Minutes of the Special Meeting of the Board of Regents – Annual Advance
Murray State University
September 8, 2016

The Murray State University (MSU) Board of Regents (BOR) met in Special Session for the Annual Advance on Thursday, September 8, 2016, at Miller Memorial Golf Course located at 2814 Pottertown Road in Murray, Kentucky.

Call to Order/Roll Call

Chair Stephen Williams called the meeting to order at 8:11 a.m. and reported all members of the Board were present.

Also present were Robert O. Davies, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Renae Duncan, Acting Provost and Vice President for Academic Affairs; Jackie Dudley, Vice President for Finance and Administrative Services and Treasurer to the Board; Don Robertson, Vice President for Student Affairs; Adrienne King, Vice President for University Advancement; Bob Jackson, President, Murray State Foundation and Director of Planned Giving; Cami Duffy, Executive Director for Institutional Diversity, Equity and Access (IDEA)/Title IX Coordinator; Fred Dietz, Associate Vice President for Enrollment Management, Kelley Wezner, Director for Institutional Effectiveness; Tracy Roberts, Registrar; Renee Fister, Senior Presidential Advisor for Strategic Initiatives; John Rall, General Counsel and other members of the University staff and news media.

Welcome and Agenda Review

Chair Williams welcomed everyone to the 2016 Annual Advance, specifically the two newly-appointed Regents – Lisa Rudolph from Kirksey, Kentucky and Dr. Walter Bumphus from Austin, Texas. The newly-elected Faculty Regent – Katherine Farmer – was introduced and Student Regent Clinton Combs from Marshall County was congratulated for being re-elected by the Murray State student body for a second term as Student Government Association President and Student Regent. All look forward to the contributions these individuals will make to this Board. Each member of the Board has come to appreciate the talents fellow Regents bring to the table as it undertakes the work of the University. Mrs. Rudolph reported she has lived in Murray longer than she has lived anywhere else, although she is not originally from Murray. She is looking forward to serving on the Board and is excited about getting to know everyone and getting started. Her background is in nursing but she left that profession some time ago and is now involved in the family business which is wholesale tires and freight. She and her husband established the Four Rivers Foundation and are actively involved in education. Dr. Bumphus reported he is originally from Princeton, Kentucky, but currently lives in Austin, Texas. His wife – Aileen – is an Associate Vice President at the University of Texas and he also worked there for several years. He also calls Washington, DC home and serves as President and Chief Executive Officer for the American Association of Community Colleges. It is an honor to be appointed as a member of this Board and he looks forward to serving with each and every member. It was surreal driving in from Nashville, Tennessee, last evening and reminded him of the first time he drove to Murray as a student. It is great to be back in the area.

AGENDA

Roll Call

Welcome and Agenda Review

The Roles and Partnership of the Board, the President and the University – What Makes an “Effective Board”

a. Board Self-Assessment
   - Committee Structure
   - Communications
b. Expectations of Board Members and President
c. Delegation of Authority Review
d. Training Session 9 a.m.
   - Open Meetings/Open Records Law
     - UK Violated Open Meetings Law at Trustees Dinner, Attorney General Finds (article)
     - UofL Violated Open Meetings Law with Trustees Call (article)
     - UofL Foundation Illegally Discussed Ramsey Situation in Secret (article)
     - Family Educational Rights and Privacy Act (FERPA)
       - FERPA Annual Notification
       - FERPA Institutional Policy
     - Conflict of Interest/Undue Influence
     - University of Kentucky Board Member's Company Bidding on UK Projects (article)
     - University of Texas Admissions Scandal is 10 Times Bigger than Official Report (article)
   - House Bill 15 – Board Orientation Update

Topics of Importance for the University
President Robert Davies

a. Mission Statement Review 10:30 a.m.
b. Performance Funding Discussion
c. Risk Management Update
d. Dual Credit Review
e. New Student Freshman Profile Update
f. Preliminary Enrollment and Tuition Model Update

Break for Lunch 12 noon
Reconvene 1 p.m.

Topics of Importance for the University (Continued)
President Robert Davies

g. Departmentally Funded Scholarship Guidelines
h. Compensation Plan Update (Faculty, Staff and Minimum Wage)
i. Title IX Update

Annual Goals (Outcomes) and Work Plan for the Board and University/President
Chair Stephen Williams
President Robert Davies

a. Board/Presidential Planning Priorities Establishment 2:30 p.m.
   - 2016-17 Presidential Work Plan for Strategic Priorities
b. Strategic Planning Update
c. Staffing Updates
   - Provost and Vice President for Academic Affairs
   - Dean – College of Humanities and Fine Arts
   - Other

2016-17 Association of Governing Boards (AGB) Statement of Conflict of Interest – Pledge
Chair Stephen Williams

Resource Materials

a. AGB Conference on Trusteeship (April 2-4, 2017 – Dallas, TX)
b. AGB Board of Directors’ Statement on Governing Board Accountability for Campus Climate, Inclusion and Civility
c. Resource Center A – Diligent eBoard Book

Final Thoughts/Other Business/Adjournment
Chair Stephen Williams

Mr. Williams indicated it is his privilege to serve as Chair and he certainly appreciates the confidence this Board has placed in him. He looks at his role as being the presiding officer and making sure the business of the Board is conducted efficiently. All are equal members of this Board and each member has been appointed or elected to engage in the work of the University.
It will be the collective contributions of this Board that will determine its overall effectiveness. He encourages and requests full engagement and involvement by each member and hopes everyone feels comfortable speaking up so very full, constructive and robust discussions can occur regarding all policy issues which come before this Board so all sides have a chance to be heard. Once the Board reaches a decision he would encourage and hope all members will support whatever that decision might be. This represents a policy Board and there is no desire to manage the day-to-day operations of the University. Murray State has a very competent and talented Chief Executive Officer in President Davies who, along with the senior management team, handles that aspect of University operations very well. The Board’s responsibility is to set policy and direction for the University and that is an extremely important role. He is confident all are committed to this work.

Dr. Davies reported this represents the time for the Board of Regents and the President to be part of the discussion in terms of reflecting on what makes this Board work. He has had an opportunity to talk with many of the Presidents at other institutions and it is obvious this is a very effective, efficient and cohesive Board. This also represents an opportunity to reflect upon what makes this Board work well but also discuss where there is room for improvement. He has always appreciated the opportunity to work with this Board on formulating policy statements and the direction set by the Board has always been very clear. He looks forward to the Advance each year because it presents an opportunity to not only reflect but to also look forward.

The Roles and Partnership of the Board, the President and the University – “What Makes an Effective Board,” discussed

Board Self-Assessment

Dr. Davies reported that one important aspect of the Board is to undertake a self-assessment and many boards will hire a consulting firm to conduct this work. Murray State has a nationally-recognized graduate and undergraduate Nonprofit Leadership Studies Program and an internationally-recognized Professor in Dr. Bob Long, meaning the University already had expertise on-hand. The institution is also dedicated to providing students with an opportunity to put to work what they are learning in the classroom. Dr. Long and his students conducted the Self-Assessment Study in which the Board members participated. They are here today to present the results of that study and share with the Board what they learned through this process.

Dr. Long reported there were 28 students in the Nonprofit Leadership Studies – Policy, Legal Issues and Advocacy for Social Change in Nonprofit Leadership Studies course – and three representatives joining him this morning are Brett Eisenhauer, a junior Nonprofit Leadership Studies major from Mahomet, Illinois; Tori Chapman, a senior Nonprofit Leadership Studies major (Finance minor) from Murray, Kentucky and Robert McNail, a Nonprofit Leadership major (Organizational Communications minor) from Paducah, Kentucky. Appreciation was expressed to the Board for the opportunity afforded these students. Dr. Long joined the University in 2008 when Nonprofit Leadership Studies was a minor but there was a goal of creating a major and ultimately a master’s degree program. There was a desire to provide real-world work in every class and this project represented a perfect fit for a course focused on policy. The course was being taught for the first time when the invitation was issued to undertake a Board Self-Assessment Study and this created a perfect match.

Appreciation was expressed to those Regents who helped with the development of the survey through phone interviews with students and visiting the class to allow students to have an exchange with Board members. The result was that the students understood the Board and the Roles, Duties and Responsibilities document for that body on a much more intimate level and this provided confidence as the design of the survey was undertaken. This is a really good Board and that was obvious from the report issued. Dr. Long has undertaken this type of work as a member of a Board but also as a private consultant. This particular class delved further into this work than would normally be the case. All of the feedback provided by students was their own creation. Students were asked to look at the findings, which were universally positive, and make recommendations on how the Board could improve. In reading those responses it was interesting to note that the Board is already doing most of what had been recommended and this is what good practice looks like. The Board was congratulated for their efforts.
The self-assessment process has now been established in relationship with an academic unit which is growing and strong and the opportunity exists to continue this work through the Nonprofit Leadership Studies course. Although Dr. Long will not be teaching the course because he has retired, he encouraged the Board to continue the self-assessment process. The Director of the Nonprofit Leadership Studies Program – Dr. Peter Weber – has wonderful credentials and comes to the University from the Indiana University School of Philanthropy and Indiana University Program on Philanthropy and Nonprofit Leadership. Dr. Weber is solidly grounded and will now be teaching the class. He is eager to continue this relationship with the Board if desired. Dr. Long also volunteered his time to help in any way if the Board decides to continue this self-assessment project in the future. To go beyond this positive relationship with the Roles, Duties and Responsibilities document and the findings from the self-study, Board members were encouraged to push themselves into undertaking an assessment around issues and strategies (reflecting on past strategies and also developing new ones). This work should continue on an annual basis in terms of the ongoing development of this Board. It is anticipated that this Board will continue to change, especially as new Regents come on board.

Appreciation was expressed to those Regents who made it possible for Dr. Long to be at Murray State University and allowing his career to culminate with what has been an incredible experience for him both personally and professionally. The Giving Back Endowment that has been mentioned to the Board has now been completed and amounts to close to $175,000. This endowment will generate $6,000 to $7,000 per year for faculty to apply for to use in student philanthropy projects in their classes across the University. This would not have been possible without the support of this Board and Dr. Tim Miller who was President of the Murray State Foundation at the time the endowment was established.

Mrs. Guess reported it was a pleasure to spend time with Dr. Long and the class and she is pleased to see Murray State offer a program that enables students to live out their dreams and passions and to really make a difference in the communities in which they live. She saw this in all of Dr. Long’s students and that represented a true joy for her. Nonprofit Leadership work is so important in the world today. She wished great success to Dr. Long and the students. Dr. Long reported that the three students present today have had other classes with him, including a Financial Development class, where they gave away $6,000 one semester to a non-profit organization so the range of their experience is broad. Mr. Kemp expressed appreciation to Dr. Long and the students for their work which is much appreciated.

Dr. Davies asked whether Regents had any questions about the results of the survey or if there was anything surprising or reaffirming regarding the work of this body. Mr. Kemp indicated in regard to external relations practices and whether the Board regularly engaged, in concert with senior administration, with the University’s major constituencies (students, parents, faculty, staff, and the Murray community – among others), all are aware of the importance of this engagement and will continue this work but he is not aware of the Board actively assessing the role of the Board in this area. He asked how the Board would undertake an assessment of its work in terms of external relations practices. Dr. Davies reported that a formal assessment is not undertaken but there is an annual Staff Survey that includes questions regarding Board interaction with staff. A different type of survey is undertaken for faculty with regard to an evaluation process for Deans, Vice Presidents and the President. Questions regarding relationships with the Board could be added to that instrument. Some mechanisms are in place to secure this information from alumni and other key stakeholders through the Alumni Relations Office and this can be strengthened even further. Mr. Schooley confirmed that the Staff Survey is administered annually and some questions are designed to evaluate the upper administration and working conditions. This survey has been utilized for the past eight to ten years. Dr. Long indicated this recommendation pertains to the Board looking forward. If the Board makes the decision to be more intentional about its relationship with the development process, this would represent a strategy. If the Board decided to undertake this work it would engage the Development staff in how to best utilize Regents as a resource in the development process and they would account for that involvement and report back to the Board. This represents more of a strategy and because interaction is contained within the Roles, Duties and Responsibilities document, this could be an area to explore in the future to determine how the Board could realize that particular goal. Dr. Davies reported in terms of development or fundraising, the Murray State Foundation is the organization where a majority of those funds reside and the Foundation manages that fiduciary responsibility. The actual raising of the funds falls within the University Advancement area through the Office of Development.
Dr. Bumphus indicated he was very impressed with the questions on the survey. As he read the document with great interest, especially as a new Board member, it gave him a chance to start to get a feel for the Board’s activities and the viewpoints that have been expressed. This represents an outstanding survey when contrasted with similar surveys. He serves on five different boards and he wishes all of them would undertake this type of evaluation. He has a 32-member Board and the way Chair Williams started the meeting this morning by distinguishing between policy and management is so important. The survey really reflects this same attitude and he commends his colleagues for their work. Mr. Schooley likes the fact that the Board self-assessment process provided an opportunity for students to see what the Board is really like and understand its purpose. Dr. Long agreed and, particularly for the 28 students who participated in this experience, the odds are quite good that nearly all will have Board service experiences in their future. They will work for Board-based organizations and they will serve on boards. This is quite common given the nature of alumni and the curriculum and that is why this presented such a great opportunity to get up close and personal with a Board before actually having to walk into a Board situation.

Dr. Bumphus asked what significant learning opportunity the students have gained from this experience. Ms. Eisenhauer reported that just having this experience and being able to look at what the Murray State University Board does was interesting because many students do not fully realize the purpose of this body. The hands-on experience obtained throughout the entire project involved looking at the role of the Board by dissecting its roles, duties and responsibilities; making a list of questions and then analyzing those responses which resulted in a very interesting experience. Being able to participate in the Board self-assessment process provided hands-on experience which can be added to her resume which will help in securing employment upon graduation. Ms. Chapman reported that the opportunity for experiential learning is appreciated because the first question asked of nonprofit leadership students is why they have chosen this particular major. Most people do not understand what the nonprofit sector is all about. This project represented a way to see how the Board and the University functions and highlighted that the institution is not just about professors teaching classes. Murray State is amazing in terms of its relationship with students. Students normally receive this interaction on the faculty and staff level but the student participants in this project have now been able to see their relationship with the Board of Regents. Students elect the Student Government Association President to serve on the Board but that really is as far as most students think about the process. This represents a real way to see the Board as people who are behind the success of Murray State students. Students are paying to go to school at this University and are putting their trust in the Board of Regents to lead the institution. Through the Roles, Duties and Responsibilities document it was admirable to see that the Board is not just drinking coffee and coming together to chat but are really taking care of students. Mr. McNail indicated this opportunity really showed him the type of work that he could be doing in the future. The students designed the questions and now know how to design the questions for future work. The process also showed the students how to have a relationship with the Board and that will be extremely important for the future. Dr. Long confirmed that students are encouraged to take these products and show the world that they have already undertaken this work in a real-world setting. In the three nonprofit sectors, nonprofit leadership studies is the only one that is growing in the United States – 14 percent of the gross national product today. The other two nonprofit sectors are shrinking and changing. Mr. McNail spent this past summer on an internship with World Relief in Nashville, Tennessee. This company has a large staff and offers good benefits and they will be lucky if they are able to attract him when he graduates. The notion is that thanks to the Board and this experience these students are well prepared.

Chair Williams reported that while the results of the study were very positive, and well deserved, there is always room for improvement. The students did make recommendations that the Board should consider. Discussion will occur later during the Advance in terms of the process to be used to follow-up on these recommendations.

- Committee Structure

Dr. Davies reported that at the Advance each year the Board reviews the current committee structure to determine whether changes need to be made. The committee structure to be utilized moving forward will formally be considered by the Board at the Quarterly Meeting tomorrow. The proposed committee structure for 2016-17 was included in the eBoard book and reflects changes made during the Advance last year. Current committees are Academic Excellence and
Scholarly Activities, Audit and Compliance, Buildings and Grounds, Enrollment Management and Student Success, Finance, Legislative and Economic Development and Marketing and Community Engagement. In addition, two members of the Board serve as ex-officio members of the Murray State Foundation Board of Trustees – the Chair and one other member – and there is a National Collegiate Athletic Association (NCAA) Board Liaison. There is also an ad-hoc Presidential Compensation Review Committee that meets occasionally. The seven main committees are the ones being considered today and either follow directly the Strategic Plan or are necessary to continue the shared responsibility of the Board. The Academic Excellence and Scholarly Activities, Enrollment Management and Student Success and Marketing and Community Engagement committees are directly related to the Strategic Plan. The Legislative and Economic Development Committee represents a combination of outreach efforts, also related to the Strategic Plan. Consensus was reached that the desired Board committee structure is now in place and the associated charge assigned to each of those committees is appropriate.

Two years ago the structure for Quarterly Board meetings was changed. Previously, Board committees met in the morning, followed by the Plenary Session in the afternoon. During the Plenary Session each committee would give a repeat report on what occurred during the morning session and then the full Board would take action. Under the new structure, the Quarterly Board Meeting is called to order and each committee then holds its meeting within the full Board Meeting and all Board members are in attendance for the discussions. Each committee then votes on any action items. Committee members have the right of first comments or questions but other Board members are also able to give feedback as appropriate. Once the committee has completed its business, the Board reconvenes in full session and further discussions occur immediately following the respective committee meeting. Consensus was reached that the Board should continue to utilize this meeting style because it works more efficiently, has increased transparency, allows for more robust discussions and full vetting of the issues at hand and provides everyone with an opportunity to hear and participate in the vetting process. Better decisions are being made due to the new process.

Chair Williams reported he worked with the President to review each of the various committees to determine membership. It is being suggested that Regents who previously chaired a committee to continue that service this year and the incumbent Chairs have agreed to continue their service in this capacity. In terms of the two newly-appointed Board members, Dr. Bumphus has agreed to Chair the Academic Excellence and Scholarly Activities Committee and Mrs. Rudolph has agreed to Chair the Enrollment Management and Student Success Committee. Consensus was reached that the membership as proposed for the various committees – including Chair assignments – is appropriate.

- Communications

The Roles, Duties and Responsibilities document approved by the Board was included in the eBoard book and resulted from discussion at Dr. Davies’ first Advance. Regent Guess was very much in favor of developing a document that specifically discussed the roles, duties and responsibilities of the Regents. At least year’s Advance discussion occurred on how the Board measures its performance if duties were not officially outlined in an official Board document. As a result, the roles, duties and responsibilities have been specifically articulated. Although this document has been adopted by the Board, it is important for review to occur on an annual basis to determine whether changes are necessary. Many outside sources were utilized to compile this document with the Association of Governing Boards (AGB) being the primary source. Statements used by other universities were also considered in this process. Chair Williams agreed this is an important document that should be routinely reviewed to ensure it remains contemporary and allows the Board to operate at the governance, policy and strategic direction levels. There being no suggested modifications, consensus was reached that the Statement of the Roles, Duties and Responsibilities is appropriate as previously adopted.

Committee Chairs were encouraged to have conversations with the President – as appropriate – and also with the Vice Presidents as necessary between Board meetings to ensure there is an understanding of the agenda for a particular Committee and all are prepared for effective, efficient and organized Committee meetings. Within those conversations, it is also important for the Chair of the respective committees to ensure they are looking at policy and strategy issues and not day-to-day operations because that is not the role of this Board. Management does a tremendous job communicating with the Chairs of the various committees to keep them informed.
about issues pertinent to the institution. Agreement was reached that it is essential to keep the President and the Board Chair informed regarding discussions between members of management and Committee Chairs. Dr. Davies encourages open and honest communication between the Chairs of the various Board committees and associated management to ensure the appropriate information is being provided and pertinent topics are being discussed. The Vice Presidents and others do a very good job keeping him apprised of those discussions. Regents were asked to be mindful that they have a lot of power and an innocent question could be interpreted as a directive and all should keep this in mind in conversations with faculty, staff and others.

Dr. Bumphus complimented the President for his communication regarding an organization that was recently on campus because the way Dr. Davies laid out an awkward, difficult and complex situation was textbook. The way he handled the situation and the communication to the Board, which was narrowed and focused on the right issues, was wonderful. Dr. Davies thanked Dr. Bumphus for his comments and indicated this represented a team effort. The communication was shared with Chair Williams because it was known it would spark an issue. This did represent a difficult situation and is one that is still ongoing. The responses to that specific incident have, by and large, been positive while there are others who vehemently disagree with the stance he chose to take as President. Members of the team are bearing the brunt of those comments and he appreciates them standing up and responding. This represents an interesting time and he does not believe it is over as similar incidents will likely continue to occur. An Advance was held with the Vice Presidents and one topic of discussion was the climate in the United States and how the administration would handle situations that put the University’s values in direct opposition to the values of others. The University values diversity and inclusion and recognizes everyone brings something to the table. The University Community Pledge was provided in materials presented to the Board and has four components. The group that came to campus did not value those four components and there was one value in particular that the administration confronted. Team effort in this situation was paramount.

Dr. Davies reported he tries to ensure the Board is informed whenever anything is happening that the Regents should be aware of, especially if it is known a particular situation would be reported by the media. It is important for the Board to be made aware of such situations before they occur so they do not become aware of an issue after the fact. He also wants to make sure the Board is aware of other things members may hear so he tends to over communicate. Dr. Davies asked whether he is hitting the mark in terms of getting information to the Board in advance or whether he is over communicating. Consensus was reached that Dr. Davies is communicating appropriately with the Board and in a timely manner. Mr. Rhoads indicated that from the beginning of his term on the Board he has appreciated being apprised of significant events that occur on campus – both positive and negative – because from time to time Regents might be contacted by the media. Board members represent Murray State in their respective communities and it gives them credibility if they know what is going on so they can comment appropriately. Mr. Combs added that students catch wind of situations on campus very quickly and the communications provided by Dr. Davies help him tremendously. If a campus communication is going to be sent out an effort is also made to ensure the Board receives it before it is released to campus – particularly for the benefit of the student, faculty and staff Regents – but sometimes that window is very small.

Expectations of Board Members and President

Dr. Davies indicated that the voice of the Board – speaking on behalf of the Board – is the Chair and it is hoped all are on the same page. The voice of the University is the President or his designee. This does not preclude Regents speaking on their own behalf but the Chair must be the one who speaks for the Board. Dr. Davies stated the Board also has a fiduciary responsibility of integrity and all must ensure this is an ethical standard that is upheld in terms of transparency in everything the University does. Another key aspect is the hiring and evaluation of the President. The evaluation process was started last year and he would like to continue that exercise. He would also like to continue the Board self-evaluation process. Regents were encouraged to contact Dr. Davies at any time to offer wisdom and advice. He appreciates words of support but also welcomes advice on how he can serve the Board and the University more effectively. Offering criticism is not a bad thing and often leads to better decisions.
**Delegation of Authority Review**

Dr. Davies indicated that at his first Advance discussion was initiated with former Chair Constantine Curris regarding the need to provide a document which clearly outlined distinctions in terms of the Board’s responsibility and authority and the President’s roles and responsibilities related to governance of the University. There are currently 27 items included in the Delegation of Authority and, by and large, they work very well. From the University’s perspective, the senior leadership has been able to work within these parameters and the Delegation has also provided flexibility necessary for the administration to take action in some areas without first having to seek Board approval. Immediate decisions can now be made with regard to capital projects which arise – under a certain dollar level such as repairing a broken sidewalk – without requiring Board approval. Any projects approved by the Chair outside of a quarterly meeting are then brought to the full Board for discussion.

One item that has changed slightly relates to one-year contracts that are prepared outside of the fiscal year – such as those prepared for assistant coaches. At the last meeting the Board approved a motion that allows the President to sign a one-year contract that is within a budget line but may not necessarily start on July 1 and end on June 30 like most employee contracts. This type of contract could be issued for others as well in order to keep operations moving forward. These do not represent multi-year contracts and there is not a large volume of such contracts. In response to a request for clarification, Dr. Davies indicated the Board must approve all multi-year contracts and these include the President, Athletic Director and several Head Coaches. In the interest of full disclosure, the Foundation also has a multi-year contract for Dr. Jackson and the Director of Miller Memorial Golf Course. The relationship between the Foundation President and Murray State is that person serves dual roles as the Foundation President but is also considered to be a University employee, primarily related to planned giving. The role of the multi-year contract is specific to the Foundation presidency but there is a tie to the University. All other employment contracts are typically for the period July 1 through June 30. In the case of hiring an Assistant Coach, these individuals may be hired at the end of the season – meaning the employment dates are not July 1 through June 30 – and the President has authority to sign a one-year contract in such cases. If a two-year contract were to be issued to an Assistant Coach that must come before the Board for approval. Consensus was reached that no changes to the Delegation of Authority were necessary.

Chair Williams indicated that all are likely following media events relative to the situation at the University of Louisville (UofL) between the Board and its Foundation. This situation has been very disconcerting to many and discussions are occurring at universities across the state to make sure checks and balances are in place so a similar situation does not occur on their home campuses. In this regard, the Board must be able to determine how to meet its responsibilities without intruding on management. The UofL situation continues to unfold and the eventual outcome is unknown. It does inherently raise some questions and each of the regional university boards should include this as part of the self-assessment process to determine where the checks and balances are and what, if anything, can be learned from the very unfortunate situation at UofL to avoid the potential for similar problems by looking at processes. The process of how this Board deals with presidential compensation is straightforward but in the UofL case it was not. This represents just one relationship of many between the University and the Foundation. Communication is key in this process and Board members must be able to get information they may request. It is extraordinary any member of a Board – let alone the Chair of the Board – would have to go through the Freedom of Information Act in order to get information relative to activities for which that Board is responsible. It is appropriate for this Board to review whether checks and balances are in place to ensure such occurrences are not happening at Murray State. When the Board follows up on the earlier self-assessment conversation this issue will be a rightful component of that discussion.

Dr. Davies reported he has considered the UofL situation from a management perspective. The role of the Foundation as a separate, private 501(c)(3) organization is to support the institution. Assurance must be provided that the Foundation is supporting the University and its goals and direction and not getting into a conflict of a divergent mission. The University of Colorado and its Foundation some years ago were involved in a lawsuit against each other which is why a situation of competing mission must be avoided. The relationship between the University and the Foundation is very positive. The Foundation Board represents a separate board with its own set of Bylaws and procedures and policies that ensure there is a clear line of separateness and the
Foundation is not a subsidiary of the University. The Murray State Foundation recently went through a legal process which involved a review of the Articles of Incorporation, Bylaws and procedures and policies. The attorney provided very strong affirmations that the Foundation is on the right track and there are no situations where there is a blurring of the lines with the University. There are some situations in the Foundation Dr. Davies thinks need to be addressed and those are being addressed. As an example, as President he sits on the Foundation Board of Trustees and on the Executive Board as a voting member. He does not think this is correct. He abstains in almost every motion except for things like an affirmation of a Resolution of Appreciation. Dr. Davies also previously served as Chair of the Nominating Committee but did not think that was appropriate and this has now been officially changed within the Foundation’s Bylaws. The ex-officio members of the Board of Regents were voting members on the Foundation but a recommendation has been made for this to also change. If members of the Board of Regents are voting members on the Foundation Board, that creates a question in terms of who owns the Foundation. The Foundation is taking the lead on making these changes and motions will be put forward for approval in due time. It is not illegal or inappropriate for the President or the ex-officio Board members to be voting members of the Foundation but the boundaries are clearer if they are not and having these separations is very important.

Chair Williams indicated that one issue is whether the Board is comfortable with the checks and balances in the processes. The second is to make sure the Board knows what those checks and balances are and whether they are good and proper. It is incumbent for the Regents to be able to assure their constituencies that they know what the processes are and this will represent an educational exercise for the Board.

The Board adjourned for a break beginning at 9:18 a.m. and ending at 9:30 a.m.

Training Session

Dr. Davies indicated the Board would be provided with a training discussion on several key issues. Various articles were selected to illustrate these key issues and those were provided in the eBoard book. Ms. Hunt reported that the following items can be found in the Resource Center in the eBoard book:

- Private contact information for all members of the Board
- 2016-17 Meeting Dates
- 2016-17 Committee Roster
- Delegation of Authority
- Roles, Duties and Responsibilities
- Self-Assessment Report
- University Organizational Charts
- AGB Conflict of Interest Statement
- AGB Statement on Board Responsibilities for Institutional Governance
- AGB Board of Directors’ Statement of Fiduciary Duties of Governing Board Members
- AAUP Shared Governance Statement
- Kentucky Managing Government Records and Your Duty Under the Law: Open Records/Open Meetings Act
- Council on Postsecondary Education Strategic Agenda: Stronger by Degrees 2016-2021
- Title IX Information (campus resources and reporting)
- NCAA – Playing by the Rules
- House Bill 1
- Family Educational Rights and Privacy Act Information
- 2015 Staff Perspective Survey

The materials found in the Resource Center change constantly to ensure documents remain current.

Open Meetings/Open Records Law

General Counsel John Rall reported that this information is being provided today so the Board is not faced with issues which are appearing in the newspapers daily. The University has been involved in some open meetings disputes and all know those can be contentious because they do not bring good publicity and can be time consuming. The basic principle of the Kentucky Open
Meetings Act is that public business is intended to be conducted in public. This carries with it some very basic requirements. For this Advance, an agenda was required and notice was provided to the public, and other individuals who have requested such notice, that the meeting was occurring, where and at what time. Ms. Hunt takes care of these larger issues to keep the University in compliance with the Open Meetings Act. This is considered to be a Special Meeting and there are various additional requirements that must take place. Those are also handled by Ms. Hunt.

All public business is to be handled in public but there are some exceptions to that law. The common exceptions this Board may deal with relate to personnel matters that might involve the hiring, discipline or termination of a specific employee – not general personnel matters. Matters related to litigation are also an exception to the Open Meetings Law – either bringing litigation or being subject to litigation and discussion regarding strategy and attorney-client privilege can be discussed in Closed Session under this exception. Another exception relates to the purchase of property if open discussion could affect the purchase price. If a Closed or Executive Session is noted on the agenda the reason for the exception will also be noted. The Chair reads a script for the Board to go into Closed Session because there are specific requirements the Attorney General will look for if it is claimed public business has been conducted improperly in Closed Session. There are some very important formalities which must be observed and the Board does a good job of adhering to these requirements but there are also some subtleties to the Open Meetings Act. The larger issues required as part of the Open Meetings Act are handled by Ms. Hunt in terms of the agenda, meeting notice (convenient time and place) and keeping minutes.

A very important corollary to the fact that public business is required to be conducted in public is the understanding of a quorum. A quorum of this Board is six members. As noted in the materials provided to the Board, a quorum of a committee must also be taken into consideration. If a Committee has five members, a quorum is three members. This is important because Regents will inevitably be together in informal settings. The question then arises as to whether this group would be subject to the Open Meetings Act by virtue of the informal setting. Informal settings can include dinners, attending sporting events, going to the same church or even riding in a vehicle together. The Board must remember that if three members of the Finance Committee, which makes a quorum, are at a basketball game and start talking about what the Attorney General refers to as public business that would represent a violation of the Open Meetings Act. This group does not have to take action to make the meeting a violation if public business is discussed. In essence, public business is the substance of an issue which could come before the Board.

An example of how easily an Open Meetings Act violation can occur was provided. The Graves County Board of Education received an appropriation of money and wanted to build a new school in Fancy Farm, Kentucky. The state Department of Education indicated that one school needed to be consolidated with another in order to build just one school. This is not what the Graves County Board of Education wanted so a quorum traveled to Frankfort in the same vehicle to request an exemption and the Department of Education turned them down. On the way back home, the Graves County Board members discussed what had just happened and the ramifications. The fact that this discussion had occurred ended up coming in front of the Attorney General but no one knew how information regarding this discussion had surfaced. Mr. Rall indicated Board members must work on the assumption that such conversations will surface. In this case, the Attorney General ruled that there was a quorum and even though this was an informal setting which can occur at any time, they discussed public business because they were talking about the ramifications of the decision of the Department of Education and what they were going to do. As a similar example, Mr. Rall indicated that under the Delegation of Authority, the Board is presented with a listing of Personal Services Contracts. If one member believes an item should come before the full Board for discussion they should give notice to the Chair or President. If discussions occur among Board members regarding an item which should be added to the meeting agenda, this does not represent a violation of the Open Meetings Act because the member is simply asking that an item be placed on the agenda to be discussed in public session. When talking about the substance, merits or pros and cons of an issue that may come before the Board, all must be careful – if there is a quorum present – because this could violate the Kentucky Open Meetings Act. If a member does not meet at any given time with a quorum of the Board but talks individually to other members in totality that also could constitute a quorum if such conversations are held with the intent to violate the Open Meetings Act.
The Attorney General will have a very limited amount of information upon which to make a decision and is not in a position to determine what the intent for a meeting or conversation may have been. In many cases the Attorney General cannot determine there was intent but will indicate a situation appears to be a violation and there is some weight attached to this statement. Even though technically no violation occurred, this would not make for good press or good practice for the involved parties. If the purpose of these smaller meetings is to educate Board members then this would represent an education session – although there is a fine line between education and discussing public business. Chair Williams earlier mentioned contacting offices to discuss financial statements and gather information and this fits within the category of educating a member of the Board. If the Board receives the listing of Personal Services Contracts and one of the included projects is that the University is going to contract with an engineer, if a member contacts Facilities Management to educate themselves on why that particular engineer is being hired and for what purpose, this represents information gathering and the Regent is not discussing the merits of hiring this engineer with colleagues.

If there is an allegation of a violation the Board can appeal to the Attorney General but today’s newspapers are full of stories where universities have appealed to the Attorney General but all have seen in the press where a staff member who was a legend in the Open Meetings field is no longer employed. The Attorney General has a very limited amount of available information upon which to make a decision and there will be no hearing. The Attorney General is very limited and can say there is a violation but may not impose any penalties. If the Attorney General declares there is a violation and the agency does nothing or gives no indication it is going to do something, if not further appealed the decision becomes final. If the agency does not comply the matter will enter the Circuit Court to have the decision enforced. The effect of this is embarrassment to the affected agency but it could also undo actions previously taken by the Board. If this is challenged the Circuit Court has the option to void the action taken by the Board. If it is a willful violation, costs and fees for the other attorney could also be assessed. In the student newspaper’s fight with the University of Kentucky, the Kentucky Press Association is funding an attorney in Lexington to handle the complaint. Ms. Hunt takes care of the larger issues but subtleties can arise unintentionally when a quorum is present. The common denominator for this Board is Murray State University and members need to be careful about what is discussed outside of a public forum because this could potentially lead to other unintended issues for the institution.

Mr. Rall reported that he has been asked to comment with regard to parliamentary procedure. If Board members foresee a parliamentary question they can notify Mr. Rall beforehand so he has time to research the potential issue. The Chair does have the option to appoint a Board Parliamentarian but to his knowledge that has not occurred. The Board currently uses the most recent version of Robert’s Rules of Order. From a parliamentarian point of view, there are statutory issues that are of importance to this Board. The quorum of six Board members mentioned earlier is actually statutory in nature. There are 11 members of the Board and pertinent statute determines a majority to be six members. The other issue is that on certain topics there has to be majority support. This involves an appropriation of money (budget). Any contract that requires the disbursement of money requires majority support, as does the employment or dismissal of a teacher. This Board operates very collegially and if a motion is amended approval is handled by unanimous consent. Instead of having to make a motion to amend a recommendation, an amendment is approved by consensus. For the December 2013 Board meeting there was a tremendous ice storm and several members could not make it to the meeting. A quorum was present but if there had been something controversial on the agenda the recommendation may not have received the votes of all six members present. This issue will not arise often but all need to keep in mind that a quorum is six members and there are certain items that require majority support of the entire Board, no matter how many members are present.

The University is also subject to the Kentucky Open Records Act. According to established procedure, Open Records Requests are to be sent to Ms. Hunt – although sometimes they are sent elsewhere. Once the requests are received, Ms. Hunt starts the process to answer those inquiries. The University receives a number of Open Records Requests but by and large they are not controversial in nature. The largest item the University receives Open Records Requests for are coach’s contracts, followed by police reports for accidents and copies of materials from Procurement when a vendor is not successful in response to a Request for Proposals. There are exceptions to the Open Records Act – the main being requests which would violate the Family Educational and Privacy Act (FERPA). The University is very stringent in terms of releasing
any information involving a student. If there is an Open Records issue this can also be appealed to the Attorney General and the same type of process described earlier would follow.

Mrs. Guess asked if there is an issue of substance that could end in a vote being taken by this Board and individually she called enough members of the Board to constitute a quorum whether that would automatically be a violation of the Open Meetings Act. Mr. Kemp indicated it could be if those calls were made with the intent to get around the Open Meetings law but it is not automatically a violation. Dr. Davies reported he tries to call every Board member prior to a meeting. He does so not to persuade Board members but to educate them and this does not constitute a violation. Mr. Rall suggested the President be taken out of the mix and if Mrs. Guess called five other members of the Board with the purpose of lobbying one member of the Board at a time or to have a discussion of substance that would represent a violation.

Chair Williams reported three articles relative to the Open Meetings Act were provided in the eBoard book. Mr. Rall reported that one of the articles relates to a dinner meeting which was held. The complaint is not about the fact there was a dinner meeting – although it was viewed as a meeting that required an agenda and minutes – but the main concern is the Board would be receiving the substance of what an attorney had to say. It is his understanding that no one showed up for the dinner but the attorney was making a presentation and the desire is to have the minutes reflect what was said by the attorney. This case was troubling because it involved the aspect of attorney-client privilege. If the Attorney General does not allow for a Closed Session, there would be no other alternative available for the attorney to provide consultation in private. For this reason, Mr. Rall indicated he would like to review this decision. In regard to the conference call that took place, Mr. Rall is unclear as to why the President did not send an email to the Trustees an hour before he made an announcement so they would be informed. The fact that the President had the Trustees on a conference call violated the provision that a full meeting cannot be held by telephone. Instead, the educational information could have been shared through individual phone calls or by email – although Mr. Rall cannot find an Attorney General’s opinion on this in terms of what the violation may have been. Using pending litigation as an exception to the Open Meetings Act needs to be evoked cautiously. Determining whether the Foundation in this case is a public agency would depend on how it was established, created and controlled. In the case of Murray State, the establishment of the Foundation does not appear to have been done by the University. This may represent a critical distinction in terms of how the Foundation was established at the University of Louisville.

Chair Williams indicated that many times issues such as those just discussed can enter into gray areas and this Board is better advised to err on the side of caution. If a Regent has a question or concern as to whether a particular situation might be applicable relative to Open Records or Open Meetings law, they should feel appropriately comfortable in raising the question and having Mr. Rall opine on that concern. Better to be safe than sorry is the rule of the day and this Board will be better served by erring on the side of caution. The Board does not want to get twisted up in its own procedures but all are beginning to see firsthand the ramifications of situations which occurred months ago and decisions or actions that were taken by a Board being called into question in terms of whether they could be upheld because there was a violation – either intended or unintended. The situation in terms of the Board at the University of Louisville was further discussed and confirmation was provided that Dr. James Ramsey is no longer President of the University. Whether he is still President of the Foundation is pending further meetings and findings of a third-party forensic accounting firm hired to audit the Foundation. Dr. Davies reported that a synopsis of this situation appeared in the Chronicle and copies would be made available to all Regents. Concerns cited included the accreditation status of UofL. It was indicated this case will likely be fast-tracked to the Supreme Court (bypassing the Court of Appeals) although there is not yet a Circuit Court ruling.

Family Educational Rights and Privacy Act (FERPA)

Dr. Davies reported the reason FERPA was added to the agenda for discussion is because he was contacted last Spring by a community leader advocating for a young lady transferring from a community college to Murray State. The individual was very passionate about this young lady and asked Dr. Davies to keep them informed about her application to Murray State and whether or not she was accepted. A request was also made to keep this individual informed of scholarship dollars she would be receiving and it was indicated by the individual that they could perhaps help in this area by adding credence to her being a Murray State student. They also
asked whether anything else could be done to help with her educational pursuits at this University. This represented only well-intentioned discussion about this particular student. As the Board members are in their respective communities they will be asked questions by parents in terms of whether their child is receiving good grades, etc. Registrar Tracy Roberts has been asked to make a presentation to the Board today to outline why administrators are not able to discuss such matters. There is a way for parents to gain access to this information and Dr. Davies wants to ensure the Board is fully aware of those processes.

Ms. Roberts reported that information regarding FERPA has been provided in the eBoard books, including a two-page summary and the actual law related to this topic. Both information pieces can also be found online and are included in the Resource Center of the eBoard book. FERPA protects student’s privacy to their educational-type records. Information was provided in terms of the definition of an educational record and this includes anything regarding their education. If they are employed because they are a student, it also protects that information. FERPA applies back to grade school but the focus today is on postsecondary education. The big distinction is if a person is in grade school their privacy rights are controlled by their guardian or parent but once they become a university student or take the first university class, including while they are in high school, FERPA rights transfer from the parent to the student. This includes students enrolled in Murray State dual credit courses. This means the student controls whether confidential information can be shared.

There are two types of FERPA information. The first is directory information and each school is required to identify and publish what they consider to be directory information. Confirmation was provided that this is done by Murray State. Directory information will usually not harm a person and is easily found in public places and includes their name, honors, awards or degrees received, school classification and their major. This type of directory information can be provided to anyone unless the student has identified that their directory information is to remain confidential – which represents a non-disclosure statement. The second type of information that FERPA addresses is non-directory or confidential information. Any information not on the list of directory information is considered confidential information. Examples include grades, classes in which a student is enrolled and progresses in those courses – anything that is considered to be part of the academic record. Confidential information cannot be shared with anyone without the written consent of the postsecondary education student. There are some exceptions to this rule, including when University personnel or an agency acting on behalf of the University – such as the Board of Regents – needs the confidential information in order to be able to do their job and, in this circumstance, they would be allowed to receive that information. If a person is innocently asking for this information with a student’s best interests in mind but just to support that student, the University would not be allowed to provide the information unless the Regent has been given the educational right to have that information. Students can provide written consent through the myGate portal and this involves a specific listing of who can receive information and their relationship to the student. Students can also limit the type of information that can be released, such as financial information or their academic record. In this process, students will use a security question and answer to access this information. Rarely do people have face-to-face interactions anymore and it is difficult for the Registrar’s Office to determine whether the person they are talking to is really mom or dad. It is the responsibility of administrators, faculty and staff to make sure the person they are talking to has been granted access to the records they are requesting. It is always tempting to ask a Board member to request this information on a student’s behalf but unless the information is part of Board business it would be in violation of FERPA to release it. It would also be a violation to talk about any information provided if the recipient is outside of a setting where the information is being discussed because others do not share the need to know requirement. Online training is provided with regard to FERPA and it could be helpful for Board members to review the training and take the ten-question quiz provided. Before access is granted to confidential student information, Ms. Roberts requires the requestor to undertake the training and complete the quiz – with a required pass rate of 100 percent.

In response to a question regarding whether a Regent can be listed as a reference on a scholarship application, Dr. Davies indicated there could be a perceived conflict of interest and Board members should be cautious in this regard. Listing a Board member as a reference is not a conflict of interest but the role of a Board member is very powerful. If the Regent can serve as a personal reference – and not as a reference as a member of the Board – they would not be discouraged from doing so. Mr. Kemp indicated the University is clearly adhering to FERPA
law because earlier this summer he talked with a frustrated mother who could not find out information on her son’s grades because he would not sign a consent form. Ms. Roberts confirmed it can be very disheartening to receive phone calls from frustrated parents but, by law, the University is required to protect the student’s privacy. Ms. Roberts further confirmed that once a person becomes a student in the postsecondary education system, their privacy rights exist until they are deceased and confidential information cannot be released – even for former students. If the student requests their directory information not be disclosed that also carries on even after they leave the institution. At the time students sign a non-disclosure statement they are educated on exactly what that means in terms of the University not being able to disclose whether they were even a student at Murray State. It also limits the University’s ability to provide transcripts or confirm the degree received. There are ramifications to non-disclosure statements but also legal reasons for having them in place.

Conflicts of Interest/Undue Influence

Dr. Davies reported that each year Regents are asked to sign the AGB Statement of Conflict of Interest which represents an important standard of ethics indicating the Board is acting in good faith in terms of making the best decisions for Murray State University and members are not influenced by any sort of conflict of interest. If a Board member has a potential conflict of interest they would need to recuse themselves from any related conversations. If a Regent calls the Admissions Office and indicates a student should be admitted to Murray State that could represent undue influence and could potentially be harmful to the University. It is important to understand that the University wants the Board’s advocacy and support and for all members to be involved in student recruitment but all should be aware the lines could sometimes become blurred. When Board members serve as a reference for scholarships or positions at Murray State they should be mindful that when a committee receives the recommendation or resume and sees a Regent’s name they may feel slightly influenced. Board members were asked to be mindful of how this can be perceived. If Regents are listed as a reference or write a letter on someone’s behalf they should be very specific they are doing so as an individual and not in their capacity as a Regent to ensure they are not playing a role in the decision-making process. It was suggested that when serving as a reference Regents clearly state they are not in any way providing the reference as a member of the Board. In the case where a Regent’s name is simply listed on an application, then a disclaimer from the Board member should be attached to that document clearly stating they are serving as a personal reference and not as a reference as a member of this Board. If Board members are unsure whether there is a conflict of interest they should inform the entire Board so all understand the potential. Revealing a possible conflict of interest does not preclude a Board member from participating in the process, making decisions and voting but by making the potential conflict of interest known it allows the Board to understand the potential exists so it can determine whether it can move forward. It is understood that Board members are acting in good faith but their actions could be perceived as undue influence.

Dr. Bumphus added that in terms of events at the University of Texas in this regard, the optics can be terrible for a University no matter how innocent the intent. Once the University’s name is in the paper it is there for all to see and can even spread to other news outlets. This can embarrass and harm individuals who were acting very innocently on their part and this harms the University and affects influential donors.

Discussion occurred regarding whether the Board should develop a policy prohibiting members from serving as references for students or potential employees because there could be a perception of undue influence. Dr. Bumphus reported he has taken the position of no longer writing letters of recommendation, although he will make a phone call on occasion. Dr. Davies does not necessarily think a policy would be a bad idea but one caveat would be that the faculty, staff and student Regents would need to be exempt from the policy because they are constantly asked to write letters of recommendations. Mr. Schooley reported that as the Intern Coordinator for students he receives requests for letters of recommendation all the time but this is being done as part of his role as their internship supervisor at Murray State and not as a Regent. In this regard, agreement was reached in terms of the role of the constituency Regents differing from that of other Board members.

Mrs. Guess suggested making this a practice for the Board instead of a policy. Dr. Davies indicated this could be added to the Roles, Duties and Responsibilities document that the gubernatorial-appointed Regents practice is not to serve as references for scholarships or
employment related to Murray State. Mrs. Sewell indicated that Board members should serve as advocates for every single student and perhaps should not recommend one student over another. As Regents recruit for Murray State there has to be a way they can call a potential student to the University’s attention without overstepping. Dr. Davies confirmed that Regents have done a very good job bringing such students to his attention, as well as making Mr. Dietz and others aware, but all must be careful to ensure they are not influencing admission or scholarship decisions. Mr. Rhoads asked whether he would be allowed to advocate for a high school football player who has enormous talent but also some financial need. Dr. Davies reported Regent Rhoads could make the University aware of the student but should back away from the process at that point. Included in the eBoard book Resource Center is an NCAA Code of Conduct. By being a member of the Board, Regents are considered to be active recruiters for the University athletically speaking. This means they are restricted from making certain comments or statements or having any role during certain recruitment periods. The document contained in the eBoard book clearly outlines the role Board members can play in this process. This also includes major donors and members of the Murray State Foundation. As an example, Dr. Davies’ daughter is a soccer player at Murray High and they recently hosted a party for the team. He had to complete a vast number of documents on what food was served, what activities took place, who was invited, etc. Regents are allowed to call a student to the attention of a Coach or Professor but that is where the relationship needs to end. Consensus was reached that reference to this issue should be part of Board practice and will be included in the Roles, Duties and Responsibilities document. The administration will give consideration to appropriate wording relative to this adopted practice. At some point Athletic Director Allen Ward will be asked to discuss NCAA recruitment-related issues with the Board.

House Bill 15 (HB15) – Board Orientation Update

House Bill 15 was passed by the Governor during the last legislative session. This legislation requires the Council on Postsecondary Education to ensure that newly-appointed members of the Board of Regents are receiving appropriate training in terms of their fiduciary responsibilities. HB15 contains specific requirements such as training on fiduciary responsibilities, Open Meetings/Open Records Law and Conflict of Interest and dictates that Board members will receive six hours of training. If training is not completed by the end of the appointed Regent’s term they will not be eligible for reappointment. Discussion is continuing on how the six hours of training will be delivered and whether a portion will be offered by the CPE with the remaining portion to be offered by the University. There is also some ambiguity whether this also applies to Regents elected by their peers. The CPE has created a committee to oversee this work which is comprised of University representatives from each of the involved universities. Dr. Fister and Ms. Hunt are representing Murray State on this committee as the process unfolds. The Council will put in place some training mechanisms for statewide issues such as the Strategic Agenda and the role of the CPE. A CPE training session is scheduled for November 30 in Frankfort, followed by a reception at the Governor’s Mansion. Discussion has occurred on moving the Governor’s Conference on Higher Education Trusteeship back to an annual event and making a training session on the new requirements of House Bill 15 a component of that conference.

Chair Williams indicated he and Vice Chair Guess participated in a conference call with this committee over the summer. The general consensus was that some generic orientation as to the roles and responsibilities of Regents of the regional universities was appropriate so all Board members were hearing and understanding the rules consistently across the state. This intent was not for this training to take the place of individual organizational orientations that would be specific to the various universities. Mrs. Guess added that during the phone conversation the CPE offered to visit the regional campuses and the individuals serving on that Board also want to do good work. It would be beneficial for the University to strengthen its relationship with the members of the CPE by promoting such opportunities. Dr. Davies indicated it is beneficial for the CPE to bring the various boards together to create space and dialogue for them to discuss common issues and how each of the boards are dealing with those issues. This does represent a positive aspect of this work.

Mrs. Sewell stated in regard to public education (K-12), for almost three decades it has been a statutory requirement that boards of education are required to have so many hours of training but
they qualified what the training was to be – on an annual basis. Dr. Davies indicated that HB15 has helped to make the CPE aware of Board training sessions which are already occurring on the university campuses. It also creates a foundation upon which key state issues that all Board members face can be discussed. One aspect of this training is for the boards to have a better understanding of the role of the Council on Postsecondary Education but it would also be beneficial for the CPE to include a component of training related to understanding how the universities operate. Dr. Bumphus indicated that all Board members come to the table with good intentions but Regents do need to have a better understanding of processes and procedures because these constantly change and an annual update can be positive. Dr. Davies clarified that the six hours of training mandated through HB15 is for new Board members only and it does not represent ongoing training. Every other year the CPE hosts the Governor’s Conference on Higher Education Trusteeship where they bring in outside speakers to talk about global issues facing higher education. This is also part of training offered for Board members but is not part of HB15 legislation.

Mrs. Sewell suggested that this Board should make the decision on its own to receive training every year but also participate in the HB15 training. If Board members need additional training in a particular area an individual could be secured to provide that training. One such resource is Ron Crouch who is an expert in terms of demographic information. Dr. Davies indicated an effort has been made today to provide some training as many of the items on today’s agenda were suggested by various members of the Board. In response to whether a member who has been re-elected for a second term needs to attend the CPE training on November 30, Dr. Davies reported he asked that specific question and the CPE indicated that was not necessary.

Chair Williams suggested it would be appropriate for the Board to form an ad hoc committee to review the conclusions and recommendations that were received as part of the Board Self-Assessment Survey. The report was very positive but some recommendations were provided. This body could also review HB15 and other issues just discussed. The Regents might want to consider whether recommendations need to be brought back to this Board in terms of how it could further improve based on the self-assessment study or identify issues the Board might want to address through its own orientation processes or practices. Consensus was reached that this is how the Board would like to proceed. Mrs. Guess agreed to Chair the ad hoc committee and other Board members agreeing to participate in this work were Steve Williams, Dan Kemp and Phil Schooley. Dr. Davies was asked to identify the appropriate staff members to assist the Board in this work.

**Topics of Importance for the University, discussed**

**Mission Statement Review**

Dr. Davies reported that the University’s current Mission Statement was approved approximately five years ago and has served the institution well. A copy was included in the eBoard book. The University has gone through a strategic planning process which identified four key pillars and has reinforced the vision set forth five years ago. There is now a streamlined goal of, “Murray State will be the best student-centered university in America.” The first year of implementation of the Strategic Plan has been undertaken focusing on the four identified pillars. The University has also undertaken a significant budget reduction and reallocation process. All members of the Board were provided with a copy of the book What Matters Most to focus in on how the University ensures it is the best student-centered university in America. The current Mission Statement outlines what the University does, including programming offered. Dr. Davies asked if now is the time to review the Mission Statement and to either affirm the statement or make revisions. During recent Advances held with the Vice Presidents and the Deans, mission statements from other universities Murray State competes with directly in one way or another were reviewed. The mission statements from Truman State and Elon College were included because these represent institutions Murray State aspires to be like. In light of the new environment, the Board was asked whether it had any desire to undertake a review of the current Mission Statement or whether the current one will suffice and carry this institution forward. It was stated that undertaking a review of the Mission Statement would be prudent while not necessarily committing to change. It was suggested that students in the College of Business be utilized in this work to provide an additional experiential learning opportunity. It was also noted that mission statements are generally more concise and this should be taken into consideration as
this process unfolds. Consensus was reached that a review of the Mission Statement should be undertaken to determine how it could better serve the University.

Dr. Davies indicated that, with the Board’s direction, he will work with internal staff to develop a systemic process for this review with the goal of having the review completed as soon as possible. This work will take time and will involve a number of constituencies. A process will be developed and will be forwarded to the Board in terms of how this review will move forward. The current Mission Statement does a good job describing the University but it does not provide direction. The Vice Presidents are very much in favor of undertaking review of the University’s Mission Statement. A robust discussion occurred with the Deans and they – while wanting to protect certain things – also agree that a review needs to be undertaken. The suggestion to utilize students in this process was good but it will perhaps represent a blend of Nonprofit Leadership Studies students, as well as students from the College of Business, in addition to some individuals from other disciplines. The University talks a lot about being student-centered. Dr. Davies will try – with input – to put a definition behind student-centered and identify necessary actions for faculty, staff and students in terms of what it means to be the best student-centered university in America. Students also need to participate in this exercise and must be committed to student success where the attitude of “C’s and D’s get degrees” is no longer acceptable. An update on this work will be provided at the Quarterly Meeting in December.

Chair Williams suggested this process should also include a means by which Regents can provide feedback either individually or as a body. Dr. Davies confirmed this would occur because ultimately the Board will be responsible for approving the Mission Statement for the University. Only the Board of Regents can approve the Mission Statement because it is part of their fiduciary responsibilities. Changing the University’s Mission Statement will also have implications with the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). According to Dr. Wezner through her work with SACSCOC, changing and streamlining the Mission Statement would be viewed positively.

Performance Funding Discussion

Dr. Davies reported the state Legislature passed a budget as well as supporting legislation that performance funding will be implemented for the universities starting July 1, 2017. This will represent 5 percent of the budget for each of the universities. The process of awarding that 5 percent in performance funding has not yet been determined. As part of the legislation, a Performance Funding Work Group was created and is comprised of all the public university Presidents, the President of the community college system, a member of the Senate – David Givens, a member of the House – Representative Arnold Simpson, a member of the Governor’s staff – Andrew McNeill and the CPE President. The Governor’s budgetary advisor John Chilton is not a voting member of the Work Group but is very active in this work. The Performance Funding Work Group must deliver a proposed funding model to the Interim Joint Committee on Higher Education on December 1, 2016. This will begin the foundation of legislation for the next General Assembly and the model will be negotiated by the legislature.

Philosophically, Work Group discussions have centered on how to make good policy and the discussion in this area hinges on House Bill 1 (HB1) which set out two expectations. The first is that the number of college graduates in Kentucky needs to increase significantly. A goal has been set for 58 percent of the population aged 25 and above to have a postsecondary education degree. Currently, Kentucky is at 45 percent in terms of individuals with a college degree. Another philosophical stance with regard to HB1 is providing a quality education, meaning that the universities do not need to become diploma mills. Quality is actually mentioned more frequently in House Bill 1 than volume. In these Work Group sessions, however, two different philosophies have surfaced. One involves only the number of graduates with no consideration for quality – size matters more than anything else. Dr. Davies is concerned about there being no quality measures and no way to determine how well any given university is performing or the type of educational experiences students are receiving. The number of students who graduate is important but the journey the students have to graduation is more important. This produces a better prepared and well-rounded student who is able to make meaningful contributions to the state which will have greater economic impact overall. The Presidents are very much divided on this aspect of the performance funding initiative, with a few institutions very much favoring only volume. The University of Kentucky has proposed a model that basically takes the three-year rolling average of a university in terms of graduates to determine whether numbers are increasing
or decreasing. If numbers are going up the institution would receive more money and if the numbers are decreasing it would receive less. If an institution increases its numbers by 5 percent while the other universities increase by 2 percent, the institution going up by 5 percent would receive a lot more money and if a university goes down in terms of numbers it will receive a lot less. In one respect this model is nice in that it is simplistic but to Dr. Davies it sets in motion the idea that the focus of the universities is only to do one thing – award diplomas – and the quicker and most efficient way to do this the better. This type of model also sets in motion an interesting component of competition among some universities that are on the outskirts due to their geographic location. It also places an emphasis on programs that do not require extra credentials for graduation. Science, technology, engineering and math degree programs are arduous and difficult and there is typically a five-year versus a four-year expectation to graduation.

Dr. Davies indicated the metrics for the performance funding model have not been shared with the Board because they are still being discussed among the members of the Performance Funding Work Group. Dr. Bumphus reported he has testified in approximately six different states with regard to performance funding and he has not yet met a President who does not want to be accountable for outcomes but it is obvious the metrics to be utilized will be key to this model. Unfortunately with IPEDS, which is what most states take into consideration, sometimes those figures are inaccurate or are inconsistent. In some states credit is not given for transfer students and if those students attend Murray State and graduate the University does not receive credit for those students – nor does the community college. It is for this reason that the real conversation is not just about numbers but should represent an entire narrative about what is behind those numbers. Some students take longer to catch up academically and in this model that is not taken into consideration – which is troubling. Dr. Bumphus requested additional information in this regard when it becomes available.

Dr. Davies indicated this is an excellent point. The Presidents are not shying away from accountability measures but all want to make sure those respective areas where the universities excel – or are striving to excel – are taken into consideration and are included as part of the metrics. All university Presidents are advocating for their home institution and there is recognition that some sort of compromise will be necessary. Murray State will do better than some other institutions in terms of the IPEDS measures. One proposal from the CPE uses a mix of different metrics such as the total number of baccalaureate degrees and progression (how many students go from less than 30 credit hours to 31 to 60 credit hours and how many from that group progress to 61 to 90 credits, etc.). By definition, retention is first-time freshmen who are retained from the freshman year to the sophomore year. A downfall related to this metric is that it only involves first-time freshmen. If a student transfers from a community college they are not counted in the first-time freshman retention numbers. Confirmation was provided that dual credit students do count in first-time freshmen numbers as long as Murray State is the first University in which they have enrolled.

The CPE also looks at the graduation rate and this applies only to first-time freshmen graduating in six years. Again, transfer students would not be included in this metric. In terms of transfer rates, a determination is being made about transfer students and once they transfer from the community college how long it takes them to graduate. These numbers are also broken down in terms of underrepresented minorities and low income students. Dr. Davies likes the benefit of this model in that it blends the quality measures but also brings in volume in terms of bachelor’s degrees produced in a given year. This metric is also weighted by a quality measure of how many degrees are granted per year per 100 students. This prevents an institution from just bringing in a group of juniors and having them complete a degree as soon as possible. Progression is the same not only in terms of the number of students but how many are progressing toward credit hours earned. The CPE model represents a good starting point whereas the model provided by the University of Kentucky goes too far by including only one measure – the number of students receiving a diploma on a three-year rolling average – because the model is more heavily balanced toward volume. When the Murray State graduation rate is compared to another university in the state, it is above that institution by 18 percentage points. However, under this model, that other university would receive more performance funding money than Murray State simply because it may have more students walking across the stage. If Murray State raises the graduation rate from 58 percent to 60 percent, it will receive an incremental bump but if the other institution increases by only 2 percentage points they would receive a significant amount of additional funding. He is concerned about the weighting of this
particular performance metric because right now it is three points for volume and one point for quality. It is Dr. Davies’ belief that the quality measure should be higher. These metrics, once determined, will define how Murray State University operates in the future. They will define the values that educational leaders have and a determination must be made whether it is all about size or whether quality also plays a key role.

Mrs. Sewell indicated that performance funding will also affect the community colleges. The University and the Board took a stand on the required qualifications for freshman students. Taking pure numbers into account will destroy the quality aspect that this institution has set as a priority. This must be controlled at a level much higher than Murray State and if state leaders do not get this right it will have a terrible effect on the entire educational system in Kentucky. Dr. Bumphus added that the entire Board is supportive of the President in his efforts and it is important for there to be some clarity of what the performance funding metrics will mean to this institution.

Dr. Davies explained that the Student Achievement Measures (SAM) model put forward by the American Association of State Colleges and Universities, along with several other higher education groups, represents a mathematical model to study how universities move students through the pipeline. The model attempts to address issues with retention and graduation rates and is not solely based on first-time freshmen but also includes transfer students, stop-out students and other such factors. This is a model which represents a more egalitarian approach to the true picture of how a university operates.

Chair Williams indicated one milestone will be December 1 when the Performance Funding Work Group presents a framework which will be utilized by the General Assembly moving forward in their process of review. Dr. Davies reported that the deliverable is some sort of model to the Interim Joint Committee on Education. Their motion will be to accept the model and that will become at least a starting point for discussion for the two education committees in the Senate and the House as they work to formulate the final model. At the Quarterly Meeting in December the Board will know what model is being presented to the Interim Joint Education Committee. Confirmation was provided that it would be extremely helpful for the Board to adopt a statement to help the administration throughout the legislative process as lobbying efforts begin. Two polar opposite platforms with regard to performance funding have been discussed – one purely based on numbers and the other to include the quality component. Dr. Davies believes these two platforms need to be blended. It would be helpful for the Board to affirm that Murray State is focused more on the quality aspect of performance funding than pure volume. This would provide the President with solid documentation working with the CPE and the Performance Funding Work Group in terms of those standards to which the Board is committed. Dr. Davies fears that the value of a bachelor’s degree is being equated to simply having a piece of paper without taking into consideration the students have gone through a robust series of steps to get to the point of graduation, based on experiences such as internships and study abroad experiences, which could lead to the students taking a bit longer to graduate. Murray State prides itself on small class size to provide a more individualized experience and if the focus is solely on volume class sizes will have to double and this quality aspect will be lost.

Consensus was reached that the Board should develop a statement supporting performance-based funding, but only if it includes principles involving quality as well as quantity, to be approved at tomorrow’s meeting. This statement could then be taken to another level of specificity by the December meeting once more information is known regarding the metrics which will be utilized.

Risk Management Update

Ms. Dudley reported that information on risk management was included in the eBoard book. At the Advance last year, the administration was asked to develop a model to keep risk items in front of the Board. Prior to each Board meeting she solicits from the various vice presidential areas any potential high-level risk items that need to be added to the model. The first few pages of the report outline a summary of changes which have occurred. She asked whether this model is working for the Board. Consensus was reached that this represents a great model which is necessary and beneficial to the Board and presents information which has been illuminating.

One new risk that was added to the model – performance funding – has already been discussed. Other new risks include:
Emergency Alert System – work is currently underway to enhance the system to ensure quick and clear communication can be distributed to the campus in an emergency situation. Currently emergency messages are delivered through texts, emails, campus speaker systems and phone systems.

Electrical infrastructure – there are continued concerns with the aging campus electrical infrastructure. This project was not funded by the state for the 2016-18 biennium budget but the University must manage and plan to begin this project with existing resources until the next biennial budget process.

Dual credit – this scholarship program will represent a financial risk for the institution. Risks are related to maintaining appropriate levels of academic rigor and providing courses for the required minimum per credit hour amount of $52. Decisions will be made this year about continued participation in this program.

Old Fine Arts – the building is experiencing increased water issues with flooding in some classrooms. This is due primarily to the larger than normal amounts of rainfall this summer. The building has been plagued with ground water seepage for several years but the amount has grown larger and the associated impact is greater. An A&E firm will be hired to examine the situation and make recommendations.

Performance metrics – represents a huge financial risk for the University because based on specific performance metrics – yet to be determined – the institution will have to continue to have measured improvements to retain current levels of state appropriations.

Free tuition – during the last legislative session there was some action to advance a proposal to provide free tuition for a student’s first two years of college. This was not approved by the legislature but if the idea resurfaces it could have an impact in future years.

Graduate enrollment – enrollment in graduate programs for Fall 2016 is expected to significantly decline. Undergraduate enrollment also continues to be a tremendous risk for the University as competition for students continues to increase. Freshman enrollment numbers are up – illustrating that the new model is working – but there has been slippage in other populations. International student enrollment has decreased partly due to the discontinuation of exchange agreements by other countries. There has also been a change in the mix of students enrolled. Retention of higher paying students versus lower paying students based on residency is key in this area and is being reviewed. Mr. Dietz reported that the number of high school students is up in the South in Texas and Florida – areas from which Murray State does not normally draw students. Kentucky high school enrollment is relatively flat and will remain so until 2020. In the Midwest – Missouri, Indiana and Illinois – high school numbers are down. Dr. Bumphus indicated that the graduating class sizes are down but the largest increases are coming from the Hispanic student population which is what is occurring in Texas, Florida and Arizona.

Ms. Dudley reported that where it is noted a particular item on the risk management list has an increased probability that means it is more likely this particular risk will materialize. Specifically for the Science Complex – Chemistry and Biology buildings – contractual negotiations are taking longer than anticipated and actual repairs cannot begin until negotiations are finalized. This does represent additional risk.

Dual Credit Review

Dr. Duncan reported that the Racer Academy is Murray State’s Dual Credit Program. The Racer Academy has three different components – the broad component which is the Dual Credit Program, the Agriculture Racer Academy (Agriculture classes offered throughout the state) and the Thoroughbred Academy. The Thoroughbred Academy is a much smaller program which targets the highest-achieving students from Trigg County High School, Marshall County High School and the Four Rivers high schools (Fulton, Fulton Independent, Hickman and Carlisle).

Students enrolled in Racer Academy classes are significantly more likely to remain in college and succeed than their peers. The retention rate from freshman to sophomore year is the same as that for all Murray State students but the sophomore to junior year retention rate 10 percent higher for students who took Murray State dual credit classes in high school (does not include students taking dual credit courses from other institutions) and this difference is higher than that for any other retention initiative. One reason Murray State Racer Academy classes have been so impactful is that all are very careful to ensure they are taught as true college courses. Many dual credit programs across the country offer high school classes for which students receive college credit but Racer Academy students are provided with college-level classes for which they receive high school credit. These classes are the same classes that would be offered on the Murray State campus and the result has represented a tremendous impact on these students. The progress of these students will continue to be tracked to see how the retention rate ultimately affects graduation. The program is relatively new and there is no long-term data at this point but dual credit students will be tracked as they progress through college. Participation in the Racer


Academy also reduces the time to degree, student debt and the number of instructors needed when students enroll at Murray State as first-time freshmen. The tuition charged for Racer Academy students has been significantly lower than tuition charged for regular courses. For many of the Racer Academy courses there are outside organizations that help support the students. The Racer Academy also benefits community outreach and promotes good will. It is important for Murray State to spend time in the school systems in order to form relationships with the principals, guidance counselors and students.

The Racer Academy and the Four Rivers Thoroughbred Academy are helping to create a college-going culture in the Four Rivers region of western Kentucky. In this area, traditionally the rate of college-going students has been extraordinarily low and the success of those students, if they do attend college, has not been tremendous over the years. A few years ago the Four Rivers student Foundation started offering a variety of different initiatives targeted toward improving the college-going rate, in addition to a number of other educational projects. The Thoroughbred Academy program is offered in the four counties outlined earlier. The impact of the Four Rivers Foundation and the Racer Academy and Thoroughbred Academy classes has been phenomenal. This Fall 58 percent of all Fulton County High School graduates – not just Racer Academy students – have enrolled at Murray State. The University having a presence in these schools is really making a difference. Enrollment of Hickman County High School graduates has increased by 60 percent this Fall. The work the University has undertaken with the Four Rivers Foundation has enabled students at all levels to see that they have a future in education – whether through a four-year college or the community colleges. In the past they may never have considered college as an option. Hal Heiner, Kentucky Secretary of Education and Workforce Development, considers the Four Rivers Thoroughbred Academy to be the model for how to best provide dual credit opportunities for the Commonwealth’s high school students.

Dr. Duncan further reported that offering dual credit courses is challenging due to the work involved in enrolling these students, tracking them through the system and keeping up with their accounts. The Bursar’s Office, Registrar’s Office and Enrollment Management must process dual credit students by hand and this process is very time intensive. There are approximately 700 dual credit students every Fall and as of yesterday the number was 693 students. Dr. Bumphus indicated the University has the Banner system in place and asked why every aspect of enrolling these students has to be done by hand. Ms. Dudley reported that high school students are not allowed to enroll through Banner. Traditional students can enroll online and that information then feeds through the Banner system. Due to the timing associated with when the high schools start their courses these students must be enrolled by hand at Murray State. Although Banner can accommodate this work it is the University’s choice to hand enroll these students to ensure the accuracy of data provided. Dr. Duncan also reported that if students are benefitting from Racer Academy tuition it must be assured they are not signing up for other classes – which is one reason they cannot be allowed to enroll through Banner. The enrollment timing must also be handled differently because the high schools start on a different date than the University. It was discovered early on that the University must carefully control this entire process as it relates to high school students. Students are in Banner to allow them access to Canvas but the University takes care of registering them.

There are larger issues associated with the Dual Credit Program and one of those is the loss of revenue. Every Fall approximately 700 students paying a significantly reduced rate of tuition for dual credit courses leads to lost revenue for the institution. Many of these students have taken a number of Murray State courses so when they come to campus they have less courses that are needed to complete a degree which ultimately results in a loss of tuition revenue. Another concern is that there is an increased demand for dual credit courses while dual credit revenue is declining. The Governor’s new dual credit initiatives under the Kentucky Dual Credit Scholarship Program limits tuition to one-third of Kentucky Community and Technical College tuition – $52 per credit hour – for any university participating in this program. Given the Governor’s limit on tuition that can be charged for dual credit courses, it is now a challenge for the University to even identify sufficient resources to hire an instructor to teach these courses. The amount of revenue and the cost involved because of this new requirement is very painful.

Another concern with the Governor’s initiative is the goal to have the majority of high school teachers certified to teach dual credit classes. If more high school teachers are credentialed as adjunct faculty, some of what makes Murray State’s Racer Academy and Thoroughbred Academy so powerful is lost. It represents moving this program away from the University and
into the high school classroom. There is a concern that credentialing a larger number of high school teachers to teach college-level courses will dilute the quality of the experience for students. The University must be careful to maintain rigor and relevance and does not want to dilute the positive impact of dual credit experiences. Students are not just earning credits while they are in high school but the University also wants to ensure they are having the true college experience while they are attending high school. This will give them the knowledge and skills needed to be successful after entering college. Retention data shows that academic ability is not the best predictor of retention and graduation. The real predictors are preparation, grit and learning soft skills. Through the Racer Academy, students are not only earning credit but they are learning soft skills that will help them be successful once they enter college.

Dr. Duncan reported that some of these high school students actually come to Murray State to take courses alongside college students and such courses are taught by regular faculty. Others come to campus for classes which have been established specifically for the dual credit students and some of these courses are taught by adjuncts. Some professors and adjuncts actually teach dual credit courses in the high schools. There are some high school teachers who have been credentialed but those individuals must meet the exact same requirements as Murray State faculty. The number of teachers who currently meet the credentialing requirements represents a relatively small pool. For SACSCOC accreditation purposes, the University must ensure that everyone who teaches these courses meets those minimum credentialing requirements. An effort is made to involve as many full-time, regular Murray State instructors in dual credit courses as possible.

Chair Williams congratulated all on such a wonderful program and expressed appreciation to Regent Rudolph for helping to make these opportunities possible through the Four Rivers Foundation.

New Student Freshman Profile Update

Dr. Wezner reported that a New Student Freshman Profile Executive Summary was provided in the eBoard book and contains information about this year’s survey as well as a comparison from previous years since this marks the third year the survey has been administered. Students enrolling in Summer Orientation sessions are asked to complete a 35-question survey that asks questions about who they are, what their high school experiences have been (particularly during senior year) and what they expect during their first year at Murray State. Additional highlights included:

- There was a 39 percent response rate (625 students) and 65 percent of those responding were female, 41 percent being first-generation college students and representing 20 states. Last year 59 percent of females responded to the survey which represents a gender bias in terms of the population will be most likely to complete the survey.
- A map was provided showing where students are matriculating from and in what numbers. Larger clusters can be found in Murray, Mayfield, Madisonville, Henderson, Louisville, St. Louis and Memphis with smaller clusters coming from Nashville, Lexington and Cincinnati. This demographic has not changed a great deal over the past three years.
- ACT scores increased from last year which was expected due to the new freshman admission requirements. This is also the same time males and females have had the same ACT composite score (23.9). As has been the case nationally, female students tend to be stronger in English (25.1) opposed to male students (24.1). Female students are also about one-half of a point stronger with regard to the ACT composite score for reading. Male students scored higher with regard to the math component of the ACT (23.1) compared to females (22.6). Kentucky law requires that the University provide remediation for students having an ACT composite score of a certain level and below. Based on ACT scores, 29 percent of students require some sort of remediation. Last year this figure was 34 percent which represents a significant drop. More students need math remediation (20.6 percent) with reading (12.5 percent) and English (6.6 percent) being the smallest areas where remediation is required. For students requiring remediation in math, 32 percent also require remediation in another area. The smallest category in terms of percentage – English – involves the smallest number of students but also those with the highest number of limitations. Among students requiring remediation in English, 80 percent require remediation in at least one other area.
- Questions were asked of the students regarding their senior year in high school and how much time they spend participating in certain activities. Some surprises included that these students are not working and they are not completing a foreign language.Incoming students are spending one to five hours per week on schoolwork, school-related activities and volunteering. Students are also spending six to ten hours per week relaxing and socializing.
- Students were also asked about behaviors associated with being successful in the classroom. They often summarized information from texts or discussions, reviewed notes and analyzed texts or sources
to draw conclusions. This represents quantitative measures such as critical reading or critical thinking that are generic and not specific to a particular field or discipline. It is positive that students plan to continue to engage often in behaviors which will enable them to be successful in the classroom, regardless of major. Students were honest that sometimes they have gone to class without completing readings or assignments.

- Among students who chose to attend Murray State, 78 percent indicated the University was their first choice. The top five reasons students choose Murray State were: 1) it offers the degree they wanted, 2) they are comfortable with the size of the campus and the classes, 3) affordability, 4) they were accepted and 5) academic excellence. Last year affordability was the most common response. This data represents the most common reason students give as to why they want to come to Murray State.

- Of those who responded to the survey, 109 different majors were declared although 19 percent of these students remain undeclared. STEM majors comprise 41 percent and STEM-H majors comprise 50 percent of those students who have already declared a major.

- The most common majors are Nursing, Animal Technology/Veterinary Technology/Pre-Veterinary and Biology/Pre-Medical and these are considered STEM or STEM-H degrees. The most common degrees conferred last year, in order, were the Bachelor of Integrated Studies, Nursing, Animal Technology/Veterinary Technology/Pre-Veterinary, Business Administration and Elementary Education. This indicates that the degree students finish college with may vary from the degree they were initially pursuing.

- Students were asked what they expect or anticipate from their time at Murray State. Respondents expect to spend six to ten hours per week preparing for class and there is no change in the amount of time they expect to be spending on extracurricular activities (six to ten hours) and they still plan to volunteer at a significant rate (one to five hours) which is impressive. One surprise is that students plan to spend zero hours for foreign language study and that is concerning because it is required for the Bachelor of Arts degree. There was a significant change over last year in the amount of time these students expected to work (11-15 hours) and this is reflected in that fact that one of the things students are most concerned about is paying for school.

- Students were asked what they could do in the classroom to help them be successful. Students planned to very often spend time revising written assignments and reviewing notes after class and these represent individual behaviors that students undertake on their own. The survey also asked about behaviors which would involve working with other people – including asking for help, working with other students or talking with a faculty member. It is interesting that students are more likely to ask a fellow student for help (instead of asking a staff or faculty member). The good news is that 78 percent of students indicated they will never show up to class without completing readings or assignments and 85 percent responded they would never not attend class.

- Questions were asked about student persistence in the face of fairly common academic challenges. Students agreed they would study when there are more interesting things to do, start assignments early, participate in class discussions or group work even when they do not feel like it, ask for help if they have trouble with coursework, keep working on assignments or projects even if they run into difficulties and remain confident even if they do poorly on a test or assignment. These all indicate a motivated attitude to being successful and graduating from Murray State.

- The top four other common challenges for first-year students are academic in terms of learning course material, writing papers, speaking in or in front of class and managing time. Getting help with coursework and interacting with faculty was deemed to be a little challenging. Students had no concerns with making new friends, living on campus with roommates, getting involved in campus activities and being away from home. The students are, however, very concerned about paying for college.

- In terms of how successful these students plan to be at Murray State, 96 percent expect to get A’s or B’s their first year and 96 percent plan to graduate from the University and do so in 5.5 years or fewer. Of the students surveyed, 77 percent expect to graduate within four to 4.5 years. To put this in context, the national average for public schools is 58 percent graduating in six years. The University graduation rate from last year was 48.5 percent. What these students are expecting might not necessarily match up with what could happen but all hope this is not the case because these are students admitted under the new admission standards.

Preliminary Enrollment and Tuition Model Update

Mr. Dietz reported the following with regard to preliminary enrollment numbers and the new tuition model:

- New admission standards were implemented for incoming freshmen beginning this Fall. First-time freshmen numbers are up by 2.5 percent over last year (1,500 new freshmen). This also represents a stronger freshman class and metrics are up in many areas including ACT score and class rank. There are also fewer students in the bottom 25 percent of their high school class. Last year the University brought in approximately 80 students with below an 18 on the ACT and this year there were only 15 students admitted in this category. These changes will help graduation rates in the future. Mr. Kemp indicated information was reported that only 29 percent of these students require any type of remediation and asked for a comparison on the state or national level. Mr. Dietz indicated this would
be hard to compare because other states use different benchmarks. The University was able to attract
more Valedictorians than in the past and the top half of the freshman class is extremely strong.

- First-time transfer enrollment is fairly flat (slightly down).
- First-time graduate enrollment is down approximately 21 percent.

Dr. Duncan indicated there seems to be a variety of reasons why graduate enrollment is down. There has been a decline in enrollment for graduate education degrees because there is a private school in the state – University of the Cumberlands – that is charging a level of tuition that cannot be matched by any of the public universities and the master’s degree program is being offered 100 percent online.

Also, a cap had to be put on one program that had very high international enrollment because staffing was not sufficient to increase enrollment in this program any further. Dr. Davies reported that overall international enrollment has also dropped and this has occurred across many different types of programs. He has asked several individuals to look at graduate enrollment because there are programs that are doing well and increasing numbers. There are other programs that are decreasing in terms of graduate enrollment. The Master’s Degree Program in Engineering is considering changes which were made to the overall admission requirements for the University to ensure that degree program is attracting students who are ready. The decrease in graduate enrollment will require the Deans to look at all of their programs and make some decisions.

The situation with education is difficult. The Master of Education degree is required in order for teachers to receive licensure but it seems it has become a transaction degree versus a degree of quality. It would be desirable if Superintendents would take a stance that they want their educators to be the best educated and not necessarily earn a degree in the cheapest, fastest and easiest way possible. Dean Whaley has been asked to look at this program specifically and some decisions will need to be made. If the University wants to lower its price and compete directly with the University of the Cumberlands for the Master of Education, this represents another discussion in terms of quality. All must be mindful of the current budget situation and resources associated with that program or decide how to create a niche where the institution creates value for that degree. Ms. Farmer indicated that the fact teachers are pursuing the degree means that they are interested in professional development.

Mr. Dietz further reported:

- As of Day 5, dual credit enrollment has increased by 6.4 percent but more current numbers which will be presented tomorrow indicate the University could be down in terms of dual credit – although numbers are still strong.
- Overall, preliminary total enrollment shows a slightly less than 3 percent decline. Total enrollment includes new freshmen, returning students and new transfers and graduates.
- Last year two different tuition rates were established for new and returning undergraduate student cohorts. There were some concerns expressed by parents who have two students at Murray State, one on each model. Each of these students could potentially be on a different scholarship model as well. Returning students will have six years to graduate before they will be required to move to the new tuition rate model.
- Working with two models and two different cohorts has presented challenges in many areas, particularly in terms of pricing and accounting requirements. It is difficult to maintain the two models simultaneously.
- Concern had been expressed about charging for each credit hour above 15 but in actuality that change generated very few concerns. There has not been a reduction in the number of students taking more than 15 hours and the number taking 16 hours and above has remained relatively the same.
- New scholarship grids were developed for incoming freshman and transfer students. This has really seemed to work on the freshmen side with a stronger quality freshman class. The transfer numbers did not increase so it is difficult to determine what impact the new scholarship grid (with increased dollars for transfers) may have had on this population. This will be monitored moving forward. The state as a whole is down in terms of community college and transfer students. The community colleges have lost over 20,000 students over the last five years. This population peaked at over 110,000 but approximately 90,000 students are now enrolled.
- The new Retention Scholarship was added but the impact will not be known until Fall 2016 first-time students complete their first year at Murray State.
- All students are now required to complete the Free Application for Federal Student Aid (FAFSA) and the University has received some push back from families that felt they would not be eligible for federal funding and should not have to complete the application. Overall the effort has been
successful and very few negative comments were received from students. There was an increase in FAFSA submissions. In FY16, 10,460 students completed the FAFSA and for FY17 that number is 12,978. This presented some challenges for the Financial Aid Office but overall they handled the situation well.

- The refund date was moved from two weeks before the beginning of classes to two weeks after classes begin. Overall, this process has gone well and there have been few negative responses after explaining the reason for the change. It is too early to know how this has impacted student balances.

The Board adjourned for lunch at 12:30 p.m. and reconvened at 1:15 p.m.

Title IX Update

Ms. Duffy reported that Title IX and sexual misconduct laws and regulations are not a matter of mere compliance and involve the safety and welfare of students and employees. It also involves the promotion of healthy and effective behaviors in an academic environment. Students and employees should live and work in a productive environment and Title IX matters can interfere with that healthy environment. Effective governance at the Board level requires balance and avoiding micro-management. At the same time, the Board has a desire to be sufficiently informed to effect institutional effectiveness. Title IX law was enacted in 1972 but, with the numerous lawsuits which have been occurring since 2011-12, colleges and universities are focusing heavily on Title IX to ensure they are in compliance and are providing the necessary tools. Title IX states that “no person in the United States shall, on the basis of sex, be excluded from participating in, denied the benefits of or subjected to discrimination under any educational program or activity receiving federal financial assistance.” Title IX not only affects the University in terms of students not being eligible to receive financial aid but it also affects those students who want to be part of the Racer family. Title IX requires gender equity in athletics, prohibits discrimination in college programs and activities and prohibits all forms of sex discrimination – non-violent, such as sexual harassment and violent, such as rape, stalking and the like. Sexual harassment also applies equally to students, faculty and staff.

The law has not changed but how the Office for Civil Rights, the Department of Labor and a host of other governing entities provide oversight has been the greatest change. The Office for Civil Rights has been provided with funding from the President of the United States to monitor Title IX to help keep campuses safe. In terms of duty, if a person knows or reasonably should know of a matter of sexual assault, sexual harassment, sexual misconduct, stalking or any sort of sexual exploitation, they have a duty to report that to the Title IX Coordinator – which is Mrs. Duffy.

She indicated it is an honor to serve in this role and faculty, staff and students trust her enough with this type of information so the University can provide the necessary help for affected individuals so they can continue to be productive students who graduate and become an asset to the Commonwealth. This represents an awesome responsibility which also requires a team effort. Board members are very influential and are well-known in their respective areas. For this reason, people may share information with the Regents. Although at the time a particular Board member may not assign a lot of meaning to something they have been told that may sound like sexual exploitation, they should still pick up the phone and let her office know. That is the only way the office can reach out to the involved individual. At the moment a Board member is alerted to a potential situation the clock begins ticking and when a Regent is put on notice the institution is also considered to be put on notice. Many boards are struggling with the personal liability that surfaces from not reporting and no one wants this to be the case. She has heard many times today the love that this Board has for Murray State students, its employees and its ability to move forward. Part of this love has to be reporting of potential Title IX issues.

Mrs. Duffy reported that the Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act of 1990 is also an important component of Title IX work. The Clery Act is named after Jeanne Clery who was raped in her dormitory and brutally killed. Her parents advocated for a law which would require students, faculty and staff who are aware of crimes that occur on campuses to report those instances. Every year every institution across the country is responsible for preparing an Annual Safety and Security report – or ASR – which lists any incidents that were reported. However, the ASR does not go back and edit those reports. If someone claimed that their vehicle was burglarized and a textbook was stolen but they later find it in their room, that individual cannot go back and alter the report. The ASR includes all incidents reported, not necessarily the end result. This gives parents, faculty, staff and students an idea of the safety environment for the campus in which they will be living, working and growing.
The Violence Against Women Act (VAWA) represents a series of amendments that were proposed and passed in 2013 and expands on the University’s obligation to collect and report statistics about dating violence, domestic violence and stalking. This is in addition to the sexual assault statistics that were already required by the original Clery Act and this represents more in-depth reporting. The VAWA Act also requires the University to provide timely warning notices across campus of events occurring either on or off campus, along with tips on how to remain safe as a member of the Murray State family (or unit). Examples of tips include being mindful and utilizing Racer Patrol at night. Depending on the issue, the appropriate tips can be provided accordingly.

Colleges are required to adopt and disclose these policies and Murray State has done a very consistent job of adhering to this standard. The IDEA Office and the Title IX Coordinator work very well with Public Safety and will continue to do so because both units serve the campus. The campus is considered to not only be the main campus but the extended campuses as well. Title IX moves beyond the physical attributes of the campus. If an employee or student is travelling because of Murray State, Title IX, the Clery Act and VAWA follow those individuals. If a student is in Costa Rica and something occurs, the University works with those individuals to determine where they are in order to be able to get them home, get them help and provide necessary services, illustrating that Title IX responsibilities are not place bound – they actually follow the employee or student. This can sometimes be difficult for individuals to operationalize but Title IX, the Clery Act and VAWA have far-reaching arms.

The Board has seen campuses in the news for a host of reasons. Closest to Murray State are Vanderbilt and the University of Tennessee system. These institutions have been in the news for failures to report in instances and efforts to cover up incidents. Mrs. Duffy is proud that this does not apply to Murray State and she expressed appreciation to the Board for their willingness to take a vested interest in ensuring that does not occur on this campus.

On a national level – not just at Murray State – students do struggle with alcohol consumption as well as with consent. This is why all alcohol education and Title IX trainings are required for students because all want them to make good decisions. Students do struggle in terms of what constitutes consent. The trainings include information about what consent is, what it looks like and what it requires. Programming is also being offered to respective areas on campus such as with the band, in athletics and in the residential colleges. If the University is able to get students to understand what represents consent and to also step in and be an active bystander when they see a friend not making the best of choices, violence against other races or students this behavior could be eliminated – not only on the Murray State campus but on other campuses as well. Students need to be encouraged to take back the whole notion of civility and being respectful. This work is always underway.

Although many cases provide decision makers with little to no evidence, those who report incidents were cautioned to not go out and investigate. The University has trained investigators to undertake this work and a reporter’s efforts to investigate could actually impede the efforts of University officials.

In addition to programming and training opportunities, as evidenced through comments on various media platforms, it has become obvious that Mrs. Duffy clearly is providing a great deal of communication with faculty, staff and students. These populations recognize that they not only have the responsibility to take the required training but also to pass it with a score of 100 percent. This puts the University on good footing in the event it is challenged or sued. Students often ask why they have to take the training so early in the semester. Mrs. Duffy reported that issues related to Title IX occur most often within the first 30 to 90 days of each semester. If the information is provided earlier all involved individuals can make good choices in terms of not only being good citizens on campus but also external to campus.

In order to be in compliance with Title IX, the University must appoint and maintain training for a Title IX Coordinator and that is Mrs. Duffy. Title IX is ever-evolving in terms of those things that are required of the University and this is why all are compelled to stay on top of new developments in this arena. The Board is diligent about approving policies and procedures which reflect the latest changes in laws and this includes the Grievance Procedures the Board approved in December which are being disseminated widely. There will likely be additional changes and the Board was asked for their continued support in this regard. Clear definitions are
provided for all the different types of prohibited conduct, including a brochure provided in the eBoard book. This brochure contains all the key information, including campus resources such as counseling, Public Safety and the extended campuses. An individual on the Madisonville campus who calls Public Safety in Murray is not going to achieve what it needs to achieve. Those individuals would need to contact the local police and the document provided outlines the appropriate procedure to be followed. This information is not only helpful but is required as part of VAWA. Bystander intervention programming is also offered through several offices which are working together to establish a peer intervention team that will be working on advancing this objective from a student perspective. The information is better received when there is student-to-student interaction.

Board members often ask Mrs. Duffy whether they need to tell her part of what they know or if they should tell her all of what they know. It is crucial for Mrs. Duffy to have the whole story—whatever it is—that a Board member may know. She can then work with the individual to help them in the way they need to be helped. If she is working with these individuals but has only received partial information, while Mrs. Duffy thinks they are being provided with the University full scope of help, only partial help could be being given. The majority of Title IX cases involve multiple issues occurring at one time which is why any information shared with Board members should be shared with the appropriate individuals on campus.

There are two places on campus where such information can be reported and it will not be shared with Mrs. Duffy. This includes University Counseling and the Women’s Center. These two entities are protected from having to advance information received to the Title IX Coordinator but they do make the referrals. Nine times out of ten the involved individuals do come to the Title IX Coordinator to talk about available options. University Counseling will not be able to help these individuals with restructuring classes if they happen to be in the same class with or are working alongside the individual against whom they have a complaint. Talking to the Title IX Coordinator does not equal filing a complaint. The role of the Title IX officer is to hear a person’s story and try to determine their needs. Many times these individuals are simply trying to find a way to take back the power they feel has been taken away from them and an effort is made to maintain the counseling connection throughout this process. An effort is also made to help these individuals understand that they are going to feel like they are on a roller coaster and that this is really okay. Everyone goes through their own journey to reach healing. There may be resources these individuals need that they do not think about until they talk through the situation, including where they live and having to attend classes. This does represent a robust conversation and if the individual wants to involve law enforcement at that point the police will be dispatched to Mrs. Duffy’s office so they do not have to travel across campus to talk to an officer. The local Murray Police and the Sheriff’s Department have been very good to come to the University to minimize what the individual is experiencing. Available resources are also shared with these individuals and they are walked through the grievance process. Because the person is going through so much they only hear bits and pieces which is why the grievance procedures and student disciplinary procedures are repeated as much and as often as needed to ensure they have the necessary tools in place and that those not be perceived as a road block.

Assurance was provided to the Board that faculty and staff, as well as students, are participating in Title IX online training. Several face-to-face training sessions are also offered and sororities and fraternities are even requesting this service. A great deal of discussion occurs with regard to blurred lines and how those can be eliminated not only at social events but just period. Good conversations are occurring and the IDEA Office is reaching out however it can.

Assurance was further provided that policies and procedures are up-to-date. In terms of the campus climate, students do know who the Title IX Coordinator is and that is a requirement of the various pieces of legislation related to this area. Students also know where to report incidents but they do still struggle with the meaning of consent and this represents an area where improvement is needed. Students have varied disabilities and sometimes they do not necessarily read nuances. Because they may not understand the nuances they could continue the behavior. As this work continues, individuals will not only be respectful on the respective campuses but also represent the University well outside of Murray State.

Appreciation was expressed to President Davies for supporting the necessary training and having it be required of all students, faculty and staff. This has served all immensely well in this area.
Dr. Davies reported that as a member of the Board all Regents are a member of the Title IX team and if they hear of such instances they are required to report those instances to Mrs. Duffy. Board members were also asked to participate in the training if so inclined. Dr. Bumphus commended Dr. Davies and Mrs. Duffy and indicated as good of a process as he has ever seen is in place to address these issues and there could be a major cost associated with not undertaking this work – including monetary and reputational harm.

Student Regent Proposal

Mr. Combs indicated he would like to discuss possible funding proposals for the Student Government Association. Discussions which occurred last year with Drs. Davies and Robertson and Ms. Dudley have developed over the summer into what is being presented today. SGA, much like the Faculty Senate and Staff Congress, receives its charge from the Board of Regents and the entity is part of Board policy in terms of the Constitution and Bylaws. A portion of the SGA mission is to promote the welfare, growth and development of student life. He is proposing a new funding model for SGA that will continue to support and sustain the strategic goals of this governing body that very much fall in line with the goals of this Board and the University. There is research to support that engaged students on campus equal more successful students which leads to better retention rates and this will provide assistance with forthcoming performance-based funding.

The Student Government Association is one of the key players with regard to campus programming, which is a huge portion of the SGA responsibility, and its promotion of shared governance on campus. Discussions have occurred with Ms. Dudley on creating a funding model for SGA. Each year SGA is provided with a straight allocation from Student Affairs to fund various programming and services that are offered. College affordability is a huge issue for Mr. Combs as well as for everyone at this table. When he speaks to the various constituent groups about how to improve services and programming, it all comes down to one thing – the SGA simply does not have a sufficient budget to be able to provide programming and services that students want and expect from the University. This coming year Mr. Combs will present a student endorsement to the Board. Students could vote against the funding model which would indicate that while they want the increased programming and services they do not want those enough to pay for them. If that is the case, the Board will not hear anything more about this proposal after this meeting. If, on the other hand, students indicate they are willing to help pay and sacrifice for a funding model in order to receive extended services and benefits, the Board will likely be presented with some sort of proposal.

The Student Government Association currently receives $139,299 annually but as part of the budget reductions received a fairly large cut in funding – approximately 17 percent of its operating budget. The SGA has been able to move monies around to be able to have another successful year but, obviously, like any department or program on campus, a 17 percent cut is significant. Student government at the University of Louisville receives $1.2 million for their programming needs. In terms of headcount, UofL total enrollment is roughly two times more than that at Murray State but their budget is 8.5 percent larger. The Murray State SGA is unique in that it has a Campus Activities Board which plans a lot of programming offered on campus, along with student government. The UofL Campus Activities Board receives an additional $700,000 which puts funding for student government at that university at just slightly below $3 million – 13 times the budget for double the number of students. He is not saying he wants $1 million for student government at Murray State because he knows that is not realistic and would be way out of line with what is needed for SGA to do its job successfully. In terms of the average cost of programs and services, a program offered in the Curris Center can cost between $2,000 and $5,000. Today, a free customizable street sign service was offered to students and smaller lectures are also planned. A small lecture can cost between $10,000 to $15,000 to upwards of $30,000 or more for more prominent speakers. Concerts SGA currently pays for are for artists that the students have never really heard of so the turnout is relatively small. To get concerts of the caliber of what students expect and a group that they have listened to on the radio would cost $30,000 minimum but more realistically would cost $50,000 for a name with a few hits but that is no longer on the charts. His main goal is not to be able to attract artists like Taylor Swift or Beyoncé to campus but to be able to take current funding and expand that to the caliber that students are expecting.
In addition, SGA would like to expand services offered. Approximately $5,000 is set aside to fund organizations that can provide alternative programming on campus to service more of the niche areas. This $5,000 typically runs out very quickly and an effort is made to save some for each semester but if really good programming opportunities come about, SGA wants to be able to help fund those efforts. Looking at the expansion of student services that SGA can provide, it is not uncommon for student government to provide book scholarships. This past Tuesday Western approved a scholarship for students with ADA-recognizable disabilities. Many times these students are not provided with such opportunities. These monies could also be used for student legal services, travel funds for students to present at conferences and participate in other scholarly activities, educational programming and safe ride services. Additional funding would enable various organizations to provide funding for specific programming that might otherwise be out of reach. Currently, 55 percent of the Student Government Association budget is utilized for programming.

In terms of the timeline, it is hoped that working with Ms. Dudley a model can be developed which would work for student government and this would likely be voted on by students prior to the December Quarterly Board Meeting. The timeline is very tentative as additional research must still be conducted. If all goes well with the student vote, the Board could be presented with a proposed funding model at the December meeting and members would be asked to provide feedback. At the Spring meeting the Board would be asked to take action on a final funding proposal from SGA and this could tie in with the potential of any tuition and fee increases. Fee-based funding is not uncommon for student governments. In Kentucky, two public schools have a fee-based student government system instead of a straight allocation system. This is also not uncommon at the national level. The Student Government Association is considering two main models. One would be a per-credit-hour model and the other would be a small semester headcount fee (flat rate). Work is continuing in terms of what that final model would look like. Board members were encouraged to provide any feedback they might like to share.

Mrs. Guess asked what kind of budget Mr. Combs is hoping to stretch to and he indicated that student government could provide the necessary programming and services at the $500,000 mark. This would put the programming budget at the point where student government could bring in the caliber of individuals that students expect. This would also provide sufficient funding on the services side to provide a greatly enhanced number of services. Confirmation was provided that Mr. Combs’ homework on this issue will include what the other regional universities are doing in this area, as well as benchmark schools. In response to whether student government has previously been fee-based, Mr. Combs indicated there used to be a Mandatory Student Fee and SGA received a portion of that revenue. When mandatory fees were consolidated that model disappeared and the University went to straight allocation for SGA. Mr. Combs indicated he must have student support for such a model and if they do not support it he will not be advancing any type of proposal. If students really want the services they have been asking for then he will advance the idea.

Departmentally-Funded Scholarship Guidelines

Dr. Davies reported that the departmentally-funded scholarship guidelines conversation represents a direct request from the Board of Regents for discussion given challenges the University has faced over the past year. This also represents the presentation of a mechanism for departmentally-funded scholarships to be awarded so that the process is transparent and defensible to management.

Ms. Dudley reported that the budget includes $40 million for scholarships. These are made up of a combination of merit scholarships, academic scholarships used for recruitment and for other discounts such as the Governor’s Scholars Program, Commonwealth Honors Academy and athletics. Departmental scholarships represent a very small portion of the total scholarship budget ($300,000 to $350,000) and these are funds where scholarships are being awarded out of the individual departmental budgets. The funds are awarded at the discretion of the department and these could represent University funds or donor dollars that the individual departments have to be used for this purpose. Most departments already have committees in place to award scholarships but the proposed guidelines will now require this component. The goal is to have the department create a scholarship committee – if they do not already have one – so all students have a fair opportunity to know about and potentially receive these awards through established, publicized and evaluated criteria to standardize the process for awarding such scholarships. An
effort has also been made to ensure that departmentally-funded scholarships integrate with the University’s standard Scholarship Office awarding process that is administered under the direction of Mr. Dietz. This helps to ensure that the necessary documentation for awards is on file and these scholarship dollars are applied consistently and in the same manner as all other scholarship awards. This is being presented as an information item to the Board because the administration was asked by the Audit and Compliance Committee to develop departmentally-funded scholarship guidelines over the course of the year.

All the Vice Presidents have reviewed the guidelines and the Provost’s Office has shared the guidelines with the Deans. Unless there is some discussion among the Board, the administration is prepared to implement the departmentally-funded scholarship guidelines. Confirmation was provided that the Murray State Foundation has its own set of policies for scholarship awards and the policy being advanced refers to departmentally-funded scholarship policies to provide a uniform operating standard. Dr. Davies indicated that this represents an important step which provides the Deans, Department Chairs and others with a consistent process. The University is student-centered and wants to be able to provide scholarships to students when needed. This work must be undertaken in a way that is transparent so all know the appropriate process to follow to secure these scholarships. He is not implying that this has not been the case but these guidelines provide the necessary balance.

A question was asked about the benefit of decentralizing the scholarship awarding process as opposed to having it handled out of Mr. Dietz’s area. Ms. Dudley reported that a particular discipline may have different criteria than the overall scholarship structure. Faculty in these departments know their students and are aware of discipline-specific needs. This represents an effort to maintain the culture but also implement standardized guidelines.

Compensation Plan Update (Faculty, Staff and Minimum Wage)

Ms. Dudley reported that the Board was provided with information on the Education and General (E&G) budget (operating fund) and the Auxiliary budget. Dr. Davies asked her to review what the University’s compensation drivers were for this year in the budget the Board has already approved. This information was provided in terms of the E&G budget and $2.3 to $2.4 million was funded in the current budget for across-the-board increases, funds set aside to address the new FLSA overtime laws and the non-exempt compensation adjustment. This information was presented to illustrate what future needs might be or priorities the Board might establish. It was estimated that the FLSA change would affect approximately 200 employees although that number is not yet final. If the University adopted a 1 percent across-the-board salary increase for FY18 that would cost approximately $900,000. If the non-exempt compensation adjustment is continued – which the Board approved during this budget cycle – this represents a three-year process to raise the hourly wage for lower paid employees up to $10.10. The information presented represents a continuation of that model and would amount to $300,000. These items alone total $1.2 million additional monies to fund these two priorities for the next budget cycle. As planning is undertaken for FY19, the amount would be $1.4 million to continue the same model. If the Board approves 2 percent across-the-board raises, with an added merit factor, the information provided illustrates the associated multiplier. The goal in presenting this information is to prepare the Board for upcoming discussions at the next two meetings as the administration begins the budgeting process.

Chair Williams thanked Ms. Dudley for providing the Board with the appropriate context for future discussions. He believes the Board should take a few minutes to expand on the compensation discussion because it is such an important topic. All members of the Board need to be able to answer questions within the context of the entire budget. Articles have come out as recently as today regarding the authority of the University President or the Foundation President in regard to compensation and the ability to make significant compensation decisions and implementation without any Board direction or knowledge. It is important for this Board to understand practices and policies which are in place if members were to be asked. If there are any concerns, certainly the Board should address those. Dr. Davies was asked to explain the process which is used by the Board to determine his compensation and benefits and the process he uses to determine the compensation and benefits of those individuals reporting directly to him as President so this Board thoroughly understands that process.
Dr. Davies reported that he has a four-year contract which stipulates his annual salary. During his first year as President the Board approved an across-the-board compensation adjustment for all employees. His salary was not part of that cost-of-living adjustment. The Board later made a very specific recommendation and motion to increase his salary through the exact same process that was utilized for any other faculty or staff member. During that same year, former Board Chair Harry Lee Waterfield II requested a Presidential Compensation Committee be formulated and Regents Guess, Williams, Waterfield and others served on that Committee. The Committee reviewed his predecessor’s contract, as well as all contracts for the other university Presidents. One element that was not part of Dr. Davies’ contract was a deferred compensation arrangement. At the end of that year, in addition to a cost-of-living adjustment, the Board also included a deferred compensation arrangement of 10 percent of his salary on an annual basis. They also included as part of his contract a tax “hold harmless” clause. As part of his compensation as President he also has access to a vehicle that is used predominantly for University business. The taxable amount of this benefit is ‘x’ which is deducted from his salary and the taxable portion of the deferred compensation is also taken from his salary. He retains the same benefits as other University employees, including health insurance and sick and vacation days, but those are not part of the taxable waiver he receives for the deferred compensation arrangement or “gross up.” This represents his contract compensation package of approximately $330,000.

Dr. Davies further reported that he does not receive a salary from the Murray State Foundation. Although it is not uncommon for a public university President to also have part of their contract paid by this entity, he does not receive any benefit from the Foundation. As part of the contract, however, his wife can travel on University business and be reimbursed for that travel – up to $5,000 – through the Foundation and this reimbursement has been utilized maybe twice over the past three years. Reimbursement for travel for his wife has never even come close to reaching the $5,000 allowable amount from the Foundation. As part of his contract he can – with approval of the Board Chair – serve on a corporate board but he tried that once and is no longer there. He does not serve on any corporate boards at this particular time although that could arise in the future. His salary and benefits, as well as those for his wife, are solely provided by Murray State University.

Chair Williams indicated that in terms of the process of determining salary and benefits for the President, those benefits can only be set by action of this entire Board. Dr. Davies reported that his salary was increased last year by the same percentage as other employees and this was approved as part of the budget process and was not a separate action item. Although Ms. Dudley and others indicated approval of the President’s salary did not need to be a separate agenda item, it was duly noted by Chairperson Waterfield that the President’s salary was being increased and by a specific amount. As part of its duties and responsibilities, this Board sets the President’s salary and also evaluates the performance of the person holding this office. This pertains to all circumstances because Dr. Davies firmly believes in transparency which is crucial in terms of his salary and benefits. Chair Williams indicated it is also important to note that as this process has occurred the Committee did undertake the appropriate research, including a market comparison of similar universities both in and out of state and this work was undertaken within the context of the appropriate circumstance of Murray State. Comparable market data is what is fundamentally utilized to provide context for these decisions. Dr. Bumphus asked whether Dr. Davies is paid competitively within this market. Chair Williams indicated, if anything, he is paid on the low end of the scale. Dr. Davies confirmed that he is the lowest paid public university President in the state of Kentucky. Chair Williams indicated this is a subject that the Board will need to address in the future. Dr. Davies has not requested this nor is Chair Williams making it part of the agenda today but it is important for the Board to be aware of the process which has been utilized in determining the President’s salary. Dr. Davies’ salary is currently not where it needs to be, in his opinion, but that is not because it is too high. Dr. Bumphus indicated that as a new Board member he appreciates the transparency and it is beneficial to know the process and context of how this decision is made. It is important for the Board to understand the process and the full extent of the President’s salary and this body must be aware of any other agreements in terms of salary provided by the Foundation or through other means. Dr. Davies added that his contract does contain language which allows him to provide consulting services for a fee but it is also clear he must make that known to this Board through the Chair and the Chair of the Finance Committee. He is not currently serving on any other boards and 100 percent of his income comes from Murray State University.
Dr. Davies reported that with regard to setting salaries for those individuals who report directly to him, this is done through the budget process and these individuals do not have multi-year contracts. This includes all Vice Presidents and direct reports – with the exception of Athletic Director Allen Ward. The salaries for these individuals are established through the budgeting process and they, too, receive increases in salary which are approved through the Board process. A search is currently underway for a Provost and Vice President for Academic Affairs and he and Ms. Dudley have discussed current market rates to hire a Provost. An increase will likely be needed for this position based on current market conditions, the experiences this individual would bring to the institution and the salaries of other Provosts in the state. The Athletic Director does have a four-year contract which is approved by the Board – like every multi-year contract. Other multi-year contracts at Murray State University include Head Coaches and each of those have been approved by the Board. Until recently, the Volleyball, Rifle and a few other Coaches were on one-year contracts but they are now on three-year contracts and those contract were also approved by the Board. None of these individuals have supplemental salaries provided by the Foundation. Coach contracts do contain incentives if they reach certain standards academically and perform to a certain level within their associated conference in terms of national rankings. Those bonuses are paid out of the athletic budget. Coaches do not receive the cost-of-living adjustment increases other staff and faculty receive. Tomorrow the Board will be asked to approve a one-year extension to the contract for the Head Men’s Basketball Coach – Matt McMahon – but at the same salary. One change will be that the buy-out amount another university would have to pay to Murray State will be increased from what is contained in the current contract. Everything else remains the same. Chair Williams indicated the important point is that all compensation for anyone employed by this University comes through the Board for approval and there is no compensation provided outside the purview of this Board. Dr. Davies confirmed that is the case.

Dr. Davies reported that Dr. Jackson is a two-hatted man and is the President of the Murray State University Foundation but also serves as a direct report to the President, primarily with regard to deferred giving. His salary is split 50/50 between the University and the Foundation. He does have a multi-year contract with the Foundation but has a one-year contract with the University. The Manager of Miller Memorial Golf Course also has a multi-year contract with the Foundation and both of those salaries are set by market rates. Dr. Jackson’s salary was set by the Foundation through market rate analysis and all salary increases follow specifically the policies and guidelines of the University. The Foundation Board of Trustees is responsible for ensuring transparency in this regard. Dr. Jackson reported that once a year he provides a report regarding the Foundation to the Board of Regents. Two members of this Board serve as ex-officio members of the Foundation Board of Trustees – Chair Williams and Regent Rhoads. The Foundation has been in existence since 1946 and is an independent, separate 501(c)(3) non-profit organization. The Foundation is the caretaker of private funds gifted to this University. The Board of Trustees and staff of the Foundation have the responsibility to manage and handle these funds. Approximately $2.5 million in scholarships is provided by the Foundation each year from privately-donated funds. The Board of Trustees can be comprised of up to 30 members and does not set contracts or salaries for any University employees. All Foundation employees are considered to be University employees and adhere to every policy, regulation and law in this regard. The Foundation reimburses the University 100 percent for all of these costs. Dr. Jackson is the only individual associated with the Foundation in terms of employment in that he has a multi-year contract and his salary is split by the University and the Foundation. Four employees in the Foundation manage $120 million in assets, including farms, sorority suites and other assets that are leased to the University. The Foundation has the same number of staff members it did 20 years ago when they were managing assets of $30 million, compared to $120 million today. Miller Memorial Golf Course is owned by the Foundation and the Director – Will Snodgrass – is the only other individual with a multi-year contract (two years). The remainder of the employees for the Foundation are employed on a seasonal or part-time basis but are considered University employees and must follow the same policies and procedures of others employed by the institution. Dr. Davies clarified that the University runs the Foundation’s payroll and pays 100 percent of Dr. Jackson’s salary. The Foundation then reimburses the University for half of his salary and there is not a separate compensation system for employees in the Foundation. It is not possible for the situation to occur at Murray State that has occurred at other universities. Murray State faculty members also serve as Endowed Chairs or have Endowed Professorships and a portion of their salaries is reimbursed by the Foundation.
Mr. Kemp asked for an explanation regarding the Foundation’s relationship to the Director of Alumni Relations and also the athletic department and any supplements provided to employees in that unit. Dr. Jackson reported that the Alumni Association is also a separate, independent entity as is not related to the Foundation. The Foundation holds and manages some funds on behalf of the Alumni Association just as it does for Murray State University. The Foundation pays out monies to the Alumni Association and all of those employees fall under the supervision of Dr. King but this represents the extent of that relationship. In regard to athletics, the Foundation holds assets to benefit that unit. These are privately-held assets owned by the Murray State Foundation – which includes land in Hopkinsville. At one time, land in Hopkinsville was held by the Racer Foundation. Three years ago the Racer Foundation made the decision – on their own – to gift those assets to the Foundation. Those assets now reside with the Foundation to benefit athletics at Murray State University. The Foundation recently sold property in Hopkinsville to the Convention Center but still holds approximately 15 acres to benefit athletics and this land was provided by the former Racer Foundation. The Racer Foundation drafted guidelines which direct that this asset benefit athletics with a certain percentage being required to be directed toward basketball to enhance those programs. No monies are expended for salaries or athletic scholarships from this source. Dr. Davies reported that, as per NCAA compliance regulations with regard to institutional controls, the bulk of gifts or donations to athletics are processed through the Foundation. Confirmation was provided that donor funds on the University side are utilized to pay expenses for assistant coach spouse travel associated with attending athletic events. Dr. Jackson reported that the Foundation does not get involved in paying any type of supplements like the one just mentioned.

Mr. Rhoads asked if a gift is made and designated for Murray State athletics or a particular athletic program whether that is processed through the Foundation or the University. Dr. Jackson responded that sponsorships, gifts associated with tickets and some day-to-day type gifts are processed through the University completely. Gifts from the Racer Foundation and other entities come to the Foundation because they are typically complicated gifts – such as real estate, athletic-related scholarship initiatives and academic scholarships for trainers. Almost always these are endowments. In response to a question regarding whether facilities gifts are processed through the University, Dr. Jackson reported that is almost always the case. However, Gene Wells Ray made a significant gift a few years ago to benefit the practice facility at the CFSB Center. Much of that gift came to the Foundation which then transferred funds to the University for that specific purpose. The Burton Hall of Champions was handled in the same manner. The Foundation exists for one purpose only – to benefit Murray State University.

Chair Williams indicated that what has been presented today represents important information for this Board to be aware of and Regents were encouraged to share any questions or concerns. Confirmation was provided that the Foundation does not invest in any start-up businesses. There is a very active Investment Committee which includes professional money managers. Capital Guardian primarily handles the Foundations’ fixed income portfolio. Vanguard is an investment advisory service and representatives will be on campus in October to present to the Trustees. The Foundation meets with these advisors quarterly and Dr. Jackson talks to representatives multiple times per week. They manage the funds of the Foundation to benefit this institution – stocks, bonds and normal investments – no hedge funds. A recent article about Foundations in Kentucky provided information on where funds are invested. In terms of hedge funds and alternative investments, the Murray State University Foundation had zero percent invested in these areas. The approach taken by the Foundation is conservative but its track record is good.

Appreciation was expressed to Dr. Jackson for his leadership. The Foundation represents a tremendous asset to Murray State University and his leadership is a credit to that success.

The Board adjourned for a break beginning at 2:30 p.m. and ending at 2:43 p.m.

**Annual Goals (Outcomes) and Work Plan for the Board and University/President, discussed**

**Board/Presidential Planning Priorities Establishment**

2016-17 Presidential Work Plan for Strategic Priorities
Dr. Davies reported the document provided outlines the priorities he is setting forth as President for the upcoming year. The Work Plan aligns very closely with the strategic planning documents and outlines the various initiatives under the four pillars within the Strategic Plan. The first pillar is to establish a University-wide effort on experiential learning. This could include the creation of a Center over a period of several years to have this serve as a focus for this work. Experiential learning is a key component of the Strategic Plan and plays a major role in the institution’s educational efforts. Experiential learning represents hands-on efforts with the goal of having every student participate in one of these experiences, whether it be an internship, study abroad, research opportunity working with a faculty member or a co-op experience. This also represents a significant element of the University’s SACSCOC accreditation which makes it a key priority for Dr. Davies.

An effort will also be made to ensure the administration is ready to address the implementation of performance funding metrics and this work will evolve over the next year and even further in years to come to ensure Murray State is achieving the metrics contained within the performance funding model. A formal system of academic program review will be developed and this effort will be led by the new Provost once that individual is named. Work will begin to establish and implement this system within the next year. Efforts will be made to promote a dynamic and diverse University community. Enrollment and recruitment efforts will focus on graduation and retention rates. The administration will also continue the implementation of the new admission standards adopted by the Board. Efforts must be made to ensure measures are in place to enhance the diversity of faculty, staff and students. The Honors College is doing amazing work and is growing and expanding. Last year the Honors College attracted 170 new freshmen and this year the program has 225 new freshmen. Dr. Davies also loves the fact that there is a Commonwealth Honors Academy (CHA) which is a program for juniors and rising seniors who are selected for their academic skills and efforts to participate in a summer program on campus. Over the summer, the Lincoln Foundation Whitney Young Scholars group was also on campus. As part of the University’s commitment to academic standards and excellence, the CHA, Governor’s Scholars and the Whitney Young Scholars were all hosted on campus. By contract, the Governor’s Scholars Program must have their own dining facilities or area and they were placed next to the CHA which was next to the Whitney Young Scholars. He could not have seen a starker line had he drawn it up himself. The CHA and Governor’s Scholars were 99 percent Caucasian and the Whitney Young Scholars were African American. With recent growth, the Honors Program is predominately Caucasian and the University must do a better job in this area. Whitney Young Scholars are amazing students and the institution must do a much better job encouraging these individuals to enroll at this University. This also represents a key priority for Dr. Davies. In order to attract these students the University must also be able to attract a diverse faculty and staff and this represents a combined effort. This work will be difficult but it does represent a priority for this administration.

Through the budget reduction process it was discovered that professional development opportunities have been shortchanged and this trend must be reversed. There is a desire to provide a focus on research and identifying ways to reward faculty and staff – other than just salary increases – for their strong research activities. The administration will work to improve the quality of life for its communities through engagement, working with appropriate agencies and organizations and constituency leaders to improve the University’s ability to serve the region economically, culturally and civically. Intensive work is underway in terms of the Dual Credit Program and how the University addresses financially the new scholarship model approved by the state for this population so it can continue. Many dual credit courses are offered face-to-face and under the current scholarship guidelines continuing the model will be very difficult financially, if not impossible. A conscious effort will be made to have this program subsidized through other venues or find other ways to move forward. Work is underway with Dean Tim Todd, Arthur J. Bauernfeind College of Business, to host an Economic Development Summit next semester. Tomorrow at the Quarterly Board Meeting a presentation will be given regarding the results of the Economic Impact Study which was a project on Dr. Davies’ Work Plan from last year. Dr. Gil Mathis was responsible for conducting the Economic Impact Study. He is a retired Murray State faculty member and is conducting this work through the consulting business he operates.

Dr. Davies reported that the administration will continue to work with the shared governance bodies and the Budget Advisory Committee represents a new committee coming on board. This Committee will help the leadership be more transparent in the budget process and will allow for
much stronger communication. When he refers to transparency he is really talking about communication and making sure budget process information is being shared widely. The budget process is already transparent but improvement can be made in communicating this information to all constituency bodies. Confirmation was provided that a summary of the University budget can be found online and in the Resource Center of the eBoard book.

Work will continue with regard to the implementation of an integrated Marketing Plan throughout the University. Work is also underway to ready the campus for the next Capital Campaign. An in-depth review of the University’s infrastructure must be undertaken, including chillers, HVAC systems and the electrical grid. Work has already begun in terms of the legislative process necessary to have this project included among the University’s top priorities in its Capital Projects Request and hopefully have it funded. Accomplishing this is going to be tough. He is a good fundraiser but raising money for chillers, wires and transformers is a challenge. Dr. Bumphus asked whether these type of expenses are paid out of the University’s operating budget or through state appropriation. Dr. Davies indicated these types of projects should be paid for out of state appropriations but the state is currently in the situation where it is going to be very difficult to have capital requests funded. Capital requests of this nature are difficult because these projects typically compete against buildings that have a different cache to them. There may be a need to re-categorize the electrical grid from a capital project to a life-safety capital project due to its condition and potential hazard to campus. Dr. Bumphus asked whether funding has been set aside in the budget for new technology. Technology is a race with no finish line and a university can never have enough money to be where it needs to be in terms of technology but it must continually plan to do so it does not continue to get further and further behind. Dr. Davies confirmed that the University is engaged in this process. The Center for Telecommunications Systems Management hosts an annual workshop and recently featured the President of CSI which is a large technology business located in Paducah, Kentucky. The President – John Williams – acknowledged that even his company is not where it needs to be in terms of technology given the constant changes which occur in this field. Having a rotating, four-year cycle helps to address technology needs and Dr. Davies confirmed this is the methodology that is being undertaken at the University. In some areas this work is very successful while in others technology needs are still behind. This does represent an ongoing issue for the University.

Dr. Davies reported that work will continue to define what it means for the University to be student-centered. This involves creating a culture and a shared expectation and vision of what it means to be student-centered and beginning the process of developing metrics that the University will use to define and enhance the student-centered concept. Work must then be undertaken closely with the Provost, Deans and the other Vice Presidents for this to be part of the evaluation process for faculty and staff, including this being a component of the merit pay implementation process if that should occur.

Dr. Davies asked whether these are the priorities this Board would like for him to concentrate on. This also represents how the Board will evaluate the President at the end of the academic year. Consensus was reached that the plan the President has outlined represents a good blueprint for work which will occur over the course of the next academic year.

Strategic Planning Update

Dr. Fister provided the quote, “Each of us is born with a box of matches inside us but we cannot strike them all by ourselves.” This is a quote from Laura Esquivel who wrote Like Water for Chocolate and she is a Mexican writer for Latin American topics. The Strategic Plan Refocus provides a clarification of goals and includes concepts related to what is thought to be coming with regard to performance funding. The Strategic Plan Refocus Executive Team is comprised of the four Vice Presidents, the five initiative Chairs for the four pillars, Dr. Fister, Dr. Davies and ex-officio constituency members to ensure shared governance. The Executive Team includes the initiative Chairs and information will flow up from those initiative Chairs who have facilitators for each of the metrics. Feedback from the proposals is received and suggestions from the initiative teams are analyzed. Information is then provided back to these individuals. One component from last year (two cycles) is the strategic planning funding proposal which represents one-time funds, with approximately $350,000 remaining. The proposals received involved one of the aspects that Dr. Davies mentioned – the Whitney Scholars Program. Most proposal costs averaged $12,000 and one proposal received deals with the Board-approved initiative of increasing admission standards through the Pathways to Success program. There are
currently 161 individuals involved in this program and specialized scheduling and advisors are in place to help move this forward. They have one year and one-time funding to make this happen. If they do not, the University is considering different support avenues. October 12, 2016, is the deadline for proposals and information has been provided from multiple sources. Last year the information was provided by the President’s Office but this year the Executive Team was asked to distribute the information to those most integrally involved. Proposals should only be two to three paragraphs and should be advanced to the Executive Team which then makes the decision on whether a proposal will be funded.

Dr. Fister reported that a timeline was provided in the eBoard book. Last year the full 63 initiatives were narrowed down to 23 to address the targeted Strategic Plan which was also included in the materials provided to the Board and is geared to align with the performance funding mechanisms. Updates are due by October 1 and every measure will provide goals by November 1. Retention and graduation rates from the past year are not known until October 25 and goals cannot be set without this information. Hence, the November 1 due date. This work represents a collective effort and Dr. Jackson and Dr. Todd served for two years as Co-Chairs of this Executive Committee and are now ex-officio members. This effort has involved a great deal of work from all associated with the initiative. Appreciation was expressed to Michael Ramage, TSM Director, for providing the dashboard document which was also provided to the Board. In December the Board will be presented with the goals and a dashboard. As they review these materials, all Regents were encouraged to provide input and suggestions. A component included in the dashboard highlights where the institution was on a particular metric, where it is now and the 2020 goal. Dr. Ramage worked with CSI to develop the dashboard and this entity was very willing to help the University in this regard. This has represented a collective effort that the Board approved on June 5, 2015. The first year represented the developmental phase and the second year has involved implementation. This third year represents operationalization. The Board was further encouraged to provide input on what members would like to see in terms of the year-to-date progress indicated on the dashboard document. Dr. Fister cannot highlight enough how much the Vice Presidents, other administrators, faculty and staff and students have contributed to this process to make a difference.

Chair Williams stated that most individuals around this table have served on multiple boards and far too often a clear connection between the multi-year Strategic Plan and the annual operating plan is not evident. Often the operating plan also does not delineate those individuals responsible for undertaking particular efforts and there is not a solid timeline. That is certainly not the case in this situation and all of the above have been provided in a very operational structure that lends itself to clear accountability and reporting. All are to be commended for their work.

**Staffing Updates**

**Provost and Vice President for Academic Affairs**

Dr. Davies reported that a national search is currently underway for a new Provost and Vice President for Academic Affairs. A Search Committee is undertaking this work and Dean Steve Cobb, Jones College of Science, Engineering and Technology, is serving as Chair. The breadth and depth of the applicant pool is very solid. Nearly 80 individuals have applied for the position and out of those applicants – from what he understands – 30-40 represent high caliber professionals. The Search Committee has narrowed the pool to a workable number and are conducting brief interviews with these individuals via telephone with the goal of determining which individuals will move forward in the search process. The ultimate goal is to have finalists visit campus in late October or early November. It is hoped an offer can be made to an individual in November/December with a start date of early January. As of right now, those timeframes are still workable.

Once a finalist group has been identified, interviews will be conducted on campus. The contract to hire a new Provost and Vice President for Academic Affairs will ultimately be presented to the Board of Regents for approval. The Board will approve the contract and not the individual because they will evaluate the President on the person hired. The salary necessary to attract the caliber candidate necessary may be higher than it has been in the past for this position but compensation will be in line with salaries for Provosts. As part of negotiations, the contract may also have to be for two years for the initial hire. Dr. Davies will be in close consultation with the
Chair of the Board as this process moves forward and the full Board will ultimately approve the contract for the new Provost and Vice President for Academic Affairs. Appreciation was expressed to Acting Provost Renae Duncan for her service in this regard although, by choice, she is not a candidate for this position.

Dean – College of Humanities and Fine Arts

The search process for the new Dean of the College of Humanities and Fine Arts is being undertaken in tandem with the search for a Provost. The Interim Dean – Staci Stone – does not, by choice, want the position full-time and is not a candidate. The Search Committee is following a similar timeframe as the Provost Search Committee but their work is approximately six weeks behind the other committee. There is a desire for the new Provost to have a say in the hire for this particular deanship and this has been planned as part of the timing process. It is hoped the new Dean of the College of Humanities and Fine Arts will be announced sometime in February, with a likely start date of July 1, 2017. Dr. Duncan confirmed that there is an excellent pool of candidates for this position and the Search Committee is currently evaluating those applicants.

Other Searches

The search process for the Director for Alumni Relations has resulted in four finalists and those individuals have interviewed on campus. The Committee is nearing the point where an offer will be made to the successful candidate – hopefully next week.

Dr. Bumphus indicated that recent awards received by Murray State University should be very helpful in the recruitment of outstanding candidates for these positions.

2016-17 Association of Governing Boards (AGB) Statement of Conflict of Interest Pledge, distributed

Dr. Davies reported that the AGB Statement of Conflict of Interest Pledge has been provided to the Board. Board members were asked to read and sign that document and return it to Ms. Hunt. If there is a potential conflict of interest that simply needs to be disclosed and if such issues should arise as this Board undertakes its work they will be handled accordingly.

Resource Materials, discussed

Chair Williams complimented Ms. Hunt and Dr. Davies for the information presented today because it was extremely well organized and facilitated the work of this Board during today’s discussions and that is very much appreciated.

Dr. Davies reminded the Board that information was provided in the eBoard book regarding the Association of Governing Boards Conference on Trusteeship which will be held April 2-4, 2017, in Dallas, Texas. Past practice has been for the Chair of the Board, and possibly the Vice Chair, to attend this annual meeting, along with the President.

Also included in the resource materials was the AGB Statement on Governing Board Accountability for Campus Climate, Inclusion and Civility that Board members are encouraged to review.

A listing of resource materials available in the Resource Center in the eBoard book as outlined earlier by Ms. Hunt was also provided.

Murray State Board of Regents Statement and Position on Performance Funding

Dr. Davies read aloud the following proposed Board statement with regard to performance funding:

The Murray State University Board of Regents affirms that performance funding is a viable process as it relates to the accountability of our postsecondary institutions to our students and to the citizens of the Commonwealth.
The Murray State Board of Regents supports alignment of performance funding initiatives which emphatically recognize quality as it directly relates to the rigor, relevance and excellence that a Murray State University degree imparts.

As performance funding will communicate the values and desired outcomes of all public universities and community colleges of the Commonwealth, it is good public policy, if not a moral imperative, that University and Civic leaders place an emphasis on quality and effectiveness in determining the metrics for any performance funding model.

This commitment to quality higher education is in complete alignment with the Postsecondary Education Improvement Act of 1997, Kentucky's seminal act regarding higher education, which clearly articulates the goal to provide statewide access to postsecondary degrees of quality. Therefore, Kentucky's performance funding model must include measures of quality and education effectiveness, in addition to basic quantity measures.

The performance funding statement will be considered for adoption by the Board at the Quarterly Meeting tomorrow and, if approved, will be signed by the Chair.

**Final Thoughts/Other Business/Adjournment**

Dr. Davies reported that the Ribbon Cutting for new Franklin Hall is scheduled for 4:30 p.m. today. Parking spaces have been reserved behind old Franklin Hall for members of the Board. Approximately 240 students are also currently moving out of Springer Hall due to a mold issue and those individuals are moving into old Franklin Hall. Ms. Dudley confirmed that it is too early in the process to speculate on how long it will take for remediation to occur in Springer Hall. Space permitting, all students have been provided with the opportunity to move into other residence halls if that is their preference – at no extra charge. Springer and old Franklin halls have the lowest housing rate but the affected individuals are also being given the option of moving into new Franklin at no additional charge, space permitting, due to the significant inconvenience to these students. Confirmation was provided that Springer Hall is a brick masonry building and mold has been identified on the condensate line in the roof area. A few cracks in the brick mortar have been observed and engineers are being asked to undertake an in-depth inspection of the facility. As students have moved in there is more moisture in the building and the mold issue has begun to surface as a result of an extremely wet year. In terms of whether there are options in other facilities, Dr. Davies indicated there are available rooms but Springer Hall is an all-female residence hall and some of the available beds in other facilities would be on all-male floors. Some students may wish to remain in an all-female residential college and the only option to accommodate this is old Franklin Hall. Dr. Robertson reported that another challenge is the fact there are empty spaces but very few empty rooms and many students want to remain with their current roommate. The logistics associated with moving these students are relatively complex and work is currently being undertaken to provide students with as many options as possible.

There will be a reception and dinner for the Board beginning at 6:30 p.m. this evening at the President’s home – Oakhurst. Dr. Davies looks forward to hosting the Board for this event. The Quarterly Meeting tomorrow begins at 8:30 a.m. in the Jesse Stuart Room at Pogue Library.

There being no further business to come before the Board, the Special Board of Regents Meeting – Annual Advance adjourned at 3:23 p.m.