarterly meeting on February 29, 2008, to complete a second reading of the Bylaws within *Section I*, review additional changes to *Section I* as requested by Regents at the November 29 meeting and to consider proposed revisions to *Section II*.

Ms. Watts reported changes to *Section I – The Regents* that were requested at the last quarterly meeting had been incorporated into the document and opened the floor for additional discussion. Discussion followed regarding changes to *Section I*. Judge Taylor asked whether the changes proposed under the Investments Committee heading resulted in the Board giving up responsibilities in terms of oversight of the MSU Foundation. Dr. Dunn clarified that the Board has no control mechanism over the MSU Foundation because it is a separate legal entity. Mr. Rall indicated that under the financial management provisions of KRS 164(a) the MSU Foundation does not meet the requirement of control by appointments to the Board. He reported this is the case even considering that Dr. Dunn is an officer on the Foundation Board and Mr. Stout as Chair of the Board serves as an ex-officio member.

Mr. Stout reminded the Committee that Section 1.4 requires an annual review of tickets for athletic events as it pertains to members of the Board of Regents. He indicated such a review had not taken place since he became Chair of the Athletic Committee. The Committee, together with the Athletic Director and the Associate Athletic Director for External Affairs, shall be empowered to make a determination of how many tickets, not to exceed four, will be made available to Board members. He indicated that football tickets were provided this year but basketball tickets were not. He also questioned whether any past members of the Board receive tickets. Mrs. Hunt Lovett reported each Board member received four tickets to home football games and were offered two tickets for the President's Box for home basketball games. She also

indicated that two former Regents continue to request and receive complimentary tickets for football only.

Mrs. Ford proposed adding the following language to *Section I* of the Policy Manual:

“The office of Vice Chair should be elected from the eight Board members appointed by the Governor to serve on the Board to represent the whole University. The constituent members are elected to represent their group’s viewpoint. Since it is possible for the Vice Chair to become the Chair for the term remaining in the absence of the Chair, it would be exceptional to be completely unbiased and to disregard the instructions of his or her constituent group on a particular matter of interest.”

Mrs. Ford indicated that there are currently no requirements regarding who can serve as Vice Chair of the Board and she believes this could result in a conflict of interest. Ms. Watts reported that no other Kentucky public university has addressed this issue and that Mr. Rall found no prohibition on adding the language. Dr. Morgan stated that he believes prohibiting someone, who under legal statute is a member of the Board, from serving as an officer of that Board is not a good idea. He further indicated that he understands the concern that a possible conflict of interest could arise if a student, staff or faculty member serves in this role.

The motion to include the statement in the *Bylaws* of the Policy Manual did not receive a second and was dismissed. Mrs. Ford was instructed that she could make a motion to include the proposed language before the full Board at the quarterly meeting on February 29, 2008, and if the motion receives a second it will be placed up for vote.

Dr. Morgan moved that the Board of Regents Ad Hoc Policy Manual Committee recommend adoption of the Board of Regents *Bylaws* and *Section I – The Regents*, with minor corrections, to the Board of Regents at their February 29, 2008, quarterly meeting. Judge Taylor seconded and the motion carried.

The Ad Hoc Policy Committee discussed proposed revisions to *Section II – The University* of the Policy Manual. Ms. Watts stated that she would address changes to *Section II* by individual section. She indicated that the revisions center around deleting obsolete language, modifying language to reflect current practices and procedures across University functions, renumbering of policies and proposed language changes and adding new policies previously approved by the Board but which were not added to the Policy Manual.

Dr. Dunn indicated with regard to Section 2.1 that language referring to administrative appointments should be added to indicate that the Board will approve permanent appointments at the Dean level and above versus the current practice of approving permanent appointments at the Director and Chair level and above. Dr. Morgan requested that the President inform the Board in the President’s Report portion of the quarterly meetings of any Director or Chair appointments.

Dr. Morgan moved on behalf of the Ad Hoc Policy Manual Committee that language be added to *Section II* of the Policy Manual at the end of Section 2.1 indicating that the Board of

Regents shall approve permanent appointments at the Dean level and above. Mr. Taylor seconded and the motion carried.

Ms. Watts reported Section 2.5 contains entirely new language related to capitalization. Judge Taylor asked whether a classification for intellectual property as it pertains to trademarks and copyrights should be included and Ms. Watts agreed to clarify this issue with Mr. Denton.

Dr. Dunn suggested changing the title of Section 2.10 to refer specifically to the University's construction management authority under the Commonwealth as opposed to referring to House Bill 622. Ms. Watts agreed to research this change with Mr. Rall.

Ms. Watts indicated Section 2.11 refers to the University's language in regard to the MSU Foundation and Section 2.11.1 provides clarification of Section 2.11. Dr. Dunn and Mr. Stout indicated that Section 2.11.1 appears to be redundant. Mr. Denton joined the meeting via telephone and indicated that Section 2.11 outlines the University's Investment Policy and 2.11.1 is a verbatim copy of the Foundation's Investment Policy. He stated because the University puts a large amount of money into the Foundation that adopting their language indicates the University accepts their investment policies as they pertain to the funds they hold for the University. Mr. Denton stated that BOR representatives attend the Investment Committee meetings of the Foundation and could raise any objections to changes to the policy during those meetings. In response to additional questions raised by Judge Taylor, discussion followed regarding the University's ability to shape the policies and procedures of the Foundation.

The Ad Hoc Committee recommended for University investments held by the MSU Foundation that the University accept the Foundation's investment policies and procedures and if those policies change the Board request that a revised copy of the policies be provided to the President of the University to be included as an addendum to the BOR Policy Manual. Dr. Dunn and Ms. Watts agreed to consult further with Mr. Denton and will report back to the Board at the quarterly meeting in February.

With regard to Section 2.16, WKMS-FM, Ms. Watts agreed to check with Ms. Kate Lochte, Station Director, to determine whether the Corporation for Public Broadcasting requires that a policy statement regarding WKMS be included in the Board of Regents Policy Manual.

With regard to Section 2.17, Credit Union, Ms. Watts will determine whether the University is making in-kind contributions to the Credit Union and if that is the case it should be referenced in this section.

With regard to Section 2.18, Naming of Campus Facilities, Programs and Activities, Ms. Watts indicated there are two addenda that did not previously exist in the Policy Manual and she did not refer to those as additions because the Board previously acted on and approved those policies and they simply were never included in the Policy Manual. Dr. Dunn stated for the public record that Mr. Rall discovered a number of such areas where policy action had been taken by the Board but were never recorded in the Policy Manual.

With regard to Section 2.22, Murray State University Foundation, Judge Taylor requested that the Board be provided with a copy of the Operating Agreement between Murray State University and the MSU Foundation. Dr. Dunn agreed this would be provided to the Board at the quarterly meeting in February.

With regard to Section 2.23, Center of Excellence and Endowed Chair for Ecosystems, Dr. Dunn suggested adding language to the policy that states the Murray State University Board of Regents pledges its unconditional commitment to the necessary programmatic support and fiscal resources to maintain and enhance Centers of Excellence and Endowed Chairs and Professorships from the Commonwealth. Ms. Watts will review and determine the appropriate reference to be included.

With regard to Section 2.26, Affirmative Action Plan, Dr. Dunn indicated that the Affirmative Action plan is also a separate University document that is not simply a policy of the Board of Regents. He indicated that the policy badly needs to be updated but what currently exists must be retained until a new document has been developed. Mr. Rall added that the document as it currently exists is really not an Affirmative Action Plan and for the time being the word "Plan" should be removed from the heading in the Policy Manual.

Dr. Dunn stated that an additional revision to the Affirmative Action Plan that is being proposed is the addition of the term sexual orientation in the non-discrimination language. He indicated that Murray State University is the only public university in the Commonwealth that has not included this language in its non-discrimination policy and the demand for the inclusion of the language is not likely to abate in the near future. He suggested this action would provide a means by which to address the absence of the language and bring the Affirmative Action Policy in line with other Kentucky public universities. Discussion followed.

At 11:10 a.m. Mr. Stout indicated that due to a prior commitment he needed to leave the meeting and designated Dr. Morgan as pro-tem Chair in his absence.

Discussion regarding the non-discrimination statement continued.

Judge Taylor moved that the Board of Regents Ad Hoc Policy Manual Committee recommend adoption of the Board of Regents *Section II – The University*, to the Board of Regents at the February quarterly meeting. Dr. Morgan seconded and the motion carried, with a vote of 2 to 1.

The Board of Regents Ad Hoc Policy Manual Committee meeting concluded at 11:35 a.m.