Minutes of the Quarterly Board of Regents Meeting and Committee Meetings
Murray State University
June 9, 2017

Call to Order/Roll Call

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, June 9, 2017, 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 a.m. and welcomed those present.

The roll was called and the following members were present: Walter Bumphus, Clinton Combs, Katherine Farmer, Sharon Green, Susan Guess, Daniel Kemp, Lisa Rudolph, Phil Schooley, Jenny Sewell and Stephen Williams. Absent: Jerry Rhoads.

Others present were: Robert O. Davies, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Renae Duncan, Acting Provost and Vice President for Academic Affairs; Jackie Dudley, Vice President for Finance and Administrative Services and Treasurer to the Board; Don Robertson, Vice President for Student Affairs; Adrienne King, Vice President for University Advancement; Bob Pervine, Acting Vice Provost; Bob Jackson, President, Murray State Foundation; Allen Ward, Athletic Director; Fred Dietz, Associate Vice President for Enrollment Management; Renee Fister, Senior Presidential Advisor for Strategic Initiatives; John Rall, General Counsel; David Burdette, Interim Chief Facilities Officer; the Collegiate Deans and members of the faculty, staff, students, news media and visitors.

(Insert Agenda)

Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on February 24, 2017, and Minutes of the Special Board of Regents Meeting on April 21, 2017, approved

Ms. Green moved that the minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on February 24, 2017, and the minutes of the Special Board of Regents Meeting on April 21, 2017, be approved as submitted. Mr. Combs seconded and the motion carried.

Phi Kappa Phi Initiates, recognized

Dr. Davies introduced Dr. Melony Shemberger, Assistant Professor of Journalism and Mass Communications and Vice President of Phi Kappa Phi. Phi Kappa Phi is an honorary academic fraternity that has longstanding roots as the foundation of quality in academics. The fraternity initiates deserving students, faculty, alumni and others associated with the University. Many members of this Board of Regents are already members of Phi Kappa Phi. This past Spring Regents Farmer and Schooley were inducted into Phi Kappa Phi. Phi Kappa Phi also unanimously approved the induction of Regents Guess and Combs but due to other duties these two individuals were unable to participate in the Spring Induction Ceremony. Dr. Shemberger reported that Phi Kappa Phi is the most prestigious academic honor society at Murray State and will celebrate its ten-year anniversary in November. A lecture series and other events are being planned in conjunction with the anniversary celebration. Dr. Shemberger also serves on the national Board of Directors of Phi Kappa Phi which extends membership to students who excel academically but also to a select few identified for membership among faculty, staff and alumni. Such members exhibit exceptional service to student success as well as to the University. Approximately 80 students were inducted into Phi Kappa Phi on April 20, 2017, along with several faculty, staff and alumni. Specifically, Phi Kappa Phi identifies the top 7.5 percent of the junior class, top 10 percent of the senior class and top 10 percent of graduate students. Particularly at Murray State with regard to the top 10 percent of graduate students, these individuals usually must have a 4.0 grade point average to even be invited for membership in Phi Kappa Phi. Due to Regent Combs' commitment to academic excellence, he was selected for Phi Kappa Phi membership. Select individuals who demonstrate remarkable service are also identified for membership in Phi Kappa Phi. Regents Farmer and Schooley are extremely passionate about shared governance and were inducted during the Spring ceremony. They

represent their constituencies with superior fervor and the Phi Kappa Phi leadership felt these two individuals should be honored with this particular award. Dr. Shemberger mailed an invitation to join Phi Kappa Phi to Regent Susan Guess and followed up via email. This particular Regent responded to Dr. Shemberger's email asking whether it was meant to be sent to her. After Dr. Shemberger confirmed the invitation to join, Regent Guess indicated she would be honored to become a member of Phi Kappa Phi. Regent Guess ended her email response by saying "make it a great day." Dr. Shemberger likes this response better than "have a great day" and it made a lasting impression. Board Vice Chair Susan Guess and her daughter Morgan have led efforts to fight bullying and inspire confidence in students through their non-profit organization, the Guess Anti-Bullying Foundation. Regent Guess is a fierce and loyal advocate for Murray State University and is well-deserving of this honor. Regent Guess was welcomed to Phi Kappa Phi. As a chapter officer and national officer Dr. Shemberger stated it is her duty to end the Phi Kappa Phi presentation with the motto, "Let the love of learning rule humanity."

Closed Session, convened

Chair Williams solicited a motion that the Board of Regents go into Closed Session pursuant to Kentucky Revised Statute (KRS) 61.810(1)(c) to discuss litigation pending against and proposed by the University and pursuant to KRS 61.810(1)(f) to discuss matters which might lead to the discipline or dismissal of an employee or employees. Mr. Kemp so moved. Mrs. Rudolph seconded and the motion carried.

President Davies, Secretary Hunt, Ms. Dudley, Dr. Robertson, Mr. Rall and Dr. Fister were asked to remain in the meeting room.

Closed Session began at 8:09 a.m.

At 8:45 a.m. Ms. Dudley and Dr. Fister were asked to leave Closed Session. At 9:30 a.m. President Davies and Secretary Hunt were asked to leave Closed Session.

Open Session, reconvened

Chair Williams solicited a motion for the Board of Regents to reconvene in Open Session. Mrs. Guess so moved, seconded by Mrs. Rudolph, and the motion carried. Open Session began at 9:58 a.m. Chair Williams reported that the Board of Regents took no final action during Closed Session.

Public Participation

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

Board Development: Information Technology and Cyber Security, report received

Dr. Davies indicated that all universities and businesses are addressing cybersecurity out of necessity and the University Budget the Board will be asked to approve today includes funding dedicated to an insurance program for this purpose. Brian Purcell, Associate Chief Information and Security Officer and Keith Weber, Chief Information Officer, presented the following:

- The Mission Statement for the Murray State Information Security Team is to foster an environment that protects and preserves the confidentiality, availability and integrity of the University's data resources for use by faculty, staff, students and visitors. The challenge is how to provide access to those who need it while maintaining the confidentiality and security of the University's assets.
- Murray State has a very strong security team within the technology group and these individuals handle both security and email administration. Mr. Purcell is the leader of this division, along with Security Analyst Duane Dycus and Systems Engineer Casey Workman who handles the University's email structure. A vacant Security Technician position has been upgraded to a Senior Security Analyst to reflect the increased sophistication of security but this position has not yet been filled.
- Current services provided include audits of software and systems implementation which are conducted across campus. Different types of scans are also undertaken on a monthly and bi-monthly basis looking for Personally Identifiable Information (PII). Share scans are also done to determine the type of data that is being shared openly across the network. Individuals can inadvertently share a drive on their computer which is open to a wider audience and there have been some issues with this which is why these types of scans are regularly undertaken. Scans are also conducted to uncover

vulnerabilities. Vulnerability management includes an active program where the University's infrastructure and servers are scanned looking for vulnerability so these issues can be resolved before someone with bad intentions discovers them.

- Mr. Purcell's team is also responsible for incident response in the unfortunate event of a data breach, hacking attempt or malware issue. The unit leads the response to any such incident, with the assistance of many other individuals across campus.
- Technical compliance is becoming more complicated and includes the Payment Card Industry Data Security Standard (PCI-DSS). This is an extensive data security standard the University must meet to protect credit card payments. The unit is also responsible for all the technical aspects and hefty requirements associated with the Health Insurance Portability and Accountability Act (HIPAA) and the Family Educational Rights and Privacy Act.
- The University has a large infrastructure and log management and analysis is an important part of protecting data. The unit collects over 7 million logs from more than 300 sources every day and all such logs are filtered into a system to be analyzed to identify potential threats and security events.
- The unit is also responsible for user security awareness and sends out a series of videos and conducts presentations on campus to help educate users in terms of information security topics. Penetration testing is conducted and essentially involves the Information Technology Team acting as the "bad guys." Staff go outside the University network to see if they can break into the University's system and then identify ways to fix any potential weak points. This represents a security profession best practice.
- A survey undertaken to determine the volume of PII that can be found on the Murray State campus revealed there are over 400,000 pieces of PII on campus for current and past faculty, staff and students and these represent assets which could be at risk. This means the University is the steward of PII for current and past faculty, staff and students and must be vigilant about protecting this information. There are over 15,000 active users daily between on- and off-campus individuals utilizing remote service and there are dozens of mission-critical applications. This represents an incredibly large amount of data. If there is a breach, one of the more conservative estimates in terms of cost could be $246 per record and when there are 400,000 pieces of PII this could mean a lot of money would be at stake. The average cost for a breach in the United States is $6.5 million and this figure was derived by averaging together the cost associated with a very small breach and a very large breach.
- The University's infrastructure includes over 300 servers, 1,500 network devices and three large internet connections that could be subject to a breach. Murray State's infrastructure means it is, in essence, a small city with the residential colleges, administrative offices across campus, a Physical Plant, law enforcement, housing, commercial and food services and media. From an information security perspective and the assets which must be protected, the University resembles a small city.
- There have been several tornado watches and warnings since January during which systems within the city of Murray have gone down and electrical, internet and cell phone services have been lost. At least one of the University's three large internet connections has remained up and functioning throughout each of those outages. This represents three truly redundant paths to maintain such services so they are available to the University's constituencies.
- Phishing and spam represent two of the largest threats to the University's assets. Phishing is an attempt by the "bad guys" to socially engineer or trick users into giving away their personal data. They have discovered that the easiest ways to obtain a user name and password is to simply ask for them. If even only a few individuals fall for the phishing attempt it is still profitable for the bad guys. Spam represents less of a threat in terms of data loss but could lead to a significant resource loss. A lot of energy is dedicated toward reading and dealing with spam. Although spam messages are filtered some still make it through the system to the end user and this represents a significant annoyance. The bad guys ultimately want to obtain user names and passwords because there is a great deal of information tied to those identifiers. Everything that is done on a computer is tied to a user name and password.
- Another trend is ransomware which is basically where the bad actors manage to get software on a computer or access to data and encrypt that data with a key which is unknown to the user. They basically hold the data for ransom and this is being done because it works and the bad guys make money. A couple of weeks ago a ransomware attack spread quickly throughout Europe and the United States and because the bad actors are paid in bit coins there is not an accurate record of exactly who the money went to. College campuses are a mecca for bring-your-own devices and this can lead to issues with insecure personal devices.
- Distributed Denial of Service (DDoS) is basically where the bad guys use a large number of devices and botnets they have captured to send so much junk traffic at a network or application that they become bombarded and begin to fail. This essentially represents the bad guys denying people access to their applications. This was a significant threat two to three years ago but the danger has decreased in terms of size although a number of DDoS tactics still exist. There was a significant attack which occurred involving an information security blogger. The individual posted numerous articles and did a lot of blogging about information system security topics. He was hosted by Akamai which is one of the larger content networks and a Distributed Denial of Service tactic literally was able to take his website offline. He took it upon himself to determine who did this and where it came from and it turned out to be a botnet of home DVRs. People have DVRs recording everything in their homes so

they can view it on security cameras. A botnet of those DVRs generated enough traffic to take down the blogger's entire website. It was more than ten times the volume than would be required to take down the University's entire infrastructure and it was coming from home DVRs. That is what Information Systems staff are facing in terms of the Internet. Everything various universities and businesses have are connected to the Internet and, if not secured, any one of those devices can become a "zombie" on a botnet that actually attacks other devices.

- Many applications currently being utilized at Murray State are being moved to the Cloud which represents an application that is not hosted on campus. The data is not housed or running on campus but somewhere else. The learning management and email systems are hosted off campus. This means the University must not only analyze the data and practices utilized to send to the off-campus locations but also audit their practices to ensure the institution's data is being handled safely. A larger amount of data is being moved to the Cloud which means the University must be extremely careful in terms of choosing a partner and being familiar with their best practices. General Counsel Rall provides assistance in this area by reviewing all contracts with third-party Cloud partners to ensure privacy clauses are intact.
- There is also the threat of attacks against the University's web applications and databases. The bad guys are still trying to get to information that is hosted on campus and this represents a constant threat. There are other threats such as the malicious insider which means there can be a bad actor inside the network and they have already beaten several layers of defense because they work at the University. Protections must be in place to at least contain what a malicious insider can do. There is also a lot of legacy equipment on campus, including computing equipment but also building controls that have been around for years but are not necessarily supported. Ways to protect legacy equipment must be identified so it is isolated and others cannot get to it.
- Email is heavily relied upon at the University and with over 6.8 million emails every month approximately 55 percent are spam. Spam filters are good but they do not capture all spam emails and this signifies the volume which must be addressed on a regular basis. Of the spam emails, 10 percent represent phishing attempts. Most are easily identifiable but there have been some successful phishing attempts. One such incident occurred last December when a bad guy sent an email to employees that appeared to be a pay invoice – basically their pay schedule. The Faculty Regent was one of the first to call this email to the attention of Information Systems. One of the interesting things about the email was it redirected individuals to a login page that looked exactly like Murray State's myGate portal. The only way to tell the difference was by looking at the URL bar. When redirected to this page some individuals actually entered their username and password. When this was observed it started setting off alarm bells and the Security Analyst was extremely quick to act realizing that the bad guys were going after payroll direct deposits. They were trying to make people think they had been paid in order to secure portal login information. The easiest way to convert access to this portal to actual dollars is to change someone's direct deposit information. In response to this incident, a report was provided to everyone who received the email or had their direct deposit information changed within a two-day timeframe. Each individual was personally contacted and asked to change their passwords. Access to the ability to change direct deposit information was quickly turned off in myGate and has not been enabled again, pending some additional authentication strengthening options. In some cases, direct deposit information had been changed but not by the individuals who owned the account. The bad guys were so smart in this case that they changed some of the direct deposit information to make sure they had access and then changed it back so they were not detected. They were hoping to gain access to as many direct deposit accounts as possible and then right before payday change direct deposit numbers and collect paychecks for the affected individuals. Thankfully, Information Technology staff identified the threat before it actually happened. Other offices on campus provided assistance in contacting the impacted individuals and the University was able to keep anyone from losing their payroll deposit. Several universities have been bitten by the direct deposit attack and once the money has gone into another account it is gone and most law enforcement agencies and the Federal Bureau of Investigations are unable to get it back. Many universities are responsible for any funds lost or they at least help the individual get the money back – although technically they are not at fault.
- Last Summer Information Systems received approval to be the bad guys and phished the University's own users. Permission was given to utilize an off-campus system to send phishing emails and campus was even alerted such emails were going to be sent. After a period of time an email was sent out that was not very well crafted and even had deliberate spelling errors. The only thing that made the email look like it was from Murray State was the University's logo which was copied off the website. The email was sent out to 1,702 faculty and staff and included a link to another webpage which also did not look like a Murray State website and generically referenced the Help Desk. Due to sheer numbers, students were not included in this first phishing email exercise. There were 700 individuals who did not even open the email but 1,000 individuals did open the email and among that population 272 actually clicked on the link provided. There is the potential for malware to attach to an individual's computer simply by clicking on the link so this was not positive. The sad number from this test is that 154 people entered their actual username and password while others entered fake information to send a message to the bad guys. These 154 individuals fell victim to the University's bad phishing attempt. All have viewed this as an opportunity and the involved parties were provided with training videos and have been given tips on how to spot phishing emails in the future. No names

were released but an analysis was undertaken to determine whether particular departments were more susceptible to phishing to determine where to focus even greater training efforts. Information Systems will continue to conduct similar exercises and view any results as an educational opportunity.

- Ongoing initiatives include strengthening all authentication methods because this is one of the best ways to protect electronic devices. The bad guys want usernames and passwords because this gives them the keys to the kingdom by providing access to highly sensitive and confidential information. Two-factor authentication is one of the best ways to strengthen authentication. In this case the individuals must have something other than just the username and password in order to gain access to an account. There must be two out of three things – something you are, something you know and something you have. The username and password are things an individual knows. The most common two-factor authentication is something the user has as the additional factor – such as a special code that is sent via text to the user in order to access an account. An effort is being made to roll out two-factor authentication in as many facets of the University as possible. All were encouraged to utilize two-factor or multi-factor authentication for the critical systems which they can access. It can be a bit inconvenient to use but is extremely good when it comes to security. If the bad guys get the username and password but don't have the additional required information they will not be able to access an account. Two-factor authentication is currently available for the University's email system because Murray State is a Google apps school. Individuals were encouraged to enable this feature for their email and Information Systems will continue to work to make this feature available for other areas of the University's infrastructure.
- There are ongoing efforts to improve sensitive information handling. Users are the first and best line of defense so the better end users are at handling sensitive data, making sure it is not left unattended and ensuring it is encrypted when stored and transmitted the better chance the University has at preventing the bad guys from gaining access to sensitive information. This represents another aspect of user education.
- The better users are at spotting threats the less incident response the University is required to undertake and user data is also subject to less risk. There are ongoing efforts to reduce the time required to patch known system vulnerabilities for 300 servers and 1,500 network devices. This shear number means there are going to be vulnerabilities that must be patched and an effort must be made to reduce the time it takes to address known system vulnerabilities. There can still be unknown system vulnerabilities and sometimes those are referred to as "zero days," meaning the bad guys keep the ace up their sleeve until they actually attack a system. The University wants to reduce the time it takes to patch known or published vulnerabilities.
- One of the major ways to avoid malware attaching to end user devices is to ensure users have the correct permissions necessary to do their job but not too much permission and this is referred to as rightsizing permissions. Running administrative privileges on a desktop is one of the easiest ways for malware to invade a computer and these permissions may not be needed by a given user every single day. There may be cases where permission is needed to install software but individuals do not need to be running with that permission all the time. An effort has been underway for some time to right size everyone's permissions on their local device.

Confirmation was provided that the University is a member of EDUCAUSE which is a higher education technology association and the largest community of information technology leaders and professionals committed to the advancement of higher education. Mr. Purcell added that on the Top Ten list distributed by EDUCAUSE, information technology security has remained as the number one concern for three consecutive years. Confirmation was provided that continued investment in the Information Technology area is needed due to the potential cost of a breach.

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

Dr. Davies thanked Mr. Purcell and Mr. Weber for an excellent presentation and reminded the Regents that at every Quarterly Meeting a Board training exercise is being offered. This represented a presentation on cybersecurity which falls under the fiduciary responsibilities of this Board.

Report of the Chair, received

Chair Williams reported that several members of the Board were privileged to take part in Spring Commencement exercises. This represented a great occasion for 1,629 graduates, with 1,200 walking during Commencement. Any Regent who has not participated in Commencement was encouraged to do so because it represents what the University is all about and is a great event. Pursuant to prior Board action, during Commencement the Honorary Doctorate of Business and Technology degree was conferred on Dr. John A. Williams. Dr. Williams and his family were thrilled with the ceremony and the action taken by the Board in granting the Honorary Doctorate.

Yesterday afternoon the University of Louisville (UofL) released results of a long-awaited forensic audit of its Foundation. The 135-page document was produced by an external firm and the audit was directed to be undertaken earlier this year by the new University of Louisville Board and the new UofL Foundation Board. Secretary Hunt has been asked to send links to both the audit and the Courier-Journal front page edition this morning representing coverage of the results. He is confident there will be additional public discourse on this subject. Most any reader would likely describe the audit as appearing to indicate a disturbing lack of fiduciary and stewardship accountabilities by both management and governance. It certainly is a potent case study on the vital importance of having the appropriate checks and balances and policies and procedures in place, the commitment and practice of full transparency of both management and governance and the assurance that they are fully committed to steadfast and consistent compliance with all of the above. The information revealed is sobering and all Regents were encouraged to read the material provided. It will most likely receive significantly more attention at both regulatory and legislative levels in the coming months.

This represents a sobering report particularly for all who serve in fiduciary roles at public universities. Along these lines, Chair Williams and Regent Rhoads attended the Murray State Foundation Board meeting on April 22 as ex-officio members. He is pleased to report that the Foundation Board meeting was well attended and the body appeared to demonstrate excellent governance transparency with full reporting and great engagement by members and management. Based on what was observed at this meeting, as well as from reports provided by Dr. Jackson and staff, it appears as though Murray State University is being served very well by the Foundation and both management and governance are doing their jobs appropriately. There appear to be checks and balances in place in terms of control and transparency between the Foundation Board and management as well as between the Foundation entity and Murray State. Chair Williams felt the need to make this statement today because there will likely be a lot of questions asked of individual Board members, as well as Foundation Board members, in terms of the implications of what is currently happening in Louisville. This represents a continuing challenge and responsibility of individual members of the Boards, but more importantly as collective groups, to be diligent in ensuring all are asking the right questions and the appropriate policies and procedures and checks and balances are present in the organizations for which they are responsible. All on this Board are privileged to serve a University that already has a culture of compliance at both the management and governance level. Chair Williams stated that he and President Davies have discussed on numerous occasions that the continuing challenge will be to ensure management and the Board are asking the right questions and are being diligent in their duties relative to transparency and fiduciary stewardship. This is an important subject and one which will receive a great deal more attention, particularly in Kentucky. It would not be surprising if it exceeds the borders of the Commonwealth due to the magnitude of the issues which were discovered by the UofL audit.

It is important to note with regard to the circumstances of the University of Louisville that the Foundation Board and the University Board, as well as management, positions have been vacated. Two new Boards and interim management are in place and all have indicated their strong intent to appropriate all of the issues outlined in the audit. Work to address many of those issues are already underway. He knows the Chairs of both Boards as well as the Interim President and has great confidence that this leadership will "right the ship." In response to a question regarding when the University of Louisville plans to have a new President on board, Chair Williams indicated he does not know. General information which has been shared includes the release of this audit and having any identified issues addressed as soon as possible in a formal fashion and progress being made to resolve those issues before the presidential search process is initiated. The interim management team will likely be in place for some time although no official timeline has been released.

Report of the President, received

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

- During May Commencement there were 1,629 degrees conferred. Many universities consider being able to get 30 percent of their graduates to walk across the stage as being positive but for Murray State 80 percent of the graduating class actually participated in Commencement. Consideration is being given to how to streamline the Commencement process so that the ceremony is not quite as long.

- Organizational changes which will be effective July 1 include the Institute of International Studies, which includes the recruitment of international students and the English as a Second Language Program, will report to Vice President for Student Affairs Don Robertson. He is very active with international recruitment and is very well respected in international waters. He and Dr. Guangming Zou, Assistant Provost for International Studies, have developed an amazing partnership. The consultants engaged to review the University's auxiliary efforts recommended hiring an Auxiliaries Director who will oversee all auxiliary operations – such as housing, dining and the University bookstore. This new position has been included in the budget and that search will proceed once the Board approves the University Budget later today. This position will report to Vice President for Finance and Administrative Services Jackie Dudley. Currently, when students are sent to the Student Retention Office for assistance they see this as being negative so the name of the office is being changed to the Office of Student Engagement and Success.
- The Engineering and Physics Building Dedication will be held on October 27, 2017, in the afternoon as part of Homecoming festivities.
- Appreciation was expressed to Drs. Renae Duncan and Bob Pervine for serving in interim roles to keep the Provost's Office functioning during the Provost search process. With the arrival of the new Provost – Dr. Mark Arant – and as the institution approaches its 100 year anniversary, this gives all time to pause and reflect to think about where the institution is currently. Dr. Arant is coming to Murray State at a very interesting time for higher education – not only Murray State but all universities throughout the Commonwealth and the United States are going through a metamorphosis. Technology, funding models, demographic shifts, free speech issues, accountability, fundamental purpose debates, governmental mandates and expectations, pedagogical changes, competition increases and costs and revenues are all manifesting themselves in a change for higher education.
- Moore's Law speculated that the doubling of technology was expected to happen every two years but that is actually occurring every six months and with the doubling of technology there is the doubling of information. All should think about the impact this has on businesses and society and the University is a microcosm of that change. As the institution focuses on and builds upon existing programs and thinks about new programs it must consider those fundamental changes necessary for the overall structure of the University. Dr. Davies firmly believes that Murray State's basis of recruiting, retaining and graduating students will not change but how the institution goes about undertaking that work will evolve and all need to continue to think about existing programs and identify those which will remain relevant in the next two to four years and those that will not. Consideration must also be given to new programs on the horizon and how the University can position itself to ensure it is meeting the needs of its students and society. All need to think about not only programs but strategies which will advance the retention and persistence of students. The institution must understand traditional and contemporary students. Contemporary learners are those who attend many institutions before settling on the institution from which they will graduate. Thought must be given to how to reach out and market to students to ensure persistence.
- One area where focus must very clearly be placed is the diversity of the student body. All must be very thoughtful and strategic about how the University recruits and retains underrepresented students as well as faculty and staff. All must change the mindset from simply looking at the recruitment and retention of faculty, staff and students of underrepresented groups in terms of numbers. Thought on this topic should be undertaken in a strategic manner that considers diversity to be imperative to an excellent university and that it is an essential asset to increased learning, fostering research, driving productivity, enhancing morale, inspiring creativity and serving as a basis for improving success and the University's reputation.
- This work which needs to be undertaken is not solely about underrepresented students. It is also about the contemporary student. There are more adults past the age of 25 than there are traditional students entering the pipeline. The University must position itself in a way that ensures it is successful with this population. A measurable success of having a more diverse student, faculty and staff population and attracting more contemporary learners means there will be a larger number of students and more of those students will graduate. More importantly, the University will be preparing graduates who are able to compete in the global world, understand the different paradigms and philosophies that surround them and are able to communicate in our interconnected world.
- To accomplish the development of new strategies, the *President's Commission on Diversity and Inclusion* is being restructured to focus on long-term strategies to position the institution to move forward. The University will also engage with national leaders over the next several semesters to assist with this change in thought process. The *President's Commission on Retention* is also being restructured to the *Commission on Student Success* where the focus will be placed on all students – not just freshmen and sophomore students – but underrepresented groups, contemporary learners and all students in between.
- Technically, the University is already in the midst of performance funding. Through this effort all must remain vigilant in regard to the University's ethics of rigorous academic pursuits. At the same time the institution needs to be innovative and thoughtful in terms of programmatic offerings. The University has a solid foundation upon which to build in terms of performance funding. That foundation will allow for new approaches to be considered to attract students and open new segments of the student population and it is imperative for the University to be able to act quickly and swiftly. Murray State must become a very nimble institution.

- A quote in Thomas Friedman's most recent book is very important – "The notion that you can go to college for four years and then spend that knowledge for the next 30 years is over. If you want to be a lifelong employee anywhere today you must be a lifelong learner." In terms of the University's curriculum and opportunities for attracting new students and how to position the institution as a university of excellence, all must remember that it is not about just imparting knowledge, it is about imparting the thought process of being lifelong learners. Murray State has been doing this for many years but consideration must be given to how this can become a fundamental component of all disciplines – that is the mission before the institution. Efforts must continue to position the University as new ideas are developed, strengthen existing programs and make decisions on resources with the knowledge that the models of higher education – and that for all businesses – are changing rapidly. Higher education ten years ago considered online programs to be revolutionary. Now there are companies offering online courses to 10,000 students at one time. That represents the competition universities are facing. All need to be thinking about this and how to use the University's own data to drive new decisions and ideas. All must also realize that careers are evolving every two years, especially with the doubling of information. Careers for freshmen entering next Fall have yet to be invented so the University must ensure it is nimble and can prepare students to be flexible.
- The goals outlined in the Strategic Plan afford the opportunity and space to utilize creative approaches and the foundations exist for the University to take calculated risks and be innovative. Faculty and staff stand ready to lead the institution in these various new directions. Due to the excellent faculty and staff, outstanding Deans, cadre of Vice Presidents and leadership in shared governance units, Dr. Davies is actually very excited about the next five years and what the University will be able to accomplish. He had the opportunity to be in New York last week among 75 other University Presidents. Many of those Presidents are despondent and in despair and see the old models going away and fear that higher education will cease to exist in its current form. While the format may be changing and may look different, Dr. Davies is extremely excited about the opportunities, specifically and especially for Murray State, because of the expertise available on this campus. The University is able to compete very well now and will continue to be able to compete into the future due to the strong leadership which is already in place. The success of Murray State University is reflected in the success of its students.
- All look forward to working with Dr. Arant and others in moving the institution forward by enhancing and developing strong academic programs to meet the changing needs of new students the University will serve for decades to come.

Dr. Bumphus complimented Dr. Davies for sharing his very thoughtful and bold vision for Murray State University. It makes him very proud to be associated with this Board and such fine and talented individuals. He also hears what the President is saying about where he sees the institution heading in terms of providing a quality educational experience for matriculating students. His wife is currently in China and this is the third trip she has taken in the last four years. She is traveling with 65 students, 25 percent of whom are of below income backgrounds, eight faculty and two staff members as part of efforts geared toward preparing these students for the world of work. Opportunities such as this will help students contribute to their communities and states. He applauds the vision just shared by President Davies.

Dr. Davies just recently returned from China and it was scary to him when the President of Qingdao Agricultural University shared that his central government had asked what he would need for Qingdao to continue to be an excellent university next year, ten years from now and 30 years from now. The Qingdao President indicated to his government that he would need a campus on the coast because of the need for Marine Biologists. He laid out a plan for one, ten and 30 years and received a phone call two days later telling him to build a 30-year plan. The government had immediately purchased 150 acres along the coast and are currently in the process of constructing buildings and laboratories, hiring professors and establishing the infrastructure for this initiative.

Personnel Changes – Provost and Vice President for Academic Affairs Appointment – Dr. Mark Arant, approved

Chair Williams welcomed Dr. Mark Arant to Murray State University and the Commonwealth of Kentucky. Dr. Arant expressed appreciation for the opportunity to serve such a great institution, stating he is very humbled to be chosen as Provost and Vice President for Academic Affairs. He shares Dr. Davies' vision for the institution and is looking forward to working with the faculty and students, as well as with staff, to accomplish some really positive things.

Dr. Davies reported that two national searches were conducted for the new Provost and Vice President for Academic Affairs. Dr. Arant's vita was included in the eBoard book. He has a Ph.D. in Chemistry and most recently served Northeastern State University as Provost since

2014. He has prior experience at the University of Arkansas-Ft. Smith and has also worked at the University of Louisiana-Monroe. The offer which has been extended and accepted, pending approval by the Board of Regents, is that Dr. Arant will serve as Provost and Vice President for Academic Affairs and will also be a full Professor of Chemistry, with tenure, in the *Jesse D. Jones College of Science, Engineering and Technology* at an annual salary of $193,750, effective July 1, 2017.

Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Dr. Mark Arant as Provost and Vice President for Academic Affairs and Professor of Chemistry, *Jesse D. Jones College of Science, Engineering and Technology*, at a fiscal year salary of $193,750, effective July 1, 2017. Mr. Schooley seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

On behalf of the Board of Regents, Chair Williams expressed appreciation to Drs. Duncan and Pervine for their extraordinary service in the Provost's Office in the interim.

Report of the Treasurer – Quarterly Financial and Investment Reports, accepted

Ms. Dudley provided assurance that Finance Committee Chair Dan Kemp thoroughly reviews and examines the Quarterly Financial and Investment Reports and reported the following:

- Throughout the year the administration has continued to share with the Board that there has been difficulty meeting tuition projections as a result of enrollment declines. Gross tuition was budgeted at $112 million, before scholarships and discounts, and $102 million has been generated as of March 31. This represents an area of concern but the administration has informed the Board that meeting the Summer I tuition projection will be a challenge. Enrollment for Summer I is not final and students are still being enrolled. It appears as though Summer I will come close to meeting net tuition projections.
- Net student tuition and fees, less discounts and scholarships, was budgeted at $76.8 million. There is a budget of $112 million for gross tuition and discounts were budgeted at $45 million. The net expected, after discounts, is $76 million. At the end of March, the University is at $69 million and the difference is expected to be close to the $4.5 million shortfall projected all year (after Summer I revenue has been posted). Projections did not vary significantly from what has been shared with the Board but revenue will be short of budget. Contingencies are in place which include one-time budget expenditures which have not been made. Short of any pension adjustment the University will be required to make at year-end, it is expected the budget will come close to breaking even this year in terms of revenue and expenditures. Although a large shortfall is not expected, this will be dependent on the pension numbers the University receives.
- The Statement of Net Position reveals two large fluctuations. The first is cash which is up substantially (approximately $20 million) but this is related to cash payments from Frankfort for the University's building projects. This does not represent a cash windfall but is simply a timing difference related to when the state has transferred cash for the Engineering and Physics Building and the Breathitt Veterinary Center projects and the expenses which the institution has incurred for those facilities. The second is capital assets which is also quite large ($31 million increase). This represents where the University is capitalizing the expenditures for those two buildings. As building expenditures are incurred – although the facilities are not currently open – they must be capitalized and the value is reflected in capital assets. Depreciation will increase next year as those buildings come on line. Buildings are currently depreciated on a 40-year basis and all of the buildings the University will be bringing on line, as well as Franklin Hall which is already on line, will depreciate over 40 years in accordance with current state policy.
- Graphs illustrating the University's Education and General Fund position were included in the eBoard book. One shows a breakdown of the University's net position (fund balance). Reserve for General Contingency, as of the end of March, is $52.4 million. Although this seems like a large number, there are three months of expenditures remaining the University must pay. All tuition, except Summer I, has been posted but the institution must continue to pay utilities, payroll and other bills for April, May and June. As of the end of last year, this number decreased to $23 million. The University currently has a very large unrestricted balance but this must carry the institution through the remainder of the fiscal year. Other figures presented on the graph do not vary widely from previous years and the information presented helps show a trend analysis from the two prior years. The Reserve for General Contingency is very much in line with where it has been over the past two years at this point (as of March 31).
- The second graph presented is for the University's auxiliary enterprises and includes a reserve for contingencies. Auxiliaries are currently $17 million but there are also three months of expenditures which will materialize in this area. Last year there was $9 million at year-end and it is projected that

the $17 million will decrease to slightly less than $9 million this year. These numbers are similar to the University's position in this area in the prior two years.

- The Statement of Education and General Fund was presented and represents the fund out of which the University operates. Education and General net assets are $52 million and will cover the daily operations of the institution. Information was provided on revenues, expenditures and changes, without pension numbers, and then with the pension adjustment that is being made for the current year to show where the University stands with those pension adjustments. As of March 31, the University has $4.5 million of added expenditures (estimated in the financial statements) for a year-end pension adjustment. Last year this figure was approximately $11 million. This represents what the pension system instructs the University to book for the year. At this stage the University is estimating the figure will be $4.5 million but that number will most likely increase. The University's increase in net position – with pension adjustments – is $23.3 million. The majority of this will be used up during the remainder of the year to pay the University's bills.
- In terms of revenues, actual percentage to budget is 76 percent. This means the University has generated 76 percent of its revenue budget. Last year at this time the University had generated 75 percent of its revenues to budget. In terms of expenditures, actual percentage to budget is 59 percent which is essentially the same position as last year at this time. This reveals that there are no large surprises and nothing out of the ordinary or significant is occurring outside of what has been budgeted for fiscal year 2017.
- Auxiliary enterprises represent the University's business units. At this point auxiliaries are up $6.3 million and this represents the change. This figure is slightly more than $1 million less than last year, primarily due to challenges with housing occupancy and increased food costs in dining operations. The University is not as well off in terms of auxiliaries as last year but is still in a good position. Confirmation was provided that it is believed a lot of the decline in housing occupancy is a result of the decline in enrollment but marketing plans are being developed to attract students to on-campus housing. As the freshman class grows the housing occupancy numbers are expected to rebound. The housing occupancy decrease also relates to the retention of students and the challenge of maintaining current facilities. New Franklin Hall is online and long-range planning related to housing is underway. The Board will eventually be asked to approve necessary enhancements to try to ensure housing occupancy rates increase. There are debt obligations in housing which the University must cover and this is taken into consideration as all work is undertaken.
- The Investment Report reveals that interest revenues are down this year due to market conditions. The Consolidated Educational Fund primarily represents University funds held in Frankfort. Murray State is required to invest its funds with the Kentucky State Treasurer's Office and cannot invest tuition and fee funds on its own. Through this quarter the University earned 0.31 percent which does not represent a large amount of earnings. Last year at this time the University earned 0.84 percent and this represents a significant difference even though the actual numbers are small. In terms of Endowment Funds, most are invested with the Murray State Foundation and performed significantly better at 2.85 percent. Last year this was 9.56 percent, again due to market fluctuations. Interest earnings are down significantly but much of what the University can do in this area is severely limited because its funds must be provided to the state.

A statement was made that an obvious challenge for the University is enrollment. In response to whether any analysis has been undertaken for 2017-18, Dr. Davies confirmed the University will likely continue to be down in terms of enrollment. The University's enrollment horizon is not year-by-year but actually represents a four- to six-year paradigm. The freshman class must work its way through the system and currently the University has two freshmen classes from four and five years ago that are working their way through the process. These classes had lower retention numbers as well as other characteristics. Prior to these two classes, the University had very large freshman classes which led to the very large graduating classes over the past two years. Compared to two years ago overall enrollment will be down. In terms of the freshman class, the University's goal is 1,600 students which is above this year's class of 1,502 and leading indicators at this point show it is possible to meet that target. The transfer market is currently soft but work is being undertaken to address this concern. Overall, the incoming class is expected to be larger than last year but those students will also be better prepared. Retention for the freshman class for the year just concluded to Fall 2017 is up by two percentage points and it is believed this can increase even further. It is expected that the freshman and sophomore classes will be larger than last year but the senior and likely the junior classes will be smaller. Ms. Dudley added that enrollment growth was not built into the budget for 2017-18 and the expected declines in revenue were taken into consideration throughout the process.

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, 2016, through March 31, 2017, as presented. Mrs. Guess seconded and the motion carried.

(See Attachment #1)

Audit and Compliance Committee

Jenny Sewell – Chair
Susan Guess
Stephen Williams

Mrs. Sewell called the Audit and Compliance Committee meeting to order at 11:09 a.m. and reported all members were present.

Auditor Communications (For Information Only), received

Ms. Dudley reported that this represents the first year Dean Dorton has served as the auditing firm for Murray State University. Representatives have already been on campus and have undertaken a great deal of preliminary work. The auditors are required to discuss their Audit Plan with the Board and that is the objective today.

Meghan Crane, Audit Manager, and Lance Mann, Audit Practice Leader, with Dean Dorton were in attendance and presented the following with regard to the 2017-18 Audit Plan:

- Ms. Crane has been with Dean Dorton for 8½ years and is excited to be able to spend time in Murray, Kentucky. She serves on the higher education team for the firm and has spent the majority of June through December working with higher education clients, including Murray State. Mr. Mann expressed appreciation to the Board for the opportunity to serve the University.
- Dean Dorton completed planning and fieldwork across campus in early May. During that process the team gained a better understanding of Murray State, conducted a risk assessment and developed a plan for final fieldwork to be undertaken. Representatives will return to campus on August 14.
- Part of the risk assessment undertaken is deciding which University areas are most at risk for financial fraud and general risk. This has been determined and the majority of the auditor's time will be spent focusing on these areas. The audit will also include any items where there is a reputational risk to the University. Focus will be placed on reviewing the President's expenses to ensure they are approved, appropriate and for business purposes. Testing will also be undertaken on credit cards (PCards). These represent items which may not impact the overall balance sheet for the institution but have a high reputational risk for the University.
- Financial aid testing has already been initiated, working with Financial Aid Director Janet Balok. The testing is going well and the auditors feel there is a very strong financial aid team in place. Auditors are testing the University's compliance with financial aid requirements because this represents a lifeline for the institution.
- Additional fieldwork is scheduled for August 14 and will include issuance of the Financial Statement Audit, Single Audit, Lease Law Audit and House Bill 622 Audit by September. The auditors will also audit WKMS Radio Station. Planning for auditing this unit will take place in the Dean Dorton home office with fieldwork taking place in October on campus and a report being issued by mid-November. Fieldwork for National Collegiate Athletic Association compliance will be undertaken in mid-October with a report being issued by the end of November.

Chair Williams welcomed Dean Dorton as the University's new auditors and indicated all look forward to working with the firm.

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

Adjournment

The Audit and Compliance Committee adjourned at 11:13 a.m.

Constituency Regent Reports, received

Faculty Regent

Ms. Farmer thanked WKMS for a wonderful evening last night during the "WKMS Grand Supper Club" event celebrating student journalism. The Lecture which followed was presented by National Public Radio Host and White House Correspondent Tamara Keith was also a phenomenal event. She further reported the following:

- A listing of faculty recognitions and accomplishments from the end of the Spring Semester was included in the eBoard book. Four recent achievements on campus led by talented faculty that have taken advantage of the opportunity afforded at Murray State University for student achievement, scholarship, community engagement and experiential learning were highlighted.
- The first achievement is the acceptance of Dr. Maeve McCarthy, Professor of Mathematics and Statistics, into the Executive Leadership in Academic Technology and Engineering (ELATE) at Drexel University for the 2017-18 academic year. ELATE is a one-year, part-time program that focuses on creating a network of women in Science, Technology, Engineering and Mathematics (STEM) to increase leadership effectiveness and skills to enhance university missions and initiatives. The participants will complete classroom lessons and activities, online instruction and discussions and on-the-job application of class projects at home institutions. The incoming class includes 26 accomplished and diverse women faculty from 23 institutions across the United States and Canada, including Dr. McCarthy. Dr. McCarthy was congratulated on her honor.
- The second achievement highlighted was the successful production of *Cat on a Hot Tin Roof* at the end of April under the direction of Department of Global Languages and Theatre Arts faculty Lissa Graham-Schneider, Professor and Director for the production; Matthew Crider, Assistant Professor; Brent Menchinger, Chair and Professor; Justin P. Walsh, Assistant Professor and Heidi Ortega Associate Professor. Tennessee Williams' *Cat on a Hot Tin Roof* featured W. Earl Brown, a 1986 Murray State University Distinguished Alumnus who has starred in several films such as *Black Mass*, *There's Something About Mary* and *The Lone Ranger* and television series like *Preacher*, *Deadwood*, *Bates Motel* and *American Crime*. Mr. Brown spent weeks in Murray rehearsing with Director Lissa Graham-Schneider and the student cast and crew. The production featured 11 Murray State students performing onstage with Mr. Brown, another 27 students serving as members of the crew for the production and members of the community associated with Playhouse in the Park. This outstanding production was a hit, raising more money than any other show presented by the department in the last 20 years. This experiential learning opportunity allowed students to work and network with a professional actor and the event provided an avenue for an interested alumnus to have a real impact on current Murray State students. Faculty value alumni such as Earl Brown who continue to give back to their Alma Mater and all are looking forward to potential future collaborations.
- The third achievement recognized was the successful implementation of a *Bring Learning to Life* Grant from Murray State's Quality Enhancement Plan by Leigh Wright, Assistant Professor of Journalism and Mass Communications. During a Kentucky Press Association Board Retreat, she learned of the success of the Lexington Herald-Leader with digital advertising campaigns. This gave her the idea to form a partnership with the Lexington Herald-Leader media to create a training opportunity for Murray State students and faculty. With financial assistance provided by the grant, 11 students and three Journalism Professors were able to receive training from Lexington Herald-Leader staff related to multimedia news coverage, digital advertising and marketing/social media strategies for news and advertising. The students brought the information gained back to campus to train *Murray State News* staff in the new techniques and plan to conduct additional training when classes resume in the Fall. This activity helped students connect the classroom lessons to the real world, add to their own knowledge and supplement the knowledge of others. It also provided the Lexington Herald-Leader with an opportunity to create a recruiting pipeline with the University and develop new ideas for future partnerships. This project truly achieved the goal of *Bring Learning to Life* for creating new experiential learning opportunities for students with benefits that will last beyond the initial activity.
- The Board was introduced to *Steeplechase*, the Office of Research and Creative Activity student journal. The journal went live online on April 20 and presents five student research projects, three student interviews on research and one literature review. The editors are students Tori Wood, Laura Guebert, Jessie Hedrick and Erin Wallace. The Faculty Advisors are A. J. Boston, Scholarly Communications Librarian; Ashley Ireland, Dean of University Libraries and David Pizzo, Associate Professor of History. The cover of the journal which was featured on the PowerPoint presentation represents a piece from Bentley Utgaard, Library Special Projects Coordinator and recent Bachelor of Fine Arts graduate, who created this work as part of her senior art exhibit. The articles from the issue have been downloaded 299 times by individuals across the world since publication in April. The Student Editors and Faculty Advisors were congratulated for a successful publication highlighting the great work that Murray State students are accomplishing.

Staff Regent

Mr. Schooley reported the following:

- Sixteen staff members ran for membership in Staff Congress elections this year. There were 325 votes cast out of 965 individuals with voting ability (33.7 percent participation). The categories for membership in Staff Congress are Secretarial/Clerical, Executive/Managerial/Professional, General/Facilities Management, Breathitt Veterinary Center and At-Large.
- A listing of staff members serving on Staff Congress for 2016-17 was provided in the eBoard book and the membership for 2017-18 will be released in July, following the new officer election in June.
- The Murray State University Breathitt Veterinary Center Dedication Ceremony and Open House was held on May 11, 2017, and was very well attended. All were encouraged to visit the new facility if they have not done so already. Appreciation was expressed to all staff involved in making this a successful event.
- The *Hopkinsville Regional Campus* Reception and Open House was held on May 8, 2017, and was also a successful event highlighting the completion of the second floor of the 4,800 square foot facility. New amenities include four newly-renovated classrooms, one student lounge and one faculty work area. The event was held in conjunction with the Hopkinsville Chamber of Commerce.
- Detective Sergeant Barry Rice was selected as Murray Lion's Club Officer of the Year. Sergeant Joey Rice was selected for the 42nd Judicial Circuit Professionalism Award at its recent Justice Conference. Each year the College of Humanities and Fine Arts (CHFA) recognizes an outstanding staff member at their Appreciation Reception. This year's recipient of the CHFA Staff Excellence Award was Justin Patton, Media Support Technician.
- Appreciation was expressed to the 30 staff members who are retiring this year. These individuals have provided 580 years of service to Murray State University.

Student Regent

Regent Combs reported that each year the Student Government Association presents three awards and this year's recipients include:

- *Jim Baurer Outstanding Staff Award* (Tressa Ross, Recruitment/Retention Coordinator, Teacher Quality Institute)
- *Max Carman Outstanding Teacher Award* (John Fannin, Associate Professor and Director of Bands, Department of Music)
- *Ralph H. Woods Memorial Award* (student Nathan Payne). The *Ralph H. Woods* award recognizes a student who has shown exemplary leadership on campus. Appreciation was expressed to these individuals for all they do on the Murray State campus.

Recently-elected Student Government Association President – Tori Wood – was introduced to the Board. Also serving with Ms. Wood this year are Executive Vice President Madison Jarrett, Vice President of Finance Rachel Burnett, Vice President of Administration Haley Buchanon and second-term Chief Justice Craig Lamb.

Dr. Davies personally thanked Regent Clint Combs for providing two years of outstanding service on this Board and representing the students of Murray State University. He has thoroughly enjoyed interacting with Regent Combs, has valued the insights he provided and appreciates the manner in which he has professionally represented the students on important issues such as tuition. All could always count on Regent Combs to be honest, forthright and have the best interests of the students at heart. On behalf of the entire Board, Chair Williams also thanked Regent Combs for his service.

Report of the Registrar, ratified

Registrar Tracy Roberts reported that the listing of candidates for degrees for May 2017 was provided in the eBoard book. This past May the University hosted a near-record Commencement ceremony in terms of the number of graduates participating.

Mr. Combs moved that the Board of Regents ratify the awarding of the degrees to May 2017 graduates on May 13, 2017, as recommended by the Office of the Registrar. Mrs. Guess seconded and the motion carried.

(See Attachment #2)

Mission Statement Revision, approved

Dr. Davies reported that at the Advance last August the Board discussed various changes occurring in higher education in general and Murray State in particular. As these challenges and opportunities were navigated it was decided the University's Mission Statement should be reviewed to determine whether it is still applicable and, if not, to propose a redrafting of the statement. Due to his experience as District Director of the Small Business Development Center, Chris Wooldridge was empowered by the President to convene a group of individuals to undertake this analysis and engage the campus community in the process to determine whether the University's Mission Statement needed to be revised and, if so, provide a draft of a new Mission Statement for the institution. The work group determined that a revision of the University's Mission Statement was necessary. The overwhelming consensus was that the current Mission Statement needed to be revised and compacted. A solid process was undertaken to determine strengths and opportunities to develop the revised Mission Statement being presented for Board approval today.

Mr. Wooldridge reported that approximately eight months ago the President asked him to work with a tremendously talented group of individuals to review the current Mission Statement for the University and consider possible revisions. The group reviewed the Mission Statement and then set it aside and, at that point, they considered different frameworks for Mission Statements from the ground up. This work was undertaken given consideration to both business and academic aspects in terms of the structure and framework for all Mission Statements. A review of corporate Mission Statements, as well as those for multiple universities, in the region and from throughout the United States was undertaken and this information was provided to all members of the work group to assimilate and build a new Mission Statement for Murray State University. As this work was undertaken, careful consideration was given to the current and future requirements set forth by the Southern Association of Colleges and Schools (SACS) for all university Mission Statements. Kelley Wezner, Director for Institutional Effectiveness, was thorough in ensuring SACS requirements were addressed and this is reflected in the Mission Statement being presented for Board approval.

Visioning sessions were held with the work group and a SWOT analysis was conducted to generate a draft which addresses as many areas as possible. The draft was then presented to the President who approved it for consideration by constituencies both on and off campus in order for those entities to provide feedback. Mr. Wooldridge and Dr. Fister presented the proposed Mission Statement to multiple organizations on campus and solicited and received feedback from a number of off-campus entities. Comments received from this work were assimilated into the current document. Appreciation was expressed to everyone who served on the work group, especially Drs. Fister and Wezner for providing assistance and keeping the process moving forward.

Chair Williams reported that his bias over the years has been for mission statements and statements of vision and values to be short enough to be repeated by anyone but that is probably too much to ask for an academic organization. What is being presented today appears to be an outstanding product. Mr. Wooldridge confirmed that consideration was given to the length of the Mission Statement but it is short as it can be while still ensuring the University is positioned well for compliance with SACS requirements. In response to a question regarding what must be included in a Mission Statement for compliance purposes, Mr. Wooldridge confirmed that during the review process a two-page document was followed to ensure compliance requirements were being met. Dr. Wezner reported that the Mission Statement must provide information about academic programs which are offered and the composition of the faculty and staff populations. The Mission Statement must also demonstrate that the University privileges student learning and teaching above all else. It must describe the institution's research and community service missions. Dr. Wezner confirmed that she reviewed every single SACS requirement to ensure the proposed Mission Statement addresses what must be included. A question was asked regarding the use of student-centered language and whether that has changed over the years. Mr. Wooldridge indicated the Vision Statement for the University includes student-centered language and this sets the foundation for the Mission Statement based on a student-centered vision. The Vision Statement does not necessarily need to be included in the Mission Statement.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposed Mission Statement to replace the Current Mission Statement, effective June 9, 2017, as outlined below:

Current Mission Statement

Murray State University serves as a nationally-recognized residential comprehensive university, with a strong extended campus and online presence, offering high-quality associate, baccalaureate, masters, specialist and doctorate degrees. Academic programs are offered in the core areas of arts and sciences, agriculture, business, health and human services, teacher education, communications, engineering and applied technologies and nursing. Teaching, research and service excellence are core values and guiding principles that promote economic development and the well-being of the citizens of the Commonwealth of Kentucky and the region.

Murray State University places a high premium on academic outreach, collaborative relationships with alumni, the public schools, business and industry, governmental agencies and other colleges and universities at home and abroad. Murray State University prepares graduates to function in a culturally diverse, technologically-oriented society and increasingly interdependent world. The University is committed to international education as an integral dimension of the University experience.

Murray State University emphasizes student-centered learning and educational experiences that include first-year experience, the Honors College, internships, study-abroad programs, service learning, research and creative projects, residential colleges and student organizations. In sum, Murray State University fosters an exciting and challenging learning environment.

Proposed Mission Statement

Murray State University places our highest priority on student learning and excellent teaching, blending the range of educational opportunities often experienced at research institutions with the nurturing student-teacher interactions usually found at smaller universities. We offer relevant undergraduate and graduate degree programs with core studies in the liberal arts and sciences, leading to degrees from certificates to advanced practice doctorates that prepare students for success. Through effective and creative teaching, the opportunity to apply knowledge and skills to real-world situations and academic and student support services, our quality faculty and staff foster student growth in knowledge, critical inquiry and innovative thinking. As a public comprehensive university dedicated to diversity, global awareness and intellectual curiosity, we actively engage students, faculty, staff and the community in collaborative scholarship, creative activity and research. We invest in our communities through thoughtful public service in our 18-county service region and beyond. Our uniqueness arises from our combination of academic excellence, welcoming atmosphere and dedication to student success through mentored, real-world learning opportunities in an open-minded and supportive learning environment.

Mrs. Rudolph seconded and the motion carried.

Dr. Davies expressed appreciation to Mr. Wooldridge and asked him to also express gratitude to members of the work group.

Enrollment Management and Student Success Committee

Lisa Rudolph – Chair
Walter Bumphus
Clinton Combs
Katherine Farmer
Sharon Green

Mrs. Rudolph called the Enrollment Management and Student Success Committee to order at 11:38 a.m. and reported all members were present.

Spring 2017 Final Enrollment and Preliminary Fall 2017 New Freshmen and Transfer Student Outlook Report (For Information Only), received

Mr. Dietz reported the following:

- Spring enrollment overall was down by 5 percent and Ms. Dudley has discussed the associated impact on the University Budget. The enrollment decline comes from many different areas, including graduate and international students. Fall 2016 enrollment was also down by 5 percent which represents a continuing trend. It is positive that enrollment increased for the Winter term.
- First-time enrollment for Spring 2017 versus Spring 2016 illustrates a slight decline. Although the University does not generally have a large number of new freshmen students entering during a Spring Semester, there was a decline in 2017. There was also a slight decline in transfer and graduate students. The Board has previously been informed that Spring enrollment would be down so this should not be surprising.
- With regard to new freshmen and new transfer students, the University is currently in a period where declines are being experienced in terms of incoming freshmen from the region. Enrollment trends on the University's community college campuses with regard to transfer students tend to reflect enrollment trends on the flagship campus. There continue to be challenges with graduate enrollment as well. Reinventing how the University seeks out students will play an important role, particularly in terms of enrollment.
- Information was provided on Full-Time Equivalent and shows the University is down slightly from last year in this area.
- Freshmen applications received for Fall are up and this is encouraging. All were cautioned that simply receiving an application does not mean the student will actually enroll. The number of acceptances has also increased by approximately 400 students. As of the date of the report, new freshmen entering in the Fall were up by almost 3.3 percent. Transfer Summer Orientation registrations were up approximately 5 percent (seven students). This does not represent a large number but it is encouraging. If these trends continue it is believed – and all are cautiously optimistic – that the University will be able to reach the goal of 1,600 freshmen. The Summer term still has a long way to go and a lot of work has yet to occur.
- In response to a question regarding the number of high school students in the University's region, it was reported that those numbers are flat or down. In the 18-county service region high school numbers are flat but within the region are down. It is difficult because Kentucky is considered to be in the South but the region in which the University recruits – not considering Tennessee – is Indiana, Illinois and Missouri (states in the Midwest) and the number of high school students in this region are also down. The South as a whole is up but that is because of Texas and Florida and the University does not draw a large number of students from those states.
- In response to a question, it was reported that West Kentucky Community and Technical College enrollment was fairly flat this year. Enrollment at the Hopkinsville, Madisonville and Henderson community colleges was down. All were asked to look beyond the numbers because there are students at the community colleges who plan to attend college while others plan to go directly into a vocational field. Growth in the community colleges has typically been a result of students wanting to pursue a vocational field and for this reason the number of students matriculating to a university has decreased.
- The Fall 2016 class was one of the strongest – in terms of grade point average (GPA), ACT and test scores – in the University's history and the same is expected for the Fall 2017 freshman class. This has helped significantly in terms of the University's retention rate.
- In response to a question regarding students applying to multiple universities and whether it is known why these students choose to attend elsewhere, Mr. Dietz indicated students choose Murray State because the University offers a particular program they desire. They choose another institution for the same reason – a particular academic offering that Murray State does not have but the other side of this is financial aid and cost. These represent the two biggest reasons students do not choose Murray State. Every year consideration is given to where students who are dual enrolled but do not attend Murray State chose to go and the reasons for doing so have not changed over the last three to four years. Dr. Wezner also surveys incoming freshmen to obtain a sense of why they chose Murray State and academic offerings is the main reason. The University's top competitors are the community colleges, Western Kentucky University, the University of Louisville and University of Kentucky. Dr. Davies added that it is very interesting a university with a much higher tuition rate will offer a higher scholarship amount but the student's overall cost of attendance at that institution will be significantly higher than Murray State.
- Dr. Davies further reported that approximately three years ago the Board discussed the University's admission standards and financial aid and scholarships at length. At that time the University's practice had been to admit as many students as possible. As a result, the institution was admitting a large number of high school and other students who were not college ready based on their GPA, test scores, etc. There were robust freshman classes in terms of numbers but the students were not succeeding in college. This resulted in a significant decrease in the University's retention numbers which has now started to reflect in graduation rate decreases. This does not in any way benefit Murray State and it also does not benefit students who were admitted but were not college ready

based on their aptitude and the rigors of higher education. Two years ago new policies were set in place and the academic year just concluded was the first implementation of a higher standard for admitted students. A Tier I, II, III and IV process was also introduced to work with students as they are recruited to place them in various tiers and have strategies available to encourage them to commit to Murray State. At the same time, an analysis was undertaken and significant, but strategic, policy changes were made with regard to tuition and financing. Tuition was increased but Murray State still remained at the lower end of the spectrum in terms of tuition levels. At the same time, the University increased the number of financial aid packages provided to students, primarily focusing on the high-achieving and highly capable and ready students. A key component of this effort was to move away from a specific scholarship dollar amount to a percentage of tuition. This represents a significant change which was very well received last year and continues to be well received this year. The main reason for this change is that it is an inflation protector against tuition increases. Under the old model students received a set dollar amount each year even though tuition increased. With scholarship dollars now being based on a percentage of tuition, those awards also go up when tuition increases. This represented a novel approach that was not being utilized by any other university in the state. The value of the grid was significantly increased and top-end students are receiving significantly more money than they have in the past. One of the major benefactors of this effort is the Honors College. Last year the Honors College had the highest freshman class in its history – 176 students – and this year the number is expected to increase to over 200 students. An important component of this change is that Franklin Hall is the home of the Honors College and is where those freshmen are now living. As a result, an increase in retention is being seen within the Honors College living arrangement. Warren Edminster, Director of the Honors College, reported there has been an approximate increase of 80 incoming Honors students per year over the past three years. This will likely level off but the increase in the reputation and prestige of the Honors College has positively affected enrollment.

Mrs. Sewell has studied the demographics for 12 of the University's 18-county service regions and, without exception, every county over the past ten years has lost population. This is because families are having fewer children and this has made its way down the pipeline. The economic downturn also played a role in this regard. Murray State has adjusted and numbers are rebounding as a result. She believes the University administration is doing everything it feasibly can to attract a smaller pool of high school students. From the last demographic study, results show that Calloway County has grown by 3 percent. When a student reports where they are located, that is what is counted in terms of where they are populating and this somewhat skews the numbers. Millions of federal dollars are allocated on this basis so all counties in the University's service region must be monitoring numbers. Dr. Bumphus indicated that enrollment and population decline is a conundrum boardrooms are dealing with across the country. Florida, Texas and California are not experiencing this to the degree as other states across the United States. Mrs. Sewell added that states where there are military personnel represent the areas where there are more children being born.

Confirmation was provided that Kentucky is an ACT state. Dr. Bumphus stated he also serves on the ACT corporate Board. ACT began issuing a report two years ago that examines at every high school within a particular region and identifies how many students will be advancing through the pipeline. Mr. Dietz confirmed he utilizes the report referenced by Dr. Bumphus and agreed it provides a good conversion map in terms of where students say they will attend college and where they actually end up matriculating. He also uses the National Student Clearinghouse data that shows where students actually end up. It is indisputable that universities are facing increased competition for a smaller number of students.

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

Student Retention/Recapture Campaign Update (For Information Only), received

Dr. Robertson reported the following:

- The entire University is involved in the retention process. At the time of the report presented, the University had at 74.8 percent retention rate for the freshman class returning for the Fall Semester. The goal was for the retention rate to be 74.6 percent which means the University is 0.2 percent above target. Work diligently continues to maintain the current retention rate.
- The Recapture Campaign targets individuals eligible to register but have not for whatever reason. An update is provided every two weeks to the Deans, Chairs, faculty and advisers. A constant follow-up effort is maintained with these students to determine what is keeping them from registering and how the University can provide assistance. Emails are sent to the students and they are contacted by faculty, advisors, Deans and Chairs, as well as students in

the Retention Office. This work truly represents a team effort. The most recent report revealed there are approximately 1,200 undergraduate students who have not registered but are eligible to register and 853 have no holds on their myGate account. Work is being undertaken with these individuals to determine why they have not registered. As of June 5, the number had been reduced to 959 students and progress continues to have these individuals register. The graduate group has been reduced to 459 students who have not registered.

- Moving forward, consideration is being given to involving graduate students with the MAPWorks program. There are two groups upon which particular focus is being placed. The first is "Other Freshmen," which represents the highest risk group, and efforts are geared toward working with these individuals to determine what is keeping them from moving forward. The sophomore year is one many schools are analyzing to determine what these students need. Many times a great deal of emphasis is placed on a student's freshman year. By the time a student reaches the junior or senior year they are into their major and many times the sophomore year represents a "forgotten" year. Specific strategies are being developed to address the sophomore student.
- With assistance provided by University Advancement, the Parent and Family website has been revamped which will hopefully result in more involvement from parents and family members not only in terms of recruitment but also retention. These individuals can provide valuable assistance in helping their student remain focused on graduation.
- Peggy Whaley, Assistant Director of Retention, has done a fantastic job coordinating the majority of retention efforts. She is putting together a group of representatives from Academic Affairs and Student Affairs to essentially review policies and procedures to ensure they are not impeding registration, persistence or retention. A determination will be made as to whether policies should be retained, whether they need to be revised or if they are still needed.
- Work continues to enhance the first year Transitions course which is a fundamental class all entering students must take to help prepare them to be successful in college. Potential ways to enhance and make the course more beneficial are continually reviewed.
- A Staff Mentoring Program has been implemented and will be piloted this Spring. Work is currently underway to identify students struggling academically and faculty and staff are being assigned to work with those individuals through a one-on-one mentoring process.
- It is believed changing the name of the Retention Office to the Office for Student Engagement and Success will present the office in a much more positive light.
- Consideration is being given to developing or purchasing a text messaging system so not only emails but also text messages can be sent to students in an effort to maintain continual communication.
- The *President's Commission on Student Retention* has also been reorganized to take on a much broader focus which will make it more effective and efficient.

In response to a question, Dr. Robertson reported the major reasons for the University not being able to retain students include personal and financial issues. The Recapture Campaign targets students who are eligible to return to the University and would not include those with academic issues. Confirmation was provided that the Murray State student population is currently 60 percent female and 40 percent male. Males are more likely to stop out of college in order to work than are females.

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

Adjournment

The Enrollment Management and Student Success Committee adjourned at 12:07 p.m.

The Board adjourned for lunch at 12:07 p.m.

Reconvene

Chair Williams reconvened the Board of Regents Quarterly Meeting and Committee Meetings at 1 p.m.

Academic Excellence and Scholarly Activities Committee

Walter Bumphus – Chair
Katherine Farmer
Susan Guess
Lisa Rudolph
Phil Schooley

Dr. Bumphus called the Academic Excellence and Scholarly Activities Committee to order at 1 p.m. and reported all members were present.

New Degree Program: Master of Science in Occupational Therapy, approved

Dr. Pervine reported the following:

- Dr. Marcia Hobbs, Dean of the School of Nursing and Health Professions and Dr. Amelia Dodd, Assistant Professor, Department of Applied Health Sciences, were recognized for their work on the Master of Science in Occupational Therapy initiative.
- It has been determined there is regional and local demand for this degree and statistical data also shows that nationally the degree is in demand. As the population ages there will be even greater demand for Occupational Therapists.
- This master's degree will allow Murray State to partner with Baptist Health in Paducah, Kentucky. This program represents a 3+2 format that is relatively new for Murray State. When students who enter the University as freshmen complete three years at the undergraduate level and then transition into graduate coursework, at the end of five years they have both an undergraduate and a master's degree.

Dr. Bumphus expressed appreciation for the analysis which has been undertaken to determine the viability of this new degree program and based on the information he has received this represents a very timely initiative. Dr. Davies commended Dean Hobbs and Dr. Dodd for their tremendous work on this program. The University leadership is focused on new ideas and programs that will enhance offerings which meet the needs of the region and also provide opportunities for revenue generation. This new program certainly does that and the University will be significantly leveraging its connections in Paducah to bring this degree program to fruition. The 3+2 program will allow the University to expand its region and all involved were congratulated. This represents a calculated risk in which funds have been invested but it is believed the University will see a return on its investment within a relatively short period of time.

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 proposal from the Academic Council for a new degree program: Master of Science in Occupational Therapy. Ms. Farmer seconded and the motion carried.

Full Board Action – New Degree Program: Master of Science in Occupational Therapy, approved

On behalf of the Academic Excellence and Scholarly Activities Committee, Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal from the Academic Council for a new degree program: Master of Science in Occupational Therapy. Mrs. Rudolph seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

Board of Regents Teaching Excellence Awards, approved

Dr. Duncan reported that the Board of Regents Teaching Excellence Awards represent a point of pride for the University. In 1985 the Board created these awards to honor and recognize faculty who have excellent teaching skills and are exemplary in all support areas for students.

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 Board of Regents Teaching Excellence Awards for the following faculty for 2017.

- Mickey Miller — *Arthur J. Bauernfeind College of Business*
- Rebecca Penderbaum — College of Education and Human Services
- Andrew Black — College of Humanities and Fine Arts
- Matthew Crider — College of Humanities and Fine Arts
- Traci Byrd — *Jesse D. Jones College of Science, Engineering and Technology*
- Christopher Trzepacz — *Jesse D. Jones College of Science, Engineering and Technology*
- Michelle Santiago — *Hutson School of Agriculture*

Ms. Farmer seconded and the motion carried.

Full Board Action – Board of Regents Teaching Excellence Awards, approved

On behalf of the Academic Excellence and Scholarly Activities Committee, Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve Board of Regents Teaching Excellence Awards for the following faculty for 2017:

- Mickey Miller — *Arthur J. Bauernfeind College of Business*
- Rebecca Penderbaum — College of Education and Human Services
- Andrew Black — College of Humanities and Fine Arts
- Matthew Crider — College of Humanities and Fine Arts
- Traci Byrd — *Jesse D. Jones College of Science, Engineering and Technology*
- Christopher Trzepacz — *Jesse D. Jones College of Science, Engineering and Technology*
- Michelle Santiago — *Hutson School of Agriculture*

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

Departmental Merger: Department of Modern Languages and Department of Theatre to Department of Global Languages and Theatre Arts, approved

Dr. Duncan reported that the Modern Languages and Theatre departments are each relatively small but extremely strong and are comprised of excellent faculty and staff. As part of the budget review process one year ago, consideration was given to streamlining operations and at that time the current Chair of Modern Languages announced her retirement. It made sense to take these two small but very strong departments and merge them together to save on administrative costs and allow the faculty and staff to build partnerships. At first these two areas were thought to be quite different but once the faculty and staff started planning and working together on this merger this led to the emergence of creative ideas on how to grow and create new offerings for students.

On behalf of the Academic Excellence and Scholarly Activities Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the merger of two departments within the College of Humanities and Fine Arts. The Department of Modern Languages and the Department of Theatre will become the Department of Global Languages and Theatre Arts, effective July 1, 2017. Mrs. Guess seconded and the motion carried.

Full Board Action – Departmental Merger: Department of Modern Languages and Department of Theatre to Department of Global Languages and Theatre Arts, approved

On behalf of the Academic Excellence and Scholarly Activities Committee, Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve the merger of two departments within the College of Humanities and Fine Arts. The Department of Modern Languages and the Department of Theatre will become the Department of Global Languages and Theatre Arts, effective July 1, 2017. Mrs. Rudolph seconded and the motion carried.

2016-17 Academic Program/Certificate Deletions, approved

Dr. Duncan reported that a proposal is being made to remove the Master of Science in Nursing from the University's program offerings. This action is being taken as part of the creation of the Doctor of Nursing Practice (DNP). Current resources prohibit the University from being able to offer both the doctorate and master's degree and for this reason the doctorate program has been structured so that immediately upon graduation with a Bachelor's degree in nursing students can enter into the DNP program and begin working toward earning the doctorate degree. This action represents streamlining the program and will not interfere with students who desire to move forward once they complete the Bachelor's degree in nursing.

For the second proposal, Dr. Duncan indicated that on the surface it appears as though the University is eliminating a great program but what is actually happening with the Bachelor of Arts/Bachelor of Science in Recreation and Leisure Services is faculty are joining with their colleagues to expand a current program. Faculty and staff in Recreation and Leisure Services are working with the Nonprofit Leadership Studies Program (NLS) to expand that program. This will enable more recreation and therapeutic recreation programs to be offered to students under the NLS program. This will help students working toward an exercise science degree to learn to work within the nonprofit sector. These students will obtain leadership, management and fundraising skills they would not necessarily have been able to learn in the past under the completely separate program. Opportunities for students interested in recreation are not being removed or eliminated and merging them both into the Nonprofit Leadership Studies Program will make for a richer degree program for those students interested in exercise science.

Dr. Duncan reported that the Certificate in Professional Telecommunications Systems Management was created a few years ago. Despite best efforts to market the certificate, students have not responded with a desire to earn the certificate. Instead, the handful of students who started the certificate program actually moved into the degree program. The deletion of the Certificate in Professional Telecommunications Systems Management is being proposed for deletion due to lack of student interest.

On behalf of the Academic Excellence and Scholarly Activities Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the deletion of the two academic programs and one certificate as outlined below:

- Master of Science in Nursing
- Bachelor of Arts/Bachelor of Science in Recreation and Leisure Services
- Certificate in Professional Telecommunications Systems Management

Mrs. Guess seconded and the motion carried.

Full Board Action – 2016-17 Academic Program/Certificate Deletions, approved

On behalf of the Academic Excellence and Scholarly Activities Committee, Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve the deletion of the two academic programs and one certificate as outlined below:

- Master of Science in Nursing
- Bachelor of Arts/Bachelor of Science in Recreation and Leisure Services
- Certificate in Professional Telecommunications Systems Management

Mr. Kemp seconded and the motion carried.

Academic Centers Creation Reports (For Information Only), received

Center for Letters, Arts and Social Sciences

Staci Stone, Interim Dean of the College of Humanities and Fine Arts, reported that a proposal for the creation of the Center for Letters, Arts and Social Sciences has been under development for two years. Appreciation was expressed to faculty members who participated on a Task Force led by Jeff Osborne, Professor of English and Philosophy but comprised of representatives from every department within the college. The idea for the proposed Center rises from faculty who

genuinely care about Murray State students, especially those who are passionate about and talented in the humanities, arts and social sciences. The Center will represent an administrative structure for a variety of programming and curriculum offerings that are being developed to support prospective and current Murray State students. The desire is to help students feel confident about their choice of a major in the arts and humanities and ability to present to potential employers. The experiences and skills gained from such coursework are highly valued by employers. It is important for students to understand the value of arts and humanities, as well as the social sciences.

When Dr. Stone meets with the parents of prospective students their questions reveal a real concern that their child has chosen to major in the humanities or arts. The work of the Center will help alleviate such concerns and perhaps stress to passionate and talented students that the University supports them in their choice. As Regent Kemp, who majored in English and History with a minor in Political Science and Regent Farmer who earned the undergraduate degree in English know, the humanities, arts and social sciences are the foundation of their success. Statistics which support this statement were included in the eBoard book and indicate students with such majors are successful and do well on graduate admission tests (GMAT, LSAT and GRE). These students develop evergreen skills which help them easily move from position to position and be flexible, innovative and creative learners. Additional information was provided on career options for humanities majors.

The heart of the Center is the class experience which is a team-taught interdisciplinary sequence of courses delivered to a cohort of 18 students. There is a desire to pilot the class experience for three years, moving two cohorts through while assessing success. Class activities include a lecture performance series, recruitment, attention to building relationships among stakeholders and public humanities programming. It is believed the Center will help recruit at least 18 students per year and even more as its reputation is established. The Center will provide an increased number of students and more options within the Honors College which should help the Center recruit even more students – especially Governor's School for the Arts participants and Governor's Scholars. The other main objective for the Center is to provide students with the support they need to understand that the humanities, arts and social sciences are needed and valued. It is believed the Center will strengthen Murray State's student-centeredness, especially for students in those disciplines. As planning for this Center continues, all look forward to having the support and input of both the new Dean and Provost so the Center can be presented to the Board as an action item in August.

In response to a question, Dr. Stone confirmed that the Center is designed to enhance a student's education but also provide the opportunity for additional attention to the value of humanities and arts. The Center will build on the excellent reputation of the departments within the College of Humanities and Fine Arts. The main reason for the creation of the Center is to assist with the recruitment of and support for these students. Dr. Edminster reported there is a demographic of students who desire to pursue an education in the humanities, arts or social sciences. The University is currently attracting a low number of this demographic. In his experience interviewing high-achieving students from around the state and beyond, it is evident the University receives a high percentage of students in certain areas such as agriculture and pre-veterinary technology and it is known that nine out of ten such students will choose to attend Murray State because of the reputation of those programs. The percentage of students in the humanities choosing Murray State is much lower and this is partly due to the fact that the University does not have a reputation as a school with a humanities focus. It is for this reason students choose to go elsewhere. There remains a pronounced part of the student body desiring to obtain a degree in the humanities and the new Center will help attract those individuals to Murray State.

Dr. Duncan added that outcome data reveals students in the humanities, arts and social sciences do incredibly well after college. All programs within the College of Humanities and Fine Arts are extraordinarily successful but by developing this creative way to attract the highest-achieving students within these broad areas the Center will be able to make more of an impact for the University. This represents visibility and a way to bring in the high achievers even though at first it will involve a rather small cohort. The Honors College also started out with a small number of students but once the program became known it is now growing exponentially. It is hoped the same will be true for the new Center for Letters, Arts and Social Sciences. Students in the Governor's School for the Arts are perfect for Murray State's music, performing arts and

visual arts programs. The University is currently not attracting as many of these students although it outperforms a lot of the other institutions in these areas. Confirmation was provided that the Center will provide programming on pathways to careers for these students.

Dr. Stone also confirmed that communication is ongoing with the new Director for Career Services to develop initial ideas of how to achieve this goal. Some of the final coursework within this new core would focus on pathways to careers as well. Dr. Duncan added that the core set of courses will not interfere with the non-humanities requirements for general education or University Studies majors. The core has been very carefully designed so that it will not interfere in any way with any other area on campus or any other part of a student's University Studies education. Confirmation was provided that among other universities in Kentucky – and perhaps even throughout the country – the Center will be unique to Murray State. No other program has been designed like the Center for Letters, Arts and Social Sciences.

Regent Combs commended all for their work on this initiative because many universities are losing focus in terms of the importance of the humanities, particularly since there is currently a major focus being placed on STEM+H fields. Dr. Stone reported that the Center will help support STEM+H programming because the national accrediting body for engineering has indicated the new engineering field in 2020 will not only be about math and science but also students who have an understanding of philosophy, ethics, humanities and creative arts.

Dr. Bumphus reported that nationally enrollment in the humanities is declining and universities are looking for different ways to reverse this trend and this appears to be a wonderful way to accomplish this objective. Chair Williams echoed this statement and indicated the initiative represents an exciting pilot project. It takes innovative projects such as this for the University to be successful in the future. The willingness to be innovative and take some risks is what higher education is about and all were congratulated for their efforts.

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

Murray State University Local Government Service Center

Dr. Duncan reported that the Local Government Service Center will likely be presented to the Board for approval at the Quarterly Meeting in August. This initiative is also being proposed by the College of Humanities and Fine Arts. The idea originated from a strategic planning proposal and grew from within the college to help the University reach its Strategic Plan goals.

Dr. Stone reported that the initiative pertaining to the Local Government Service Center was developed to help meet strategic planning goals specifically with regard to experiential learning and scholarly and creative activity. The idea is for the Department of Political Science and Sociology to launch the Center to collaborate with and provide services for government offices in the region. One of these services will include data analysis. Western Kentucky University has a similar office and they are collecting data and housing it but are not undertaking any analysis. The Murray State Center will be different in that the plan is to provide an analysis of the data and this work will be undertaken with graduate students. There are already two graduate assistantships within the department and these students will work within the Center under the supervision of the Director who will be a faculty member. This idea also arose as a result of the request for revenue-generating initiatives. The hope is that as the Center is established and grows it will generate sufficient revenue to add graduate assistantships which will provide for additional experiential learning opportunities. Dr. Duncan added that the Center would be targeted at the local area development district offices and other governmental agencies within the University's 18-county service region. Services would also be offered in the surrounding communities. Data analysis today is quite sophisticated and not every community is able to perform the level of detailed analyses the Murray State Center will be able to offer.

Mr. Kemp stated that this particular proposal has potential. He spoke with the Hopkinsville/ Pennyrile Area Development District Director who indicated the service would be welcomed by the districts and local government but there is some uncertainty in terms of funding availability to pay for data analysis services. Most local governments in the 18-county service region would not have funds available to pay for this type of data service. Recently the Pennyrile Area Development District conducted an extensive survey for economic development purposes and paid a consulting firm from Texas a significant amount of money to undertake the data analysis

work. It is suspected that Murray State could have performed this work at a significant cost savings. The Kentucky League of Cities and the Kentucky Association of Counties are also very active in this area in terms of training and analysis and would represent to some degree competitors with the University. He can see the potential for the Center and the great experiential learning experiences it can provide for Murray State students.

Dr. Davies indicated the Deans have been asked to identify new ideas to increase enrollment, find revenue sources to help grow programs and identify innovative ways to create unique niches for Murray State within its core of competencies and efficiencies. He thanked Dr. Stone for her leadership in this regard, as well as in her role as Interim Dean of the college, a challenge which she has handled with grace and compassion. Work will continue to establish goals for these two Centers and identifying ways to ensure they can be sustainable will be a key focus of this work. Provost Arant and Dean-select David Balthrop are both supportive of these initiatives.

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

Academic Administrative Appointments Report (For Information Only), received

Dr. Duncan reported the following appointments for academic administrative positions approved for the 2017-18 fiscal year:

- *Arthur J. Bauernfeind College of Business* – Dr. Joy Humphreys (Assistant Dean)
  Dr. Humphreys served as Interim Assistant Dean during Fall 2016.
- Department of Accounting – Dr. Leigh Johnson (Chair)
  Dr. Don Chamberlain retired from the University.
- Department of Applied Health Sciences – Dr. Amelia Dodd (Chair)
  Dr. Michael Kalinski will assume a 9-month faculty contract effective August 15, 2017.
- Department of Global Languages and Theatre Arts – Professor Brent Menchinger (Chair)
  Merger of two departments. Chair David Balthrop (Theatre) is the new Dean of the College of Humanities and Fine Arts and Dr. Reika Ebert retired from the University.
- Department of Management, Marketing and Business Administration – Dr. Heath Keller (Interim Chair) *Dr. Joy Humphreys (former Chair) served as Interim Assistant Dean during Fall 2016. Dr. Keller has replaced her.*
- Department of Music – Dr. Lucia Unrau-Terry (Chair) *Dr. Pamela Wurgler retired from the University.*

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

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

Adjournment

The Academic Excellence and Scholarly Activities Committee adjourned at 1:41 p.m.

Buildings and Grounds Committee

Sharon Green – Chair
Clinton Combs
Daniel Kemp
Jerry Rhoads
Phil Schooley

Ms. Green called the Buildings and Grounds Committee to order at 1:41 p.m. and reported all members were present with the exception of Jerry Rhoads.

O. B. Springer Hall Closing, approved

Mr. Burdette reported that approximately one year ago mold growth was discovered in Springer Hall. The University immediately requested environmental testing which uncovered two different types of mold in the building making the facility not suitable for occupancy. The residents of Springer Hall were relocated to the former Franklin Hall. Over the past several months additional building evaluations have been conducted. The hope was the facility could be

saved but between the environmental clean-up cost which would exceed $250,000, the structural analysis of the HVAC system, other systems and the structure itself it was determined the building is not salvageable. Where the roof and brick walls meet in Springer Hall there are cracks in the structure which is letting in humidity and hot air. The engineering firm, HVAC staff and other Facilities Management personnel have recommended that the building be eliminated from the University's housing inventory and Old Franklin Hall take its place for now. Based on these recommendations, renovation work is currently underway in former Franklin Hall with the goal that by the end of the summer the facility will be available to house displaced Springer Hall students. Old Franklin has better HVAC and other systems than Springer Hall and is the obvious replacement choice for the time being. The University is faced with the option of spending up to $2 million for necessary repairs in Springer Hall but still not sufficiently improving the structure.

Ms. Dudley reported that the renovation option was presented earlier to the Board before environmental studies had been completed. Making the change being proposed – closing the facility – would be more feasible in terms of cost and the end product. Adding up to $2 million in renovation costs to Springer Hall simply would not be fiscally responsible. During the Finance Committee, the Board will be asked to approve further improvements to Old Franklin Hall and the recommendation being presented now is to close Springer Hall only. At a later date the Board will be presented with a recommendation to raze Springer Hall and will be provided with additional data on the associated costs. Confirmation was provided that Housing staff and the environmental engineers are currently working to determine what furnishings and fixtures in Springer Hall are salvageable.

In response to a question regarding the condition of Old Richmond Hall, Mr. Burdette reported the building is not currently open and, although systems are being maintained, it is anticipated the facility will be repositioned in terms of usage. Ms. Dudley reported work is currently underway to develop a plan to raze Springer Hall next summer. In response to a question regarding what has to occur to prepare the building to be razed, Mr. Burdette reported that Information Technology currently has a major hub housed in Springer Hall and the fire alarm/tornado alert system is also contained within the facility. Mr. Youngblood, Associate Director for Facilities Design and Construction, reported that fibers for internet access and networking run through Springer Hall which is then distributed to other buildings and all this must be rerouted. In terms of the emergency alert system, sirens and other campus notifications are actually mounted on Springer and those must also be relocated. A mini-plan must be developed before the building can be completely removed from the University's inventory. Confirmation was provided that Springer Hall must be maintained at a minimal level until these systems can be relocated. Confirmation was also provided that even though Old Franklin Hall is a few years older than Springer it is in better shape and cost to renovate that facility represents only a fraction of the expense required to renovate and remediate Springer because current building systems can be utilized and only cosmetic changes need to be made. In response to a question, Ms. Dudley confirmed there will not be a facility available for overflow housing should it be needed but there is also no other facility which can be utilized as an all-female residence hall and, institutionally, it is believed this option will be needed for some period of time. There are a surprising number of parents who want to make sure an all-female residence hall is an option. It is not possible for the remainder of the residence halls to be designated as female only simply due to their size.

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the closing of O. B. Springer Hall, effective immediately. Mr. Schooley seconded and the motion carried.

Full Board Action – O. B. Springer Hall Closing, 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 closing of O. B. Springer Hall, effective immediately. Mr. Kemp seconded and the motion carried.

Dr. Davies reported that over the next six to 12 months the University leadership will consider whether to hire an outside housing consultant to conduct an in-depth review of the housing stock and available options. The current Springer Hall site is beautiful and could potentially be utilized as a location which would meet long-terms needs for the University.

Disposition of Structure – Duncan House (Building #0505), approved

Mr. Burdette reported that last Saturday he and Dr. Jackson visited with Bill Duncan in Hopkinsville. He is the son of the former owners of the Duncan House which is a 6,000 square foot farmhouse gifted to the University several years ago. Unfortunately, the house has been neglected for many years and last Fall a Murray State team toured the structure and determined it was no longer structurally sound and would be too expensive to repair – up to $400,000. No particular use has been identified for this house and what has been determined to be the best recommendation is to tear the building down completely. Mr. Duncan could not have been kinder or more understanding and quickly became a true friend of Murray State University. Dependent on Board approval of the Resolution presented, Mr. Youngblood will oversee razing the facility and utilizing the brick for columns to construct a picnic pavilion in the relatively near future. A marker with a plaque honoring the original Duncan House donors will also be designed.

Mr. Kemp reported that the house in question was on the Duncan property when it was donated to the Murray State Foundation for the location of the Hopkinsville campus. At that time the plan was for a good purpose to be identified for use of the house. The house may have been utilized very briefly for office space but an appropriate use for the facility was never really identified. The house was only slightly maintained and has deteriorated to the point where it is beyond repair. This was a source of some concern with the Duncan family because there was a gentleman's agreement in place that the University would maintain the house. Appreciation was expressed to Mr. Burdette and Dr. Jackson for their efforts over the past several months to remedy that situation and identify a suitable resolution acceptable to the Duncan family while at the same time serve the best interests of Murray State. The site represents a nice location for a pavilion and park and any such improvements will add to the overall appearance of the Murray State facility in Hopkinsville.

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the Resolution presented authorizing the disposition of the structure known as the Duncan House (Building #0505) located adjacent to the *Hopkinsville Regional Campus* at 5305 Fort Campbell Boulevard in Hopkinsville, Kentucky. Mr. Schooley seconded and the motion carried.

Full Board Action – Disposition of Structure – Duncan House (Building #0505), 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 known as the Duncan House (Building #0505) located adjacent to the *Hopkinsville Regional Campus* at 5305 Fort Campbell Boulevard in Hopkinsville, Kentucky. Mrs. Sewell seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

(See Attachment #3)

Energy Savings Performance Contract, discussed

Mr. Burdette reported work is currently underway to develop an Energy Savings Performance Contract. In 1996, Kentucky Revised Statute 56 provided for guaranteed energy savings performance contracts as a means for state agencies and public higher education institutions to procure energy saving measures to then support infrastructure improvements. The contract being discussed today represents a portfolio of projects funded through the savings generated by the projects themselves. There are actual as well as indirect costs associated with maintaining energy consumption on campus. The University will save on indirect costs and will utilize any savings to fund needed projects. Electrical metering and measuring is one such strategy which is critical to helping the University determine what is occurring with the current electrical system. HVAC improvements such as chiller plants and air handling and steam heat systems will be studied and interior LED lighting enhancements will be included in this work. Exterior and other security lighting enhancements and water conservation measures will be reviewed.

Sustainability initiatives are significant to the campus and behavior modification may be required in terms of how to best use energy. The energy services company – ABC Jones – guarantees the reduction of energy through a performance-based contract. This means the firm takes the risk but the University collaborates to develop projects that will save energy. The savings are then used to pay the debt service that the University will borrow to fund the upfront costs for the term of the project over 15 to 20 years. The savings are mutually reconciled on an annual basis with the University which means the company has a real interest in ensuring Murray State meets its targets. Since 1996, it is estimated that over $750 million of these contracts for at least six Kentucky universities have been used as escrows. The present value method over the term of the project must be at least 2.5 percent or greater which is required by the Commonwealth's Office of Financial Management. All fees must be identified upfront and included in the project cost.

If the Board approves this competitive bid process, the timeline will be lengthy. The Request for Proposals could be issued during Fall 2017 and once there is a successful bidder the scope and final contract numbers will be decided. The process of identifying those projects which will result in the greatest energy savings could take three to nine months but if the Board approves the contract execution that would be for Spring or Summer 2018. Ms. Dudley indicated the University is authorized to take this action as part of the Six-Year Capital Plan and there is no associated downside to undertaking work to determine what can be done to save the most money in the shortest period of time. An Energy Optimization Manager joined the University in August and has been very busy since his arrival. The Board did not have any further questions or concerns with the administration proceeding in this fashion.

Mr. Kemp reported that this process has been utilized successfully at Ft. Campbell in Hopkinsville and by other governmental agencies.

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

Major Projects Update, received

Mr. Youngblood reported that construction activities at the Engineering and Physics site are slowly winding down and the facility is becoming more complete every day. Efforts began this week to move in furniture and equipment and this work will progress over the next couple of weeks. All are working very closely with Steve Cobb, Dean of the *Jones College of Science, Engineering and Technology* and Danny Claiborne, Chair and Associate Professor, Institute of Engineering to help faculty and staff become accustomed to the building and ensure everything needed is set up properly. It is anticipated some second-half summer classes will be able to be held in the facility if Facilities Management receives all the required certificates of occupancy. If this is not feasible the facility is definitely on schedule for August classes.

Portions of the Chemistry Building remediation project are actually ahead of schedule but it is anticipated this will not continue especially when it comes to finishing all required certifications and fume hood insulation and certification. Facilities Management staff are working closely with Dr. Harry Fannin, Chair and Professor of Chemistry and Elizabeth Brubaker, Lab-Safety Waste Coordinator for the Department of Chemistry to ensure as these changes are being made from room to room equipment and other assets are protected. Some major changes are being made in the Chemistry laboratories and because they were completely gutted those spaces are receiving totally new casework and fume hoods. As of yesterday most of the casework has been installed and the fume hoods are on site and will be connected soon. Overall the project is progressing well. Appreciation was expressed to the Chemistry faculty who have been part of this process for almost two years. The essential component of undertaking this work is to ensure it is done properly.

The situation with the Biology Building is even more complicated. To date, a Commissioning Agent and his team have examined and analyzed the facility and it is now known what must be done to remediate the building. General Counsel Rall has provided invaluable guidance throughout this process. The design firm and two contractors involved with constructing this building have been contacted and a meeting will likely take place later this month to inform them what the University intends to do. What the University does next will depend on their response. It is anticipated that it will be at least one year from now before any of this work actually begins

in the building because it takes time to formulate a design plan and secure contractors to make the necessary repairs.

A question was asked in regard to whether Franklin Hall is now totally finished and whether the commissioning for that facility has been completed. Mr. Youngblood confirmed that a final commissioning report has been received and next Monday the ten-month review of the building will be conducted with the construction and design teams in terms of the functioning of the facility. There is some work still to be undertaken such as exterior finishes, lighting and warranty issues that have delayed the completion of the commissioning. This will also be part of the discussion on Monday.

A question was asked with regard to the Chemistry and Biology buildings and the percentage of repair costs being covered by the contractors. Mr. Youngblood reported the contractors presented a cost estimate and the contract was then negotiated for a guaranteed maximum price. The more direct question was asked in terms of how much the University had to spend to make these repairs. Ms. Dudley reported that both projects – Chemistry and Biology – were scoped at $2 million each and the University's cost will stay below that amount. Last year the Board approved the administration utilizing reserves to cover this cost. Confirmation was provided that the subcontractors who supplied materials for the exterior of the Engineering and Physics Building were also responsible for providing materials for the exterior of Franklin Hall and there has been a delay in receiving those materials. This will also be a key topic for discussion at the meeting on Monday.

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

Adjournment

The Buildings and Grounds Committee adjourned at 2:12 p.m. The Board also adjourned for a break beginning at 2:12 p.m.

Reconvene

Chair Williams reconvened the Board of Regents Quarterly Meeting and Committee Meetings at 2:30 p.m.

Finance Committee

Daniel Kemp – Chair
Walter Bumphus
Clinton Combs
Katherine Farmer
Jerry Rhoads

Mr. Kemp called the Finance Committee to order at 2:30 p.m. and reported all members were present with the exception of Mr. Rhoads.

2017-18 University Summary Budget with Executive Summary and Salary Roster, approved

Dr. Davies thanked Ms. Dudley and her team for the enormous amount of work and dedication they have devoted to the budgeting process. Appreciation was also expressed to the Budget Advisory Committee that was established earlier this year as part of the shared governance process. The Committee is composed of members of Ms. Dudley's team serving in an ex-officio capacity and two members (each) appointed by the Student Government Association, Faculty Senate and Staff Congress. This Committee has been instrumental in providing feedback and advice to the administration throughout the budgeting process. More importantly, the work of the Committee members provided greater communications for the entire University community. Members were able to solicit feedback and advice from the various University constituencies and adjustments were made accordingly based on the advice of the Committee while still allowing the institution to adhere to its budget priorities.

Budget priorities were approved by the Board at the February Quarterly Meeting and relate to people, places, programs and creating revenues to offset declining state appropriations and also fund programs at the appropriate level. People involves faculty and staff as well as students. Places includes the physical nature of facilities and programs and the University's academic offerings and other initiatives provided to students to create an exceptional learning environment.

Exhibit A included with the fiscal year 2018 (FY18) budget contained information regarding the reduction in revenues being projected for 2017-18 for the University. These include a decline in FY17 enrollment, gross tuition and mandatory fees ($6,846,630); discount savings of approximately 37 percent on the revenue shortfall (-$2,285,073); added discounts for hours above 15 ($833,000) and schedule change fees ($5,000) and result in a total reduction in revenues of $5,399,557. Increases in expenditures include salaries with a 1 percent across-the-board cost-of-living (COLA) increase ($563,948), non-exempt compensation adjustment ($240,626), faculty promotions ($102,000) and faculty and staff awards ($15,000). Other fringe benefits related to these items include retirement ($102,155), FICA ($39,288), health insurance employee plan choices for 2017 ($381,450) and other fringes ($9,439). The University's most important assets are its people and this is why a Compensation Study is currently underway but this will also have a fiscal impact in subsequent years. Appropriate salary levels are essential to being able to recruit and retain employees. The non-exempt compensation adjustment was started last year and has a direct impact on the lowest paid employees. The goal is to raise the hourly rate for these individuals to $10.10 per hour. Employees receiving the compensation adjustment may or may not receive the 1 percent COLA increase depending on their overall salary level. This work also involves ensuring the hourly rates for these employees increase through a lock step process. It is anticipated there will be increases in costs for utilities ($196,044), liability and property insurance ($95,240), diversity hiring pool ($100,000), property acquisition ($20,000), institutional memberships ($10,000) and legal contingency ($40,000). The increases in expenditures amount to $1,915,190 for a total net need of $7,314,747.

Earlier Dr. Davies discussed the need to hire underrepresented faculty and staff and this is why the diversity hiring pool has been budgeted. This funding is available to units and departments when it is determined a higher salary for a particular position is necessary in order to secure an underrepresented candidate. A similar pool was put in place at the University five or six years ago but only the first year of the employee's salary increase was funded and the department or unit was expected to cover the amount of any increase in the second year moving forward. Today the increased salary need is viewed as a recurring expense and the portion needed to increase an individual's salary will continue to be covered by the University over the course of their employment at Murray State. If the employee leaves the University, the additional funds that were used for the salary increase would be returned to the diversity hiring pool.

While funding needs were being identified, sources of departmental reallocations and new revenues to meet the $7.3 million need were determined and include a 5 percent gross tuition increase ($5.7 million), discounts at approximately 37 percent on that tuition increase (-$1,452,073), contingency for 2 percent tuition rate increase (-$1,154,050), vacancy recapture ($650,000), salary and fringes for Fair Labor Standards Act (FLSA) overtime needs ($300,000), online revenue sharing needs due to decreased graduate enrollment ($150,000), payoff of debt financing for ESCO project ($500,000), unemployment insurance ($80,000), Institute for International Studies recruiting fees ($30,000), change in funding for Kentucky Teachers' Retirement System (KTRS)/Optional Retirement Plan (ORP) sick leave buyback ($137,750), purchasing card rebates ($12,500), Belize international waivers ($12,600), change in third party revenue including Foundation and grants (-$42,239), miscellaneous ($286,481), new FY18 undergraduate web course fee revenues ($522,000), FY17 reductions not realized until FY18 from academics ($537,776) and unit reallocations and new revenue ($1,018,004).

Although tuition increased by 5 percent, the University is only budgeting 3 percent of that amount. The remainder ($1,154,050) is being held in contingency, essentially a 2 percent tuition rate increase. The way the current tuition model is set up includes the recommendation of the Governor, legislators and the Council on Postsecondary Education in terms of the looming pension issue. There will be pension cost increases for the University in the very near future. The Governor and legislators agreed that in order to prevent an extremely large tuition increase next year reserves should be placed in a fund to help offset any necessary tuition increase. This contingency fund is not being used for recurring expenditures throughout this next year. In preparing this year's budget, careful consideration was given to action which could be taken at

the University level that would not directly impact the student educational experience. The vacancy recapture is one such initiative and essentially represents salary savings when an individual leaves the University. A change being made this year is that the sick leave buyback benefit will no longer be centrally funded by the University and departments will now incur the cost of buying back sick time from KTRS when an individual retires. The change in third party revenue expense represents a grant to pay the salary for a staff person in the Watershed Studies Institute that is no longer being received and the expense is now being covered by the University. Confirmation was provided that any revenue received from new FY18 undergraduate web course fees will be budgeted for Education and General expenditures. The baseline for unit reallocations was 1 percent, although some areas provided opportunities for an even higher reduction percentage. This work was strategically undertaken with each of the Vice Presidents and that has allowed for a balanced budget to be presented today.

Information was included in the eBoard book on total overall percentage changes in each employee category for filled positions as well as Full-Time Equivalent (FTE) changes. Over the past ten years the University's FTE number has remained relatively unchanged although the institution is serving a significantly larger number of students and this illustrates the amazing accomplishments of faculty and staff.

Mr. Kemp complimented Dr. Davies and Vice President Dudley for the work they have undertaken to prepare the budget for Board approval today. This work is not easy in light of continued funding reductions from state appropriations, coupled with a decline in enrollment. This represents a balanced budget which means the administration is not planning to utilize reserves and this is significant. The budget presented also does not project any enrollment growth which is why there is a decrease in tuition revenue projections and this represents a conservative budgeting method. Although there is a 1 percent salary increase, total salaries actually decreased by $734,000. Ms. Dudley reported many adjustments made by the departments were from pooled positions – such as those for temporary employees – that were able to be decreased and in some cases vacant positions were eliminated. Last year the overtime pool was budgeted at $1.6 million in salaries and this year was decreased based on actual usage. Multiple things related to the reductions were greater than increases and the $734,000 decrease represents regular positions and all pooled and student worker positions. Dr. Davies reported that as part of this process less than five individuals moved from 12-month to 11- or 10-month contracts. One filled position was eliminated but the University is working with the individual to identify other employment opportunities. Ms. Dudley confirmed that general student wages remained relatively the same at approximately $2.3 million and this does not include Federal Work Study students. The $2 million contingency the Board has included in the budget for the past few years has been maintained. The budget also includes a $1.1 million contingency which is the extra 2 percent in tuition increase that is being held back. Together this amounts to a total budget contingency of $3.1 million.

Dr. Davies expressed appreciation to the Vice Presidents, Dr. Pervine and the Deans for their efforts toward helping to present a balanced budget. The Deans played an instrumental role in this process and he appreciates their wisdom, feedback and willingness to participate in difficult discussions. The budget process truly represented a team effort with a lot of individuals looking at the larger picture to determine how to position the University as best as possible to ensure student success given available resources. He owes all these individuals a deep sense of gratitude for their efforts. Ms. Dudley added that more job restructuring was undertaken this year than for the past several years and positions were reviewed and salaries were reevaluated and this work could not have occurred without the efforts of Human Resources. Mrs. Sewell complimented everyone involved for the extremely extensive amount of work that has been undertaken to produce a balanced budget.

On behalf of the Finance Committee, Mr. Combs moved that the Board of Regents, upon the recommendation of the President of the University, approve the 2017-18 University Summary Budget with Executive Summary and Salary Roster. Dr. Bumphus seconded and the motion carried.

Full Board Action – 2017-18 University Summary Budget with Executive Summary and Salary Roster, 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 2017-18 University Summary Budget with Executive Summary and Salary Roster. Dr. Bumphus seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

(See Attachments #4, #5 and #6)

Projects Approved by the Board Chair, designated funding

Ms. Dudley reported that the Board of Regents 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 President and a determination made in terms of those projects requiring further Board approval." The first schedule included in the eBoard book listed projects with estimated costs of $200,000 or less. The second schedule presented contains projects with estimated costs of over $200,000 which were reviewed by the Board Chair and President. The first schedule represents smaller projects where the Board actually designates those funds so they can be recorded on the University's financial statements. Initially $100,000 was designated for plaster repair and painting in Old Franklin Hall and that project was included on the first schedule. It was discovered that this amount would not be sufficient for the work which needed to occur which is why clean-up and fix-up of Old Franklin Hall is included on the second schedule for $500,000. This is hopefully more than will be required to renovate the facility but includes a contingency because it is unknown what will be discovered once the work commences.

In response to a question regarding the Stadium lighting project and whether the administration has investigated any available energy incentives, Ms. Dudley confirmed that work has been undertaken. Mr. Burdette reported that the replacement lighting will be LED and work is currently underway with the Tennessee Valley Authority (TVA) to determine whether incentives are available for this purpose. Although TVA has curtailed the majority of lighting projects, it is believed the University could receive some discount for making the change. Confirmation was provided that once the Board approves this project discussions will occur with TVA regarding energy incentives and this will be done prior to the work actually beginning. Another project on the second listing is Information Technology Banner 9 implementation. Over the next few months work will be undertaken to update the University's ERP system which represents a mandated update. The projects involving the renovation of office space, a reception area and classroom chair replacements represent the continuation of an initiative started last year in Faculty Hall. An effort is being made to complete some of this work each summer to ensure classroom spaces are updated.

On behalf of the Finance Committee, Mr. Combs moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects on the listings provided. Ms. Farmer seconded and the motion carried.

Full Board Action – Projects Approved by the Board Chair, 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 on the attached listings. Mr. Combs seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

(See Attachments #7 and #8)

Personal Services Contracts, approved

Ms. Dudley reported that the Delegation of Authority Item #11 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." One project is being brought forward for approval and relates to Phonathon Management Services within the Development operation to help increase annual funds during the Capital Campaign. Dr. King provided confirmation that the $120,000 being requested for this project is for a one-year annual contract with the opportunity to renew if results are satisfactory. The Phonathon represents a major component of the University's annual fund and it is projected there will be a revenue gain of $285,000. The Phonathon program helps identify leads for potential major gifts. Students will still be utilized for the Phonathon but a firm will help the University hire and train those students and help establish a training program that can be used in the future. The particular company to be utilized is well known across the country for their success in Phonathon programming. Confirmation was provided that the $120,000 expense includes student wages, training, equipment upgrades and necessary software that the University is currently paying but through a number of other vendors – not just one.

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

(See Attachment #9)

Personal Services Contracts – Schedule of Expenditures (For Information Only), received

Ms. Dudley reported that a listing of Personal Services Contracts – Schedule of Expenditures was provided in the eBoard book and represents those contracts greater than $10,000 and price contracts for personal services that have been approved by the State Government Contract Review Committee.

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

Adjournment

The Buildings and Grounds Committee adjourned at 3:13 p.m.

Legislative and Economic Development Committee

Jerry Rhoads – Chair
Daniel Kemp
Lisa Rudolph
Jenny Sewell
Stephen Williams

In the absence of Mr. Rhoads, Mrs. Sewell called the Legislative and Economic Development Committee to order at 3:14 p.m. and reported all other members were present.

Legislative and Economic Development Update (For Information Only), received

Jordan Smith, Director for Governmental Relations, reported that the 2017 Legislative Session formally ended on March 30, 2017, and there were no major surprises for higher education during the final month. The major higher education bills signed into law by the Governor include Senate Bill 107 (sponsored by Senator Robert Stivers) which relates to gubernatorial appointments and declaring an emergency. Senate Bill 153 was sponsored by Senators David Givens and Mike Wilson and is an act relating to postsecondary funding, making an appropriation therefore and declaring an emergency (Performance Funding Bill). House Bill 206 (Representative John Carney) is an act related to the Dual Credit Scholarship Program, making an appropriation therefore and declaring an emergency (Dual Credit Bill).

The 2017 Interim Session officially began on June 1, 2017, and will continue through December. During this period the General Assembly will discuss various issues, pre-file bills and forward recommendations to the Legislative Review Commission and both legislative chambers in anticipation of the 2018 Biennial Budget Session. The 2018 Session will begin in early January and continue through mid-April. Next year's Session is expected to include robust discussion, if not legislation, regarding public pensions, higher education tuition and fees, concealed carry laws and postsecondary teacher certification, among other items that will impact Murray State.

In recent days, the Governor has committed to a Special Session on tax reform in mid-August. Dialogue continues with the Governor and legislature on this topic. The University will monitor any Special Session and tax reform proposals – particularly those which will directly impact higher education.

Murray State has been involved in the Entrepreneurship Challenge initiative which is being led by Lieutenant (Lt.) Governor Jenean Hampton. On April 10, 2017, Murray State hosted the Lt. Governor and staff and the Kentucky Innovation Network. The University was chosen to host Region I of the Entrepreneurship Challenge event. This initiative was designed by the Lt. Governor to encourage high school students to begin thinking like an entrepreneur, pitch an original idea and compete for scholarship funds to attend any postsecondary institution of their choosing in Kentucky upon their high school graduation. Over 25 high school students participated in the regional event hosted by Murray State and several teachers and administrators also traveled to campus. Counties represented include Hopkins, Marshall, Union, Davis and Trigg. The winner of the University's region competition from Davis County went on to take first place in the final overall statewide competition. All were proud to have the final winning team come from Region I. Over 700 students participated in the statewide competition making this a very successful inaugural event for the Lt. Governor and for the Commonwealth. The University has already indicated its desire to continue to be involved with the Entrepreneurship Challenge event. In addition to the Governmental Relations Office, Dean Tim Todd, *Bauernfeind College of Business* and Loretta Daniel with the Kentucky Innovation Network played an integral role in organizing this event.

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

Adjournment

The Legislative and Economic Development Committee adjourned at 3:20 p.m.

Marketing and Community Engagement Committee

Susan Guess – Chair
Sharon Green
Phil Schooley
Jenny Sewell
Stephen Williams

Mrs. Guess called the Marketing and Community Engagement Committee to order at 3:20 p.m. and reported all members were present.

Naming Opportunities, approved

Dell Computer Systems Laboratory – Engineering and Physics Building

Dr. King reported that as part of the standard bid process for equipment for the new Engineering and Physics Building, Dell Computer Systems has offered a conditional gift of computers to be utilized within this facility. This represents a discount of $431,453 that will be recognized as a gift to the University.

On behalf of the Marketing and Community Engagement Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve the naming of the *Dell Computer Systems Laboratory* which will be located in Room 2371 on the second level of the new Engineering and Physics Building at Murray State University. Mr. Williams seconded and the motion carried.

US Didactic, Incorporated, Fluid Mechanics Laboratory – Engineering and Physics Building

Dr. King reported that this gift was also made through the bid process by *US Didactic, Incorporated.* They have offered a conditional gift in the amount of $146,058 in laboratory equipment.

On behalf of the Marketing and Community Engagement Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve the naming of the *US Didactic, Incorporated, Fluid Mechanics Laboratory* which will be located in Room 1330 on the first level of the new Engineering and Physics Building at Murray State University. Mr. Williams seconded and the motion carried.

Springer Hall II

Dr. King reported that with the closing of O.B. Springer Hall and the University's use of Old Franklin Hall the decision was made that there should not be an Old Franklin Hall and a New Franklin Hall. The proposal being presented is to rename Old Franklin Hall as Springer Hall II.

On behalf of the Marketing and Community Engagement Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve renaming Old Franklin Hall as Springer Hall II, effective immediately. Mr. Williams seconded and the motion carried.

Full Board Action – Naming Opportunities, approved

Dell Computer Systems Laboratory – Engineering and Physics Building

On behalf of the Marketing and Community Engagement Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve the naming of the *Dell Computer Systems Laboratory* which will be located in Room 2371 on the second level of the new Engineering and Physics Building at Murray State University. Mrs. Rudolph seconded and the motion carried.

US Didactic, Incorporated, Fluid Mechanics Laboratory – Engineering and Physics Building

On behalf of the Marketing and Community Engagement Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve the naming of the *US Didactic, Incorporated, Fluid Mechanics Laboratory* which will be located in Room 1330 on the first level of the new Engineering and Physics Building at Murray State University. Mr. Schooley seconded and the motion carried.

Springer Hall II

On behalf of the Marketing and Community Engagement Committee, Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Campus Facilities, Programs and Activities, approve renaming Old Franklin Hall as Springer Hall II, effective immediately. Mrs. Rudolph seconded and the motion carried.

University Advancement Update (For Information Only), received

Dr. King reported the following highlights for University Advancement:

- The efforts of this division are designed to advance the University and afford lifetime opportunities for the Racer community and the unit works with a variety of constituency groups.
- The operating budget for the Office of Alumni Relations is, in part, based on Alumni Association membership dues. All have been working toward an FY17 membership goal of 1,000 dues-paying members. A new Alumni Director hired last year – Carrie McGinnis – has successfully led this effort and already exceeded the FY17 goal and is nearing the FY18 goal. The current retention rate for Alumni Association members is over 75 percent which is significantly higher than the national average. The FY18 goal is to reach 1,550 members while increasing the retention rate to 80 percent.
- Mrs. McGinnis and her staff have been leading unique membership campaigns. In the month of February they sponsored a special *Sole Mates* membership campaign in honor of the beloved Shoe Tree. The campaign targeted alumni who met on the Murray State campus and eventually married. They identified at least two alumni from each decade that were already members of the Alumni Association and this couple then sent a letter to other alumni. This campaign generated 40 couples or 80 new memberships in the Alumni Association.
- Another major charge of the Office of Alumni Relations is alumni engagement. The annual Egg Hunt is co-sponsored by the Town & Gown partnership program and this Spring there were 250 children and parents on campus visiting the *Easley Alumni Center* and participating in the Egg Hunt. This event helps bring alumni back to the Alumni Center and is a family-friendly activity for younger alumni. The highlight of the event is Dunker Bunny.
- Many members of the Board attended the *Distinguished Alumni Banquet* and a record number of more than 150 guests were in attendance. Four Distinguished Alumni were honored during the event – Mr. Earl Brown (1986), Dr. Jesse Jones (1964), Dr. Vish Talwalker (1989) and Mrs. Amy Watson (1989).
- The Alumni Relations Office also hosted the *Almost Alumni* reception which was held the Friday before Commencement in Pogue Library with over 100 guests in attendance. This event is sponsored by the Alumni Association and is designed as a celebratory event for students and their families. It also provides an opportunity for the University to connect with these students before graduation day. This is also an opportunity to present the official class ring to those members of the graduating class choosing to purchase one.
- The Office of Development set an FY17 overall fundraising goal for the University of slightly over $6 million. This represents a 5 percent increase in giving over FY16. All are very pleased with the current trajectory and as of this morning the Office of Development has raised $7.12 million, with several weeks to go. The success of fundraising efforts is due in large part to Dr. Bob Jackson who helped secure a planned gift which will benefit Racer Athletics and came about as a result of a relationship he has been involved with for many years. Dr. Davies commended all for being able to increase philanthropic giving to Murray State University to the $7.12 million level over a very short period of time. Four years ago the University was at $5.5 million and to hit the $7 million mark at this particular time is absolutely dynamite. Dr. King added that the $7.12 million represents over 13,000 independent gifts to the University from over 5,500 individuals and corporations. Confirmation was provided that some portion of this amount is from WKMS – including money raised for student scholarships last evening at the WKMS Grand Supper Club event.
- When FY17 goals were discussed for the Office of Development, five key overarching areas were identified. One such initiative was raising $5 million for Engineering and Physics and the Board just approved two naming proposals for this facility that are in addition to the two naming proposals approved at the February meeting. To date, $1.9 million has been raised toward the $5 million, five-year goal. Four years remain in the fundraising cycle and as the building nears completion there has been increased interest from alumni. Jennie Rottinghaus, Director of Development, *Jones College of Science, Engineering and Technology* and School of Nursing and Health Professions and Dean Steve Cobb have done a tremendous job working toward meeting this goal.
- The Office of Development also set overall priorities for scholarships and professorships, specifically with an emphasis on STEM+H degrees. Total scholarship funding for the year-to-date is $1.4 million. Of this amount, slightly over one-third will be focused on STEM+H scholarship funding. This represents a great need for the University and students but thankfully alumni and donors have been very supportive of the established goal.
- The Presidential Lecture naming opportunity initiative will involve determining ways to partner with community members and others. Many discussions have taken place over the course of the last year

to determine how to identify additional funding and a partner to help bring a Presidential Lecturer to campus. An offer is currently out to a potential partner with two different options – a five-year annual commitment or a ten-year endowment. Both of these options would include sponsorship and naming opportunities.

- The Honors College represents a priority for the University and will require additional scholarship and program support. Lucy Love serves as the Development Officer for the College of Humanities and Fine Arts and the Honors College. Most Murray State Development Officers serve as a liaison for at least two academic areas. An Honors College Alumni Advisory Board has also been established. The 30th anniversary of the Honors College was celebrated in April and giving is up in this area by 270 percent over last year. To date, over $30,000 has been raised for scholarships and programming for the Honors College.
- During *All Campus Sing* this year a crowdfunding campaign – *All Campus Give* – was conducted and was designed to increase alumni giving and participation rates. Participation rates are critical to *US News and World Report* and other national rankings which consider the percentage of undergraduate alumni who give back to their institution, making participation rates a critical component of those rankings. This campaign was designed to correspond with the beloved campus tradition of *All Campus Sing*. The event was already being livestreamed and over 5,000 people tuned in to watch the event online. A new component which allowed for texting a gift was introduced as part of this crowdfunding campaign and produced great results. Overall, within four days more than $15,000 was raised for experiential learning opportunities and the campaign generated over 272 unique gifts. The fraternities in particular were very competitive during this campaign.
- Next week University Advancement will partner with the College of Education and Human Services to host a hospitality room for the College and Career Readiness Summit. Next Friday staff will be in Owensboro for the Friday After 5 event in partnership with the Office of Recruitment. Partnerships have been established with alumni to have a Send-Off Party for incoming Racers from Caldwell, Christian, Trigg and Lyon counties in July. On July 24 staff will be in St. Louis for a Cardinal game and alumni, donors and prospective students will be invited to attend a reception prior to the game. This event is also undertaken in partnership with the Office of Recruitment. The *Hutson Harvest Gala* will take place in the Fall. During Family Weekend the Alumni Relations and Development offices will partner to host a Legacy Tailgate event at the Alumni Center. Murray State graduates who are parents and grandparents of current students will be invited to the tailgate event prior to the football game.

Mrs. Guess reported that her favorite event to participate in each year is Move-In Day and this year that will be held on August 12-13. All were encouraged to attend if their schedule will allow.

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

Adjournment

The Marketing and Community Engagement Committee adjourned at 3:38 p.m.

Strategic Plan Update (For Information Only), received

Dr. Fister began with a quote from Rose Kennedy, "Life isn't a matter of milestones but of moments and it is the moments, the small successes, that leads us to the milestones," and this is what the Strategic Plan has been designed to do. She reported the following:

- The Board was provided with strategic funding, targeted Strategic Plan and Spring Dashboard updates.
- With regard to the five-week mentoring program for nursing licensure, 100 percent of students participating in the program passed the Registered Nurse Licensure Exam, compared to 85 percent in 2015. The cost for this initiative was approximately $5,000 and Dean Marcia Hobbs, School of Nursing and Health Professions, and her faculty are responsible for the success of the program.
- Math Day involved 11 high schools and 214 students from the 18-county service region. Awards were given to top-performing students on exams. This represented a $4,000 investment from the strategic planning fund. Efforts will continue to determine how many of these high school students end up attending Murray State as a result of this initiative.
- The Racer One Stop initiative will continue this year and the various offices involved will be organized in the Curris Center Stables. Over 700 students were helped in January 2017. This represents a $5,000 strategic planning investment.
- All remain mindful regarding the aspects associated with performance funding. One measure is to increase STEM+H degrees awarded by 10 percent. The University has already met this goal multiple years in a row. The goal for this year was 936 STEM+H degrees awarded and the actual number of graduates was 1,006 from multiple colleges across campus.

- Another measure is to increase the number of transfer students but for FY16 there were 856 transfer students enrolled which actually represents a decrease of ten students from FY15. Maria Rosa, Director of the Transfer Center, and staff are working diligently with an outside consultant to help with this endeavor.
- An additional measure is to increase the number of student scholarly projects. Currently there are 1,121 projects being mentored by faculty, representing 70 percent of the goal.
- A Dashboard outlining progress on the University's strategic priorities was provided in the eBoard book and includes a status update on the various measures. Implementation of the new tuition model has been accomplished and the Economic Impact Study has been conducted. These initiatives will not be included on the Dashboard in the future because they have already been achieved. Deferred maintenance will remain on the Dashboard because it represents an ongoing initiative.
- The Strategic Plan approved by the Board in June 2015 included a schedule which indicated a recalibration would occur next year. With the Board's ascension, the team is currently working on a reassessment. The reason this is being undertaken is because the University is already involved with the new performance funding requirements and all must be mindful there are 63 initiatives in that category. The Vice Presidents, facilitators and the entire University have been asked to go through an extensive rubric to determine what must be kept, eliminated or changed. If measures are included that are not moving the institution forward toward meeting student needs and performance funding requirements, they must be reconsidered. This year the team, initiative Chairs in particular, will meet more frequently to be able to present to the Board tailored information which means the targeted Strategic Plan and the full Strategic Plan may be different. This information will likely be presented during the Board Advance in August.
- The *Racer Connection* that Dr. Robertson highlighted represents a mentoring program to provide help to students and assist with recruitment, retention and graduation rates. Ellen Dale, Director of Accounting and Financial Services; Wendy Cain, Bursar; Peggy Whaley, Assistant Director of Retention; Fred Dietz, Associate Vice President for Enrollment Management and Dr. Fister have served on a Steering Committee to make this initiative work. This has involved assistance from a community of staff members and all were thanked for their time and efforts in this regard.

Chair Williams indicated developing a Strategic Plan that lends itself to measurement and having progress reported with transparency is extraordinary and exceptional. Appreciation was expressed to Dr. Fister for a terrific job with this undertaking.

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

Health Services Review Update (For Information Only), received

Dr. Davies reported that discussion occurred at the last Board meeting regarding the role of health services on the Murray State campus. It has been determined that there is a desire to have health services offered on campus for the primary market which are students and the secondary market of faculty and staff. Health Services represents a costly enterprise currently being funded out of the Education and General Fund in the amount of $650,000. All services at this time are provided free of charge to faculty, staff and students. This represents a model that is proving to be very difficult to continue. Board discussion included whether there are ways to continue to offer these services but in a different format which could include charging for health services. Currently the University self-operates Health Services but only bare-bone services are provided. It must be determined whether there are ways to expand services without increasing the University's liability and cost structure and this could include outsourcing. Western Kentucky University outsources the entire health services process and is well known for the services provided to students. At the last meeting the Board consented to the administration investigating whether companies outside of Murray State would be interested in providing health services for the University. This work has been undertaken and companies that are fairly local, regional and national have indicated an interest in providing health services for Murray State University. Dr. Robertson and Ms. Dudley have met with these organizations and have held discussions with those that could not attend the University's recent informational meeting held for this purpose. The administration is seeking the endorsement of the Board today to prepare and present a Request for Proposals (RFP) to which these organizations can respond.

Dr. Robertson reported the following:

- At the last meeting the consultant's report was reviewed and the Board provided the administration with the authority to look at potential partnerships with outside vendors. Information was sent out to prospective vendors to determine the level of interest. An informational meeting was held on June 5 and nine local, regional and national vendors attended. One was from as far away as Michigan and most all of the organizations specialize in providing health services on college campuses. Four

additional vendors expressed interest but could not attend the meeting and are interested in responding to an RFP when presented.

- The purpose of the informational meeting was to discuss the possibility of the University partnering with an outside resource. The administration wanted to have an exchange of ideas with these vendors to determine what kind of information they would need from the University to respond and show interest in providing health services on campus. At that meeting the University's minimum expectations were shared which included the scope of care, with a primary focus on students; maintaining an operation on campus; the importance of having 24-hour coverage, particularly with triaging for after-hours service; providing some laboratory services; being compliant with HIPAA; providing experiential learning opportunities for students; retaining current staff within Health Services for at least one year and hopefully continuing to be able to service faculty and staff. These were presented as minimum expectations for health services to be provided by an outside vendor. Census information was also provided to the vendors such as the number of visits by faculty, staff and students and the types of services typically provided to these populations.
- The vendors did have a number of questions and those were answered. The meeting concluded with a tour of the Health Services facility so they could see the current operation. Based on the questions and comments made, it is apparent that a number of these vendors would be interested if the University submitted an RFP. The vendors would respond and send information to the institution that could then be evaluated by a University committee which would be developed to represent the Murray State community. The administration is ready to submit the RFP upon the Board's approval.
- It was clearly conveyed to the vendors that the University is considering this option purely from a financial perspective and it would likely be a fee-based project. The University learned a lot in terms of the type of information it would need to provide in order for these vendors to be able to submit a viable RFP.

Mr. Combs asked whether any discussion occurred regarding a possible future location for a new health services facility or if consideration was being given to upgrading the current operation. Dr. Robertson responded that this would be part of the RFP process but most of the vendors were impressed with the current facility and the amount of available space. Confirmation was provided that consideration has been given to other viable locations on campus which could be retrofitted to house health service operations. Ms. Dudley indicated it would be difficult for the vendors to propose a facility at this stage of the process.

The Board reached consensus that it is comfortable with the University administration pursuing a Request for Proposals for health services on the Murray State campus.

Dr. Davies clarified this does not lock the University into awarding an RFP and that would represent a separate discussion point. This will allow the institution to issue an RFP, review responses received and make a determination at that time if there is a vendor to pursue. The University committee to consider any such proposals will include representatives of all campus constituencies with the potential of bringing some vendors to campus in the Fall with the final recommendation likely being presented to the Board at the December meeting. Implementation of any health services changes would not occur until Fall 2018.

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

Personnel Changes, approved

Two-Year Faculty Transitional Retirement Contract – Dr. Don Chamberlain

Dr. Davies reported that Dr. Don Chamberlain, Chair of the Department of Accounting, is retiring and has indicated a desire to enter into a Two-Year Faculty Transitional Retirement Contract. The contract was included in the eBoard book and is the same in all material respects as Faculty Transitional Retirement contracts the Board has previously approved.

Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve the following two-year Faculty Transitional Retirement Contract with an effective date of July 1, 2017, for the following faculty:

Dr. Don Chamberlain, Professor, Department of Accounting

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

Athletic Contract – Head Women's Basketball Coach Appointment – Rechelle Turner

Dr. Davies reported that a four-year contract, with a one-year rollover option, is being recommended for Rechelle Turner, Head Women's Basketball Coach. The contract contains the same conditions as that for the Head Men's Basketball Coach. The Board was reminded that Coaches do not receive COLA increases like other University employees.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Rechelle Turner as Head Women's Basketball Coach, effective April 1, 2017, through March 31, 2021, at a minimum annual salary of $100,000 and pursuant to such other terms and conditions, including terms and conditions for contract extension, as determined by the University President to be in the best interest of Murray State University. Ms. Green seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

Athletic Contract – Head Women's Golf Coach and Senior Woman Administrator Contract Amendment – Velvet Milkman

Dr. Davies reported that Head Women's Golf Coach Velvet Milkman had an amazing season and her team won the Ohio Valley Conference (OVC) for the tenth time and made it to the National Collegiate Athletics Association competition. Coach Milkman also serves as the Senior Woman Administrator and had three individuals graduate with a perfect 4.0 grade point average over the last two years.

Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve the amendment to the Contract of Employment for Head Women's Golf Coach and Senior Woman Administrator Velvet Milkman at an annual salary of $56,364, effective July 1, 2017. Mrs. Rudolph seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

Athletic Contract – Head Softball Coach Contract Amendment – Kara Amundson

Dr. Davies reported that the Softball Program is in its infancy but Head Softball Coach Kara Amundson was able to take the team to the OVC Tournament this year where they performed amazingly well. The team did not win the Tournament but was invited to the equivalency of the National Invitational Tournament for Softball where they beat Michigan State. Her student athletes perform at a very high rate academically. The proposed amendment to Coach Amundson's contract would place her in the middle of the pack in terms of salary within the OVC.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the amendment to the Contract of Employment for Head Softball Coach Kara Amundson at an annual salary of $52,833, effective July 1, 2017. Ms. Green seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

Athletic Contract – Director of Track and Field and Cross Country Contract Amendment – Jenny Sweiton

Dr. Davies reported that Jenny Sweiton, Director of Track and Field and Cross Country, and her team continue to finish at the top of the Ohio Valley Conference. Her students have made great accomplishments within the classroom and the community. The proposed amendment to Coach Sweiton's contract would place her in the middle of the pack in terms of salary within the OVC. Mr. Ward reported that Ms. Sweiton also provides assistance with Title IX initiatives.

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the amendment to the Contract of Employment for Director of Track and Field and Cross Country Jenny Sweiton at an annual salary of $48,530, effective July 1, 2017. Ms. Farmer seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

Internal Auditor Reappointment – Michelle Saxon

Dr. Davies reported that the Internal Auditor works for the Board, through the President of the University. Per the Delegation of Authority Item #14 the Board is responsible for the annual appointment of the University's external auditors, its General Counsel and the Internal Auditor. Mrs. Saxon is an ideal Internal Auditor, does extremely good work and is diligent. She has taken the Whistleblower process from non-existent to where it is today. As part of this work, a culture of ethics and integrity has been created and her efforts have been essential to this process. Mr. Kemp echoed the President's comments and reported that for the two years he worked with Mrs. Saxon in his role as Chair of the Audit and Compliance Committee it is evident that she does an outstanding job in this critical position for the University.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the reappointment of Mrs. Michelle Saxon as Internal Auditor for fiscal year 2017-18 at an annual salary of $64,749 (includes 1 percent cost-of-living adjustment), effective July 1, 2017. Ms. Farmer seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

General Counsel Reappointment – John Rall

Dr. Davies reported that also in accordance with Delegation of Authority Item #14, the Board is responsible for the annual appointment of General Counsel. The General Counsel works for the Board, through the President of the University, and Mr. Rall has served in this capacity since 1997. He is extremely diligent and thorough in his work and he provides very sound advice and wisdom.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the reappointment of John Rall as General Counsel for fiscal year 2017-18 at an annual salary of $135,190 (includes 1 percent cost-of-living adjustment), effective July 1, 2017. Ms. Green seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

Employment of Relatives – Beverly Dail/Rick Dail

Dr. Davies reported that as part of the University's policy on nepotism the Board must be made aware of and approve any items where nepotism may potentially exist. As was the case last year, two individuals are employed by the CFSB Center who are related to Director Shelley Todd. The required separation of duties has been addressed for both employees.

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the following:

1) Continued part-time employment of Beverly Dail with an effective date of July 1, 2017, and expiration date of June 30, 2018. Ms. Dail will report to the Assistant Facilities Manager (recently vacated, search process underway) and he/she will be responsible for approving all authorizations for payroll. Crystal Morrow, Assistant to Athletic Director, will serve as proxy should the Assistant Facilities Manager not be available.

2) Continued part-time employment of Ricky Dail with an effective date of July 1, 2017, and expiration date of June 30, 2018. Mr. Dail will report to the Assistant Facilities Manager and he/she will be responsible for approving all authorizations for payroll. Ms. Morrow will serve as proxy should the Assistant Facilities Manager not be available.

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

Professor Emeritus Designations

Dr. Davies indicated that several faculty members are retiring this year who have had an amazing tenure at Murray State University.

Dr. Duncan reported that according to the *Murray State University Bulletin*, the rank of *Professor Emeritus* is assigned to Assistant Professors, Associate Professors or Professors who have limited or terminated their responsibilities as ranked faculty members after ten or more years of distinguished service to Murray State University. The appointments being recommended today have the support of the Office of the Provost and Vice President for Academic Affairs.

Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, approve extending the honorary title of *Professor Emeritus* to the following retiring faculty members, effective July 1, 2017:

- Squire Babcock, Professor – English and Philosophy
- Don Chamberlain, Professor – Accounting
- Reika Ebert, Associate Professor – Modern Languages
- Kathleen Farrell, Professor – School of Nursing and Health Professions
- Mica Garrett, Associate Professor – Modern Languages
- Cynthia Gayman, Professor – English and Philosophy
- Sarah Gutwirth, Professor – Art and Design
- Johan Koren, Associate Professor – Educational Studies, Leadership and Counseling
- Peter Murphy, Professor – English and Philosophy
- Peggy Schrock, Professor – Art and Design
- Bert Siebold, Professor – Institute of Engineering
- Clyde Stambaugh, Professor – Accounting
- Roger Weis, Professor – Community Leadership and Human Services
- Pamela Wurgler, Professor - Music

Ms. Farmer seconded and the motion carried.

General Leave of Absence – Stephanie Pickard

Dr. Davies reported that Stephanie Pickard was hired in November 2016 as an Administrative Assistant I in Teacher Education Services in the College of Education and Human Services. She has requested a General Leave of Absence Without Pay from the University for one year.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the request for a General Leave of Absence for Stephanie Pickard, in accordance with Policy IV A, General Leaves of Absence, effective April 1, 2017, through April 1, 2018. Dr. Bumphus seconded and the motion carried.

Staff Leaves of Absence Without Pay

Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay that have been processed as of May 9, 2017, as listed below:

Name	**Department**	**Effective Date**
Dylan Atwood	Facilities Management	01/26/2017
		02/01/2017
		02/03/2017
		02/13/2017
		02/15/2017
		02/17/2017
Amy Crump	Dining and Racer Hospitality Services	04/28/2017
Sarah Denfip	Dining and Racer Hospitality Services	02/24/2017
Jeffrey Dowdy	Facilities Management	02/01/2017

Rhonda Ferguson	Dining and Racer Hospitality Services	03/29/2017
Peggy Ford	Facilities Management	05/05/2017-07/31/2017
Lindsey Futrell	University Libraries	01/09/2017-01/20/2017
		01/23/2017-01/26/2017
Robert Hartsfield	Curris Center Administration	03/21/2017-03/27/2017
Matthew Hendrith	Facilities Management	01/11/2017-01/13/2017
Alex Jackonski	Facilities Management	11/03/2016-11/05/2016
Shad Knowles	Facilities Management	12/06/2016
Sachiko Kubota	Dining and Racer Hospitality Services	03/16/2017
		03/28/2017
Cynthia Lee	University Libraries	01/05/2017-04/05/2017*
Rebecca Lilly	University Libraries	01/24/2017-02/09/2017
		02/15/2017-02/16/2017
		02/21/2017-03/02/2017*
		03/07/2017-03/14/2017*
Jennifer Prusaczyk	Facilities Management	01/31/2017-02/01/2017
Susan Reynolds	Bursar's Office	12/13/2016-02/23/2017*
		02/17/2017-03/31/2017*
Terry Stalls	Facilities Management	01/27/2017-11/15/2017*
Shane Thompson	Facilities Management	09/08/2016-09/09/2016
		09/21/2016
		11/29/2016-12/02/2016
		02/03/2017

*Intermittent Leave

Mr. Schooley seconded and the motion carried.

Faculty Leave of Absence Without Pay – Dr. Paul Gagnon

Dr. Davies reported that Dr. Paul Gagnon, Assistant Professor of Biology, has been awarded a one-year paid fellowship by the American Association for the Advancement of Sciences (AAAS) and has requested a one-year Faculty Leave of Absence Without Pay from Murray State University. Dr. Gagnon being an AAAS Fellow will benefit the University in many ways and this represents an amazing and prestigious appointment.

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the request for a Faculty Leave of Absence Without Pay for Dr. Paul Gagnon, Assistant Professor in the Department of Biological Sciences, for the period August 15, 2017, through May 15, 2018. Mrs. Guess seconded and the motion carried.

2017-18 Faculty Promotion Recommendations, approved

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the following faculty for promotion, effective with the 2017-18 contracts:

NAME	DEPARTMENT	PROMOTE TO
Vladyslav Krotov	Computer Science and Information Systems	Associate
***Kevin Qualls**	Journalism and Mass Communications	Associate
***Teresa Betts**	Management, Marketing and Business Administration	Associate
***Katherine Smith**	Management, Marketing and Business Administration	Associate
***Danielle Nielsen**	English and Philosophy	Associate
Brian Clardy	History	Associate
***Matthew Gianforte**	Music	Associate
***Jana Hackathorn**	Psychology	Associate
***Daryl Phillipy**	Theatre	Associate
Timothy Spier	Biological Sciences	Associate
***Joshua Ridley**	Institute of Engineering	Associate
***Justin Taylor**	Mathematics and Statistics	Associate
***Shea Porr**	*Hutson School of Agriculture*	Associate
Leigh Johnson	Accounting	Professor
Joy Humphreys	Management, Marketing and Business Administration	Professor
Jeanetta Riley	Early Childhood and Elementary Education	Professor
Jeffrey Osborne	English and Philosophy	Professor
Staci Stone	English and Philosophy	Professor
James Humphreys	History	Professor
Todd Hill	Music	Professor
Kevin Revell	Chemistry	Professor
Iin Handayani	*Hutson School of Agriculture*	Professor
Dina Byers	School of Nursing and Health Professions	Professor

Dana Todd	School of Nursing and Health Professions	Professor

*****Faculty also being recommended for tenure.

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

Dr. Bumphus requested that a demographic breakdown be provided for these faculty.

2017-18 Faculty Tenure Recommendations, approved

Mr. Combs moved that the Board of Regents, upon the recommendation of the President of the University, approve the awarding of tenure to the following faculty, effective with the 2017-18 contracts:

NAME/DEPARTMENT	PRESENT RANK
***Kevin Qualls,** Journalism and Mass Communications	Assistant
***Teresa Betts,** Management, Marketing and Business Administration	Assistant
***Katherine Smith,** Management, Marketing and Business Administration	Assistant
Richard Dodson, Educational Studies, Leadership and Counseling	Assistant
***Danielle Nielsen,** English and Philosophy	Assistant
***Matthew Gianforte,** Music	Assistant
***Jana Hackathorn,** Psychology	Assistant
***Daryl Phillipy,** Theatre	Assistant
Paul Gagnon, Biological Sciences	Assistant
***Joshua Ridley,** Institute of Engineering	Assistant
***Justin Taylor,** Mathematics and Statistics	Assistant
Brian Parr, *Hutson School of Agriculture*	Professor
***Shea Porr,** *Hutson School of Agriculture*	Assistant
Amelia Dodd, School of Nursing and Health Professions	Assistant

*****Faculty also being recommended for promotion to the next highest rank.

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

Policy Changes, approved

Board of Regents Policy Manual – Section 4.2 – Board of Regents Teaching Excellence Awards

Ms. Farmer reported that the Faculty Senate is bringing forth a proposed revision to the *Board of Regents Policy Manual – Section 4.2* related to the Board of Regents Teaching Excellence Awards. The recommendation is to adjust the number of recognitions for these awards. The number of awards currently stands at six per policy but seven awards are actually given. The recommendation is to change the number of awards presented to eight to give faculty across all colleges and schools the opportunity to be recognized for excellence in the classroom. Confirmation was provided that the policy change has the support of the Faculty Senate, Provost's Office and the Deans.

Dr. Bumphus moved that the Board of Regents, upon the recommendation of the President of the University, approve changing existing policy regarding the number of Board of Regents Teaching Excellence Awards and the allocation cycle in the *Board of Regents Policy Manual – Section 4.2* – Board of Regents Teaching Excellence Awards. Mrs. Guess seconded and the roll was called with the following voting: Dr. Bumphus, yes; Mr. Combs, yes; Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Mrs. Sewell, yes and Mr. Williams, yes. The motion carried.

(See Attachment #10)

Board of Regents Policy Manual – Section 6.5 – Student Government Association and *Section 6.9* – MSU Student Government Association Constitution

Mr. Combs indicated that there has been a desire to streamline and modernize the Student Government Association Constitution so the organization is more transparent and inclusive.

Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the changes to the Student Government Association Constitution as outlined in the attached documents and approve the revision of the *Board of Regents Policy Manual – Section 6.5* – Student Government Association and *Section 6.9* – MSU Student Government Association Constitution – to reflect those changes. Mr. Kemp seconded and the motion carried.

(See Attachments #11 and #12)

Faculty Handbook – Section 2.1.4 – Terminal Degree Categories and Appropriate Course Assignments; *Section 1.7.2.2* – The Role of the Faculty Senate and *Section 1.7.2.4* – The Role of the President

Ms. Farmer reported that an amendment to the Faculty Handbook is being recommended to recognize additional terminal degrees that reflect the reality of the veterinary technology and nursing disciplines. The second amendment being recommended related to the role of the Faculty Senate has been negotiated with that body and the Provost's Office to create an operating system between the Faculty Senate, Provost's Office and President's Office.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve proposed revisions to the *Faculty Handbook – Section 2.1.4* – Terminal Degree Categories and Appropriate Course Assignments; *Section 1.7.2.2* – The Role of the Faculty Senate and *Section 1.7.2.4* – The Role of the President. Mr. Combs seconded and the motion carried.

(See Attachments #13 and #14)

Personnel Policies and Procedures Manual – Policy III-D – Overtime and Exceptional Compensation

Dr. Davies reported that changes are being recommended in terms of how overtime and exceptional compensation for non-exempt staff is calculated. Federal and state laws are based on overtime being calculated on actual hours worked and not hours paid. If an individual works 40 hours per week and then works an additional two hours they would be paid at the overtime rate for those two hours. Currently overtime is calculated on hours paid and if a holiday falls on a Monday the employee would be paid for that and if they worked 42 hours would receive overtime pay for the additional two hours even though they did not actually work on the holiday. Under the new policy the employee would be paid for the 42 hours but the two additional hours would be paid at the regular rate of pay due to the holiday. Joyce Gordon, Director of Human Resources, reported that Murray State is the only institution in Kentucky that still calculates overtime on hours paid instead of on actual hours worked.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve a revision to the *Personnel Policies and Procedures Manual – Policy III-D* – Overtime and Exceptional Compensation related to the calculation of overtime compensation for non-exempt staff to be based on actual hours worked. The policy change will be effective July 1, 2017, and will be implemented with the first bi-weekly payroll following July 1. Mrs. Rudolph seconded and the motion carried.

(See Attachment #15)

Personnel Policies and Procedures Manual – Policy IV-D – Holidays

It was reported that the Holiday Policy establishes the University holiday calendar and sets guidelines for staff eligibility for holiday compensation. Under current policy, eligible non-exempt staff required to work on a holiday receive their regular rate of pay for the holiday, as well as an additional 1.5 times the regular rate of pay, for a total of 2.5 times the regular rate. With approval of the supervisor, non-exempt employees may also choose to receive compensatory time off at the rate of 1.5 times actual hours worked but this must be taken within

90 days. An exempt employee required to work on a holiday may also be granted time off equal to the time worked. Paying a holiday premium rate of 2.5 times the regular rate has been in accordance with Murray State's current policy but is not mandated by federal wage and hour regulations. The recommended policy change would allow non-exempt staff who are required to work on a holiday to be paid at the regular rate for the holiday and be compensated at the regular rate for actual hours worked, for a total holiday premium rate of two times the employee's regular rate.

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve a revision to the *Personnel Policies and Procedures Manual – Policy IV-D* – Holidays to change the premium holiday rate for non-exempt staff from 2.5 times the regular rate of pay to 2 times the rate of pay, effective July 1, 2017. It should be noted that the recommended policy revision does not impact either the number or type of holidays set forth in the current policy. Mrs. Guess seconded and the motion carried.

(See Attachment #16)

Resolutions of Appreciation, approved

Regent Jenny Sewell

Dr. Davies read the following Resolution of Appreciation aloud:

MURRAY STATE UNIVERSITY
BOARD OF REGENTS
RESOLUTION OF APPRECIATION

JENNY SEWELL

WHEREAS, Jenny Sewell was appointed by the Governor of Kentucky Stephen L. Beshear to the Board of Regents of Murray State University and has served with distinction from July 2011 through June 30, 2017; and

WHEREAS, Jenny Sewell has exemplified outstanding leadership on the Board of Regents as a member of the Audit and Compliance Committee since her tenure on the Board and as Chair from 2016-17; member of the Enrollment Management and Student Success Committee; member of the Legislative and Economic Development Committee for 2016-17 and 2015-16; member of the Marketing and Community Engagement Committee for 2016-17 and member of the former Institutional Advancement Committee since 2011; Chair of the former Regional Services Committee for 2014-15 and 2013-14 and member of the former Academic Affairs Committee in 2011-12 and 2012-13; and

WHEREAS, Jenny Sewell, a distinguished and generous alumna, has been involved in many initiatives for the improvement and advancement of the University in its efforts to serve the educational needs of the citizens of the Commonwealth; and

WHEREAS, Jenny Sewell's service has often required the sacrifices of valuable time and the contribution of many hours of difficult work; and

WHEREAS, her leadership has been strong, inclusive and encouraging, leading to a cohesive and cooperative forward-looking Board;

WHEREAS, her work was rendered selflessly, without reference to personal inconvenience, without a personal agenda and always for the public good;

NOW, THEREFORE, ON THIS 9TH DAY OF JUNE, TWO THOUSAND AND SEVENTEEN, BE IT RESOLVED that we mark this milestone reverently with words Jenny Sewell will hear again at the last milestone, "Well done, good and faithful servant."

AND BE IT FURTHER RESOLVED by the Murray State University Board of Regents that this recognition of the contribution and dedication of Jenny Sewell be preserved in the Minutes of the

Board after having been read aloud and passed unanimously by the Board on this, the 9th day of June 2017.

Stephen A. Williams, Chair
Board of Regents

Mr. Kemp moved that the Board of Regents approve the Resolution as presented. Mrs. Guess seconded and the motion carried.

Mrs. Sewell indicated it has been an honor, privilege and pleasure to serve on the Murray State University Board of Regents. She could never have found a better group of people to work with and this Board will continue to do great things for the University.

Regent Clinton Combs

Dr. Davies read the following Resolution of Appreciation aloud:

MURRAY STATE UNIVERSITY
BOARD OF REGENTS
RESOLUTION OF APPRECIATION

CLINTON COMBS

WHEREAS, Clinton Combs was elected by the student body of Murray State University to serve as the President of the Student Government Association and accordingly served as the student member of the Murray State University Board of Regents for the 2015-16 and 2016-17 academic years; and

WHEREAS, Clinton demonstrated that he possesses maturity, sound judgment and strong moral values as he contributed to the discussion of various issues that came before the Board of Regents and provided service to the Board of Regents' Academic Excellence and Scholarly Activities, Buildings and Grounds, Enrollment Management and Student Success and Finance committees; and

WHEREAS, during Clinton's tenure he demonstrated characteristics of a keen intellect, courage, common sense and independent thinking; and

WHEREAS, he has served as a strong leader of the Student Government Association, always representing the best interests of the students of Murray State University both as a member of the Board of Regents and as the President of the Student Government Association; and

WHEREAS, the Student Government Association engaged in many activities throughout the tenure of Clinton's leadership which benefited all students of Murray State University, including traditional and non-traditional students, as well as those students enrolled at the Regional Campuses; and

WHEREAS, he was an extremely active student at Murray State University engaging in numerous extracurricular activities all of which enhanced the student life on campus;

NOW, THEREFORE, BE IT RESOLVED that this Board of Regents, on behalf of the faculty, staff and students, as well as the citizens of the Commonwealth of Kentucky, extend to Clinton Combs sincere gratitude for outstanding service rendered to the Commonwealth of Kentucky and Murray State University; and

BE IT FURTHER RESOLVED that the Board of Regents extends to Clinton our best wishes in his career endeavors and a life filled with good health and continued honorable service to his fellow man; and

BE IT FINALLY RESOLVED by the Murray State University Board of Regents that this recognition of the contributions and dedication of Clinton Combs be preserved in the Minutes of the Board after having been read aloud and passed unanimously by the Board on this, the 9th day of June 2017.

Stephen A. Williams
Chair, Board of Regents

Mr. Kemp moved that the Board of Regents approve the Resolution as presented. Mrs. Guess seconded and the motion carried.

Mr. Combs expressed appreciation to everyone he has served with during his two-year tenure on the Board. Serving the University in this capacity has been a very enlightening experience and was one of the best experiential learning exercises a student can undertake. He appreciates everyone accepting him as a team member for the past two years.

Faculty and Staff Retirees

Dr. Davies read the following Resolution of Appreciation aloud:

BOARD OF REGENTS
MURRAY STATE UNIVERSITY
Resolution

WHEREAS, the following faculty and staff members of Murray State University are retiring or have retired during the 2016-17 year.

Squire Babcock, Department of English and Philosophy, 25 years
Don Chamberlain, Department of Accounting, 41 years
Reika Ebert, Department of Modern Languages, 17 years
Kathleen Farrell, School of Nursing and Health Professions, 20 years
Mica Garrett, Department of Modern Languages, 22 years
Cynthia Gayman, Department of English and Philosophy, 15 years
Sarah Gutwirth, Department of Art and Design, 19 years
Johan Koren, Department of Educational Studies, Leadership and Counseling, 14 years
Pamela Matlock, Department of Adolescent, Career and Special Education, 15 years
Peter Murphy, Department of English and Philosophy, 19 years
Peggy Schrock, Department of Art and Design, 27 years
Bert Siebold, Institute of Engineering, 35 years
Katherine Smith, Department of Management, Marketing and Business Administration, 6 years
Clyde Stambaugh, Department of Accounting, 31 years
Cynthia Tubbs, Institute of Engineering, 16 years
Roger Weis, Department of Community Leadership and Human Services, 28 years
Pamela Wurgler, Department of Music, 23 years

Patricia Adee (deceased), Department of Music, 28 years
Paula Amols, Dining and Racer Hospitality, 5 years
Brenda Lee Bennett, Facilities Management, 9½ years
Terri Benton, Dining and Racer Hospitality, 30 years
Gloria Choate, Institutional Effectiveness, 16 years
Laura B. Clark, Breathitt Veterinary Center, 37 years
Cecelia Cooper, Facilities Management, 9 years
Beatrice Cornwell, Regional Academic Outreach, 20 years
Michael L. Dillon, Procurement, 29½ years
Janet S. Harper, Student Financial Aid, 9½ years
Kay R. Hays, Department of History, 23 years
Robert Dwayne Hill, Facilities Management, 29 years
Jerry L. Holley, Facilities Management, 27 years
Karla L. Johnston, Watershed Studies Institute, 29½ years
Nita King, Department of English and Philosophy, 5½ years
Rhonda Lamb, Dining and Racer Hospitality, 36 years
Loretta Maldaner, Regional Academic Outreach, 17 years
Terri D. Moore, Regional Academic Outreach, 16 years
Richard M. Pierceall, Facilities Management, 32 years
Charles Plummer, Facilities Management, 10½ years
Rita Gail Raspberry, Department of Chemistry, 32 years
Sherilyn Riddle, Information Systems, 19½ years
Billy R. Russell, Facilities Management, 12 years
Debbie Sawyers, Teacher Quality Institute, 8 years
Rita M. Shelton, *Bauernfeind College of Business*, 30½ years
Jeannie Sieting, Facilities Management, 9½ years
Joseph Slinker, Facilities Management, 21 years
David Stockwell, Facilities Management, 25 years

Nancy Strong, Department of Early Childhood and Elementary Education, 14½ years
John R. Tucker, Printing Services, 9 years
Dickie J. Turner, Facilities Management, 13 Years

WHEREAS, they have served Murray State University faithfully, loyally and professionally; and

WHEREAS, the University is cognizant and appreciative of the vital support and services of these members; and

WHEREAS, they have served the students of Murray State University on a daily basis with warmth, understanding and concern and have performed their responsibilities in a dedicated manner;

NOW, THEREFORE, BE IT RESOLVED that the University recognize these individuals and their collective total of 986 years of service to Murray State University; and

BE IT FURTHER RESOLVED that the Board of Regents expresses its deep and heartfelt appreciation to these faculty and staff members for their loyalty and devotion to the institution and their contributions to the betterment of the University.

Stephen A. Williams, Chair
Board of Regents
June 9, 2017

Ms. Green moved that the Board of Regents approve the Resolution as presented. Mr. Schooley seconded and the motion carried.

Board Organizational Issues, approved

2017-18 Meeting Dates

The Board of Regents Annual Advance and Quarterly Meeting dates for 2017-18 were scheduled as follows:

- Thursday, August 24, 2017 (Annual Board of Regents Advance)
- Friday, August 25, 2017 (Summer Quarterly Board of Regents Meeting)
- Friday, December 8, 2017 (Fall Quarterly Board of Regents Meeting – with Commencement following on December 9)
- Friday, March 9, 2018 (Winter Quarterly Board of Regents Meeting)
- Friday, June 8, 2018 (Spring Quarterly Board of Regents Meeting)

All were reminded that most likely a Special Meeting to discuss budget will need to be scheduled between the March and June Quarterly meetings but that will be finalized at a later date. Chair Williams asked the Board to review their calendars before the Advance to identify potential dates to hold for this purpose. Secretary Hunt will distribute the Quarterly and Advance meeting dates to the Board via email.

Officers for 2017-18 – Chair, Vice Chair and Secretary, elected

Chair Williams indicated that in accordance with the *Bylaws* of the Board of Regents all officers are elected annually at the Spring Quarterly Meeting and shall serve for one year, commencing July 1 following their election, and a separate election will be conducted to elect each of the officers: Chair, Vice Chair and Secretary. The Treasurer is appointed by the Board, serves at the pleasure of the Board and shall not be a member of the Board.

Chair Williams declared that nominations for Chair of the Board of Regents are in order. In accordance with the *Bylaws* of the Board each member will be recognized for the purpose of making a nomination. Recognition of members shall be in the same order as roll call and nominations require no second. If a Regent is nominated for any office he/she may withdraw his/her name from consideration. After each member has had a roll call opportunity to make a nomination if only one name has been placed in nomination for that office, the person will be declared elected by unanimous consent. If more than one name is placed in nomination for an office a vote shall be taken and should this occur additional information will be provided at that time.

The Secretary called the roll for nominations for Chair of the Board of Regents and Dr. Bumphus nominated Stephen A. Williams. All other Regents passed. It was indicated that there being only one nomination for Chair, Stephen A. Williams is elected Chair by majority consent, according to the *Bylaws* of the Murray State University Board of Regents.

Mr. Williams thanked the Board for their confidence. He is honored and humbled by the action of the Board today. It is a pleasure and a privilege to serve as Chair of this Board and he looks forward to the things this great Board will do over the next year to advance Murray State University. He appreciates the confidence of all and will do his best to earn that confidence.

Chair Williams indicated the election for Vice Chair would be undertaken following the same procedure and opened the floor for nominations. The Secretary called the roll for nominations for Vice Chair of the Board of Regents. Dr. Bumphus nominated Mrs. Susan Guess. All other Regents passed. Chair Williams indicated there being only one nomination for Vice Chair, Susan Guess is elected Vice Chair by majority consent, according to the *Bylaws* of the Murray State University Board of Regents.

Mrs. Guess stated that receiving an education from Murray State University has changed the lives of those serving on this Board and has provided an opportunity for all to be successful in life and this is certainly a great opportunity to give back and hopefully provide opportunities for other students. Chair Williams thanked Mrs. Guess and indicated it has been a great experience working with her over the past year in her capacity as Vice Chair of the Board. He looks forward to the coming year.

Chair Williams opened the floor for nominations for Secretary. The Secretary called the roll for nominations for Secretary to the Board of Regents. Dr. Bumphus nominated Jill Hunt. All other Regents passed. Chair Williams indicated there being only one nomination for Secretary, Jill Hunt is elected Secretary by majority consent, according to the *Bylaws* of the Murray State University Board of Regents.

Treasurer, reappointed

Mrs. Guess moved that the Board of Regents reaffirm the appointment of Jackie Dudley as Treasurer to the Board. Mr. Schooley seconded and the motion carried.

Appreciation was expressed to the Deans for attending the Board of Regents meetings.

Supplemental Materials

Board members were provided with supplemental quarterly reports in the eBoard book, including the Quarterly Risk Management Report Changes; Campus Major Projects Update; *Good News* Report; Branding, Marketing and Communication Quarterly Report and Sponsored Programs – Grants and Contracts Report. The Litigation Status Report 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, Mrs. Sewell moved that the Quarterly Meeting and Committee Meetings of the Murray State University Board of Regents adjourn. Mrs. Guess seconded and there being no further discussion the motion carried unanimously. Adjournment was at 4:45 p.m.

Stephen A. Williams
Chair

Jill Hunt
Secretary

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