

**Minutes of the Quarterly Board of Regents Meeting and Committee Meetings
Murray State University
March 9, 2018**

Call to Order/Roll Call

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, March 9, 2018, in Quarterly and Committee Session in the *Jesse Stuart Room* in Pogue Library on the main campus of Murray State University. Chair Stephen Williams called the meeting to order at 8:30 a.m. and welcomed those present. The roll was called and the following Board members were present: Katherine Farmer, Sharon Green, Susan Guess, Daniel Kemp, Jerry Rhoads, Lisa Rudolph, Phil Schooley, Don Tharpe, Stephen Williams and Tori Wood. Absent: Walter Bumphus.

Others present were: Robert O. Davies, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Mark Arant, 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; Allen Ward, Athletic Director; Fred Dietz, Associate Vice President for Enrollment Management; Renee Fister, Chief of Staff; John Rall, General Counsel; Joyce Gordon, Director of Human Resources; Michelle Saxon, Internal Auditor; Cami Duffy, Executive Director for Institutional Diversity, Equity and Access (IDEA)/Title IX Coordinator; Kevin Jones, Interim Director of Facilities Management and Associate Director of Facilities Operations; Jason Youngblood, Associate Director of Facilities Design and Construction; the Collegiate Deans and members of the faculty, staff, students, news media and visitors.

AGENDA

Roll Call	Secretary Hunt
Consent Agenda	Chair Williams/ President Davies
A. Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on December 8, 2017*	
B. Enrollment Management and Student Success Committee – Student Engagement and Success Report (For Information Only)	
C. Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)	
D. Personnel Changes*	
1) Faculty Leave of Absence without Pay – Joshua Easterling	
2) Staff Leaves of Absence without Pay	
Public Participation	Chair Williams
Board Development – Murray State University Foundation	Foundation President/Dir-Planned Giving Jackson
Report of the Chair	Chair Williams
Report of the President	President Davies
Report of the Constituency Regents	Regent Farmer Regent Schooley Regent Wood
Report of the Treasurer* (Quarterly Financial and Investment Reports)	Vice President Dudley
Strategic Plan Reassessment Report*	Chief of Staff Fister
Murray State University Diversity Plan*	President Davies

Closed Session

Chair Williams

- a. Pursuant to Kentucky Revised Statute 61.810(1)(f) – To discuss matters which might lead to the appointment of an individual employee
- b. Pursuant to Kentucky Revised Statute 61.810(1)(b) – To discuss future acquisition or sale of real property

Committee Reports/Recommendations

- A. **Academic Excellence and Scholarly Activities** **Regent Bumphus**
 - 1) **Creation of Center for International Business and Trade***
 - 2) **Jones College of Science, Engineering and Technology Administrative Appointments (For Information Only)**
 - 3) **Department of Geosciences Name Change to Department of Earth and Environmental Sciences (For Information Only)**

- B. **Audit and Compliance** **Regent Tharpe**
 - 1) **Audit Engagement Letter***

- C. **Buildings and Grounds** **Regent Green**
 - 1) **JH Richmond Hall Discussion and Project Approval***
 - 2) **Disposition of Structures Located at 1602 Miller Avenue***

- D. **Enrollment Management and Student Success** **Regent Rudolph**
 - 1) **Enrollment/Admissions/Applications Report (For Information Only):**
 - **Spring 2018 Preliminary Domestic Freshmen/Transfer/Undergraduate Enrollment**
 - **Spring 2018 Preliminary Graduate Enrollment and Fall 2018 Graduate Admissions**
 - **Spring 2018 Preliminary International Enrollment and Fall 2018 Applications for Admission**
 - 2) **President’s Commission on Student Success Focus Areas Report (For Information Only)**
 - 3) **National Survey of Student Engagement 2017 Report (For Information Only)**

- E. **Finance** **Regent Kemp**
 - 1) **JH Richmond Hall Discussion and Project Approval***
 - 2) **Differential Graduate Tuition Model (For Information Only)**
 - 3) **Establishment of Pfouts-Springer Scholarships Quasi-Endowment***
 - 4) **Annual Lease Report***
 - 5) **Projects Approved by Board of Regents Chair***
 - 6) **Personal Services Contracts***
 - 7) **Affirmation of Budget Planning and Preparation Plans***

- F. **Legislative and Economic Development** **Regent Rhoads**
 - 1) **Legislative Report (For Information Only)**

- G. **Marketing and Community Engagement** **Regent Guess**
 - 1) **University Advancement Report (For Information Only)**

NOTE: Full Board action will follow Committee action.

Policy Change

President Davies

- A. **Faculty Handbook – Section 2.2 – Types of Contracts and Contract Definition Policies Revision***

Personnel Changes

President Davies

- A. **Appointment of General Counsel – Robert L. Miller***
- B. **Contract of Employment – Head Women’s Soccer Coach – Matt Lodge***
- C. **Contract of Employment Extension – Head Women’s Volleyball Coach – David Schwepker***
- D. **Salary Roster***
- E. **Faculty Sabbatical Leaves***

Supplemental Materials**President Davies**

- A. Quarterly Risk Management Report (For Information Only)**
- B. Status Report – Campus Major Projects Update (For Information Only)**
- C. “Good News” Report – January 2018**
- D. Quarterly Branding, Marketing and Communication Report – October – December 2017 (For Information Only)**
- E. Sponsored Programs – Grants and Contracts Report (For Information Only)**

Other Business**Adjournment****(*Requires Board of Regents Action)****Moment of Silence, observed**

Chair Williams stated that David Burdette passed away unexpectedly on January 10, 2018. Mr. Burdette joined the Murray State family as the Interim Chief Facilities Officer in October 2014. Those who had an opportunity to know and work with Mr. Burdette were extraordinarily impressed with not only his level of expertise in Facilities Management but also his passion for Murray State University. With his wealth of experience in educational administration, he provided direction and guidance in Facilities Management on projects that required a great deal of careful study, negotiation and deliberation. He was clearly a person who expected excellence and dedication in each job no matter how small or how large. Mr. Burdette appreciated everyone and never met a stranger. One of his favorite sayings was that “It’s a great day in the Commonwealth,” and all will agree he would want the University to move forward in its work remembering that phrase. He will be sorely missed. The Board observed a moment of silence in honor of Mr. Burdette.

Consent Agenda Items, accepted/approved

The following action and “For Information Only” items were placed on the Consent Agenda for approval/acceptance (action items are denoted with an asterisk):

- Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on December 8, 2017*
- Enrollment Management and Student Success Committee – Student Engagement and Success Report
- Finance Committee – Personal Services Contracts – Schedule of Expenditures
- Personnel Changes – Faculty Leave of Absence without Pay – Joshua Easterling*
- Personnel Changes – Staff Leaves of Absence without Pay* (processed as of January 26, 2018, for the time period indicated):

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Linda Adams	Facilities Management	09/18/2017-10/06/2017
Janet Balok	Enrollment Management	11/13/2017-12/31/2017*
Meagan Blagg	University Libraries	11/16/2017-12/14/2017
John Burress	Information Systems	10/23/2017-10/27/2017
William Bushart	Facilities Management	08/02/2017
Dwain Caldwell	Dining Services and Racer Hospitality	10/04/2017-12/14/2017
Heather Coleman	Facilities Management	08/09/2017-08/10/2017
		09/01/2017-09/02/2017
		09/19/2017-09/20/2017
Angela Davidson	Facilities Management	08/16/2017-08/22/2017
Rhonda Ferguson	Dining Services and Racer Hospitality	09/01/2017-10/18/2017
Gregory Garland	Facilities Management	09/06/2017-09/08/2017
		09/22/2017
Leigh Ann Harcourt	Dining Services and Racer Hospitality	09/20/2017
Matthew Hendrith	Facilities Management	09/20/2017
Rebecca Lilly	University Libraries	09/25/2017
		09/28/2017
Collin Mazurek	Facilities Management	08/29/2017-08/30/2017
Tera Nordstrom	Facilities Management	08/21/2017-08/22/2017
		09/05/2017-09/07/2017
John Posey	Facilities Management	09/22/2017-09/23/2017

Ricky Raspberry	Facilities Management	09/26/2017-09/27/2017
Aubrey Reese	Athletics	11/03/2017-12/29/2017
Michael Whitlow	Facilities Management	10/12/2017-10/13/2017

*Intermittent Leave

In response to whether Regents would like to remove any items from the Consent Agenda, Dr. Tharpe indicated he did not want to remove the item today but would like to have a richer discussion regarding the Student Engagement and Success Report at a future meeting. It was suggested that this presentation could either be part of Board Development at the Quarterly Meeting in June or included as part of the President's Report.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve/accept the items on the Consent Agenda as submitted. Mr. Rhoads seconded and the motion carried.

Public Participation

Chair Williams announced that there were no individuals signed up for the Public Participation portion of the agenda.

Board Development – Murray State University Foundation, Incorporated (For Information Only), received

Dr. Davies reported one of the duties of the Board is to ensure that funds donated to Murray State University and deposited with the Murray State Foundation are being supervised and monitored and policies and procedures are being followed. The University works very closely with the Foundation which also has the responsibility of managing investments and utilizing private gifts appropriately. By law, the Foundation is an organization separate from the University. Throughout Kentucky interesting conversations are taking place regarding the relationship between universities and their private Foundations. The University's relationship with the Foundation Board of Trustees is appropriate, ethical and legal. The Foundation works on behalf of the institution to move it forward, while at the same time maintaining its independence.

Dr. Jackson reported that the Murray State Foundation was established in 1946 by a group of alumni and community leaders in an effort to establish an independent entity to support the University. The Mission of the Foundation is to do and perform all things necessary for the development, growth, expansion, progress, accomplishment of educational objectives, development of the physical plant, improvement of the faculty and aid to the student body and alumni of Murray State University. The Foundation is a Kentucky, non-profit, 501(c)(3) corporation that is separate and independent from the University. It is an umbrella organization for accepting and managing private support to the University with accountability and stewardship to donors. The Foundation also has a responsibility of public confidence and private trust for donor and gift confidentiality, management of endowments and guidelines, prudent management/stewardship of invested funding and annual audit/IRS 990. The Foundation currently has \$125 million in assets and the day-to-day management of those assets is its primary responsibility. The Foundation must also ensure there is proper growth in assets to assure that scholarships and Endowed Professorships can continue to be funded.

It was reported that if property is given to the University it becomes state property. Properties owned by the Foundation include the Hutson Farm, Pullen Farm, Arboretum, Eagle Rest Plantation, Sorority Suites, Buhler Farm and another Hopkinsville property. The Foundation also owns and manages Miller Memorial Golf Course to benefit Racer athletics, students, faculty, staff, alumni and friends. The L. D. Miller Trust supports Miller Memorial Golf Course and was established many years ago when the land was given to the Foundation. These properties are owned by the Foundation and most are leased to the University to be used for research and faculty and student development. All Foundation assets are held as private assets and managed accordingly.

The Foundation is governed by the Board of Trustees which is comprised of 22 voting members (includes two faculty members) and three ex-officio, non-voting members which include

President Davies, Regents Williams and Rhoads and Alumni Association members Iain Howard and Colonel Jerry Penner. The Foundation Officers/Executive Committee members are Jerry Shroat, Chair; Harold Doran, Vice Chair; Steve Story, Treasurer; George Long II; Tammie Riggins, Secretary and Dr. Jackson.

The Murray State Foundation received an unqualified, “clean” audit from Dean Dorton at June 30, 2017, and has approximately 700 endowment funds and 2,200 restricted funds. Scholarships, professorships, academic enhancements, athletics, WKMS, etc. touch every area of Murray State. For FY18-19, \$3.8 million is authorized for scholarships which is up 9 percent from FY17-18. At June 30, 2017, total assets were \$124 million (up from \$109 million in 2016) and endowment funds total \$78 million. The Foundation holds and manages \$27.2 million for Murray State and the Alumni Association. Professional active investment management is provided by Capital Guardian (fixed income or bond manager based out of Chicago, Illinois), Vanguard (Institutional Advisory Services Division which manages equity) and Hilliard Lyons (trust management). The investment pool average return last year was 12.95 percent. Returns have been closely monitored since 1991-92 under the leadership of Dr. Tim Miller, *Professor Emeritus*.

As stated, the one-year investment return at June 30, 2017, was 12.95 percent. The *New York Times* recently released a study related to all college and university Foundation endowment and investment returns and the average was 12.2 percent. Murray State’s investment return surpassed that of many other prestigious universities with much larger endowments. Comparison return rates for four other Kentucky institutions was provided (8 to 10 percent range).

Another primary responsibility of the Foundation is advising security and managing estate and planned gifts. Typically, the largest gifts that any college or university Foundation will receive will be through estate or planned gifts (real estate, bequest provision, life insurance or trust) and the University has benefitted from this significantly over the last eight to ten years. Recent estate and planned gifts include two life insurance gifts which total approximately \$325,000 to endow certain funds the donors have established. The Foundation has been cultivating an estate gift over the past several years which would be over \$1.5 million and includes a large cash endowment and property.

The Foundation holds a number of charitable trusts, gift annuities, life insurance, bequests and real estate. The planned gift portfolio is monitored closely and totals \$27.8 million. In 2015 the planned gift portfolio was \$4.5 million but the last campaign focused on the planned and estate giving program which resulted in the significant increase. There are currently 21 trusts ranging from \$10,000 to \$1.8 million and there are 95 bequest expectancies that average \$180,000 each.

In terms of Foundation assets, the last major campaign began in 2005 and through 2017 there has been an increase in total Foundation assets from \$58 million to \$124 million (111 percent increase). In 1970 the Foundation had \$358,000 in assets, \$2.7 million in 1980 and \$13 million in 1990, representing substantial growth. This is important because it helps the Foundation support the University and this year approximately \$3.5 million (scholarship awards) is being advanced to benefit students. Last year there was a downturn due to declining enrollment and the spending rate. The Foundation’s spending rate this year is 4 percent (earned 12.95 percent) and the national spend rate is 4.2 percent. In the last campaign the primary goal in terms of student scholarships was to double the number awarded. In 2000, approximately 900 scholarships were awarded. The number of awards reached the high of 2,100 scholarships and last year the number awarded was approximately 1,800.

Appreciation was expressed to Dr. Jackson for his leadership of the Murray State University Foundation. Regents were encouraged to ask any questions or share any concerns they may have with regard to the Foundation at any time because it is appropriate for this Board to do so.

Joint Buildings and Grounds Committee and Finance Committee

JH Richmond Discussion and Project Approval, approved

Chair Williams reported that the Buildings and Grounds Committee and the Finance Committee met in Joint Special Session yesterday to consider feasible options for the repair/restoration or

demolition/replacement of JH Richmond Hall. The remaining Board members also attended and a robust, thorough and deliberate discussion occurred with Regents Kemp and Green serving as co-chairs of the meeting.

Dr. Davies reported that the JH Richmond Hall incident remains under investigation and that effort is being led by the State Fire Marshal. To date no updates have been provided to the University regarding the incident and it is unknown how long the investigation will last. Lockett & Farley, the architectural and engineering firm that designed the original building, was hired by Murray State University to undertake a structural analysis of the building and provide opportunities for moving forward. Those options were presented yesterday by Aric Andrew, Architect, President and Chief Executive Officer and John Whitney, Architect and Market Director, Higher Education Division. Mr. Andrew and Mr. Whitney indicated that yesterday the Board was provided with an overview of potential opportunities for the demolition/replacement or repair/restoration of JH Richmond Hall. The Buildings and Grounds and Finance committees approved the repair/restoration option which Lockett & Farley believes is the most expeditious solution and provides the best value.

Mr. Whitney reported that Lockett & Farley was invited to come to Murray State following the incident at JH Richmond to inspect the facility and develop options that would allow the University to move forward in terms of undertaking necessary work to stabilize the building. Since that time, Lockett & Farley was asked to conduct a deeper investigation into the facility to determine whether it was feasible to repair and restore JH Richmond. Architects and structural, mechanical, electrical and plumbing engineers have inspected the building to secure a good sense of the actual condition of the structure. Lockett & Farley determined the scope of the work necessary for repairing and restoring, developed budgets related to cost and provided a projected schedule for this work to occur. It is anticipated that under the repair and restore option JH Richmond can be completed and ready for student occupancy by August 2019. Any other option would require an additional six- to seven-month construction schedule.

Lockett & Farley labeled the area where the explosion occurred as Area C which will, obviously, need to be rebuilt entirely. For adjacent areas, Area B will be stripped down to the metal studs and concrete. All drywall and mechanical and electrical systems will be removed and replaced. In the area that shows little visual damage (Area A), ceilings, lighting, flooring, electrical and mechanical items, drywall for any plumbing walls and areas that show water damage will be removed. These items will be inspected and tested and if there are any issues they will be disposed of, although consideration will be given to those items which may be reusable.

The total budget for the repair/restoration option is slightly over \$12 million. If the University approves the use of additional funds to make potential improvements and enhancements to the facility that were identified by Lockett & Farley, such options would include improving the performance of mechanical and electrical systems to have better energy efficiency and making room modifications so the facility is more attractive to today's students.

Mr. Kemp reported that the Joint Special Session of the Buildings and Grounds Committee and the Finance Committee yesterday resulted in the unanimous vote to recommend to the full Board today that the University move forward with the repair and restore option presented. The other option presented was to demolish JH Richmond and rebuild. Under the repair and restore scenario there were three options presented to make additional enhancements to the facility but those would not be covered by insurance and would require the use of University funds if these improvements were to be incorporated into the building. The Buildings and Grounds and Finance committees are also recommending to the Board the authorization of \$2 million in additional University funds to be utilized to pursue any of the three enhancement options presented under the repair and restore scenario, following further study and analysis of these options.

On behalf of the Buildings and Grounds Committee and the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University and the recommendation of the Joint Board of Regents Buildings and Grounds and Finance committees, approve the option to restore JH Richmond Hall to its condition immediately prior to its damage, approve a Personal Services Contract with Lockett & Farley for the design work on this project and approve the use of no more than \$2 million for energy efficiency, long-term

maintenance, revenue factors and any structural changes to the building funded from existing housing reserves. Ms. Green seconded and the motion carried.

A concern was expressed yesterday about repairing JH Richmond to its original condition prior to the incident and this should involve further negotiations with the insurance company to include replacement of the entire roof of the facility and not just one portion of the roof so it will match, as well as other repairs that may fall into this category. A concern regarding mold in the facility expressed yesterday was reiterated. A reminder was also issued that additional information was requested with regard to mold certification, what that entails and professional standards in terms of how areas are tested for the presence of mold.

Confirmation was provided that the final plan will be presented to the Board for review at a later date. Dr. Davies reported that in terms of approvals required from the state, the emergency bill – Senate Bill 61 (SB61) – approved by the Senate yesterday – contains authorization for the University to begin the project, utilizing the restore option, and Murray State would not be required to secure approval from the Capital Projects and Bond Oversight Committee. SB61, sponsored by Senator Chris McDaniel and co-sponsored by Senator Stan Humphries, on the basis of an emergency, authorizes Murray State University to use the proceeds of the insurance and up to \$2 million of its own resources to move forward with this project immediately. The bill will be read in House Committee next week and no issues are anticipated with regard to approval. Confirmation was provided that Option 4 would have required approval from the Capital Projects and Bond Oversight Committee and the Council on Postsecondary Education (CPE) and would basically be treated as an entirely new project, meaning it could not begin until after the start of the new fiscal year and would not be completed by December 2019. Once the House has approved the emergency bill the necessary paperwork will be submitted to the Legislative Research Commission (LRC) which must be done prior to the end of the month in order to secure approval in April.

A Special Meeting of the Board of Regents is scheduled for Friday, May 11, 2018, but another Special Meeting will likely be needed earlier in May to keep the JH Richmond project on schedule.

Full Board Action – Joint Buildings and Grounds Committee and Finance Committee - JH Richmond Discussion and Project Approval, approved

On behalf of the Buildings and Grounds Committee and the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University and the recommendation of the Joint Board of Regents Buildings and Grounds and Finance committees, approve the option to restore JH Richmond Hall to its condition immediately prior to its damage, approve a Personal Services Contract with Lockett & Farley for the design work on this project and approve the use of no more than \$2 million for energy efficiency, long-term maintenance, revenue factors and any structural changes to the building funded from existing housing reserves. Ms. Green seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

Report of the Chair, received

Chair Williams stated that Regent Walter Bumphus had regretfully tendered his resignation from this Board due to extensive commitments with the current United States presidential administration. The letter of resignation from Dr. Bumphus was read aloud and it was noted he will continue to serve on the Board until a replacement is named. It is with regret that the Board accepts the resignation of Dr. Bumphus because he was an extraordinary addition to the Board and, while his participation will be missed, all certainly understand and appreciate his commitment and the fact that he felt responsible – if he could not be present at the meetings – to open up the seat to someone who could be present. Specific information has not yet been received from the Governor's Office but it is understood the process is underway to appoint a replacement on a timely basis. Dr. Davies added that Dr. Bumphus has been asked to serve on a number of national committees related to higher education through the Trump administration. It is unfortunate to lose Dr. Bumphus on this Board but it is also inspiring to see a Murray State

graduate working at the national level. Dr. Bumphus has indicated his willingness to help the University in any way that he can.

Chair Williams further reported that the Board, per policy, is responsible for completing a comprehensive four-year review of the President. This work should culminate with the Board Advance or the Quarterly Board of Regents Meeting in August/September. As has been prior practice, Mr. Williams established a work group to plan and coordinate the comprehensive four-year review. Membership includes himself as Board Chair, Vice Chair Susan Guess and Regents Jerry Rhoads, Lisa Rudolph and Phil Schooley, with assistance provided by Board Secretary Jill Hunt. Information regarding the process will be presented to the full Board as soon as possible.

This report was presented for informational purposes only and required no Board action.

Report of the President, received

President Davies recognized the great work of faculty and staff as the University has increased the number of admitted students by 20 percent from this time last year. He emphasized that all must focus on yield for students to ensure they enroll this Fall. Special recognition was given to those who presented at *Posters-at-the-Capitol*, the Men's Basketball Team as the Ohio Valley Conference (OVC) regular-season and Tournament champions and the Rifle Team – OVC champions for the third consecutive year.

During this Legislative Session the state budget is being proposed, discussed, debated and reworked. Dr. Davies has been in Frankfort talking with legislative leaders and others at the Capitol with regard to the budget and many other bills of importance to the University. House Bill 200 is the Budget Bill and represents a great deal of focus. Other bills of interest include Senate Bill 1, the Pension Bill, which has garnered significant attention. Senate Bill 66 is also associated with the pension and would allow universities and other organizations to “buy themselves out” of the pension system. This would represent a great deal of debt and the University would have to take out a loan for the liability. Evaluation is currently underway in terms of whether this is an option for Murray State but will likely be cost prohibitive. House Bill 247 revamps KEES money and how it is distributed and provides students in high school with more access to these funds. When these students enter a community college or university the legislation also restricts how KEES money can be used in association with other elements. Senate Bill 74 pertains to teacher certification and the requirement of a master's degree. This bill would remove that requirement which could have a substantial impact on the Murray State College of Education and Human Services, as well as on the quality of teachers. House Bill 210 is a concealed carry bill that would allow individuals to be on a college campus with a weapon if they have a Concealed Carry Permit. The University's Chief of Police Jamie Herring has been involved in discussions with legislators regarding the proposed legislation.

Dr. Davies also reported that a listing of significant accomplishments for the University since the last Board meeting was provided in the eBoard book. Additional highlights included:

- Along with the other state universities, the *Murray State University Diversity Plan* approved by the Board of Regents was not approved by the CPE. The Council has requested that the universities make changes with regard to graduation and retention rates of underrepresented minority and low income students. That work has been undertaken and the Board will be asked to approve the revised *Murray State University Diversity Plan* later today. Peggy Whaley, Assistant Director of Student Engagement and Success and S. G. Carthell, Senior Director of Diversity Initiatives have been empowered to create strategies and programs specifically for underrepresented minority and low income students, as well as first generation students, to be aggressive and intentional on how the University is able to recruit, retain and graduate those students.
- An ad hoc committee has been established to review the University's *Nondiscrimination Statement*. The policy is not currently inclusive of some demographics and it also does not follow federal Executive Order 11246 which relates to the opportunity to receive federal funds through grants and contracts. The committee is reviewing the best way to move forward to include gender identity as part of the *Nondiscrimination Statement*. The target is to present this to the Board for approval at the Quarterly Meeting in June.
- The Health Services Request for Proposals (RFP) process resulted in two viable proposals which will be forwarded to the Review Committee to discuss and recommend an appropriate course of action. The Dining Services RFP is being completed and will be sent out within the next two to three weeks.
- Sibson Consulting was hired to work with the University to develop compensation policies for faculty and staff. A tremendous amount of data has been provided regarding faculty salaries in comparison to over 60 similar universities. Review of the data is currently underway which will lead to tentative

recommendations on how to proceed. Sibson will begin working with staff data immediately after the faculty review has been completed. At the appropriate time an overall Compensation Plan for faculty and staff will be presented to the Board for approval. Any Plan will likely be implemented over a three- to five-year period, if feasible.

- Enrollment remains a key discussion point for the University. Applications for first-time freshman, through domestic recruiting, are up approximately 20 percent. The quality of students the University is able to attract is also key to this work. There are currently four tiers for admitted students. Tier 1 is for students with very high academic standards who require no remedial courses and have a 24 or above on the ACT. Compared to last year there has been a 19.5 percent increase in Tier 1 students at this point in time. Tier 2 students are solid students who also require no remedial courses and have an 18 or higher ACT. The numbers in Tier 2 are up by 230 students compared to last year (28.5 percent increase). Tier 3 students are those who meet the 18 ACT standard but need at least one remedial course or are deficient in another area. The number of Tier 3 students also increased by 8 percent (106 students). Tier 4 students represent those most at risk and numbers are basically flat in this category (decrease of 1 percent or 10 students).
- Overall domestic enrollment is 6,213 students compared to 5,427 one year ago. Mr. Dietz has reported that the number of admitted students since December has actually increased the entire application pool from the past year. The key to this work is yield and having these students commit to Murray State. Efforts to accomplish this include a recent Open House which attracted nearly 450 students. The Presidential Fellows Day attracted approximately another 200 students. A new process has been initiated and is being rolled out to all area regional high schools – the Pizza Luncheon for admitted students – to encourage these students to commit to Murray State. Over 5,000 phone calls have been made to admitted students encouraging them to submit applications for housing as well as other initiatives. A letter from Murray Mayor Jack Rose has been sent to parents of all admitted students outside of Calloway County highlighting Murray’s friendliness and outlining the great opportunities their student will have at Murray State. At the suggestion of Regent Wood, a checklist is being provided to admitted students telling them exactly what steps need to be taken and when. Confirmation was provided that not a day goes by without Dr. Davies personally undertaking a yield activity.
- Although it is crucial to focus efforts on yield, it is also important to ensure there is a pipeline of students to Murray State and this is being accomplished through efforts outlined earlier for underrepresented minority and low income students. The *Rising Stars Inclusive Excellence Summit* was held on February 9-10, 2018, where 78 area students visited campus to learn about how they can participate with the University, be leaders and eventually see how they could be successful at Murray State. Appreciation was expressed to Regent Tharpe for attending the *Summit* and serving as one of the Keynote Speakers. This event was extremely well received. The President has also received numerous letters asking him to host the *Summit* again next year, maybe even twice. Initiatives such as this help with the pipeline, recruitment and retention and appreciation was expressed to all involved.
- Everyone is aware that the Murray State Men’s Basketball Team won the Ohio Valley Conference regular season championship as well as the OVC Tournament held in Evansville, Indiana. As a result, Murray State has been mentioned in over 4,000 articles in the last four days and the reach of this exceeds to over four million individuals. Based on correspondence received it is known that the Admissions Office has received several inquiries as a result of this success. The first announcement which was sent out about the University’s successful season was actually shared in the California market and several inquiries have been received from students in that area. The Men’s Basketball Team was congratulated for what they have done on the court but also for how they represent Murray State University.
- The Murray State Rifle Team, for the third consecutive year, are OVC champions and are third in the nation. This represents an outstanding group of young men and women with an average 3.5 grade point average (international and domestic students). Three members are also being considered for the upcoming Olympic Team.
- Dr. Davies read aloud a letter he received from Brian Bourke, Assistant Professor in the Department of Educational Studies, Leadership and Counseling, related to nominating Dr. Robertson for induction into the Hall of Fame with the College Personnel Association of Kentucky, a Chapter of ACPA College Student Educators International. The honor recognizes outstanding educators in professions within the Commonwealth of Kentucky who have served their respective institutions, state, region and national associations through leadership and service. All congratulated Dr. Robertson for being selected as a 2018 Hall of Fame inductee.
- Upcoming student affairs leaders in the audience were introduced and recognized. These students are members of the PSE 760 class – Organizations and Operations in Postsecondary Education – being taught by Ben Littlepage, Assistant Professor in the Department of Educational Studies, Leadership and Counseling.
- Approximately three weeks ago the National Council of Safety and Security released its listing of the top safest campuses in the country and Murray State was included. Police Chief Jamie Herring and all professionals within the department were recognized for their hard work in helping the University achieve this recognition.

- The University has signed a contract with alumnus Deborah Holman who is the owner and founder of Creative Coffee. She is a roaster and is now providing all coffee beans to Murray State.

This report was presented for informational purposes only and required no Board action.

(See Attachment #1)

Reports of the Constituency Regents, received

Faculty Regent

Ms. Farmer highlighted recent faculty achievements and initiatives on campus being led by talented Murray State faculty who have taken advantage of the opportunity afforded for student achievement, scholarship, community engagement and experiential learning at Murray State.

Appreciation was expressed to Regents Williams and Tharpe for visiting the *Posters-at-the-Capitol* event in February. The students and faculty mentors exemplified the excellent collaborations between faculty and students on the Murray State campus and this has proven to be a high impact practice to retain students. *Posters-at-the-Capitol* will be held next year on February 21. The Spring *Scholars Week* Kick-Off event will feature student research on display on Monday, April 16, 2018, from 12 noon to 2 p.m. in the Curris Center and Regents were encouraged to attend.

The *Jones College of Science, Engineering and Technology (JCSET)* was highlighted for faculty and staff efforts in engaging in outreach and recruitment with schools in the region. One of seven events sponsored by the college included the annual *Engineering Day* hosted by the Institute of Engineering, with over 400 students from 14 school districts from west Kentucky, Indiana and Tennessee participating in engineering and technology competitions like the CO² Car Race, Robotics Challenge and Flight Endurance. Additional examples of *JCSET* outreach and recruitment efforts were included in the report provided in the eBoard book.

The College of Humanities and Fine Arts (CHFA) was highlighted for faculty and staff efforts to engage students in experiential learning and outreach to area schools. The Department of English and Philosophy provided the opportunity for students planning to become English teachers to attend the Kentucky Council for Teachers of English Conference to network and participate in professional development opportunities along with current teachers. The first class of Doctor of Arts: English, Pedagogy and Technology recently had a group of students, along with a faculty member, present at the two-year College English-Southeast Conference in Louisville. The CHFA also conducted several outreach and recruitment events for local area schools, including the Regional Language Showcase, Shakespeare Festival and History Day sponsored by Phi Alpha Theta. This event attracted over 360 students from 18 middle and high schools to campus to compete for prizes while showcasing their historical knowledge.

This report was presented for informational purposes only and required no Board action.

Staff Regent

Mr. Schooley introduced Staff Congress President John Young who presented a summary of the results of the 2017 Staff Perspective Survey. The full survey results were included in the Resource Center of the eBoard book and will be posted on the Staff Congress website. Previous survey results are also available on the Staff Congress website. Highlights of the Staff Perspective Survey included:

- Each Fall since 2006, between October and December, Staff Congress and the Staff Regent have conducted a Staff Perspective Survey. The Survey consists of four sections which cover 1) demographics of the responding staff member, 2) the staff member's impression and knowledge of Staff Congress and 3) questions the staff member can rate from one, if they strongly agree, to four where they strongly disagree. These questions relate to the President's performance; staffing and work environment and benefits, pay and recognition. The fourth section represents general open response questions.
- A total of 879 staff received an email related to the Staff Perspective Survey (administered through Survey Monkey) and 470 responses were received (53.5 percent). The response rate percentage was down from the previous year although the number of surveys distributed was up. Since moving to an online format in Fall 2009, annually over 50 percent of surveys are completed and returned.

- Based on staff responses, 42.6 percent have worked at Murray State for ten years or more. Survey responses were provided by staff in the four employment categories of Administrative Assistant/ Clerical, General (Food Services and Public Safety), Facilities Management and Executive/Managerial/Professional. The first and last categories provided the most survey responses. The majority of respondents are full-time employees and when asked if their working conditions were better, about the same or worse than last year, the majority – 65.3 percent – indicated that working conditions were the same or better. This is down from 2016 which was 81.9 percent.
- This year the survey contained five specific questions related to the President. For this particular survey, the lower the weighted average the better and a 2.0 or less would indicate the majority agree or strongly agree with the question being asked. The survey reflects that there is good communication from the President’s Office as reflected by the weighted average for the Strategic Plan question (1.89) and whether the President adequately communicates with staff in a timely manner (1.89). There were higher weighted averages for the three additional questions.
- The staffing/work environment questions show that staff do have concerns about vacant positions and the workload created by those vacancies. A question asked each year is whether the staff member would recommend Murray State as an employer to family and friends and this year there were 327 respondents who gave a weighted average of 2.06, meaning they strongly agreed or agreed they would make that recommendation. This weighted average is down from 3.41 in 2016. A similar decline can be noted when staff were asked whether they feel good about the direction Murray State is headed, with 266 staff strongly agreeing or agreeing, compared to 297 last year. One positive question related to whether staff can express disagreement with their supervisor without fear of intimidation and/or reprisals which had a weighted average of 1.79. This indicates there is a good working relationship with most or many of the supervisors in terms of listening to their staff.
- The benefits/pay/recognition questions indicated an area of concern related to compensation and raises but this is present every year. As mentioned earlier, there is an increased workload for employees if a position in their area remains vacant but their pay remains the same. The rate of pay does not seem to increase as greatly as the cost of deductions, mainly related to health insurance premiums and the new payroll tax, which reduces a staff member’s net pay. Many of the respondents are the lowest paid Murray State staff and they are truly living paycheck to paycheck. Benefits available to staff are greatly appreciated – particularly tuition waivers and vacation and holiday time.
- There were many comments provided after each set of questions and they run the gamut from exceptional to horrible, with the majority somewhere in between. These results identified by the Staff Perspective Survey represent very real concerns for many staff members but it is also known that some things are outside the control of the University such as budget reductions, pension reform and the payroll tax but those issues do directly impact staff.

Student Regent

Ms. Wood reported that so far this semester there have been seven Student Senate meetings and within that timeframe one proposed Resolution was passed. The March for Higher Education was held on February 6, 2018, on the steps of the Capitol in Frankfort and student representatives from each of the public universities participated. The event was coordinated by the Board of Student Body Presidents which is comprised of the Student Government Association (SGA) Presidents across Kentucky, as well as two individuals representing the Kentucky Community and Technical College System. In preparation for the March in Frankfort, SGA passed a Resolution on January 24, 2018, in support of faculty excusing the absence of students attending the student-led March for Higher Education. The group from Murray State that travelled to Frankfort left Murray at 4:30 a.m. Charley Liming from Dining Services set up breakfast for the students before they departed campus and this illustrated University support of the student body. One SGA Senator – J. T. Payne – was selected by the Board of Student Body Presidents based on his credibility to deliver a speech on the steps of the Capitol and this was inspirational for the students present. Students also met with Representative Kenny Imes and Senator Stan Humphries and were able to ask them questions as well as learn about the legislative process, particularly with regard to the current budget cycle.

An in-depth discussion on academic advising was held on February 14 and was led by Senator Emily Cornwell. Ms. Cornwell conducted research on academic advising because students were sharing multiple issues and comments with her. After being brought to the attention of SGA, additional information was gathered and presented to SGA. Dr. Arant and Dr. Barbara Cobb, Professor of English and Philosophy, attended the event to receive feedback from the students. The event concluded with the formation of an Academic Advising Committee which, in addition to University personnel, includes five student Senators. A website to collect additional comments and commentary was also developed. This was a great representation of the purpose of SGA.

The SGA Campus Activities Board sponsored several events including Street Signs (custom made signs), Stuff-A-Animal and Pet Therapy. Murray Madness will be held on March 14 and students can have caricatures made, enjoy fruit smoothies and participate in balloon art and face painting.

At every SGA meeting Dining Services gives a report on initiatives currently being undertaken. As part of their presentation, there is the “You Spoke, We Listened” portion where something the students have requested that has been implemented is highlighted. This is what being a student-centered university is about. The new administration in Dining Services has represented a significant change in terms of the student body. They have brought back “late night” containers in Winslow Dining Hall and students are particularly excited about this option. Students had requested Halo Top ice cream be added in Fast Tracks and that has been done. It means a great deal to the student body to know they are being heard and, as a result, changes are being made.

Voting for Student Government Association elections will be held on myGate March 12-13 and there are eight positions to be filled. Election results will be announced on March 14 at 5 p.m. in Winslow Dining Hall. There are 20 individuals running for Senator-at-Large with only eight positions available. One of Ms. Woods’ goals was to motivate students to become involved and this turnout illustrates efforts are working.

Student accomplishments and highlights include:

- The 17th annual *Posters-at-the-Capitol* event on February 8 featured students’ academic research being presented to state legislators and officials. Students worked alongside faculty in conducting their research to make this event possible.
- Students and faculty won more than 30 awards during the 149th annual Kentucky Press Association Awards Banquet.
- The School of Nursing and Health Professions students and faculty crocheted hats and cocoons to keep premature and hospitalized infants warm.
- Events planned on January 14-15, 2018, in observance of the Martin Luther King, Jr. holiday had to be moved to February 1-2 due to the University being closed for inclement weather. These included the Candlelight Vigil and March and the Day of Service.
- *Hutson School of Agriculture* partnered with Beck’s Hybrids to provide experiential learning opportunities for students.
- The Racer One Stop was available to students in January. This effort involves centralizing crucial offices (Financial Aid, Bursar, Registrar and Scholarship) in the Curris Center so students have easier access to the services they need in one location.
- Students also awarded a \$3,000 grant to a local nonprofit organization. This helped illustrate the students’ willingness to give back to the community but also allowed them to make connections within the community.

Report of the Treasurer, accepted

Ms. Dudley indicated she would not be referring to the financial statements during her report as she and Regent Kemp have discussed presenting financial data to the Board differently. The details of the Quarterly Report were included in the eBoard book for review and Regents were encouraged to ask any questions they may have regarding that report.

The report presented focused on highlights related to the financial status of the University at this quarter. An Executive Summary was provided in the eBoard book and denotes that tuition is down significantly in the December financial statements. The reason for this decline is that historically the University has recorded tuition revenue for the Spring Semester and billed tuition revenue before the Christmas break in December so it would be included on the financial statements. This represents a net difference of slightly over \$32 million. The reason for this is that the University utilizes the 1098-T which is used for disclosing educational expenditures that can be claimed on taxes. Regulations changed this year and the University was required to start booking fees in the tax year they were applied to so Murray State had to hold off until January because of that federal reporting. Ms. Dudley presented the University’s financial standing for the Spring Semester but cautioned this is not reflected on the December financial statements. The large fluctuation in the December statements will balance out in the next quarter.

It has previously been reported that the University is projected to be approximately \$7.2 million short of tuition budget projections compared to actual at the end of the fiscal year. This projection, unfortunately, is holding true. Additional analysis undertaken as of the end of

February, which includes Spring revenue, show the University is on target for a \$7.2 million net shortfall. This is the shortfall from where the University is budgeted to actual and is related to the enrollment decline. This projection includes meeting Summer I revenue but the University has a good record of meeting summer budget. Approximately \$3.5 million is typically budgeted for Summer I and the University should be able to meet that target.

For the current year, a \$2 million contingency was already approved in the budget and there is also a \$1.1 million pension contingency in the current year budget to help offset future pension challenges. This means that the University has \$3.1 million that is not budgeted for expenditures and this will help offset the \$7.2 million shortfall. In addition, in the Fall when enrollment trends were becoming apparent, a much more thorough review of all vacant positions was undertaken to determine whether they needed to be filled. The Vice Presidents are analyzing each vacant position to determine whether it is needed and what would happen if the position were eliminated. The Vice Presidents are challenged with presenting this information to the President for pre-approval before filling a vacant position. This process has been in place since October 2017. Also, expenditures that are singularly over \$2,500 are being submitted for executive-level approval or a determination is being made that changes are warranted or the General Fund expenditure can be deferred. These actions and others currently in process are expected to reduce the anticipated shortfall but by how much remains unknown.

In addition, due to the revenue shortfall at the state level, the Governor issued an order to rescind a portion of the University's appropriation in December 2017. This current-year recession to the state appropriation amounts to \$458,000 and would be in addition to the anticipated \$7.2 million tuition shortfall. The University is challenged with implementing these changes on a recurring basis next year and the Board will begin to see this as budget recommendations are presented.

In addition to tuition, each quarter an estimated pension expenditure is recorded on the University's financial statements. This represents an expenditure that is over and above the University's payroll expense. The Board is accustomed to hearing about year-end pension expenditures the University must maintain due to the increased liability of the state. This is booked each quarter so the University does not have a huge amount at year end. Last year the University had an additional expenditure on its financial statements of slightly over \$10 million. An effort has been made to proportionalize the \$10 million for each quarter and the University is at \$5 million this quarter in December. An additional \$5 million in expenditures has been recorded on the financial statements presented to the Board for the December quarter but an additional \$5 million will need to be recorded. This is over and above what the University is actually writing a check for and represents what is estimated to be the institution's share of the pension liability increase as of June 30, 2018.

These represent the major components of the financial statements for December. The remaining numbers are on par with the budget and are within expectations. Auxiliaries are very close to expected but there has been some decline in housing revenues due to issues previously discussed.

In terms of whether – with the offsetting contingency funds and the reduction in expenditures – the University has a reasonable chance to break even this fiscal year, Ms. Dudley indicated there is a chance but all need to be prepared for some shortfall. Although an additional \$5 million has been booked, the pension liability remains an unknown until the audits are prepared by the pension systems. Tuition is also a projection and these represent best estimates at this point in time. All need to be prepared to have a shortfall in the Education and General Fund at the end of the year due to these factors.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period of July 1, 2017, through December 31, 2017, as presented. Mrs. Guess seconded and the motion carried.

(See Attachment #2)

Adjournment

The Board adjourned for a break beginning at 10:10 a.m.

Reconvene

Chair Williams reconvened the Quarterly and Committee meetings of the Board of Regents at 10:30 a.m.

Strategic Plan, consensus provided

Dr. Fister reported on the interconnectedness of the Strategic Plan to the University's Mission Statement, budget priorities and performance funding to recruit, retain and graduate students while recruiting and retaining excellent faculty and staff. Strategic planning highlights as a result of facilitator efforts and funding for various initiatives were presented. Even though some award amounts were not large they have provided significant impact. As an example, the Racer Writing Center was awarded \$7,500 and this academic year alone provided assistance to 600 undergraduate and graduate students in an effort to better facilitate "soft skills." An allotment of \$650 allowed Peer Educators to interact with 200 individuals and 52 signed pledges to remain smoke free. Peer Educators also organized groups at the local high schools and the Kindness Campaign for Marshall County High School. Last year slightly more than \$120,000 was presented to these groups. An additional component provided last year and this year was the Racer One Stop which received partial strategic planning funding.

In 2018 there has been a more focused component to Strategic Plan work. The Vice Presidents received information and were asked to submit no more than two proposals for potential strategic planning funding. Branding, Marketing and Communication and the Institute of Engineering were provided with \$10,000 for a marketing strategy designed to attract at least 40 additional students. Funding has also been provided for the Student Success Seminars. Peggy Whaley and Cindy Clemson, Assistant Professor of Adolescent, Career and Special Education have focused on these seminars. This Fall 42 seminars will be offered and monies will be provided for staff and/or faculty to address issues that are time management specific for students. A significant increase in the retention of these students has resulted from the Student Success Seminars.

In light of the current budget situation, strategic planning funds in the amount of \$180,000 will be returned in support of the academic mission of the University. This means these funds will not be available next year for strategic planning "grants." Strategic planning initiatives were initially funded at \$450,000 but all have been frugal with these funds over the last two and a half years. Confirmation was provided that strategic planning work will continue due to its importance to recruiting, retaining and graduating students.

A reassessment of the Strategic Plan has been underway since May 2017. The University Community has been involved in the restructuring of the Strategic Plan through listening sessions, participation in discussions at constituency group meetings and survey completion. The focus of the reassessment is to allow for efficiency and effectiveness while aligning the University's Mission Statement and Vision Statement. The University Community and leadership provided by the Initiative Chairs have been critical in developing the reassessed Plan with organization of foundational elements targeting recruitment, retention and graduation while supporting faculty and staff in their important work of educating Murray State students. A trend analysis was also undertaken for updated metrics.

The revised Strategic Plan was provided in the eBoard book and consensus is being sought from the Board that this is how the University should proceed. A finalized plan is scheduled to be presented at the June meeting. Highlights of the reassessed Strategic Plan were presented as follows:

- The Strategic Plan initially included 64 measures and while 75 percent of those were met, some were not accomplished and this was reported to the Board in December. There are now 23 measures in the reassessed Strategic Plan. The Enrollment Strategic Plan encapsulates several of the previous student success features that were contained within the original 64 measures. Mr. Dietz has developed an Enrollment Strategic Plan for domestic and transfer students and there are also Strategic Plan proposals related to international and graduate students.
- The Academic Success component of the Strategic Plan includes promoting an excellent faculty/student ratio of 17:1 or less. Currently that ratio is 15:1 which illustrates how strongly University educators focus on students. Work is currently underway to increase STEM-H degrees awarded to 1,091 (2.5 percent annual increase) because this relates directly to performance funding. The University must meet or exceed *Diversity Plan* metrics approved earlier by the Board. The CPE did not approve the University's initial *Murray State University Diversity Plan* submission. For this

reason, the Board will be asked to approve a revised *Diversity Plan* later today which contains a graduation rate increase to 42 percent for underrepresented minority and low income students but this represents a significant stretch for Murray State.

- The Student Success component of the Strategic Plan includes 11 metrics related to the Enrollment Strategic Plan, such as increasing the first-year retention rate from 74.5 percent to 78 percent but this will not be accomplished within two years. The Board has emphasized the focus that every undergraduate student should complete an internship, service learning component or another experiential learning activity before graduating Murray State and data shows this is where the University is able to connect with students. The more faculty and staff can be involved with students the better. For these reasons this component will remain in the Plan although work continues to determine how best to adequately measure this focus.
- The Research, Scholarship and Creative Activity component of the Strategic Plan originally included six measures. One of three measures that remains is a focus on increasing (by 20 percent) the number of undergraduate and graduate scholarly projects mentored by faculty. The starting point was 1,581 and the goal is to reach 1,897 by 2021.
- The Community Engagement component of the Strategic Plan requires the University to connect with the community. One of the aspects of this component, the service provided to K-12 organizations and partnerships with industry in the 18-county service region, will be increased by 5 percent. The Board has charged the University with working better within its service region and the administration is listening. Challenges with this work include identifying where those adult populations are and effecting changes in enrollment accordingly as well as within the 18-county K-12 system.
- The goals and metrics which have been set within the reassessed Strategic Plan continue through 2021 but the overall plan is through 2022 and there are four remaining years to reach these goals with the last year being a gap year to discuss a future Strategic Plan as well as determine whether goals can be finalized.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, provide consensus that the reassessment draft of the Strategic Plan is appropriate and should be utilized as a guide for budgetary planning. Mrs. Guess seconded and the motion carried.

(See Attachment #3)

Diversity Plan, revision approved

Dr. Davies reported that every five years the University is required to submit a *Diversity Plan* to the CPE for approval. The *Murray State University Diversity Plan* was approved by the Board of Regents on August 24, 2017, and was subsequently approved by the CPE Committee on Equal Opportunities, with the understanding that the Plan would then be presented to the Council on Postsecondary Education Board for approval in the Fall Semester. The CPE leadership and Board raised several questions regarding the specific numerical measures related to graduation and retention rates, as well as specific average annual growth rates for given goals. After further discussion and negotiation with the CPE, consensus was reached on the numerical measures, with the understanding that these targets will be challenging to reach with the reductions in resources the University is facing. The CPE Board approved the revised *Murray State University Diversity Plan* at their meeting on February 2, 2018, and that document was provided in the eBoard book – with and without tracked changes. Changes include an increase in the number of Hispanic students of 2.06 percent (from the original projection of 1.9 percent) and 11.34 percent (from the initial projection of 10.9 percent) for underrepresented minorities. The University's six-year graduation rate for low-income students would increase from 38.3 percent to 42 percent and for underrepresented students would increase from 38.4 percent to 42 percent. The Board should be aware that this represents a six-year graduation rate but the University is already in year three, almost year four, for this cohort. Achieving the 42 percent graduation rate mandated by the CPE would require Murray State graduating almost every single student in this cohort. According to the CPE mandate, the retention rates for low-income and underrepresented students from freshman to sophomore year will increase from 70 percent to 75 percent. The number of low-income students will increase from 760 students to 815 and underrepresented students from 154 to 165 students. Underrepresented faculty will increase from 5.8 percent to 6.1 percent and at the management level underrepresented personnel will increase from 8.3 percent to 10.10 percent. Confirmation was provided that other universities are being challenged at this same level. Attainment of the *Diversity Plan* goals affects performance funding in terms of progression for low-income and underrepresented graduates.

In terms of whether these goals are attainable, Dr. Davies would have preferred for the graduation rate discussion to be held differently because the University is already in the middle of a cohort. It is believed the other ratios could be attainable and represent goals which have been discussed as components of the Strategic Plan. Leadership discussions have highlighted the essential importance of diversity because it is at the core of what the University is trying to achieve. Progressive plans are being advanced to be much more aggressive in these areas. A team has been formed to enhance current efforts in this regard so they are more meaningful in proactive ways and work continues to remove barriers that may exist.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the revised *Murray State University Diversity Plan* with the provision that all recommended action steps be subject to regular University review and any “housekeeping items” may be addressed without re-approval by the Board. The administration is further directed to continue the implementation of the Plan and provide the Board with a progress report no less than annually. Mr. Kemp seconded and the motion carried.

(See Attachment #4)

Committee Reports/Recommendations

Academic Excellence and Scholarly Activities Committee

Walter Bumphus – Chair
Katherine Farmer
Susan Guess
Lisa Rudolph
Tori Wood

In the absence of Dr. Bumphus, Mrs. Guess called the Academic Excellence and Scholarly Activities Committee to order at 10:52 a.m. and reported all other members were present.

Creation of the Center for International Business and Trade, approved

Dr. Arant reported that the creation of the Center for International Business and Trade was presented to the Board for consideration in February 2017. Paducah, Kentucky, was named a Free Trade Zone in December 2015 and because the University already had an academic presence in the area the Logistics and Supply Chain Management program was established and represents an integral component to international trade. Faculty have laid the foundation upon which a Center for International Business and Trade can be built and the Dean has a solid Business Plan in place for the future success of this initiative. The Center will position the University as a hub for international business and trade education – not only for traditional students but also for industry professionals – by providing a natural place for workforce development initiatives to occur. To determine if regional interest matched University interest, a proposal was presented to business leaders who agreed to lead an Advisory Board and solicit other advisers. The Murray State proposal was received favorably by the region through a commitment of business and government representatives who volunteered to serve as advisors and developed a Business Plan to carefully map the path forward into a sustainable entity. The vision for the Center for International Business and Trade focuses on the partnering of businesses, government and academia to provide opportunities and resources for businesses and individuals to grow internationally by centralizing information and drive innovation, workforce development and global business and trade. Confirmation was provided that the Center will be located on the *Paducah Regional Campus*.

On behalf of the Academic Excellence and Scholarly Activities Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the creation of the Center for International Business and Trade in Paducah, Kentucky. Ms. Farmer seconded and the motion carried.

Full Board Action – Creation of the Center for International Business and Trade, approved

On behalf of the Academic Excellence and Scholarly Activities Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve

the creation of the Center for International Business and Trade in Paducah, Kentucky. Mr. Kemp seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

Jones College of Science, Engineering and Technology Administrative Appointments (For Information Only), report received

Dr. Arant announced appointments for the following academic administrative positions for the 2018-19 fiscal year in the *Jones College of Science, Engineering and Technology*:

- Dr. Claire Fuller (Interim Dean) – Current Dean, Dr. Stephen Cobb has requested to return to a 9-month contract as a faculty member in the Institute of Engineering. A national search for Dean Cobb’s replacement will be undertaken.
- Department of Chemistry – Dr. Kevin Revell (Chair) – Current Chair, Dr. Harry Fannin will return to a 9-month faculty contract as a member of the Department of Chemistry.
- Department of Biological Sciences – Dr. Michael Flinn (Interim Chair) – Replacing current Chair, Dr. Claire Fuller who has accepted the position of Interim Dean of the *Jones College of Science, Engineering and Technology*.

These appointments have the support of the Provost and Vice President for Academic Affairs.

This report was presented for informational purposes only and required no Board action.

Department of Geosciences Name Change to Department of Earth and Environmental Sciences (For Information Only), report received

Dr. Arant reported that the name “Geosciences” is more closely related to geology. Faculty expertise in the department includes geology, geography, archaeology and anthropology. The range of undergraduate degree tracks and graduate degree concentrations offered by the Department are much broader than conventional Geosciences. Research areas of the Geosciences faculty all involve elements of the Earth system, interactions among the elements, the processes of the Earth’s environment and the history of the planet and humans.

“Earth and Environmental Sciences” more accurately reflects faculty expertise, as well as the actual work performed by the department. In addition, very few schools offer a course with “Geosciences” in the name in 6th-12th grade curriculum. If related courses are offered, they are more likely to be called Earth Sciences. This name change would provide a clearer path for high school students to choose University programs in the Department of Earth and Environmental Sciences. This name change request has been reviewed and was approved by the Academic Council on November 27, 2017.

This report was presented for informational purposes only and required no Board action.

Dr. Arant recognized Dean Tim Todd, *Bauernfeind College of Business*. The college recently completed its five-year accrediting body review by the Association to Advance Collegiate Schools of Business (AACSB). The review went impeccably well and the members of the review team actually took ideas from Murray State faculty members and implemented those at their home institutions. The AACSB process is incredibly rigorous and very few institutions are able to go through the process with as few findings as those identified at Murray State.

Today the *Hutson School of Agriculture* is hosting 325 Future Farmers of America students on campus and this represents another initiative being undertaken to enhance the academic excellence of this entity.

This year the Academic Council has approved 577 curriculum changes in an effort to address enrollment and maintain relevance. There are approximately 200 additional changes to be presented to this body. This represents an enormous amount of work for the Undergraduate Studies Committee (Renae Duncan, Associate Provost for Undergraduate Education) and the Graduate Studies Committee (Bob Pervine, Associate Provost for Graduate Education and

Research) to undertake. This entire effort is coordinated by one individual in the Provost's Office – Shelia Haley, Publications Specialist. Dr. Davies confirmed that the work being undertaken in Academic Affairs is to be commended and the Deans are leading by example in this effort. Care is being taken during the process to maintain academic quality.

Confirmation was provided that the process is moving forward with regard to a new drone program and interest expressed for this initiative has been exceptional.

Adjournment

The Academic Excellence and Scholarly Activities Committee adjourned at 11:05 a.m.

Audit and Compliance Committee

Don Tharpe – Chair
Susan Guess
Stephen Williams

Dr. Tharpe called the Audit and Compliance Committee meeting to order at 11:05 a.m. and reported all members were present.

Audit Engagement Letter, approved

Ms. Dudley reported that at the February 24, 2017, Quarterly Meeting the Board of Regents approved the issuance of a contract to Dean Dorton Allen Ford, PLLC (Dean Dorton) for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2017, and further authorized the University to enter into three subsequent contract renewals based upon mutual consent. The cost for the 2017-18 contract, which is the second year of the four-year contract, is \$120,725. The Engagement Letter was also provided to the Board and outlines the scope of the work and parameters of the audit by Dean Dorton.

On behalf of the Audit and Compliance Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the Audit Engagement Letter for the June 30, 2018, audit by Dean Dorton as presented. Mr. Williams seconded and the motion carried.

Full Board Action – Audit Engagement Letter, approved

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Audit Engagement Letter for the June 30, 2018, audit by Dean Dorton. Mr. Kemp seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

(See Attachment #5)

Adjournment

The Audit and Compliance Committee adjourned at 11:08 a.m.

Buildings and Grounds Committee

Sharon Green – Chair
Daniel Kemp
Jerry Rhoads
Phil Schooley
Tori Wood

Ms. Green called the Buildings and Grounds Committee meeting to order at 11:08 a.m. and reported all members were present. Chair Williams reported that the Buildings and Grounds Committee and the full Board took action earlier regarding the JH Richmond Hall project.

Disposition of Structure Located at 1602 Miller Avenue, approved

Ms. Dudley reported that the acquisition of property located at 1602 Miller Avenue was approved by the Board of Regents at the April 21, 2017, meeting. The house located at 1602 Miller Avenue contains approximately 3,752 square feet. Due to the deterioration of the house and the shed on the property and the cost necessary for remediation, the recommendation is being made for the structures to be razed. The proposed use of the space will be to expand current parking, green space and facilities or to provide for other campus functionality.

On behalf of the Buildings and Grounds Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the resolution authorizing the disposition of the structure located at 1602 Miller Avenue as presented. Mr. Kemp seconded and the motion carried.

Full Board Action – Disposition of Structure Located at 1602 Miller Avenue, approved

On behalf of the Buildings and Grounds Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached resolution authorizing the disposition of the structure located at 1602 Miller Avenue. Mrs. Guess seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

(See Attachment #6)

Adjournment

The Buildings and Grounds Committee adjourned at 11:10 a.m.

Enrollment Management and Student Success Committee

Lisa Rudolph – Chair
Walter Bumphus
Katherine Farmer
Sharon Green
Don Tharpe

Mrs. Rudolph called the Enrollment Management and Student Success Committee to order at 11:11 a.m. and reported all members were present with the exception of Dr. Bumphus.

Enrollment/Admissions/Applications Report (For Information Only), received:

Mr. Dietz reported that final enrollment numbers will not be officially locked in with the CPE until March 25, 2018. The preliminary Spring 2018 enrollment report indicates undergraduate and graduate enrollment is trending down from last year by approximately 4.6 percent (net of HEA 189 – a health class) and this represents a carryover from Fall 2017. Beginning with this semester, HEA 189 will no longer be included in the overall enrollment counts. HEA 189 was a class offered free-of-charge to faculty and staff and provided free access to the Wellness Center. This is a non-revenue producing class and the decision was made to remove enrollment in this course from overall enrollment counts. HEA 189 was offered to encourage faculty and staff to utilize the Wellness Center but Human Resources has now developed other health initiatives and the course is being discontinued.

There is a slight increase in first-time freshmen enrollment for Spring 2018 and a decrease of 11 student in terms of preliminary first-time transfer enrollment. A large number of new students are not generated during the Spring although the semester does represent an important aspect of the overall enrollment cycle. Preliminary undergraduate enrollment is down by 195 students from Spring 2017 (net of HEA 189).

Fall 2018 freshmen applications for admission are up 24 percent (approximately 1,400 students), domestic freshmen acceptances are up 17 percent (863 students), domestic transfer applications are down 16 percent (90 students) and domestic transfer acceptances are down 5.5 percent (15

students). Activity related to transfer students is usually evidenced beginning in the Spring so these numbers are likely to change.

Initiatives which have been undertaken for domestic undergraduate applications include the Shared Governance Enrollment Summit (domestic, international and graduate), streamlined application processing to admit domestic students based on self-reported grades and test scores, implementation of the Deans Scholarship to award \$1,500 to students within the 21-23 ACT range with a 3.0 or higher grade point average, addition of Arkansas to states offering regional tuition, increased emails and publications and personalization and the *Rising Stars Inclusive Excellence Summit*. Appreciation was expressed to Regent Tharpe for his involvement in the successful *Summit*. Another summit is being planned for Fall 2018.

Dr. Davies reported that as part of this overall process several key areas were targeted, including Jefferson County. This year alone there are over 100 additional applications from that area due to very concerted efforts. Another targeted area included the Tennessee market, specifically Shelby County in Memphis and East Memphis in Arkansas. Mr. Dietz reported that many members of this Board are actively involved in the recruitment process and appreciation was expressed for those efforts. Chair Williams reminded the Board about the strategic decisions this body made three years ago in terms of admission criteria in order to improve graduation rates. It was known at the time that implementing enhanced admission criteria (ACT and grade point average) would negatively impact enrollment and have an associated financial impact in the short term but this represented a bold and strategic Board decision and this should not be forgotten when reviewing enrollment numbers. Since the change in admission standards were implemented there has been an associated 4 percent increase in retention. The University is pursuing academically stronger students and this market is extremely competitive because these individuals have more opportunities and choices. It should also be noted that efforts are underway at a sister institution in Kentucky to follow Murray State's model and this will increase competition even further.

The question was asked whether Pell-eligible students can attend Murray State for free with the University making up the difference of what is not covered by Pell grants, KEES money and scholarships. Dr. Davies confirmed that the *Racer Promise* program pertains to a first-time freshman student within the 18-county service region who receives a Pell grant. The University does provide the "last dollar in" to make up their tuition level. Consideration is being given to expanding this program throughout the entire state of Kentucky and financial models are being developed in this regard to determine whether such an effort would be feasible. This program needs much higher visibility in order to be successful. Confirmation was provided that assistance is offered to these students and their families to help them complete the process in a timely fashion.

Dr. Arant reported that the decline in graduate enrollment this year is accelerating and Fall 2018 graduate applications are down 1 percent while domestic graduate acceptances are flat. Since 2012 the University was at approximately 30,000 student credit hours and this year, if enrollment holds, that figure is 22,000 credit hours. The challenge is that signs of erosion were beginning to show in regard to the number of credit hours students were taking per semester. Currently, graduate students average 6.5 credit hours per semester while nine credit hours per semester represents full-time graduate status, meaning most graduate students are considered part-time.

Research is being conducted and initiatives are being implemented to reverse the graduate enrollment trend. A number of factors are contributing to this reality including the fact that the University is not currently offering programs students are looking for and that has been an emerging theme from visits to Careers Fairs and talking to potential Murray State students. Those recurring themes are being incorporated into the academic planning process to determine how quickly programs the students want can be brought on line. Examples include the Master of Fine Arts (MFA), Master's in International Business and a Master's degree in Social Work. The departments are currently working on a prospectus to outline what would be required to implement these new degree programs. Some programs currently have capped enrollments based on the number of available faculty and resources from the Provost's Office will be utilized to invest in these programs to add additional faculty which will result in increased enrollment. The return on investment is expected to greatly outweigh any associated costs. Two such identified programs include Agriculture and Engineering and Technology Management. If these initiatives are successful additional investments in other programs will be possible which will

result in additional growth. Consideration is being given to the times classes are offered. Teachers in area schools have indicated a desire to take Murray State graduate courses but they are not offered at a time that would allow them to do so. The faculty have developed new strategies to enable these classes to be offered at the times needed. This includes on the weekend, in the evening and a much stronger online presence.

Consideration is also being given to the University's current graduate admission process. Drs. Arant and Pervine attended a Career Fair at Missouri State Graduate School where graduate enrollment has increased by 2 to 3 percent over the last three years which is bucking the national trend. Missouri State has a very efficient graduate admission process through an electronic application. That institution has also multiplied the number of degrees offered but did so utilizing current resources and repackaging courses they already offered for new degrees.

A differential graduate tuition philosophy would assist greatly in the recruitment of graduate students for Murray State and this will be discussed in detail shortly. Many of the graduate enrollment declines equate to programs with high international student populations and challenges are also being evidenced with returning international students. Consideration is being given to initiatives which will help recapture these students but data received to this point indicates they simply cannot afford to continue their college education. Confirmation was provided that international enrollment regionally and across the state is down at most universities but at different rates.

Faculty are also working to address the transition from undergraduate programs to a graduate program. Consideration is being given to developing accelerated programs which could mean a condensed time to degree. In reviewing potential accelerated graduate programs, utilizing graduate courses during the undergraduate years is being considered so students already have graduate credit and can apply that toward their advanced degree. Several programs have already been identified where this could be implemented within a relatively short timeframe.

Dr. Robertson reported with regard to international recruitment and the associated enrollment decline that this is reflective of current trends. Murray State has a rich history of international enrollment and even with recent declines is still ranked 37th among master's-level institutions by the Institute of International Education in terms of international students on campus. International undergraduate and graduate enrollment is down by approximately 168 students compared to this time last year. It is known that there has been a significant drop in government-sponsored scholarships, particularly from Saudi Arabia and Brazil. The current culture – in terms of safety concerns and whether students would be welcome in the United States – has also played a role in the decline in enrollment from this population. International students are now considering higher education in New Zealand, Australia, England and Canada. There is also significant price competition and students are looking for scholarship opportunities and competitive tuition pricing. The University must balance exchange programs with partner schools and there have been challenges in this arena as well. There were some capacity issues, particularly with regard to engineering and, while enrollment was capped, there are a number of international graduate students with a desire to enroll in the program. This is now being addressed and efforts will be focused on regaining momentum in this area. The lack of public transportation remains a challenging issue for international students. While options are available for these students in Murray, adequate transportation options for travel to areas such as Nashville and Paducah are not available.

International numbers for Fall 2018 are more promising although it is still very early in the process. Undergraduate, freshman applications are up while transfer enrollment is relatively flat at this point and graduate numbers are down. International enrollment is up from countries such as Africa and Afghanistan, as well as Latin America countries. Confirmation was provided that the University is spending more time in these areas. Murray State is also undertaking market analysis to identify trends with regard to the international student population and research work is underway for those countries sending the most students to the United States. China continues to send a large number of students to the United States but those numbers are decreasing as students are choosing to go to other countries as previously mentioned. China has also renewed efforts to keep Chinese students, particularly graduate students, in their own graduate institutions and many students are choosing this option. China continues to represent a significant market for Murray State and partnerships with that country remain intact.

Initiatives to increase international enrollment include the creation of a comprehensive recruitment strategy and plan. Eight new partnerships were signed in 2017 and 50 new agreements have been signed with an agent. A recent report showed that approximately 60 percent of students pursuing education in the United States are working through agents who match students with institutions that will meet their needs. The University is participating in targeted webinars and virtual fairs are being offered to students from other countries to ensure they are aware of what Murray State has to offer. Social media efforts have also increased with student testimonials and the Student Ambassador Program. Current international students are contacting students in their home country to provide information about Murray State. A new international video is also being utilized as part of the recruitment process. A significant amount of country-specific promotional materials have been created and many of these are in the student's native language. There has also been increased personalized communication for international students and this includes emails, letters and phone calls to maintain contact. Names are being purchased from GRE and TOEFL student search services to identify students who would be a good match with programs offered at Murray State. The market is monitored consistently and institutional analysis is undertaken to ensure the University remains on top of current trends. There are a number of international faculty on campus and as they are traveling to their home countries specific strategies are being developed so they can also help recruit students.

A more aggressive effort is being employed for students in the English-as-a-Second-Language program to ensure they are aware of additional opportunities available to them at the University and encouraging those individuals to continue their education at Murray State. There are a number of international students in the high schools and community colleges and information is being provided to these individuals on how they can transition to Murray State. Efforts have also increased with international alumni.

Additional efforts include the development of a merit-based scholarship grid which will help recruit higher-level international students. In addition to developing partnerships with new universities, Murray State is developing a Cooperative Institute with Qingdao Agricultural University. Consideration is also being given to developing a similar Institute with Shandong University, a business and economics university in China. Efforts have been enhanced to promote the Ed.D and DA programs to partner universities. Companies that employ non-U.S. citizens have also been identified. Work with specific student organizations has been increased so they are more involved in the recruitment process and recruitment trips and fairs have been scheduled throughout the year.

This report was presented for informational purposes only and required no Board action.

President's Commission on Student Success Focus Areas Report (For Information Only), received

Dr. Robertson reported that the *President's Commission on Student Success* was established to provide guidance to the University in developing strategies and goals regarding student retention, persistence, success and graduation. The *Commission* has established five focus areas:

- Student Success Seminars – As part of the University's curriculum every new student must take a Transitions class which is major specific. Over the past four years pilot programming has been undertaken by adding to the Transitions course a six-week seminar which focuses on time management, strategic learning, how to manage college life, persistence and successful student behaviors. Data clearly shows that the Transitions classes that included the Student Success Seminar resulted in significantly higher retention rates (8.5 percent from Fall to Spring and 7 percent from Fall to Fall). For Fall 2018 this initiative will be expanded to all Transitions courses. Ms. Whaley and Ms. Clemson were recognized for their work in piloting this program and appreciation was expressed to staff volunteering to teach the seminars.
- Low-income and Underrepresented Minority Students – Focus on identifying and developing strategies which will help these students be successful at Murray State.
- Pathways to Success for (Tier 4 students) – As proposed by the CPE, it is believed universities are no longer going to be able to offer full developmental courses as of Fall 2018. The University must be prepared to support those students who need a refresher to get up to speed when they get to college and break the developmental cycle. Consideration is being given to partnering with West Kentucky Community and Technical College (WKCTC) to assist in this effort.
- Starfish Student Success Software – This will allow the University to engage students at a much more intrusive level so they can become involved with these students at the level where they need it most.

The program will allow faculty to have interaction with advisors and students and this communication can happen rapidly and intervention will be undertaken at a more efficient pace.

- College Academic Advising – This represents an area for improvement because college advising is one of the most important initiatives that can be utilized to retain students. Successful advising session models are being studied to determine what might work at Murray State. An effort must also be made to ensure the right faculty are advising students. Confirmation was provided that part of the conversation is developing a program to provide training to faculty on advising students. One of the most successful advising models has involved a college advisor who is responsible for coordinating advising within the respective colleges. These individuals provide professional development, serve as trouble shooters and coordinate this work at the University level. Some colleges already have this advising mechanism in place.

This report was presented for informational purposes only and required no Board action.

National Survey of Student Engagement 2017 Report (For Information Only), received

Kelley Wezner, Director of Institutional Effectiveness, presented the following highlights from the 2017 National Survey of Student Engagement (NSSE):

- NSSE is an annual survey that collects information from four-year colleges and universities about student undergraduate experiences and measures two aspects of student engagement: the time and effort that students invest in educational experiences and the institutional resources that encourage students to engage in learning. Institutions use NSSE data to identify aspects of the undergraduate experience that can be improved through changes in policy and practice.
- The survey participation rate for first-year students was 39 percent and 41 percent for seniors.
- The survey provides comparison data for benchmark universities, Kentucky and regional competitors and southeast public masters. An item-by-item analysis was provided of Murray State student responses and those from students at schools in the three comparison groups.
- Data shows that first-year Murray State students are saying their experiences are very much the same as those for students at peer institutions but this changes as the students reach senior-level status where there is less similarity. Murray State students are also more likely to say positive things about their experiences than students in most of the comparison groups.
- In terms of relative weaknesses, both first-year and senior students across all comparison groups indicated they spend less time in discussions with people different from themselves, particularly in terms of race and ethnicity, but also religion and political and socioeconomic status. These students also indicated they are spending less time doing assigned reading for classes. First-year students are spending less time undertaking reflective and integrative learning where they are connecting things across classes, from classes to real-world examples or where they are using multiple viewpoints for understanding. First-year students are also saying that their university does not place much emphasis on using learning support resources as other schools are for their students. Senior students indicated they are less likely to be challenged to do their best work compared to peers and are also less likely to spend time and effort preparing for classes.
- In terms of relative strengths, first-year and senior students at Murray State spend more time working with faculty on initiatives outside the classroom (other than coursework) than students at other schools. They are also spending more time on co-curricular activities, have participated or plan to participate in a study abroad opportunity and are receiving more work-related skills than their peers in the three comparison groups. When asked to give a general evaluation of their educational experience, first-year students are much more positive than their peers in all three comparison groups and seniors indicated they have a much more supportive environment compared to their peers.
- The most striking differences were in the Academic Advising Topic Module. The comparison groups for this measure are master's-L. On the 11 items surveyed, Murray State first-year students reported that for 45 percent of those items they had a less positive experience in academic advising than their peers. This included that the students were less likely to discuss academic interests, performance or course selections with advisors. In addition, students reported advisors were less likely to inform them of important deadlines, policies and rules or academic support options. Murray State seniors, for all 11 items, reported they had more positive experiences with academic advising than their peers at master's-L schools. A possible explanation for this is where these students are obtaining information regarding academic plans. First-year students are more likely to talk with their friends and family members and seniors are more likely to obtain this information from an Academic Advisor or through an online advising system.

This report was presented for informational purposes only and required no Board action.

Adjournment

The Enrollment Management and Student Success Committee adjourned at 12:20 p.m.

Closed Session, convened

Chair Williams solicited a motion for the Board of Regents to convene in Closed Session pursuant to Kentucky Revised Statute 61.810(1)(f) for the purpose of discussing matters which might lead to the appointment of an individual employee. Mr. Schooley so moved. Mrs. Guess seconded and the motion carried. Closed Session began at 12:20 p.m.

Open Session, reconvened

Chair Williams solicited a motion for the Board of Regents to reconvene in Open Session. Ms. Green so moved. Mrs. Guess seconded and the motion carried. Open Session began at 1:35 p.m.

Chair Williams reported that no action was taken during Closed Session.

Murray State University Racer Basketball Team, Coaches and Staff, recognized

Members of the Murray State University Racer Basketball Team, Coaches and staff joined the Board and were recognized for winning the Ohio Valley Conference Championship and heading to the first round of the National Collegiate Athletic Association Tournament.

Personnel Changes – Appointment of General Counsel – Robert L. Miller, approved

Chair Williams reported General Counsel John Rall is retiring at the end of this fiscal year after a job well done. Mr. Williams chaired the appointed Search Committee comprised of Regents Susan Guess and Dan Kemp, President Bob Davies, Vice President for Finance and Administrative Services Jackie Dudley, Associate Attorney/Privacy Officer Teresa Groves and Jill Hunt, Secretary to the Board, Senior Executive Coordinator for the President and Coordinator for Board Relations. The Committee completed a national search for the General Counsel position which reports directly to the Board of Regents and on a day-to-day basis reports to the President. There were over 45 applications for the position and the Committee worked diligently over the last three months to identify finalists. An entire day was spent interviewing a number of finalists via Skype and two individuals were invited to campus for personal interviews. Following this process, the Search Committee voted unanimously to recommend Mr. Robert L. Miller for appointment to the position of General Counsel. Mr. Miller is a very accomplished attorney with a very strong proven track record in higher education legal matters. Since 2007 he has served as General Counsel at Eastern Illinois University in Charleston, Illinois, and his curriculum vita was included in the eBoard book.

Dr. Davies expressed appreciation to Mr. Rall for providing over 21 years of exceptional service to Murray State University and welcomed Mr. Miller to the University family. Mr. Miller indicated he is honored and privileged to be considered for the position of General Counsel at Murray State University and he very much looks forward to joining the team.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the General Counsel Search Committee and the President of the University, approve the appointment of Mr. Robert L. Miller as General Counsel, at a fiscal year salary of \$145,000, effective July 1, 2018. Mr. Kemp seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

Finance Committee

Daniel Kemp – Chair
Walter Bumphus
Katherine Farmer
Jerry Rhoads
Phil Schooley

Mr. Kemp called the Finance Committee to order at 1:50 p.m. and reported all members were present with the exception of Dr. Bumphus. Earlier today the Finance Committee and the full Board approved the JH Richmond Hall project.

Differential Graduate Tuition Model (For Information Only), received

Dr. Davies reported that over the past year discussions have centered on how Murray State graduate tuition rates compare to those of its competitors. The graduate market in higher education is becoming highly competitive and students are extremely cost conscious. Confirmation was provided that doctoral tuition rates are also being reviewed.

Dr. Arant indicated that background information regarding graduate tuition at Murray State was provided in the Resource Center of the eBoard book. Research was collected on the cost of various graduate programs from state and area comparisons. This work revealed that Murray State is slightly above average for in-state graduate tuition but has one of the highest rates for out-of-state graduate tuition. The credit-hour rate comparison for Kentucky schools and other proximate institutions was shared with the Board. Current and prospective students have routinely indicated that Murray State graduate tuition presents a price point issue and an effort is being made to remove any barriers in this regard.

The University's in-state graduate tuition rate seems to be fairly reasonable and in line with others but there are challenges with the out-of-state and international graduate tuition rates. These challenges also exist within particular disciplines and a primary example is in education. Many sister institutions offer special Kentucky Educator tuition rates that are significantly lower. The Deans and faculty have been facing this issue for some time because the price point for graduate students is more sensitive than that for undergraduates due to there being significantly less financial aid available at the graduate level. Currently the increase in cost for undergraduate students transitioning to a graduate degree program is significant and Murray State students are having to pay the majority of cost on their own. All of these factors have been taken into consideration in the work which has been completed to this point.

NSSE data shows that students are not talking to others from different backgrounds and nationalities but the University must be able to competitively recruit international graduate students. International partners are beginning to see the price point becoming even more sensitive and governments are pulling back support in this regard. Market saturation is also taking place with some Murray State programs. Occupational Safety and Health is now having to recruit at much higher levels than was previously required.

A price point differential is being considered and review of a revenue model is underway. Murray State currently offers tuition discounts for students from regional states but consideration is being given to whether this is the best way to address the issue of graduate tuition. The purpose of the presentation today is to make the Board aware of discussions which have been occurring in this regard. Any new graduate tuition model will ensure the University breaks even at minimum in terms of costs and revenue. The Deans and faculty have been working diligently to develop new graduate programs and opportunities to attract additional students which will result in increased revenue. A degree in Exercise Physiology is one such example and others will be forthcoming.

In order for the College of Education and Human Services to be competitive – taking into consideration models being utilized by other state institutions – graduate tuition must be less – and typically under \$400 is the rate used in progressive graduate tuition models. Any such recommendations will be made on a market-based decision. For those degree programs where graduate tuition needs to be reduced, there will be associated work to determine how costs associated with offering these programs can be reduced and how enrollment can be increased. There are other master's degree programs with capped enrollments and some disciplines provide graduates with more earning potential to pay off their debt and there is some room in these areas for tuition to be increased. Once changes are made graduate tuition rates will be reviewed consistently to ensure the University continues to make necessary adjustments to remain competitive.

Confirmation was provided that the goal is to have a new Graduate Tuition Model in place for Fall 2018. It is the intent of the administration to present to the Board a recommendation on

graduate tuition at the Special Meeting scheduled for May 11. A model is not currently in place that would provide undergraduate students with an incentive to pursue graduate education but this will be considered. Utilizing an accelerated model could also provide an incentive where students earn graduate credit as part of their undergraduate program that would transition into the master's degree. Consideration is also being given to how to coordinate marketing efforts related to a change in graduate tuition.

The next step in this process is to identify a specific recommendation in regard to graduate tuition and that work will likely be completed next week. It was suggested that the Board be given as much notice as possible regarding any changes and Dr. Davies clarified this is why the discussion is being held today. The administration is making an effort to ensure it has affirmation from the Board that it will be supportive and accept recommendations with regard to graduate tuition, differential tuition models and lowering or increasing graduate credit hour rates moving forward in the budgeting process. Confirmation was provided that this work includes many changes to program offerings at the graduate level which will make Murray State more attractive to the graduate student population.

This report was submitted for informational purposes only and required no Board action.

(See Attachment #7)

Establishment of Pfouts-Springer Scholarships Quasi-Endowment, approved

Dr. King reported that the Peter Pfouts Estate provided \$55,660 in unrestricted funds in 2007 and the Tommye Springer Estate provided \$18,200 in unrestricted funds in 2005. Murray State wishes to combine these funds to establish a Quasi-Endowment to fund scholarships to recruit and retain students within the strategic areas identified by the University, as outlined in the guidelines provided in the eBoard book. The Murray State University Foundation will serve as the administrator of the funds and awards will be made from interest earnings. The actual amount of awards may vary based on growth of this fund and available investment earnings. The proceeds from the estates total \$73,860 and this will be the original corpus for the Quasi-Endowment.

On behalf of the Finance Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of the Pfouts-Springer Scholarships as a Quasi-Endowment. Ms. Farmer seconded and the motion carried.

Full Board Action – Establishment of Pfouts-Springer Scholarships Quasi-Endowment, approved

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of the Pfouts-Springer Scholarships as a Quasi-Endowment. Ms. Green seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

Annual Lease Report, accepted

Ms. Dudley reported that as per Item #16 of the Delegation of Authority, the Board is to “approve University real property and facilities’ leases under which 1) the University is the lessee if the annual rental is in excess of \$100,000 or 2) the University is the lessor of University real property or facilities and the lease has a non-cancellable term exceeding one year. No additional approval will be required if an approved lease is renewed pursuant to the same terms and conditions but the Board will be advised of any such renewal. A listing of all leases will be provided to the Board annually.”

On behalf of the Finance Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, accept the Annual Lease Report as presented. Mr. Schooley seconded and the motion carried.

Full Board Action – Annual Lease Report, accepted

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, accept the Annual Lease Report as presented. Mr. Rhoads seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

(See Attachment #8)

Projects Approved by the Board of Regents Chair, funding designated

Ms. Dudley reported that Delegation of Authority Item #20 states that "...prior to moving forward, all projects costing over \$200,000 and up to the threshold denoted by Kentucky statute should be reviewed by the Board Chair and the President and a determination made in terms of those projects requiring further Board approval."

Two schedules listing projects initiated since the last Board report were included in the eBoard book. The first was a schedule of projects with estimated costs of \$200,000 or less and the second was a schedule of projects with estimated costs of over \$200,000, which were reviewed by the Board Chair and President. In order to secure funding for the completion of the projects, designation of the source of funds by the Board is needed.

On behalf of the Finance Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects approved by the Board of Regents Chair. Mr. Schooley seconded and the motion carried.

Full Board Action – Projects Approved by the Board of Regents Chair, funding designated

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects approved by the Board of Regents Chair on the attached listings. Mr. Rhoads seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

(See Attachments #9 and #10)

Personal Services Contracts, approved

Ms. Dudley reported that Item #11 of the Delegation of Authority stipulates that the Board: "...approve all Personal Services Contracts totaling more than \$50,000. The Board will be notified of all Personal Services Contracts between \$10,000 and \$50,000 before they are submitted to the Legislative Research Commission. Upon review, individual Board members may request that these be held for approval at the next Board meeting." A listing of contracts which require approval by the Board of Regents was included in the eBoard book.

On behalf of the Finance Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Personal Services Contracts as listed on the document presented per the requirements of the Delegation of Authority (Item #11). Ms. Farmer seconded and the motion carried.

Full Board Action – Personal Services Contracts, approved

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the Personal Services Contracts as listed on the attached document per the requirements of the Delegation of Authority (Item #11). Dr. Tharpe seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

(See Attachment #11)

Affirmation of Budget Planning and Preparation Plans, affirmed with amendment

Dr. Davies presented the Murray State University Budget Preparation Narrative for FY2019 with the following highlights:

- Since 2006 state appropriations for all public universities in Kentucky have declined but throughout this period a great deal of work has been undertaken to move Murray State forward.
- Moody's is the University's rating agency and has repeatedly commended Murray State for the way it has approached budgetary and fiscal matters as well as the institution's ability to be flexible and mindful of managing costs.
- It was anticipated that this academic year would be difficult in terms of fiscal realities and it was also known that the current Legislative Session would be extremely challenging. In order to prepare for these realities, at the beginning of the semester a 90-day hiring pause was initiated where all positions that became open were analyzed before being filled. Discussion occurred regarding whether the position should be deleted and, if so, how duties could change within a unit to accommodate such action. The 90-day pause was waived for those positions deemed critical to maintaining University operations. This pause did not apply to faculty positions due to separate program work being undertaken in Academic Affairs.
- A Shared Governance Summit and a Special Meeting of the Board of Regents was held on November 21, 2017, to specifically discuss the budget planning process. A University Leadership Resource and Planning Committee has also been initiated which consists of the Vice Presidents, Deans, Associate Vice President for Enrollment Management and President's Office staff. The group meets approximately every two to three weeks to discuss options and plans at the University and collegiate levels. These discussions have been extremely robust but conversations have been open and valuable and are appreciated.
- The Vice Presidents and other leaders directly responsible for budgetary actions were asked to begin to make reductions this year and a process was initiated to set up savings accounts for this purpose. These would represent dollars the units have remaining this particular year that could be put toward the overall University budget deficit.
- The Budget Advisory Committee has been actively engaged with the University administration throughout the past year and this work will continue for the remainder of this fiscal year as well as during 2018-19.
- The current Legislative Session has addressed pension reform and tax reform during a budget year. It appears as though pension legislation is moving forward. The Governor's budget recommendation included an across-the-board 6.25 percent reduction and for Murray State this amounts to \$2.7 million. In addition, a program-specific recommendation was made for Breathitt Veterinary Center (BVC) in the amount of \$1.2 million. In total, over \$4 million would be removed from the University's state appropriation. The House budget restored the 6.25 percent budget reduction and the BVC was proposed to be funded at full value utilizing Tobacco Settlement monies. Also included was a bond payment for the state's portion of Asset Preservation Funding (\$364,000). The Senate is now considering the budget bill and it is not believed it will remain with the 6.25 percent reduction rescinded with full funding for BVC. In recent conversations with legislators it is known that substantial changes will be forthcoming which means the bill will then go to the Free Conference Committee.
- It is known that the University's Kentucky Employees Retirement System (KERS) pension rate will increase from 49 percent to 84 percent (nearly \$4.8 million). Last year, in consultation with the CPE Board, the Governor encouraged and allowed universities to have a 2 percentage point tuition increase to specifically use those funds to cover this particular increase. For Murray State, this represents \$1.1 million which will be applied to the \$4.8 million deficit. For this fiscal year, the University's enrollment decline resulted in a \$7.1 million tuition revenue deficit. This deficit does not include a tuition increase or a change in enrollment trend trajectory. In addition, the graduate tuition rate reduction could total up to \$4.2 million but this number is only a starting point and is expected to decrease as discussions continue. Dr. Davies confirmed that a \$4.2 million deficit will not be part of the budget and simply represents a starting point if graduate tuition were to be the same as undergraduate tuition with everything else remaining the same.
- Through the University Leadership Resource and Planning Committee, the Budget Advisory Committee, shared governance representation, department Chairs, Directors and other means the campus is using these guidelines to make budget recommendations. Each academic area and administrative unit compiled a rubric that allowed for analysis and combined the strength of the programs within the four areas of success and efficiencies in achieving stated goals, potential for growth, use of resources and ability to produce net revenues and connection to the Mission of Murray State and meeting the demands and needs of various communities. A matrix was created and along the horizontal axis were the measures of effectiveness and productivity while along the vertical axis was Mission and the size of the circle represented potential. This was utilized to guide the thought process in making budget recommendations and decisions. Work is currently underway to identify those programs with a high connection to the Mission of the University and also potential for continued growth and meeting the needs of the community. Discussions are also occurring regarding programs that need to be maintained and expanded based on the outcomes mentioned and decisions

are being made in this regard. At the same time, programs and activities that do not have a clear connection to the Mission or a sustained trajectory will either be reduced or eliminated.

- To further the process to make budgetary decisions and ensure Murray State remains fiscally sound, four categories of budgetary priorities have been developed as follows:
 - Enrollment – Recruit, Retain and Graduate;
 - Investment in Faculty and Staff;
 - Revenue and Cost Avoidance Strategies and
 - Regulatory and Life/Safety Concerns.

Enrollment – Recruit, Retain and Graduate

In terms of enrollment, quality is paramount. The University must continue to be known as a high-quality, high-caliber and rigorous academic institution in which graduates are able to learn, achieve and do amazing things after they leave due to the experiences they had while attending Murray State through connections to faculty and academic programs that are relevant, rigorous and excellent. This commitment to quality drives enrollment but also provides other opportunities to expand into new markets and secure additional private resources and grants. Quality academic programs and investment into new programs is essential to meeting emerging needs.

Admission and recruitment initiatives are top priorities and include investing in new technology to reach potential students and maintaining communication throughout this process is essential. It is imperative for Murray State to be above the level of what other universities are doing to recruit students. This work includes the use of artificial intelligence, predictive analytics and micro-scholarship initiatives to match what is occurring in the high school arena and necessary investments are being made in these areas.

Enrollment will continue to be an emphasis at a time when a robust freshman class is being projected. Leading indicators with regard to retention from the freshman to sophomore year are also encouraging. Results can be evidenced in the progression from sophomore to junior and junior to senior status. A very large senior class is graduating in May but at this point incoming student numbers are not to the replacement level.

Special initiatives are also being employed which are targeted toward low-income and underrepresented minority students and this will play an essential role not only in relation to performance funding but also to the academic quality of the University. In anticipation of no longer being able to offer remedial courses, the University is being proactive in reaching out and working with WKCTC now so programs can be implemented for Fall 2018. Tier 1 students have an overall retention rate of over 85 percent; the retention rate for Tier II is nearly 80 percent, the retention rate for Tier III is 72 percent and the Tier IV retention rate is below 50 percent.

Opportunities for additional online programs are being considered and the Provost is working with a company – Academic Partnerships – to help the University with technology to attract more students at a distance into programs.

Investment in Faculty and Staff

The Staff Perspective Survey results presented earlier highlighted that faculty and staff salaries represents a key issue. Even in difficult fiscal times it is important to make every effort to provide a cost-of-living (COLA) adjustment across-the-board. A 1 percent COLA equates to \$860,000 to \$1 million, depending on pension levels. Last year a Diversity Hiring Fund was initiated to provide additional funding to hire diverse candidates in key staff and faculty areas. Underrepresented faculty members do command a salary premium and departments must have flexibility to recruit and retain these faculty members. Retention of faculty is also essential and there is a desire to allow each Dean – through a reallocation of their budget – to have limited funding which can be utilized to retain faculty who are deemed critical and essential.

Sibson Consulting is currently conducting a Comprehensive Compensation Study and this work will continue. Any resulting recommendations will not be accomplished in one year but will be phased in over several years. The University must take care of faculty and staff because they are the ones who recruit and help retain students.

Revenue and Cost Avoidance Strategies

With regard to undergraduate tuition, the goal is to be affordable but also to be of value. Murray State cannot be the cheapest in regard to undergraduate tuition because that is viewed as being of lower value. In terms of the Kentucky public universities, the lowest to highest tuition is Kentucky State, Morehead, Murray State, Eastern Kentucky, Western Kentucky and Northern Kentucky University. The difference between Morehead and Murray State tuition financially is \$1. In light of this, a modest increase in undergraduate tuition will be recommended as part of the budgeting process. Although it is unknown what the CPE will allow in terms of tuition increases, consideration is being given to recommending a 2 to 3 percent increase in undergraduate rates, taking into consideration the University's price elasticity point.

As mentioned previously, a review of graduate tuition rates needs to be undertaken. Although it is suspected graduate tuition rates will need to be decreased, the model will eventually become revenue neutral by attracting additional students. Identification of cost saving measures will also be undertaken and private support is essential to this work. There is also a need to increase giving in this regard. Additional consideration must be given to grants and contracts within the individual academic areas. Performance funding is also an area on which there needs to be greater focus, specifically STEM graduates, underrepresented and low-income students and progression of students. Strategies are in place to accomplish this work but these initiatives are not inexpensive, although they are necessary to produce the results needed to meet the performance funding metrics.

Under Dr. Arant's purview, strategies are being developed related to organizational changes within the Regional Academic Outreach division to better align the regional campuses to meet area and regional needs. This work includes industry symposiums, continuing education and camps and clinics to utilize the regional campuses to generate additional funding to support such activities.

Identifying cost avoidance measures is also key to this work. The Kentucky Employees Retirement System pension liability for the University continues to increase and this represents a significant challenge for all Kentucky comprehensive universities. Over the past ten years, pension costs have increased substantially. Ten years ago 10 percent of the University's state appropriation was designated to pension costs. With the budget cuts that have been enacted and pension cost increases, 45 to 50 percent of the University's state appropriation is now dedicated toward pension costs. This represents a significant shift in that previously approximately 60 percent of the University's general budget was being provided by the state and that is now closer to 25 percent. One-half of the University's state appropriation is committed to pension costs which further reduces the amount of funding provided by the state to around 15 percent of the Education and General Fund to be utilized for educating students. Due to these pension increases, employee pension costs are one of the University's most significant cost drivers. Murray State must be able to identify ways to mitigate these costs and this includes the option of outsourcing.

Confirmation was provided that outsourcing is not something Dr. Davies or anyone else wants to undertake but with the pension cost increase such measures must be considered. When budget reductions have previously been discussed of utmost consideration was saving jobs at Murray State but the goal now must be to preserve and protect as many opportunities for individuals to remain in the community and be fully employed in positions that will support the University. The pension cost alone related to positions which are commonly outsourced at regional universities is in excess of \$1.3 million for Murray State and this represents 65 jobs in those areas. The University desires to protect and preserve as many opportunities as possible for these individuals to remain within the community and be employed and support Murray State through that employment. This is primarily the reason outsourcing opportunities are being considered. In addition to the pension cost factor, outsourcing becomes a viable strategy because additional savings and efficiencies will be realized. These include economies of scale, purchasing efficiencies, technology enhancements, hiring of managerial talent, etc. Outsourcing companies also have expertise to undertake research that allow for the creation and enhancement of an environment that will assist the University greatly in the recruitment and retention of students.

Regulatory and Life/Safety Concerns

The University cannot be in a position where there is no segregation of duties related to issues such as federal financial aid, compliance officers, Title IX, internal audit and other audits and legal services and these initiatives must be funded at the appropriate level. Deferred maintenance issues cannot continue to be addressed on a case-by-case basis. The University has submitted a capital project request to the state related to the electrical grid, HVAC systems, steam lines, building systems, etc. This \$32 million project desperately needs to be undertaken so these issues can be addressed to avoid life/safety concerns. The Capital Budget contains a Capital Asset Preservation Fund with funding over \$300 million for the eight regional universities. Murray State would have authorization for \$38.5 million. To access these funds, under the House Budget, a dollar-for-dollar match must be provided by the institution. In order for Murray State to access the \$32 million needed for the electrical grid project the University would need to provide a \$21.4 million match. If the Governor's proposal moves forward it would require a 40 percent match in the first year and a 60 percent match in the second year and this would require an even greater match from the University. The University must be making the determination of how to best position itself to either use fund balance reserves and/or debt financing to provide what is needed to access the \$32 million in state funding. Over \$1 million is included in the current budget for deferred maintenance needs and this will continue to be the case to ensure classrooms, offices and sidewalks are in proper working condition.

A Budget Preparation Calendar was provided in the eBoard book and included schedules for the work of the CPE, Legislature, Board of Regents and the University. The CPE Tuition Work Group meeting will be held on March 19 and on April 4 the university Presidents will meet with CPE staff to share draft tuition and fee ceilings with review and discussion. A University Town Hall meeting will be held on April 6 to discuss budgetary ideas and the planning process with the Murray State campus. On April 10 the university Presidents will meet with the CPE and Chief Budget Officers and on April 19 the CPE Tuition Development Work Group will meet again to finalize decisions related to tuition rate increases. That decision will then be forwarded to the CPE for action at the April 27 Business meeting. The Special Meeting of the Murray State Board of Regents will be held on May 1 and will include a meeting of the Finance Committee to discuss budget recommendations in detail. This meeting was purposely scheduled for after the CPE tuition discussion on April 27. The Special Board of Regents Meeting on May 11 will be to discuss final budget recommendations for tuition and student fees. The Board will be asked to approve the official University Budget at the Quarterly Meeting on June 8.

All are working diligently to establish pathways for financial sustainability. More importantly, a pathway for academic quality to persevere is being provided and is paramount in all discussions and work being undertaken. Murray State is a public university but it is also becoming more and more privatized. Difficult decisions will need to be made over the next several months in terms of programs which should be greatly reduced and/or eliminated. At the same time, efforts will be focused on identifying programs which meet the four strategic budget priority categories outlined as well as the Mission of the University. Board affirmation is being requested that the process and priorities outlined are those the administration should continue to pursue as this work moves forward. This includes a realization that efforts will remain focused on high-quality and relevant programs; enrollment sustainability; recruitment, retention and graduation of students and maintaining standards of excellence (accreditations and national and regional rankings).

The focus of budgetary work the Board is being asked to affirm, includes the following:

- A focus on high quality and relevant academic programs is essential;
- Enrollment sustainability – recruit, retain and graduate – is paramount;
- Maintaining standards of excellence (accreditations, key national and regional rankings, National Collegiate Athletic Association status, etc.) is indispensable in recruiting faculty and students;
- Programs that attract students are a priority;
- Graduate tuition changes are necessary;
- The elimination of programs, based on thoughtful consideration of connection to the Mission and the impact on the four categories of budgetary priorities, is necessary;
- Faculty and staff salaries are an important consideration;
- Alternative revenue sources will be essential;
- Outsourcing of services, to preserve employment opportunities, are essential to explore;
- Meeting regulatory standards cannot be sacrificed and

- Life/safety issues and deferred maintenance must be addressed and this may require the issuance of debt.

In discussion with regard to the individual bullet points, the Finance Committee agreed that the first four are appropriate. The Finance Committee amended the fifth bullet point to read:
Review of graduate tuition rates is necessary.

The remaining bullet points were discussed as follows:

- Thoughtful elimination of programs – Dr. Arant reported that an overall program review has been undertaken and discussions have occurred with the Deans regarding the findings. This work has focused on programs which are struggling and some decisions have been made to begin closing programs while others remain under discussion in terms of whether the program can be modified and be offered more efficiently and better meet market needs and a number of new opportunities in this regard have been discovered. Discussions will be held with faculty affected by any program closure to ensure the right decisions are being made. Confirmation was provided that administrative programs are also included in this review to identify those which have outlived their livelihood or can be offered in more efficient and effective ways and these discussions are being held with the Vice Presidents. Confirmation was provided that faculty and staff are being apprised of these changes through a process led by Human Resources.
- Faculty and staff salaries – an effort will be made to provide a cost-of-living adjustment to employees but identifying alternative revenue sources will be essential to the budgeting process.
- Exploring options for outsourcing of services to preserve employment opportunities – Ms. Dudley reported that the Board charged the administration with exploring available options in this regard. The University is being forced to consider such options due to the state pension crisis and its associated effect on the institution. Efforts to date have included the Health Services operation and responses to the RFP are due this week. An RFP for Dining Services will be issued over the next few weeks. Vendors have visited campus to provide feedback and determine whether an RFP for certain areas would be productive. The amount of savings which could potentially be achieved through outsourcing will be related to the current KERS pension rate of 48 percent moving to 84 percent and avoiding pension increases in certain areas could result in \$1.3 million in cost avoidance for the University. The significance and importance of the impact of the increased KERS pension rate cannot be overstated. Based on current salary levels for hourly employees, the figure of \$4.8 million has been submitted to the state as the impact to the University as a result of the increased pension rate and this represents an increase of 68 percent. For every salary dollar paid, the University will be required to pay 84 percent (84 cents on the dollar) into the KERS system as an employer match. This does not take into consideration the employee's contribution or the cost to the University for health care and other benefits. Action which must be undertaken is to try to reduce the number of positions that can change the overall pension liability. Current understanding is that the unfunded pension liability will change with the state budget and over the next many years is expected to decrease but it is unlikely the 84 percent contribution will change. The Teachers Retirement System (TRS) match is approximately 15.9 percent. It has been indicated that the TRS system in fiscal year 2020 will have an approximate 30 percent increase in rates. It was reported that any savings would also include not having the expense for Health Services on campus because this is not a revenue-generating unit. Dining Services is an auxiliary business unit on campus and there are some earning opportunities in this regard, although the amount is currently unknown and will be dependent on responses to the RFP. There has been an immense amount of interest in Murray State in this regard and many vendors have visited campus to investigate student traffic and facilities. It is expected that the University will receive several good proposals as a result but savings cannot be estimated at this time because this represents a new model for Murray State. Confirmation was provided that Murray State is the only public institution in Kentucky that has not already outsourced Dining Services.
- Meeting regulatory standards cannot be sacrificed as discussed earlier.
- Life/safety issues and deferred maintenance must be addressed and this may require the issuance of debt – Ms. Dudley reported that with regard to the Asset Preservation Fund, the \$364,000 included in the budget represents the debt payment on the state portion. The state will sell bonds to fund their share of the Asset Preservation Fund. The institutions will then have to determine how to fund their associated match. This could be accomplished through institutional reallocations, private dollars or through the issuance of debt if the state provides debt capacity and approves that authorization. A determination must be made in terms of the best way to proceed and a recommendation will be presented to the Board for approval as part of the budgeting process. In order to access the \$38.5 million (the University's share of the Asset Preservation Fund), if a project has to be funded now, based on the House proposal, 50 percent of the University's money (source to be determined) and 50 percent of the state's money (selling bonds) would have to be utilized. This represents a two-year biennial process and at this point projects would have to be started before the end of the biennium to be able to claim the University's share of the match. Dr. Davies reported that in order to meet the University's \$32 million infrastructure need it is not feasible to take funds out of the University's operational budget for purposes of meeting the match required. This would have to be funded from reserves or debt and taking the entire amount needed from reserves would not be responsible from a

fiduciary perspective. A combination of utilizing reserves for a very specific purpose and issuing debt would likely have to be combined in order to access the University share of \$32 million to address critical infrastructure needs. The University would likely pursue the full amount of its share of the Asset Preservation Fund as part of this work. Confirmation was provided that with regard to the infrastructure needs of the University, particularly the electrical grid, undertaking part of the work this year and the remainder in following years is not an option because it has to be completed at the same time.

The Board is being asked to affirm the process being proposed and the University would continue to issue RFPs to investigate potential options that would then be recommended to the Board for approval. Confirmation was provided that with regard to programs and employee changes, a process is in place through Human Resources to work with affected individuals to reposition them within the institution or help them identify other opportunities. There will be an opportunity for the Board to have additional discussion in this regard but the factors outlined earlier will be included in the proposed budget. It was suggested that consideration be given to the fact that it takes an individual 90 days to be able to secure another insurance carrier and confirmation was provided that this discussion would occur with any outsourcing company being considered to ensure there is no gap in coverage. Confirmation was provided that hopefully on April 9, at the conclusion of the Legislative Session, all associated budget parameters at the state level will be known, unless the Legislature cannot agree on a budget and a Special Session becomes necessary. This further illustrates the need for multiple scenarios to be formulated to address any final action taken.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, affirm that the budgetary process and work is on track as outlined above. Ms. Farmer seconded and the motion carried.

Full Board Action – Affirmation of Budget Planning and Preparation Plans, affirmed with amendment

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, affirm that the budgetary process and work is on track and that:

- A focus on high quality and relevant academic programs is essential;
- Enrollment sustainability – recruit, retain and graduate – is paramount;
- Maintaining standards of excellence (accreditations, key national and regional rankings, National Collegiate Athletic Association status, etc.) is indispensable in recruiting faculty and students;
- Programs that attract students are a priority;
- ~~Graduate tuition changes are necessary~~ Review of graduate tuition rates is necessary;
- The elimination of programs, based on thoughtful consideration of connection to the Mission and the impact on the four categories of budgetary priorities, is necessary;
- Faculty and staff salaries are an important consideration;
- Alternative revenue sources will be essential;
- Outsourcing of services, to preserve employment opportunities, are essential to explore;
- Meeting regulatory standards cannot be sacrificed and
- Life/safety issues and deferred maintenance must be addressed and this may require the issuance of debt.

Mrs. Guess seconded and the motion carried as amended.

(See Attachment #12)

Upcoming Meeting Dates, reminder issued

The Board members were reminded that information was included in the eBoard book regarding Council on Postsecondary Education and Legislative Session schedules, as well as the following University meeting dates:

- University Town Hall Meeting – Friday, April 6, 2018 (9:30 a.m.) – Wrather Museum Auditorium
- Special Board of Regents Meeting – Tuesday, May 1, 2018 (10 a.m.) – Pogue Library *Jesse Stuart Room*

- Finance Committee Meeting (detailed budget and tuition rate recommendations discussion)
- Buildings and Grounds Committee Meeting (JH Richmond recommendations)
- Special Board of Regents Meeting (Tuition Rate Approval) – Friday, May 11, 2018 (9:30 a.m.) – Pogue Library *Jesse Stuart Room*
- Quarterly Board of Regents Meeting (final budget approval) – Friday, June 8, 2018 (time TBD) – Pogue Library *Jesse Stuart Room*

These dates were provided for informational purposes and required no Board action.

Adjournment

The Finance Committee adjourned at 3:28 p.m.

Legislative and Economic Development Committee

Jerry Rhoads – Chair
Daniel Kemp
Lisa Rudolph
Don Tharpe
Stephen Williams

Mr. Rhoads called the Legislative and Economic Development Committee to order at 3:29 p.m. and reported all members were present.

Legislative Update (For Information Only), received

Mr. Rhoads reported that a listing of legislative bills which could potentially affect Murray State University was included in the eBoard book Resource Center. Jordan Smith, Director for Governmental Relations, provided a legislative update with the following highlights:

Legislative Session General Updates

- Today marks the 46th day of the 60-day Legislative Session. The next two weeks will be key in determining bills that will move forward and those which will die for this Session.
- March 27-28 are the House and Senate's Concurrence Days, which will mark the 56th and 57th legislative days, and the Governor's 10-day veto period begins shortly thereafter.
- The last day of the Legislative Session is currently scheduled for April 13.
- Murray State has been very active this Legislative Session attending committee meetings, appearing before the House Budget Review Subcommittee on Postsecondary Education, the House Agriculture Committee and the Senate Appropriations and Revenue Committee regarding Murray State's budget, the Breathitt Veterinary Center and Richmond Hall, respectively.
- The legislative team has met frequently with members of the House and Senate, particularly those in the University's service region, as well as many Legislative Research Commission staff members to discuss legislative priorities for Murray State.

Legislative Bill Watch

- A copy of the Legislative Bill Watch was provided in the eBoard book. The document outlines bills that could have a direct or indirect impact on Murray State and those are being monitored closely.
- **House Bill 200 (HB 200)** – Biennial Budget Bill
 - HB 200 was given a House Committee Substitute which, for Murray State, restored the across-the-board 6.25 percent (\$2.7 million) in cuts and Breathitt Veterinary Center cuts (\$1.2 million) and provided tobacco settlement funding for the BVC (\$3.2 million). Chair Williams reported that he and Regent Tharpe had the opportunity to observe the testimony provided by Dr. Davies and Ms. Dudley at the subcommittee level relative to the impact of the proposed budget cuts. The restoration of the 6.25 percent did not occur magically and required a great deal of work by Dr. Davies, his peers and others and their diligence in accomplishing this was impactful on the process. Expectations with regard to the restoration of the 6.25 percent must be managed because this is not final and could very well change to the negative.
 - Higher education was also given agency bond authorization to use for the asset preservation pool, however the 50 percent match in each fiscal year to access those funds is still a requirement.

- The House Budget was passed on March 1 and is expected to be in the Senate Appropriations and Revenue Committee toward the end of next week. At that time the Senate will announce their respective changes.
- Appreciation was expressed to Chairman Steven Rudy, Representative Kenny Imes, House Agriculture Chairman Richard Heath and many others in the Legislature and within state government for their dedication to Murray State.
- This is only the second step in a long process and it is known that this budget bill will change after the Senate votes on it, when it arrives to the full House-Senate Conference Committee and when the Governor makes his veto decisions.
- **House Bill 210 – Concealed Carry Bill**
 - This bill was and is still of grave concern for Murray State because it would allow students who have a Concealed Carry License to bring guns anywhere on campus at any time.
 - The higher education community and the majority of law enforcement in Kentucky were opposed to this legislation.
 - Murray State Chief of Police Jamie Herring, who currently serves as President of the Kentucky Association of Campus Law Enforcement Administrators, submitted a letter of opposition to the bill sponsor, as well as other legislators. His letter jointly represented the views of that organization, comprised of campus law enforcement officers from all of the state’s public universities.
 - This bill is not moving and currently sits in the House Judiciary Committee awaiting a hearing. The progress of this bill will continue to be monitored by the University.
- **Senate Bill 1 (SB 1) – Public Pension Bill**
 - The Kentucky Pension Bill was given a committee substitute – SCS1 – which moves KERS and KTRS to a thirty-year level dollar funding formula.
 - New non-hazardous employees in the KERS and CERS systems will have the ability to choose to participate in a state-run 401a defined contribution account.
 - There are many uncertainties remaining regarding the pension bill, particularly related to higher education which the Senate has attempted to remedy with an additional pension bill – Senate Bill 66 (SB66).
 - SB 1, along with committee substitute SB 66, passed the Senate State and Local Government Committee on March 7 and is awaiting Senate action on the floor.
- **Senate Bill 66 – SCS1 – Secondary Pension Bill**
 - SB 66, with SCS1, for Murray State’s purposes, would allow universities to cease participation in the KERS System.
 - Notification of intent must occur prior to July 1, 2018, with the actual cessation date being July 1, 2019. Employees would continue to accrue service credit during that year.
 - It is important to note that the full actuarial cost would be unknown by July of this year, therefore a request has been made for more time to study and gain clarification on this bill from the Senate to determine if this legislation would be feasible for Murray State in the future. Other universities in the system are also undertaking this same process of review and clarification.
 - This bill had two readings in the Senate and is awaiting its third but many in the Senate Majority have stated the bill will not pass if SB 1 does not pass both the Senate and the House, meaning there is no guarantee of passage for this bill.
- **Senate Bill 61 (SB 61) – SCS1 – Murray State JH Richmond Hall Bill**
 - SB 61 – SCS1 – authorizes Murray State to use \$14.5 million of its own funds (\$12.5 million in insurance funds/\$2 million in restricted funds) for JH Richmond Hall.
 - Appreciation was expressed to Senator Stan Humphries for his support of this bill and to Senator Chris McDaniel, Chairman of Appropriation and Revenue Committee, for its swift passage in that Committee.
 - This bill passed the Senate Appropriation and Revenue Committee on March 6 and received its second reading on the Senate floor on March 7. The bill passed the Senate on March 8.

This report was presented for informational purposes only and required no Board action.

Adjournment

The Legislative and Economic Development Committee adjourned at 3:44 p.m.

Postsecondary Education Building at Madisonville Community College, update received

Mr. Rhoads reported that the Postsecondary Education Building at Madisonville Community College has been completed and is now occupied. A ribbon cutting ceremony is anticipated in May and Board members will be notified in advance of the date for this event and are encouraged to attend. This represents a \$20 million facility and 50 percent of the building has been leased and occupied by Murray State. Dr. Arant confirmed that discussions are underway

with the President of Madisonville Community College who is actively pursuing opportunities to offer additional bachelor's degrees. The University enjoys immense community support in Madisonville and all were encouraged to tour the facility which represents the commitment from that community to maintaining a strong partnership with Murray State.

Marketing and Community Engagement Committee

Susan Guess – Chair
Sharon Green
Phil Schooley
Stephen Williams
Tori Wood

Mrs. Guess called the Marketing and Community Engagement Committee to order at 3:45 p.m. and reported all members were present.

University Advancement Report (For Information Only), received

Dr. King provided a report on University Advancement efforts with the following highlights:

- Ms. Donna Herndon was named the Golden Horseshoe recipient during Homecoming. This award is presented to an individual who has given a tremendous amount back to their Alma Mater. Ms. Herndon has certainly earned this honor by tirelessly providing service to the University as a former staff member and alumni volunteer.
- Alumni Relations is responsible for producing revenue to allocate for their operating budget and set a very ambitious goal this year of obtaining 1,500 dues-paying members. Currently there are slightly over 1,100 members and work will continue to reach the established goal between now and the end of the year.
- Alumni Relations is also responsible for facilitating alumni engagement that occurs across campus and works closely with the Office of Development. Alumni Relations planned and executed a successful Homecoming and hosted the annual Golden Anniversary Reunion event for individuals who graduated from Murray State 50 years prior.
- The Development Office makes an effort to engage with over 70,000 alumni all over the world. Visits have occurred with alumni in Washington, DC and multiple events were hosted in Evansville, Indiana, as part of the Ohio Valley Conference Tournament as well as in Nashville, Tennessee, and Louisville, Kentucky. While the University usually hosts the first of such events, volunteers are coming forward to help plan and organize subsequent activities. If Watch Parties were not planned in a certain area, alumni came forward and agreed to facilitate such efforts. This has resulted in increased alumni engagement throughout the region.
- Efforts in Evansville were especially successful with between 500 and 600 individuals attending the pre-game alumni events on Friday. On Saturday, there were so many Murray State supporters that the Evansville Police Department shut down Main Street to accommodate the over 1,000 alumni and other fans. This provided an excellent venue for attendees to visit with classmates but also presented an opportunity to re-engage these individuals with the University while celebrating the Murray State Racer Basketball Team.
- The University Advancement team has been challenged with visiting more alumni and high network donors. An aggressive travel schedule has been established for the remainder of the semester and during the summer in key areas. Alumni in these areas have volunteered to host dinners or receptions to bring Racers together. An effort is also being made to get out in front of new faces and re-engage alumni with the University and bring them back to campus to determine how they can best support efforts currently underway at Murray State.
- An aggressive FY18 Development goal was set – raising \$6.64 million – and, as of March 1, the total raised is slightly below \$3 million. The Board was reminded that at this time last year a very generous planned gift to the University valued at \$2.6 million was included in overall numbers and this helps account for the difference between FY17 and FY18. There are some trends at the national level in regard to major gifts – not only in higher education but in many non-profit sectors. Reasons for this include that the stock market is doing very well. At Murray State, stock and security gifts are down 81 percent and this is likely because individuals are riding the stock market and it is hoped they will consider giving back to the institution when the time is right. The change in tax laws has also affected gifts to the University.
- A comparison was provided related to the number of donors in FY17 versus FY18 and while the number of donors decreased, the number of gifts increased. This means that donors are giving more than once and this is positive because it shows they feel good about what is happening at the University and are continuing to give to make a positive impact for the institution.
- Scholarship fundraising represents a top goal for the University and a total of \$1.6 million in scholarship dollars were raised in FY17. Year-to-date at this point, the University has raised \$1.2

million. Dr. Davies has established this as a priority for the University in an effort to provide needed assistance to students.

- The Annual Giving Fund is the foundation of fundraising efforts at Murray State University. Last year the Board was informed of the need to undertake restructuring efforts due to several years of declining results in this particular component of the Office of Development. The last year has been spent determining how best to reverse this trend. Earlier discussion occurred regarding outsourcing the Racerthon Call Center and agreement was reached to partner with RNL who is managing that unit this year. This has turned out to be positive for the University on a number of fronts. The young lady who came to Murray State to manage the Call Center last Fall – Tradae Moore – fell in love with the University and was actually the successful applicant for the vacant Director of Annual Giving position. Ms. Moore, who has been on board since January, was introduced to the Board. In just a few short months there have been dramatic improvements in the Racerthon Call Center (up 5 percent), an overall increase in annual giving of 20 percent and direct mail is up 84 percent. Appreciation was expressed to Murray State faculty and staff because, despite challenging times, they continue to give back to this University. Faculty and staff giving is up 10 percent and all are grateful for their tremendous support.
- Significant changes have been made in terms of how the Annual Fund and the Office of Alumni Relations work together with the goal of engaging alumni and determining where they fit within Murray State University's overall advancement plans. In the last year 65 new major gift prospects have been identified and will be assigned appropriate Development Directors to work with those individuals in the coming months and years.
- The *Dunker's Challenge* campaign represents a new initiative that helps create a student emergency fund. To date, 88 donors have given slightly over \$3,000 to this fund. *All Campus Give* will again be employed this year and this represents a competitive giving campaign that runs in April alongside *All Campus Sing*. Last year \$15,000 was raised and the goal this year is set at \$25,000 to create an endowment to provide ongoing support for campus traditions.

Regent Guess challenged the Board to renew their membership in the Alumni Association before the next meeting if they have not done so already. Appreciation was expressed to Dr. King and her team for their efforts, including the Branding, Marketing and Communication unit. It is important to tell stories about the University that individuals do not already know and the University Advancement area needs to continue to be supported. Dr. Davies confirmed that discussions are being held with the Deans related to marketing campaigns for graduate degree programs.

This report was presented for informational purposes only and required no Board action.

Adjournment

The Marketing and Community Engagement Committee adjourned at 4 p.m.

Policy Change – Faculty Handbook – Section 2.2 – Types of Contracts and Contract Definition Policies Revision, approved

Dr. Arant reported that the *Faculty Handbook* is designed to provide members of the faculty access to basic information on policies, procedures, benefits, services, rules and regulations that are of importance to them as teaching personnel employed at Murray State University. Compliant with the University procedure for the revision of the Murray State University *Faculty Handbook*, a change to the following section is recommended for the academic year 2018-19 due to a conflict between the *Handbook* wording and the actual academic calendar.

- **Faculty Handbook – Section 2.2 – Types of Contracts and Contract Definition Policies**

CURRENT WORDING:

All faculty contracts are offered annually by Murray State University and specify the faculty rank, term, and salary rate, and are signed by the President. Most regular faculty in category 2.1.1.1.a receive contracts for the academic year, August 15 through May 15, though some Category 2.1.1.1a faculty may have contracts of other terms depending on specific duties. Contracts for other categories of regular faculty (Section 2.1.1.1.b and c) and administrative faculty (Section 2.1.1.2) are generally for twelve months, July 1 through June 30.

CHANGING TO:

All faculty contracts are offered annually by Murray State University and specify the faculty rank, term, and salary rate, and are signed by the President. Most regular faculty in category 2.1.1.1.a receive contracts for a 9-month academic year though some Category 2.1.1.1a faculty may have contracts of other terms depending on specific duties. Contracts for other categories of regular faculty (Section

2.1.1.1.b and c) and administrative faculty (Section 2.1.1.2) are generally for twelve months, July 1 through June 30.

This revision to the *Faculty Handbook – Section 2.2* has the support of the Office of the Provost and Vice President for Academic Affairs.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the *Faculty Handbook – Section 2.2 – Types of Contracts and Contract Definition Policies* revision as presented. Ms. Wood seconded and the motion carried.

Personnel Changes – Contract of Employment – Head Women’s Soccer Coach – Matt Lodge, approved

In Matt Lodge’s fourth season, the Women’s Soccer Team posted a 15-1-2 overall record and an 8-0-2 Ohio Valley Conference record. The program captured its third straight OVC Championship and was undefeated in conference play for the third consecutive season (25-0-5) and advanced to the National Collegiate Athletic Association Tournament for the second time in three years. For the first time in program history, the Racers received votes for the national Top 25 rankings. The team also had an RPI of 20, the highest in program history. Matt Lodge has been instrumental in the success of the program serving as former Coach Jeremy Groves’ top assistant for four seasons. He is directly responsible for recruiting some of the top talent on the team and being integrally involved in every aspect of the program. A successful transition in leadership helped secure another top rated recruiting class and provided the program with the opportunity to sustain the momentum it has attained.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the Contract of Employment for Matt Lodge, Head Women’s Soccer Coach, effective February 1, 2018, through December 31, 2020, at a minimum annual salary of \$60,000 and pursuant to other terms and conditions determined by the University President to be in the best interest of Murray State University. Ms. Wood seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

Personnel Changes – Contract of Employment – Head Women’s Volleyball Coach – David Schwepker, approved

Dr. Davies reported that Coach Schwepker recently completed his 20th year as Head Women’s Volleyball Coach. After leading his team to three consecutive Ohio Valley Conference Championships (2014, 2015 and 2016) and two National Collegiate Athletic Association appearances, the 2017 season was expected to be a rebuilding year. Instead, Coach Schwepker led his young team, mostly freshmen and sophomores, to an impressive 22-9 overall record, third place Ohio Valley Conference finish and birth in the OVC Tournament Championship where his team fell in five sets. His team earned two First Team All-Conference awards, plus the Newcomer of the Year award.

Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the contract extension for David Schwepker, Head Women’s Volleyball Coach, effective January 1, 2018, through December 31, 2020, at a minimum annual salary of \$62,633 and pursuant to such other terms and conditions determined by the University President to be in the best interest of Murray State University. Dr. Tharpe seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

Personnel Changes – Salary Roster, approved

Dr. Davies reported that in compliance with state statutes and the responsibilities of the University Treasurer as identified in the *Bylaws* of the Murray State University Board of Regents, the Salary Roster outlines the amount paid to each professor, teacher or official of the school. The Salary Roster is presented to the Board for approval at the meetings following June 30 and December 31 each year.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the Salary Roster as of December 31, 2017, which includes new employment, retirements, resignations and terminations. Mrs. Guess seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

(See Attachment #13)

Personnel Changes – Faculty Sabbatical Leaves, approved

Dr. Davies reported that the Faculty Sabbatical Leaves being presented to the Board have been approved at all appropriate recommending levels.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the requests for Sabbatical Leaves for the individuals and periods indicated below:

<u>NAME / DEPARTMENT</u>	<u>EFFECTIVE</u>	<u>SALARY</u>
GERRY MUUKA , <i>Management, Marketing and Business Administration</i>	08/15/18-12/31/18	full salary/1 semester
ZB SMETANA , <i>Art and Design</i>	08/15/18-12/31/18	full salary/1 semester
LAURA DAWKINS , <i>English and Philosophy</i>	01/01/19-05/15/19	full salary/1 semester
DANIELLE NIELSEN , <i>English and Philosophy</i>	08/15/18-12/31/18	full salary/1 semester
LISSA GRAHAM , <i>Global Languages and Theatre Arts</i>	01/01/19-05/15/19	full salary/1 semester
THERESE SAINT PAUL , <i>Global Languages and Theatre Arts</i>	01/01/19-05/15/19	full salary/1 semester
MARJORIE HILTON , <i>History</i>	01/01/19-05/15/19	full salary/1 semester
TODD HILL , <i>Music</i>	01/01/19-05/15/19	full salary/1 semester
JAMES CLINGER , <i>Political Science and Sociology</i>	01/01/19-05/15/19	full salary/1 semester
HOWARD WHITEMAN , <i>Biological Sciences</i>	08/15/18-12/31/18	full salary/1 semester
IVANSIC DUBRAVKO , <i>Mathematics and Statistics</i>	08/15/18-05/15/19	half salary/2 semesters
TAN ZHANG , <i>Mathematics and Statistics</i>	08/15/18-12/31/18	full salary/1 semester

Mr. Kemp seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, yes and Mr. Williams, yes. The motion carried.

Staff Regent, recognized

It was reported that the Staff Regent election has now concluded. Dr. Davies and the Board expressed congratulations to Phil Schooley who was re-elected for another three-year term, representing his fourth term as Staff Regent.

Supplemental Materials

Regents were provided with supplemental reports in the eBoard book, including the Quarterly Risk Management Report; Status Report – Campus Major Projects Update; “Good News” Report – January 2018; Quarterly Branding, Marketing and Communication Report – October – December 2017 and Sponsored Programs – Grants and Contracts Report. The Litigation Status Report prepared by General Counsel Rall was provided in a separate, confidential eBoard book. These reports were provided for informational purposes only and required no Board action.

Other Business/Adjournment

There being no further business to come before the Board, Chair Williams announced that the Board of Regents Quarterly and Committee Meetings stand in adjournment. Adjournment was at 4:05 p.m.

Secretary 

Chair 

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