

**Minutes of the Annual Board of Regents Retreat
Murray State University
August 30, 2018**

The Murray State University (MSU) Board of Regents (BOR) met for their annual Retreat on Thursday, August 30, 2018, in the Wrather West Kentucky Museum auditorium on the main campus of Murray State University in Murray, Kentucky.

Call to Order

Chair Susan Guess called the meeting to order at 8:40 a.m. and reported all Board members were present with the exception of Regent Dan Kemp who joined the meeting later.

Also present were Robert L (Bob) Jackson, Interim President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Mark Arant, Provost and Vice President for Academic Affairs; Jackie Dudley, Vice President for Finance and Administrative Services and Treasurer to the Board; Don Robertson, Vice President for Student Affairs; Adrienne King, Vice President for University Advancement; Robert Pervine, Associate Provost for Graduate Education and Research and Southern Association of Colleges and Schools (SACS) Liaison; Renee Fister, Director of Institutional Effectiveness and Strategic Planning; Cami Duffy, Executive Director for Institutional Diversity, Equity and Access (IDEA)/Title IX Coordinator; Charlotte Tullos, Interim Chief Enrollment Officer; Rob Miller, General Counsel; Velvet Milkman, Interim Director of Athletics; Tracy Roberts, Registrar and other members of the University staff and news media.

AGENDA

Call to Order

Chair Susan Guess

Welcome and Agenda Review

Chair Susan Guess

Fiscal Year 2018-19 Focus Areas

Interim President Bob Jackson

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

**Chair Susan Guess/
Interim President Bob Jackson**

a. Delegation of Authority Review

b. Training Session

- **Conflict of Interest**
 - **Murray State Board of Regents Statement of Conflict of Interest AY18-19**
 - **Kentucky Revised Statute – Conflict of Interest**
 - **Association of Governing Boards (AGB) Conflict of Interest with Guidelines on Compelling Benefit**
 - **Undue Influence**
 - **Open Meetings/Open Records Law**
 - **Your Duty Under the Law (Open Records/Open Meetings)**
 - **Managing Government Records (Public Records Law)**
 - **Family Education Rights and Privacy Act (FERPA)**
 - **FERPA Institutional Policy**
 - **FERPA Annual Notification**
 - **Title IX**
 - **Title IX – Reporting and Resources**
 - **Title IX – Campus Resources**
 - **National Collegiate Athletic Association (NCAA)**
 - **The Inside Track – Guide of NCAA Rules for Alumni, Fans and Friends of Racer Athletics**
- c. Board Self-Assessment**
- **Southern Association of College and Schools Policies Applicable to the Board of Regents**
 - **Self-Assessment Process**
 - **Committee Structure**

- Communications
- Consent Agenda and Style of Minutes
- eBoard Book Resource Center

Strategic Enrollment Management

Interim President Bob Jackson

- a. **Enrollment Update and Projection**
 - **Dr. Charlotte Tullos – Interim Chief Enrollment Officer Introduction**
 - ***President’s Commission on Strategic Enrollment Management (CSEM)***
SWOT Analysis
 - **CSEM Focus Areas for 2018-19**
- c. **New Enrollment Strategies**
 - **Road Scholars**
 - **Regents’ Involvement**
 - **RaiseMe Scholars Program**
 - **Accelerate U! and Summer Bridge Concept**
- d. **Investment in Enhanced Marketing Efforts for FY 2018-19**

Break for Lunch
12 noon (approx.)

Reconvene
1 p.m. (approx.)

Performance Funding Update

**Interim President Bob Jackson/
Vice President Jackie Dudley**

Compensation Study Update

**Vice President Jackie Dudley/
Director of Human Resources
Joyce Gordon**

Deferred Maintenance Update

Vice President Jackie Dudley

Final Thoughts/Other Business/Adjournment

Chair Susan Guess

Facilities Walking Tour

**Interim President Bob Jackson
Vice President Jackie Dudley**

Welcome and Agenda Review, discussed

Chair Guess indicated this Retreat is bittersweet because she thinks about the new people present today while it is her last Retreat. She has thought a lot about the entire team over the last few weeks and really appreciates the friendships she has made and the people who have not only mentored her who are here today but also those that came before this Board. It is an honor to serve with and beside this team and she looks forward to the upcoming year. She has great confidence in the abilities of this Board. All members bring a broad array of skills although there are significant challenges to be addressed. This Board has an opportunity to make a positive and lasting difference at Murray State. She recently attended the Association of Governing Boards (AGB) National Conference on Trusteeship where it was indicated that the hallmark of a good Board is for all members to be prepared, open minded and supportive of the President and one another. She believes all are better when they challenge each other and when the norm is challenged. This is a strong team due to the relationships which have been built and all should be able to respectfully question one another in the way business is conducted. The more the Board engages and provides support the more progress will occur. She is excited about what is ahead this year and the piece of history this Board has an opportunity to write together. All agree with Dr. Jackson when he says, “The best days are ahead” and all should be prepared to get to work.

Dr. Jackson reported that yesterday a New Board Member Orientation session was held for Regents Payne, Crigler and Gray and a great deal of information related to the University was shared.

The venue for this Retreat was changed to move into the first building at Murray State University – Wrather Museum – which represents the original building where this great institution started. This move was made to provide a sense of history and purpose but also context for the deferred maintenance discussions which will occur later today.

Murray State is a great and special place and many members of the Board – as well as Dr. Jackson – came to the University for that reason. The best days are ahead of this University although there are challenges that need to be addressed over the next few weeks and months in regard to recruitment and enrollment. For this reason, a four-pronged approach to recruit, enroll, retain and graduate students is being followed with the overall goal of continuing to provide a quality education with world-class programs and faculty. The last few years the University has been challenged in terms of recruitment and enrollment and this will be the focus of discussions today. Collectively, all have a tremendous fiduciary responsibility and for this reason a great deal of discussion will focus on opportunities, strategies and new initiatives. Enrollment is the number one driver for the University’s budget. The University has a great deal of opportunities and significant work is currently underway to help make changes as necessary to academic programs. The family-like atmosphere has set Murray State apart from others for many years but a better job needs to be done in terms of telling the University’s story. In 1926, the first President of this institution – Dr. Carr – stated, “Our work has only begun.”

Fiscal Year 2018-19 Focus Areas, discussed

Dr. Jackson reported that Fall Enrollment Trends information was provided in the eBoard book which represents a snapshot of Murray State’s enrollment since 2002. Headcount for Fall 2018 will be approximately 9,500 students. The goal is for enrollment to increase to 10,000 in 2019 and 10,500 in 2020. Over the last four years there has been a precipitous decline in enrollment and the team is having to move forward very quickly with strategies to change enrollment numbers in a positive way. Information was also provided in the eBoard book related to the University’s 18-county service region which is assigned to Murray State by the Council on Postsecondary Education (CPE) on a non-statutory basis. Murray State has responsibility to the 18-county service region and must provide focus first and foremost to this region.

Approximately 35 percent of the freshman class comes from the 18 counties within the University’s service region. Murray State also has regional campuses in McCracken, Christian, Hopkins and Henderson counties with the main campus being located in Calloway County.

Discussion has centered on creating *Regional Campus Advisory Councils* in these markets and locations to focus on the needs related to those communities and regional campuses.

Superintendents, Community College Presidents, elected leaders, economic development professionals and other decision makers will help the University engage the regional campuses to determine the appropriate programmatic activities on those campuses.

Information was provided in the eBoard book regarding enrollment growth opportunities. The counties just east of the University’s service region – Daviess, McLean, Muhlenberg, Todd, Hancock and Logan – have been very important to Murray State throughout its history. Further east is the Louisville Metro and Jefferson County area that has approximately 1.1 million people. Approximately 8 to 10 percent of the freshman class population at Murray State comes from the Louisville Metro/Jefferson County areas. The areas in the middle of the counties just mentioned have more high school graduates going to college than the University’s entire 18-county service region. The Louisville Metro/Jefferson County region is a multiple of Murray State’s 18-county service region. This is why it is crucial for the University to spend even more time in these regions and discussions have centered on strategies which need to be implemented in this regard. Approximately 65 to 70 percent of the University’s freshman class comes from Kentucky but this varies each year. Information was presented on cities within a 250-mile radius of Murray State and it appears as though the University is perfectly located related to St. Louis, Missouri; Evansville, Indiana; Louisville and Nashville and Memphis in Tennessee. Opportunities will be enhanced in these particular locations (within a 250-mile radius). Up to 85 to 90 percent of the University’s freshman class, when Kentucky is added in, will come from this radius. The remaining 10 to 15 percent of the freshman class each year will come from beyond that radius.

The most recent information available (2016) from the Kentucky Center for Statistics (former Kentucky Center for Education and Workforce Statistics) was distributed and shows the University’s 18-county service region. County-by-county information is provided regarding overall population, number of high school graduates from those districts, number of high school

graduates attending college and how many chose to attend Murray State in a particular year. This data reveals opportunities for Murray State. The University is currently attracting 9 percent of high school graduates from Christian County, although the opportunities from that area are much greater. The average per county for the University's 18-county service region is approximately 20 percent. In Murray/Calloway County the average is approximately 70 percent. Data in this regard for each of the counties in the University's service region was also provided. This helps the University hone in on opportunities from a recruiting standpoint. Data was provided for the Louisville Metro/Jefferson County area and Oldham, Bullitt and Hardin counties in Kentucky. There are approximately 2,390 high school graduates each year attending college from the counties mentioned and around 4,800 from the Louisville Metro area alone. The percentage of students Murray State is attracting from these regions represents a tremendous opportunity and is where focus must be placed both in terms of marketing and strategic recruiting efforts. There are over one million people living in the Louisville Metro area and that number continues to grow. Lexington Metro (Franklin and Jessamine counties) is approximately the same size as the University's 18-county service region and the percentage of students Murray State is attracting from these areas reveals there are significant opportunities.

It was stated that students in some counties surrounding the University feel Murray State is too close to home and they want to go to college a little further away and the question was asked how the college-going rate for Calloway County is so high. Dr. Jackson responded that the special attributes of this institution – such as the family-like atmosphere, wonderful programs and world-class faculty – must continue to be marketed but in a much more focused manner due to the competition which exists for these students. The data presented simply represents a good indicator and starting point.

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

- **Training Session**

Conflicts of Interest

Mr. Miller indicated his role is to provide guidance to the Board of Regents to ensure compliance with the laws that govern Murray State and all public institutions in Kentucky.

A copy of the broad Murray State University Statement of Conflict of Interest for Academic Year 2018-19 was provided in the eBoard book. Each Regent will be provided with a paper copy of the document to sign and return to Secretary Hunt. Also included in the eBoard book were the Kentucky statute related to conflict of interest and the AGB Conflict of Interest with Guidelines for Compelling Benefits report. On the Murray State Statement of Conflict of Interest, Regents will be asked to identify any professional affiliations which could intersect with the business of the University. Regents may have associations with businesses that seek to become vendors for the institution and there are Procurement rules that allow those situations to be navigated. If a Board member finds themselves in a situation where a business in which they have an interest or where they work is a vendor for Murray State, steps would then be undertaken to appropriately identify such situations. If a Regent has an interest in or works for a particular firm, that would need to be revealed to the Board before an interested entity places a bid and this information must also be posted in the local newspaper. It is not unusual for this to occur due to the numerous affiliations Board members possess and any such occurrence can certainly be navigated. The AGB standard regarding Conflicts of Interest was also provided in the eBoard book. AGB is a national body that provides assistance to universities, in particular with Board governance, and beneficial resources can be located on their website.

Undue Influence

Mr. Miller reported that individuals naturally engage in political activities. Faculty, staff, students and Board members are not expected to relinquish their First Amendment right to engage in political activity simply because they are affiliated with a public entity like Murray State. He cautioned that if Board members are engaging in political activities they should do so independently of the University. This issue is governed by the Internal Revenue Service and is how the University's tax-free status is maintained.

Undue influence often represents a perception issue but there is a rule that employees cannot be related to any member of the Board unless they were hired by the University before an individual became a Regent. Other issues can be more subtle and difficult to navigate such as legislators trying to get students admitted to a state University and the Board should investigate what occurred in Illinois for additional information in this regard. The Board should also be mindful of how the receiver of their questions may interpret the conversation.

Open Meetings/Open Records Law

Mr. Miller reported that the Open Records Act states in part, “the free and open examination of public records is in the public interest and exceptions are to be narrowly construed.” This means that records the University owns, possesses or uses are basically open to the public. The public has a right to access the University’s records. Common requests include employment contracts and game contracts and athletics receives a significant number of these requests because there are private companies that extensively mine data from all public universities throughout the country. They do this in order to maintain a website where this information is provided. Athletic Directors can pay a subscription fee and when they want to hire a coach or negotiate a game guarantee they have comparison data. Bid documents are also commonly requested, especially by companies that were not successful in securing a bid. Arrest reports are also requested frequently. Records include documents, maps, recordings, etc. if the University owns or possesses such. If a Regent receives an Open Records Request they should send those directly and as quickly as possible to Secretary Hunt who serves as the Custodian of Records for the University and knows how to handle such requests. The University is required to respond to Open Records Requests within three business days. It is possible to request a time extension but the University must have a very good reason for doing so. There could be significant fines associated with willful non-compliance with Open Records Law.

There are exceptions related to Open Records Requests. If a request constitutes an unwarranted invasion of personal privacy (social security numbers, home addresses and phone numbers) that information will not be provided because it is protected by law. Preliminary drafts, recommendations and notes are also excluded from Open Records Law. Job evaluations may also be excluded from disclosure. The Attorney General issues opinions about open records and there is one that says any evaluations must be disclosed if they were referenced in the final decision. Criminal records which are part of an ongoing investigation also do not have to be disclosed.

Open Meetings Law states in part, “The formation of public policy is public business and shall not be conducted in secret except as provided by law” and those exceptions are strictly construed. Materials provided by the Attorney General’s Office were included in the eBoard book. Meetings must be open to the public and a meeting occurs when a quorum of the Board is together and discussing public business. If this occurs it would represent a violation of the Open Meetings Law unless notice of the meeting has been provided 24 hours in advance. Six Board members constitutes a quorum for the Murray State Board. If there is a purely social gathering of the Board or members are simply receiving information this does not constitute a meeting – with discussion being the delineator that transforms a gathering into an Open Meeting.

The Attorney General has issued an opinion that even if Board members are using a personal email account if they are discussing public business that could fall under the umbrella of the Open Records Act, assuming no exceptions apply. Confirmation was provided that this includes text messages. If six or more Murray State Board members are discussing something by email or by text, the question becomes whether that is a contemporaneous discussion but, more than likely, that would be found to be a meeting in which public business is being conducted. A good rule to follow is that information can be shared but cannot be discussed.

General pitfalls in Kentucky related to open meetings include discussing items in Closed Session that agencies are not permitted to talk about and exceptions are narrowly construed in this regard. The Murray State Board does a good job adhering to this standard. It is also possible for natural conversation to flow into public business but there is no intent to violate the statute. Complaints have also centered around Boards meeting at times and places that are not convenient to the public. The revised statute which allows Board members to participate in a meeting via electronic means will also be a new focus for the future. Confirmation was provided that the state statute was changed in the last session to allow Board members to now participate in

meetings via videoconferencing as long as there is one location where everyone can be seen and heard.

Family Educational Rights and Privacy Act

Information regarding the Family Educational Rights and Privacy Act (FERPA) institutional policy and annual notification was included in the eBoard book. Ms. Roberts reported that FERPA is a federal law enacted to protect the privacy of all students – not just college students but also those in elementary, middle and high school. The difference is from the moment a student begins their first college-level class privacy rights transfer from the parent or legal guardian to the student and the fact that the person has not reached the age of 18 does not factor into this transition. This includes students taking dual credit courses in high school and information regarding those classes cannot be discussed with parents or others on the student's behalf without written permission from the student. If a student is in high school but is taking a college class, parents must request permission from the student to have access to or receive communication regarding what is considered to be information that is confidential in nature.

The law places information into two categories – directory and non-directory information. The institution is required to annually notify all students of their rights and what is considered directory information and that which is considered non-directory information. The University provides this information in August but it is also published on the website year round and is made available on the student's myGate portal and on Canvas – the course management system. Directory information is usually considered to be information that would be harmless to the student if released – such as email address, honors or degrees received and whether they are enrolled in college. Non-directory information which must be kept private includes classes in which the student is enrolled, grades received and any disciplinary actions taken. Board members may be approached by prospective, current or former students or their families requesting information to try to influence schedules, scholarships or things of that nature but it is best for such requests to be handled by the President. It is the responsibility of the entire Murray State University community to enforce FERPA law. When Board members are discussing confidential information about a particular student they must be cautious to ensure that only those individuals who are supposed to hear the information can hear it. Board members are also not allowed to discuss confidential student information outside of their educational interest in that information – meaning they cannot discuss it with family members. If Regents have questions with regard to FERPA they can notify Ms. Hunt and she will contact Ms. Roberts and provide an appropriate response.

There are exceptions to FERPA law but those are very much defined and only certain information can be released or discussed without the written permission of the student and that permission must be obtained for each piece of information released. Potential litigation or disciplinary matters could come before the Board regarding a student and any information obtained during that process would most likely be considered non-directory in nature and must be kept private and cannot be discussed outside of the purview of the Board meetings. Student rights exist until they are deceased and the protection of their privacy at all times is essential.

There are provisions for the disclosure of information to public health and trained medical professionals and parents related to a student's health and safety in an emergency situation but only if knowledge of the information is necessary to protect the health and safety of the individual. If a student has a mental health issue and they are a danger to themselves, confirmation was provided that the parents could be contacted. If a student is performing poorly in class this would not warrant an emergency situation and information cannot be released to a parent or legal guardian.

Title IX

Information provided in the eBoard book included the Title IX – Reporting and Resources and Campus Resources documents.

Mrs. Duffy reported that in June 2018 the Board approved adding gender identity to the University's Nondiscrimination Statement as a way of providing protections for the entire institution. Title IX falls under the Nondiscrimination Statement. One of the protections that is provided for is sex and Title IX behaviors are a violation of sex discrimination. Title IX sexual

misconduct laws and regulations are not simply a matter of compliance but student and employee safety and welfare. Promotion of healthy and effective academic environments are at the heart of what this Board does and what the University community is concerned about. The goal today is to ensure the Board is sufficiently informed so that it can assess institutional effectiveness and how the University should move forward.

Title IX specifically states that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any education program or activity receiving federal financial assistance. Withholding of federal financial assistance is a penalty for not providing Title IX prohibitions. Title IX also prohibits all forms of sex discrimination, including sexual harassment, sexual violence, relationship or intimate partner violence and stalking and retaliation against any individual who reports any of these offenses.

Title IX also requires gender equity in athletics with broader protections against sex discrimination in college programs and activities. It prohibits all forms of sexual discrimination that are nonviolent, such as racial slurs, and those that involve violence, such as rape, sexual assault and sexual harassment. Title IX applies equally to faculty, staff and students and discrimination on the basis of sex could include sexual harassment, rape and sexual assault. A university that receives federal funds may be held legally responsible when it is aware of but ignores sexual harassment or assault in its programs or activities and this illustrates the importance of reporting. The University can be held liable in court whether the harassment is committed by a faculty or staff member or student. Title IX also provides protections for pregnant and parenting students. Title IX requires members of the University community to be aware of the existence of grievance procedures to address allegations of discrimination, where those procedures can be located and provides for an explanation of those procedures if required. The institutional process related to Title IX is not the same as the criminal process. The goal of the IDEA office is to help the affected party become aware of policies and practices, provide access to available campus resources and explain available options. IDEA does not make the decision for the affected party and does not try to persuade the individual in any manner but instead tries to help them determine what course of action would be in their best interest. The University process examines whether a University Title IX policy has been violated and utilizes a preponderance of the evidence – not clear and convincing or beyond a reasonable doubt as these are criminal and evidentiary standards. Preponderance of the evidence is a lower standard than the criminal burden of proof – beyond a reasonable doubt – because a complainant does not have to report to the police in order to file a report with the University. The affected party also does not have to file a report with the University in order to file one with the police. A complainant can utilize both processes, either process or none at all. Title IX also provides for the option of interim measures for the impacted parties. Interim measures generally include a separation of the parties, a connection with campus resources, relocation of University housing, etc. The conversation the Title IX Coordinator has with the victim, as well as the respondent, are crucial to determining necessary accommodations.

In terms of duty, if a university knows or reasonably should know sexual misconduct or harassment has created a hostile environment it must take immediate and appropriate action to investigate and confirmation was provided that this is how the University handles such incidents should they arise. If sexual violence has occurred a university must take prompt and effective steps to end or eliminate the conduct, prevent its occurrence and address its effects whether or not the sexual violence is the subject of a criminal investigation. Any faculty, staff, student or guest who visits campus and believes that discriminatory practices have occurred can discuss their concerns and file an informal or formal complaint of possible violations with the IDEA office. The penalty for failure to comply with Title IX regulations is the removal of federal financial aid or other penalties which can be both monetary and reputational. Failure to comply could also impact grants, subsidies or other program funds received from the federal government. The University wants to ensure it is doing whatever is necessary to provide protections for faculty, staff, students and visitors and works to stay abreast of any changes which might occur at the federal level.

Ongoing University efforts include staffing two Deputy Title IX Coordinators who can receive any individual coming into the office with such allegations to hear their concerns as well as dispatch them to available resources on campus or have those resources dispatched to the IDEA office. Ongoing educational efforts include online Title IX training that all employees and

students are required to take and receive a perfect score of 100 percent. The purpose of the ongoing education efforts is to ensure all are aware of what sexual misconduct is and what an individual needs to do to report such instances. The Title IX and harassment training must be completed by October 12, 2018. This training is conducted early in the semester because statistics and studies show that Title IX-related behaviors and incidents are at their highest during the first 60 to 90 days of the school year. At every face-to-face session offered by the IDEA office acknowledgement forms are provided in terms of the population addressed and the content which has been shared. Staff are also available to answer questions. The IDEA office offers informal training sessions at the departmental level, with a sorority or fraternity or with other groups on campus. Title IX compliance is the responsibility of all associated with Murray State University.

By law, the IDEA office is also required to prepare an Annual Security Report which provides all statistical information related to any such incidents that are reported. This report is then provided to the campus Police Department. Proceeding in this fashion helps address the requirements of the Clery Act. Under the Clery Act, members of the University community have a duty under federal law to report crimes to the Murray State Police Department. Their report to police will be statistical in nature to include the date, time and place of the incident, but not the identity of the victim-survivor. This reporting also allows the Police Department to issue Timely Warning Notices that alert individuals about crimes which have occurred on or near campus so individuals can make informed decisions. The IDEA office also reaches out to incoming students and parents through Summer Orientation, with visual messaging on all message boards across campus and by working with Student Affairs and others across campus. Confirmation was provided that the IDEA office also works very closely with athletics because there are targeted audiences for which the federal government believes the University should provide additional face-to-face training. This includes athletic programs, band, First-Year Experience programs and sororities and fraternities. In these training sessions the impact of drugs and alcohol is discussed related to poor decision making. Consent is also discussed during the training sessions and information is provided on the Violence Against Women Act. This information was provided in the eBoard book and includes a listing of available campus resources. Key definitions related to Title IX were also provided and consent is included. Consent is something that students struggle with across the country and this is why it is a key focus of Murray State training, including programming in the residential colleges to make students aware of what consent looks like and what it is not. Today across the country, a person who is accused is often familiar or known to the accuser and the University's approach to training has been shifted accordingly. This includes bystander and active intervention training. This is done so Murray State students have the type of educational experience the University intends for them to have.

Title IX issues impact retention, persistence and completion; legal liabilities; institutional reputation; resources and safety concerns for the University. The IDEA office partners with every member of the University community to keep these issues at bay and create a healthy educational experience for all. If students reveal information to Board members they should be informed that there is a Title IX Coordinator and how to contact Mrs. Duffy. The Board should also share with affected individuals where they can report incidents confidentially – through counselors and the Women's Center on campus. If counselors in the Women's Center receive a report it does not have to be reported through the IDEA office. They do share with the party resources and procedures which are available to provide any necessary additional assistance. Counseling and other support services are offered – not because they are federally required – but because this is what Murray State has always done. It was confirmed that the Board has been provided with access to the Title IX training that all faculty, staff and students are required to successfully complete annually.

Confirmation was provided that if a student is in crisis after the counseling office has closed they should contact the University Police Department. If the issue is related to mental health the Police Department will either contact Four Rivers Behavioral Health or a counselor who can provide assistance related to the particular crisis. Confirmation was provided that there is also a student disciplinary process in place. If a complainant chooses not to pursue any of the options available to them it could be that they are not at a point where they are able to make decisions. They simply want to become safe and accommodations can be made. Confirmation was provided that due process is part of the University's grievance procedures. If a complaint is filed, both parties have an opportunity to present what they believe are the facts. Resources are

also provided for the respondent because it represents a difficult situation for both parties. The University is very limited in terms of information which can be shared with the respondent.

Mr. Miller added that if the University is aware of a person who has committed the act of rape it has an obligation to keep the entire community safe. It could be the University has an obligation to address the matter but that may be made more difficult if the alleged victim is unwilling to participate in the process. The University has an obligation to keep the entire campus safe and would likely investigate the accused on its own if such an act were to occur.

Confirmation was provided that there has been new discussion about United States Secretary of Education Betsy DeVos and potential changes in this area but nothing definitive has been released. The Board realizes the University's hands are tied in terms of being able to notify parents if such an incident occurs but that remains a cause for concern. Mrs. Duffy indicated that there is a chance this may be addressed in the new regulations once they are released.

National Collegiate Athletic Association (NCAA)

Mrs. Milkman reported that the NCAA regulates different groups related to athletics. One group that represents athletic interests are boosters and there are several ways to become a booster. Information was provided in the eBoard book regarding NCAA regulations but all Board members are considered to be boosters because they are persons of authority who represent Murray State to the public and can make decisions about the University – which includes all athletic programs. Board members will retain the title of booster for life.

There are two types of student-athletes – the prospective student-athlete and the enrolled student-athlete. A prospective student-athlete is any student who has either entered the ninth grade or who has accepted extra benefits from a booster and has not yet enrolled at a four-year institution. Even if a student does not have an interest in athletics they are still considered to be a prospective student-athlete. If student-athletes have an interest in particular sports (such as Men's Basketball, Women's Basketball or Softball), they become a prospective student-athlete if they have begun classes in the seventh grade. The definition of a prospective student-athlete includes junior college student-athletes as well as high school students who do not play a varsity sport.

The NCAA does not want boosters to have any contact with prospective student-athletes or their families based on their athletic abilities. Boosters cannot contact prospects or their families by telephone, in writing or by electronic means and they cannot have pre-arranged face-to-face contact. Regents do recruit for Murray State University and are essentially an extension of the school relations program. Board members can talk to these students about Murray State in general but cannot discuss the Athletic Department specifically. If a student expresses an interest in intercollegiate athletics, a Board member should direct them to goracers.com to complete a recruiting student-athlete questionnaire and someone will be in touch with that prospect. If the conversation goes beyond directing the prospective student-athlete to the website it represents an NCAA violation.

Confirmation was provided that a Regent can share the name of the Coach for a particular sport but cannot give their opinion about the Coach. Facts can be provided if they are known but if asked questions Regents should indicate they are on the Board and for that reason are limited in terms of the information they are able to share. This is in the best interest of the prospective student-athlete and their family should they want to play a sport at Murray State. Regents can contact the Compliance Office to make them aware of a prospective student-athlete inquiry so it can be handled appropriately. Regents should not approach a Coach directly about a particular prospective student-athlete and it is best for the Compliance Office to be part of this process instead because the Regent may not know that student's age. Confirmation was provided that there are exemptions and one such example is being a Coach who is coaching the athlete at the time the discussion occurs. Murray State coaches also have a particular set of rules to follow and that includes knowing how old a prospective student-athlete is before making contact. Coaches cannot communicate with prospective student-athletes until they are in eleventh grade. It is best to utilize the Compliance Office where the student's age and grade can be confirmed and the prospect can be directed appropriately. As long as a Regent does not communicate with the prospective student-athlete or their family in terms of athletic recruitment they are allowed to make a Coach aware of a particular individual. As mentioned previously, general information

about Murray State can be shared but should not include any information regarding athletics and the prospective student-athlete and their family should be directed to the website. Once parents and student-athletes know a Regent is considered to be a booster they know what they can or cannot do. Communications can occur with high school coaches but only if they initiate the conversation because if Regents seek the Coach out first that would be viewed as recruiting. Repercussions from a violation are placed on the student-athlete and the high school program and no Regent wants to be responsible for actions which are detrimental to the recruitment of a particular student-athlete. Mistakes do happen but when occurrences are repeated that is when it becomes an NCAA violation. Regents can talk to coaches about Murray State athletics in general and they can be asked to have their athletes consider Murray State but, again, they cannot recruit prospective student-athletes for Murray State. If there is a pre-existing relationship with family members or neighbors before these students became prospective student-athletes, some discussion will inevitably occur but it is best to have these individuals contact the Athletics Compliance Office or direct them to the website shared earlier.

On the first day of initial collegiate enrollment at a four-year institution a prospect becomes a student-athlete and there are also rules in this regard. Boosters cannot provide any “extra benefit” to prospective or enrolled student-athletes or their family/friends. Examples of extra benefits include cash or loans in any amount or co-signing for a loan; gifts of any kind, including cards; offering free or reduced-cost services (meals, car repairs, haircuts, dental work, etc.); providing the use of an automobile or transportation; offering free or reduced-cost rent or housing; giving tickets to athletic or other community events even if the booster received the tickets for free or providing course supplies, typing or duplicating costs. Boosters can provide student-athletes with an occasional meal but that must be in the booster’s home (can be catered) and they cannot be taken out in public. Prospective and enrolled student-athletes can be employed by a business owned by a booster as long as they are receiving the same going rate as everyone else for work actually performed and they are not provided with a ride to and from work, unless everyone else is given this benefit. The student-athlete may not be involved in any advertisement for the business and their compensation may not include any remuneration for the value of the student-athlete publicity, fame or the personal following he or she obtained because of athletic ability. The Athletics Compliance Office should be contacted prior to employing any Murray State student-athletes.

NCAA rules and regulations are in place to ensure institutional control and that everyone is on the same page. Confirmation was provided that the University self-reports any violations and it is better to have this system in place than for the NCAA to discover violations. If Regents have anything to self-report they should contact Matt Kelly, Associate Athletic Director for Compliance. It was confirmed that if enrolled student-athletes are participating in a mission trip or supporting a non-profit or charitable organization, boosters can provide support but cannot give the money directly to the student-athlete. There is also a form to be completed in the Athletics Compliance Office in order for this to be allowed. Contributions to crowdfunding efforts and GoFundMe are not allowed because the money has to be given directly to the organization involved.

Dr. Jackson added that Mrs. Milkman is also helping the University in terms of recruitment and enrollment. Beginning with the football game this evening, athletic events will be utilized for recruiting purposes by providing tickets for high school students, teachers and others through the appropriate compliance process. Approximately 750 tickets have been distributed through the Office of Recruitment to Graves County, Mayfield and Marshall County and those attendees will be recognized at tonight’s game. Regents cannot distribute athletic tickets directly to high school students but can make Mrs. Milkman aware of a particular need so she can ensure it is handled appropriately through the Office of Recruitment.

The Board adjourned for a break at 10:24 a.m.

Reconvene

Chair Guess reconvened the Annual Board of Regents Retreat at 10:50 a.m.

- **Delegation of Authority**

Dr. Jackson reported that in December 2014, the Board of Regents officially adopted the Delegation of Authority. This represents the duties the Board has reserved for itself and/or delegated to the President and is reviewed annually to incorporate any necessary changes. Dr. Jackson has discussed the Delegation of Authority with the Board and no changes have been recommended. Key components of the Delegation of Authority were highlighted as follows:

Item #4 – Approve the establishment or discontinuation of schools, colleges and departments that are academic in nature, has a budget of at least \$50,000 and reports to a Dean or the Provost. The Board will receive a report on any additional centers that are formed within these colleges/schools, departments and units that do not meet these thresholds.

Item #11 – Approve new employment contracts made outside of the regular budget cycle and approve all Personal Services Contracts totaling more than \$50,000. In addition, 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 (LRC). Upon review, individual Board members may request that these be held for approval at the next Board meeting.

Item #13 – Approve any “Program Statement” that may be prepared for a capital construction project requiring approval by the Kentucky General Assembly prior to implementation of the Program Statement. The Board will also approve major renovations of executive offices, the Presidential residence and other similar projects which will exceed \$25,000.

Item #16 – Approve University real property and facilities’ leases under which 1) the University is the lessee if the annual rent is in excess of \$100,000 or 2) the University is the lessor of University real property or facilities and the lease has a non-cancellable term exceeding one year. No additional approval will be required if an approved lease is renewed pursuant to the same terms and conditions but the Board will be advised of any such renewal. A listing of all leases will be provided to the Board annually. Approve the granting of permanent easements which could impact University operations.

Item #17 – Approve the transfer or acquisition by purchase of title to real property.

Item #22 – Approve rates for tuition, mandatory fees and room and board.

Item #24 – Approve the awarding of degrees, including honorary degrees.

Item #25 – Approve the naming of facilities and memorials.

The Board confirmed there were no changes recommended for the Delegation of Authority document.

- **Board Self-Assessment**

Southern Association of Colleges and Schools Policies Applicable to the Board of Regents

Dr. Pervine reported that every U.S. institution desiring to access Title IV funding is required by federal law to be accredited by a recognized regional accrediting agency. For Murray State this is the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) and a related presentation was included in the eBoard book. At the heart of SACSCOC’s philosophy of accreditation, the concept of quality enhancement assumes that each member institution is engaged in ongoing improvement of its programs and services and can demonstrate how well it fulfills its stated mission. Every ten years the University undergoes a major reaffirmation of accreditation. The last ten-year affirmation occurred in 2014 and represented a significant undertaking for the institution. A typical ten-year reaffirmation electronic submission would be 30,000 to 40,000 pages in length by the time every required document is submitted and this reaffirmation process costs the University close to \$1 million when personnel costs are factored into the equation. Every five years a Fifth-Year interim report, along with a Quality Enhancement Plan (QEP) report, are prepared and this is due on March 16, 2020. Work is diligently underway to prepare for this required submission and updates will be provided to the Board accordingly. The next ten-year reaffirmation will occur in 2024.

This past year SACS rewrote many of their 14 Principles of Accreditation and an outline of the major principles was provided in the presentation in the eBoard book. Section 4 of the document relates to the institutional governing board and there was an addition to that section this year. On a day-to-day basis, the sections that Academic Affairs are most involved in are Section 8 – Student Achievement, Section 9 – Educational Program Structure and Content and Section 10 – Educational Policies, Procedures and Practices. The University has responsibilities to SACS if an academic program is closed or if new programs are created in order to secure approval from that entity as well as the Council on Postsecondary Education. By the time a new program proposal is submitted to the Board for approval it could easily represent a one to two-year process that has been undertaken.

The Principle of Accreditation related to the governing board states that the institution's governing board holds in trust the fundamental autonomy and ultimate well-being of the institution. As the corporate body, the board ensures both the presence of viable leadership and strong financial resources to fulfill the institutional mission. Integral to strong governance is the absence of undue influence from external sources. SACS has further indicated that the institution must have a Board of at least five members that is the legal body with specific authority over the institution and that it exercises fiduciary oversight of the institution; ensures that both the presiding officer of the Board and a majority of other voting members are free of any contractual, employment, personal or familial financial interest in the institution; is not controlled by a minority of the Board members or by organizations or institutions separate from it and is not presided over by the Chief Executive Officer of the institution. The governing board must also ensure a clear and appropriate distinction between the policy-making function of the board and the responsibility of the administration and faculty to administer and implement policy. The new addition to Section 4 this year is that the Board defines and regularly evaluates its responsibilities and expectations. SACS has deliberately left this open ended and is not mandating how this self-evaluation is accomplished but has indicated what is expected of this standard is something more substantive than a statement that "the board conducted a self-evaluation." The Board must set goals and measure progress toward accomplishing those goals. It is believed SACS expects the board self-evaluation to occur on an annual basis. This Board did undertake an extensive evaluation in 2015 and that process would likely be considered to be more than what would be required on an annual basis.

Dr. Pervine advised that the Board should seriously consider developing an annual self-evaluation process. SACS has provided some questions to consider as this process is developed and those include the following:

- What are the legal obligations of board members? Does each member of the board understand these expectations?
- Do bylaws and other written documents for board procedures make clear the roles of and limits of board actions?
- Do bylaws and other written documents for the board distinguish the roles between the board (policy-making) and the Chief Executive Officer (administrative)?
- Is the board structure working well? Are committee responsibilities well defined?
- Is the orientation of new board members effective?
- How does the board stay informed as to the financial health of the institution?
- How does the board maintain its focus on the institutional mission?
- Is review of the mission statement a regular exercise of the governing board?
- What is the relationship between the institution's Chief Executive Officer and the institution's governing board?
- What protections are built into the board structure to ensure the board is not subject to undue influence by a minority of members or by external forces?
- Are board minutes clear and accurate? Do they provide sufficient detail to capture the results of deliberations?
- Do board procedures regarding protection from internal conflicts of interest work appropriately?
- Does the board have a functioning self-evaluation process?
- Are procedures for Chief Executive Officer succession clear?

Self-Assessment Process

Chair Guess reported that the self-assessment process undertaken by the Board in 2015 was done in conjunction with Professor Robert Long and Murray State students developed the survey instrument. This represented quite an extensive process. Dr. Jackson reported that information regarding the self-assessment undertaken in 2015 was included in the eBoard book. There is nothing more important to the institution than SACS accreditation and Board self-assessment is one related component. Board consensus was reached that Drs. Arant and Pervine will further study the annual self-evaluation requirement over the next year and present a recommendation to the Board for consideration at the appropriate time. Efforts related to this requirement must be reported for the University's next ten-year accreditation but the expectation of board self-evaluation was added this year. The University wants to be able to show a record of the Board conducting an annual self-evaluation for a certain period of years. Agreement was reached that the Board and administration would begin developing and designing the process with the first self-evaluation to occur in the first quarter of 2019. Agreement was reached that the current self-assessment instrument would be considered as this work is undertaken and perhaps identify a way to fine tune it for the required annual review. To involve students in this work would again represent a valuable teaching opportunity. Confirmation was provided that Board input will be solicited as this process unfolds. If any Board members would like to serve on an Ad Hoc Committee for this purpose they were encouraged to let Chair Guess know.

Committee Structure

The Committee structure for the Board of Regents was discussed. There are currently seven standing Committees: Academic Excellence and Scholarly Activities, Audit and Compliance, Buildings and Grounds, Enrollment Management and Student Success, Finance, Legislative and Economic Development and Marketing and Community Engagement. It has been recommended that an additional Committee be added: Athletics. Chair Guess confirmed all Regents were comfortable adding the Athletics Committee and stated that each Board member now serves as Chair of a Committee. She believes it is important for all to have equal roles on the Board. The Board was also asked over the past year to give consideration to whether the current Committee structure is effective, including that the Committees meet as part of the full Board meeting. A great deal of Committee discussion does not occur outside of the Quarterly Meetings due to a sensitivity to Open Meetings Law and all were asked if the Committees becoming more active is desirable and how that could be accomplished. Dr. Tharpe indicated that to the extent each Board Committee can become as committed and active as the Audit and Compliance Committee that should be encouraged. Chair Guess encouraged all Board members to "think out of the box" this year. If there is an opportunity to test something more than what has previously been done members were encouraged to undertake this work. Confirmation was provided that any Committee meeting would be subject to Open Meetings Law because it would represent a quorum of that particular Committee. Mr. Miller confirmed that a quorum of a Committee could exist through one-on-one conversations. Consensus was reached that Board Committees would continue operating in the same manner.

Communications

Dr. Jackson reported that he sent a typical email communication to the Board a few days ago which provided a high-level overview of what is occurring at the University and this represents his nature in terms of how to communicate with the Board. He does not typically have a set time for providing these updates and as issues arise the Board will be notified quickly via text, email or phone calls, especially in an emergency situation. Consensus was reached that the type of communication previously provided by Dr. Jackson was well received. If Board members have suggestions related to how this communication could be more effective, they were asked to share those ideas with Dr. Jackson.

Consent Agenda and Style of Minutes

The Board adopted a meeting practice one year ago of utilizing a consent agenda that groups routine business and reports into one agenda item. Consensus was reached that the consent agenda is working as intended, although Board meetings have not become shorter. The consent agenda allows the Board to approve included items in one action, rather than filing separate

motions on each item and moves routine items along efficiently so the Board has more time available for discussing important governance-level policy issues.

The Board also adopted a meeting practice one year ago of Secretary Hunt preparing summary minutes instead of verbatim minutes which had been practice at the time. Consensus was reached that the summary form style for minute preparation is sufficient and is working as intended.

A request was made for access to links to the Livestream for Board meetings over the past two years be provided to the Regents. Secretary Hunt confirmed she would add these links to the Resource Center in the eBoard book. The Board was cautioned that the Livestream of the meetings do not constitute the official record of the meeting – that is the purpose of the minutes – and those can be found on the Board website once approved. Consensus was reached that the Livestream link will be provided to Secretary Hunt following each meeting and that will be added to the eBoard book. A request was made for the Livestream link to remain active on the University website for a week following a meeting so faculty, staff and students can have easy access to the meeting if they were not able to attend or watch the day of the meeting. Dr. King confirmed this can be accomplished.

eBoard Book Resource Center

The Board was provided with an outline of documents contained in the Resource Center of the eBoard book as a reminder of the availability of these resources. The Board reached consensus that the Resource Center is beneficial and members will make suggestions regarding any additional documents that should be added.

Strategic Enrollment Management, discussed

- **Enrollment Update and Projection**

Dr. Charlotte Tullos

Dr. Jackson introduced Dr. Charlotte Tullos, the new Interim Chief Enrollment Officer and indicated her vita was included in the eBoard book. The University has a contract with Dr. Tullos for one year through The Registry and she has a wealth of experience in large and small public universities and private institutions and from a recruiting and enrollment standpoint there are probably few things she has not experienced.

President's Commission on Strategic Enrollment Management (CSEM) SWOT Analysis

Drs. Arant, Robertson and Tullos presented the following:

- The *President's Commission on Strategic Enrollment Management* was created following a Board directive related to the need for the University to develop a comprehensive enrollment plan as part of the evaluation process for former President Bob Davies.
- Dr. Davies appointed a group to serve on this *Commission* which is being co-chaired by Drs. Arant and Robertson.
- The latest draft of the SWOT analysis and the initial CSEM focus areas for 2018-19 were provided in the eBoard book. The focus areas represent those areas which must be addressed immediately.
- The charge was given to the *Commission* to undertake individual SWOT analyses in various areas. There were 19 members serving on the *Commission* from a variety of areas across campus. These members also participated on individual SWOT analyses in 15 areas which impact enrollment management, including the 18-county service region, academic advising, academic programs, admission standards, adult learners, freshmen and transfer students, international and graduate students and all other areas impacting enrollment management. This work also included a focus on retention. Individuals were appointed to Chair the separate teams which were formed to undertake a SWOT analysis in the various areas. Faculty and staff and, in some cases, students, alumni and community members also participated as members of the individual SWOT analysis teams.
- The full *Commission* met almost every Tuesday and created documents and supporting materials that were shared (via Google Docs) with all involved. This included each of the individual SWOT analyses provided by the smaller teams. Each individual SWOT analysis was then presented to the full *Commission* to provide an opportunity for feedback and questions. The individual SWOT analyses were revised accordingly.
- Drs. Arant and Robertson met with the smaller groups to review each individual SWOT analysis in an effort to identify common themes, trends and elements to develop an overall SWOT analysis for

enrollment management. The latest draft of that work was included in the eBoard book. Dr. Davies reviewed this draft and provided feedback and suggestions which were then shared with the *Commission* for further discussion and fine tuning. The information was also shared with Interim President Bob Jackson.

- There are many positive findings within the SWOT analysis but there are also some areas which represent opportunities. The information was reviewed to determine immediate action steps and what would need to be done within one to three years, respectively.

It was stated that Dr. Davies had been tasked with presenting a draft, comprehensive Strategic Enrollment Plan to the Board at this meeting and the question was asked whether this work got off schedule. Dr. Arant reported that the ten immediate action steps which are being presented are what Dr. Davies felt would represent the start of the requested Plan. It is understood that the charge to the *Commission* was to not only develop action steps but also assign responsibilities and resources and develop a full Strategic Enrollment Plan. The intent related to what is being presented today is to solicit feedback from the Board to ensure the *Commission* is heading in the right direction before the Strategic Enrollment Plan Phase I is submitted to the Board for approval at the October meeting. The *CSEM* focus areas for 2018-19 were presented and included dates for completion/implementation.

Road Scholars Program

It was reported that the Road Scholars Program has been reinvigorated. All teams have been assigned and there are faculty, staff and other volunteers who are already visiting slightly over 100 area high schools. There are over 160 individuals who have volunteered to serve on the visitation teams. Bus trips to the Murray State campus are also being scheduled. The number of members on each team varies depending on the high school. Chair Guess indicated that earlier the Board discussed adopting a project and since enrollment is the University's focus she has signed up to be a member of a Road Scholars team for McCracken County and has completed the associated training. She encouraged all Board members to join a Road Scholars team.

Illinois Housing Scholarship

It was reported that consideration has also been given to the regional tuition rate for Illinois students and how the University could be more competitive in this area. A plan related to Illinois has been developed which does not change the tuition rate but attaches a housing scholarship to help recruit students from that area.

Online Program Manager for Undergraduate and Graduate Programs

Consideration has been given to whether an Online Program Manager for both undergraduate and graduate programs should be hired. A determination still must be made as to whether this is the direction the University wants to proceed and to what extent. This process is moving forward quickly.

Recruitment Area Strategies

It was indicated that the *Commission* gave a great deal of thought in terms of the right recruitment areas for Murray State in terms of being able to make an impact. Areas where immediate results are anticipated were included in the focus areas information presented. Specific action and recruitment plans are being developed for populations in those areas as well to increase the University's market share.

It was confirmed that middle school strategies include the University having more of a presence earlier in the process because there is a need for students to begin thinking about college even in middle school to help them realize and understand their options. Much of this work can occur through the University's TRiO programs which are based in the middle schools to discuss college in general and its importance. Dr. Arant reported that a great deal of research shows college decisions are made while students are in middle school and the opportunity for the University to have these discussions with students earlier in the process may help influence their career choice.

Confirmation was provided that a greater focus is being placed on obtaining at least a 20 percent market share of college-going students in the University's 18-county service region. Dr. Jackson indicated that capturing this market share was identified as being significant in 2014 during the Strategic Plan process. If Murray State is able to attract at least 20 percent of students in each high school in its service region this represents approximately 150 new students per year.

Confirmation was provided that steps have already been taken to address a decline in enrollment on the regional campuses. Advisory groups will be formed in each of the regional campus locations to begin discovering market and identifying programs that are needed and should be offered in a particular area. A five-year trend shows that the decline in enrollment is slowing. Over the first five years there was a significant drop but last year there were gains, particularly in Paducah. A number of partnerships have been initiated this year with the community colleges which are expected to impact enrollment moving forward and create new collaborations which will involve sharing faculty and other resources. Work is also underway in terms of reverse articulation agreements with the University's partners and these initiatives should have a positive effect on reversing some of the trends. Traditionally, students at the regional campus will begin their college education at the community college in their area to complete the associate degree and will then transfer to Murray State as they begin their junior year. There are opportunities to employ concurrent enrollment strategies with these students and have them enrolled at both the community college and Murray State and those possibilities are being explored. Dr. Robertson indicated that many adult students are attracted to the regional campuses and additional strategies are focused on this population in an attempt to provide immediate impact.

Dr. Robertson reported that work is also underway to review and enhance the campus visit experience. A consultant will visit campus next week and will go through the entire campus visit process to determine where enhancements are needed and make associated recommendations so the experience can become even more effective. It is known that once prospective students visit the Murray State campus the faculty and staff help sell this University. The campus tour is a major aspect of the visit and an effort is being made to ensure everything possible is being done to maximize this experience. The *Commission* discussed the importance of campus appearance because this is one aspect that prospective students and their parents have identified as an influencer. Focus will continue in this area and the Board will receive a related presentation regarding deferred maintenance.

Dr. Robertson reported that a great deal of discussion has also occurred regarding revisiting the *Alumni Legacy Grant* and the importance of that initiative in terms of recruiting children and grandchildren of alumni. This is being reviewed to determine feasibility. Consideration is also being given to developing a strategy related to the military population at Ft. Campbell.

Dr. Tullos will be especially beneficial in terms of yield conversion strategies – from application to enrollment. Dr. Tullos confirmed that this includes ways students are contacted so the conversation rate improves significantly. The observation was made that the yield conversation strategy is very important because for the last two years the numbers that the Board received in the Fall and the Spring looked positive both years and all were very encouraged that applications were up and admittances were up but that did not translate into enrollment growth. Dr. Tullos confirmed that her strategy would never involve making predictions based on application numbers. She believes what occurred over the last two years is the University is using a company that is providing a lot of student names and these represented a large number of “soft” applications. She is reviewing what is being provided by the company and will handle accordingly. Dr. Robertson added that it is also known an increasing number of students are applying to multiple institutions and the easier it is for them to apply the more schools they will apply to and this creates a lot of “soft” applicants. This is why communication throughout the entire recruitment and enrollment process is critical. The concept of summer melt is also a factor in this regard.

Dr. Robertson confirmed that the scholarship system is being reviewed and includes re-evaluating graduate assistantships and how those affect graduate student recruitment and enrollment. The work of the *Commission* also revealed that the University is experiencing great success with regard to the *Racer Academy* which currently includes 962 students but determining how to convert more of them to Murray State students is key. Opportunities through summer bridge programs are also being reviewed.

In response to whether the increased attention geared toward enrollment and new initiatives which are being explored and if the financial and staff resources are in place to fund these initiatives or if other activities will have to cease with the increased focus on recruitment and retention, Dr. Jackson responded that these represent areas in which the University must invest. When internal budgeting and reallocations are considered, recruitment and enrollment of students must be the first and foremost priority. Most initiatives being discussed today are not believed to require a large number of current or new staff to accomplish. It is believed sufficient staff are in place to address translating applications into enrollment as well as converting *Racer Academy* students to Murray State students. The University has not yet reached the point where it is unable to undertake certain other initiatives in order to recruit. Dr. Robertson agreed that it is a matter of utilizing resources currently in place in a more effective way. The revised military strategy which is being developed has represented a joint effort between Dan Lavit, Executive Director of the Center for Adult and Regional Education; Jud Faust, Coordinator of Veteran and Military Student Success and Matt Jones, Coordinator of Domestic Graduate Recruitment and Retention to focus on a specific target area. This represents better utilizing resources which are already in place.

Chair Guess indicated that earlier conversations have focused on generalities and there were no measurable goals and encouraged adding these targets as the Strategic Enrollment Plan is finalized. Dr. Robertson confirmed that the next step will be to provide more specific targets in the Plan.

In response to whether there are sufficient staff on board to accomplish the work that is needed in regard to enrollment, Dr. Robertson confirmed that all Admission Counselor positions have been filled as well as vacant positions in the Scholarship Office. Dr. Jackson reported that a new Admissions Counselor position has also been added in Enrollment Management to oversee the Road Scholars Program as well as provide assistance in other areas. The individual hired to fill this position is Julie Boyken who graduated from Calloway County High School and Murray State and completed her master's degree from Missouri State. She has already created a handbook for all Road Scholars teams to utilize as they travel to the various high schools. It was indicated that the teams not only visit the high schools but the students also visit the Murray State campus. Team members also attend an event at the high school so they can continue to build relationships. Dr. Tullos indicated she has never seen as many faculty and staff volunteers as she has for the Road Scholars Program at Murray State. Developing these relationships is what it takes to secure market share and is what all should strive to achieve. Consensus was reached that Board members can play a key role in this effort. Confirmation was provided that as the teams were developed an effort was made to place individuals in schools with which they already had some type of relationship. A letter has also been sent to every Superintendent, Principal and Guidance Counselor providing them with background information on the Road Scholars Program and letting them know someone from Murray State would be in contact soon. These teams also include alumni from the respective areas to help open doors. In many cases current Murray State students who recently graduated from a particular high school will accompany the teams on these visits because they still know students in the current senior class and this can also have a positive effect.

New Enrollment Strategies

The Racer Road Trips include faculty, staff, students and alumni going to various areas across Kentucky to meet with students and help get the message out about Murray State University. This strategy also relies heavily on the athletic coaches. On-site registration is offered and the program experienced some success although it was started late in the process. Racer Road Trips were offered in Paducah, Henderson, Madisonville, Greenville and Hopkinsville. Although some trips were more successful than others, the goal this year is to develop the visits earlier to begin in the Spring and flow over into Summer as a way to potentially eliminate some of the summer melt that occurs and either encourage students to choose Murray State or reinforce the choice they have already made to attend. These road trips are not unique to Murray State but the University needed to start undertaking this type of programming. Confirmation was provided that the University also plans to participate in summer send-off events and consideration is being given to placing "Racer Bound" signs in a student's yard if they have enrolled as these represent ways to maintain constant contact with students. It was also suggested that the University could actually go into the high schools and award admission letters and this would get the attention of other students as well.

The Road Scholars Program was discussed earlier but another important component is that the team members serve as a resource for that particular high school in terms of determining how the University can help the school reach its goals, plans and objectives. It also helps determine the type of training teachers may need in these schools. Many times the schools will identify an area where they would like assistance – such as with their newspaper or choir – and resources from the University in those areas have been taken to the schools. Teams have been formed for approximately 100 high schools in total in the westernmost 26 counties plus some of the surrounding counties. The expectation is for the Road Scholars to visit their school at least once per semester. Teams are also asked to coordinate a bus-in to bring a group of students to campus and the University pays for transportation. Team members are also asked to organize an information fair to meet not only with interested students but also their parents. Scholarship money has been allocated and each of the teams have two \$500 scholarships they can award to students. Team members work in coordination with the Guidance Counselors to identify students who would be good recipients for these scholarships.

Information on the RaiseMe Scholarship Program was provided in the eBoard book. The program gives high school students the ability to earn micro-scholarships and they can start doing this as early as the ninth grade. A value or dollar amount is connected to various activities such as academic achievement, extracurricular activities, leadership positions, community service and actually scheduling a visit to campus. The student is in essence building a scholarship portfolio so they have an idea of what scholarships they could potentially receive if they attend Murray State and also how that compares with other schools. To date, over 2,400 high school students have connected with the RaiseMe Scholarship Program which means they are entering their information to see what that means in terms of potential scholarships at Murray State. Confirmation was provided that a dollar amount has been assigned to each variable and this information is included on the website. Confirmation was provided that the program is currently set up for incoming freshmen students and not transfer students. A component is being introduced that could be utilized for transfer students from the community colleges but that has not been fully developed at this point. Confirmation was provided that if a student moves to Kentucky from another state late in their high school career they can go back and enter their information from their previous high school. In terms of the limit students can earn, Ms. Dudley confirmed there is a logarithm used when scholarship amounts are established. The logarithm is set up based on the type of students Murray State might attract and is geared toward the grid scholarship for academic achievement. A student would not receive any more than they would receive from an automatic academic scholarship. This simply represents a way to get these students involved with Murray State and help them earn funding, although they would not receive any more than their academic grid scholarship award. If a student would not qualify to receive a grid scholarship, they would receive whatever they earned in RaiseMe. These do not represent additional scholarship dollars but is a way for students to see what they would receive. There are 2,400 participants in RaiseMe and they have already started earning scholarship dollars but the program is still relatively new. Confirmation was provided that no awards have been made because these students are still in high school. If they come to Murray State, the University already has their record through RaiseMe and can determine what the student has earned through the program, compare that to the grid scholarship and make the most favorable award for a particular student. The logarithm is set so that students do not receive more funding than they would from the grid scholarship. There are very few cases where students would exceed the automatic award through the grid scholarship through the RaiseMe Program. In response to whether there is a correlation between students who are enrolled in the RaiseMe Scholarship Program and those who attend Murray State, Dr. Robertson reminded the Board this is the first year of this initiative for the University and data is not yet available.

A question was asked regarding the Common Application and Dr. Tullos reported this was established by private institutions and carries with it a rather high application fee. In some cases the cost can be triple what is currently charged by Murray State so there is some hesitation in this regard. She will review this opportunity because it provides a great deal of research but the decision has been made that now is not the right time to implement the Common Application. Confirmation was provided that this has become a topic of discussion at the Council on Postsecondary Education. It was confirmed that the land-grant universities – University of Kentucky (UK) and the University of Louisville (UofL) – the private institutions and possibly Northern Kentucky University are utilizing the Common Application. Dr. Arant reported that the CPE has sent out a survey to the academic officers at the various institutions regarding the

Common Application and consideration is being given to the feasibility of utilizing it at Murray State.

Confirmation was provided that the presentation to the Board tomorrow regarding enrollment will include initiatives related specifically to freshmen, transfer, graduate, extended campus and international students.

In response to what enrollment projections are for the next five years, Dr. Jackson reported that he believes headcount enrollment will be approximately 9,500 this year. For Fall 2019 the goal is to reach 10,000 students – the enrollment level in 2017. For Fall 2020 the goal is to reach 10,500 in headcount enrollment. The key is to reverse the current enrollment trend. Conversations have occurred among the administration in terms of what the right size is for Murray State and where it needs to be in terms of enrollment in future years. Based on the University's current infrastructure, faculty and other metrics it is believed the right size for Murray State is 10,500 to 10,950 and not 12,000 to 15,000 students. All will strive to reach this goal and also maintain it. Consensus was reached that it is beneficial for the Board to have specific baseline numbers as well as goals so it knows when the institution is performing well and meeting its targets. These specifics will be included in Phase II. Confirmation was provided that all understand what the University has been doing in terms of enrollment has not been working and new and different initiatives are being implemented.

Adjournment

The Board adjourned for lunch at 12:30 p.m.

Reconvene

Chair Guess reconvened the Annual Retreat at 1:15 p.m. and reported that the goal is for the Board to take a campus facilities walking tour at 3 p.m. At 4 p.m. at Waterfield Library a photo opportunity will be available with Secret Holt, the mother of Bailey Holt who is a victim of the Marshall County High School tragedy. The family has established a nursing scholarship at Murray State in Bailey's honor. Bailey wanted to attend Murray State and be in the nursing program and all who want to participate were encouraged to do so.

Dr. Arant and Dr. Robertson earlier asked for support from the Board for work that has been undertaken with regard to the Strategic Enrollment Plan so the *Commission* can move forward. Board consensus was reached that work should move forward as presented earlier today.

- **Investment in Enhanced Marketing Efforts for FY 2018-19**

Dr. Jackson reported information was included in the eBoard book regarding enrollment and recruitment and a major component of that effort includes the recommendation that the University make an investment in enhanced marketing efforts in order to more effectively tell the Murray State story. In 2016 approximately \$200,000 was allocated for enhanced marketing efforts and that has carried over to the current fiscal year. Dr. Jackson has met extensively over the last couple of weeks with Dr. King to discuss enhanced marketing efforts and the most effective and efficient ways to expend those monies for Fall 2018. The University is currently in prime recruiting season and how those funds are deployed is vitally important in the days and weeks ahead. February 1, 2019, is the closing date for scholarship applications and once the University has reached that point recruitment efforts are completed, although branding and imaging work will continue. Ms. Dudley was asked to identify one-time monies to be utilized for the specific purpose of enhancing marketing efforts which includes branding, imaging, recruitment advertising and utilizing all possible platforms available in the most efficient and effective manner. Funding has been identified to utilize the services of a specialized firm to help the University determine how much funding should be dedicated toward marketing efforts, how it should be utilized and in which areas. The University has reached the point where more must be done in the areas outlined to enhance recruiting and enrollment numbers.

Ms. Dudley was able to identify \$750,000 of one-time funds from a source established ten years ago – the Enterprise Resource Planning software changeover. This significant amount of funding remains in that account and can now be repurposed to be utilized for enhanced marketing efforts. A focus must be placed on the 18-county service region and the other targeted

areas discussed earlier today. The question has been asked whether this investment is necessary and Dr. Jackson stated what the University has been doing is not working and more must be done to tell Murray State's story, especially in places where it is not well known. Louisville represents one such area and although many feel the University is well known in that area it, in fact, is not. This is also true in areas such as Owensboro. Peers are doing much more in this area than Murray State and many examples of that have been provided to the Board. The recommendation is being made to try to make some strategic investments to advance academic programs and improve imaging and brand enhancement.

Dr. Jackson confirmed if the Board approves this request some of the initiatives may not occur until the next 12 – 15 months so it could fall into the next recruiting cycle. If the Board approves the University working with an outside marketing firm through a Request for Proposals (RFP) process, the question was asked whether the process would move along quickly enough to impact enrollment for Fall 2019. Dr. Jackson believes work can advance in this fashion although he agreed the University is on the tail end of the process. This work must begin soon in order to accomplish what is needed for next Fall and Fall 2020 and the key to this process is the September – February timeframe. Confirmation was provided that an RFP needs to be out for two to three weeks to ensure adequate responses are received but the administration is poised to proceed accordingly pending Board approval. A draft RFP would be sent within a week or so and the goal is to select a firm in September because the Personal Services Contract the Board is being asked to approve is significant enough that it will also require Legislative Research Commission approval. The LRC meets the second Tuesday of every month and contracts must be submitted by the end of the prior month. The contract would have to be presented to the LRC by the end of September to be considered on the second Tuesday of October and work cannot begin until approvals have been secured. An alternate timeframe would be to complete the RFP process by the end of October and secure LRC approval in December.

It was indicated that the estimate of \$150,000 to hire a firm to provide assistance with this work is conservative in terms of the maximum amount needed. The University must review its tagline and its story and how and where it is being told. Confirmation was provided that the remaining funding could be split over 2018-19 and 2019-20 but the percentage split could vary. The key is allocating these funds to effectively and efficiently promote Murray State University. Confirmation was provided that ideally the firm will be able to assist the University in terms of its message as well as where and how it is advertised related to platform method and in what markets to maximize the recruitment component of enrollment.

Confirmation was provided that the RFP process occurs prior to the Personal Services Contract being presented to the LRC for approval. The RFP will be done as soon as possible assuming Board approval of the recommendation tomorrow. Responses to the RFP will be evaluated and a firm will be chosen. The contract with the firm will be what is actually submitted to the LRC for approval on the second Tuesday in October (or November) and that is when the University can move forward with this work.

In response to why the Personal Services Contract is necessary and whether there are adequate staff already in place to undertake this work, in addition to whether any work undertaken can be sustained, Dr. Jackson responded that there is great staffing in this area but the University needs specialized expertise that will provide outside advice from a marketing professional. The University's peers are spending multiples of this amount but Murray State has not been dedicating resources for this purpose. The University is playing catch up – as evidenced in terms of enrollment over the last several years – and needs to enhance its story, branding and marketing. Having someone from the outside assist with this work represents a positive step. A determination must be made in terms of how much messaging goes on a social media site that is program specific and how much is related to overall image building from a recruitment standpoint because this messaging is going out to students as well as their families.

In terms of whether current funding for marketing for recruitment and enrollment is from the same source, Dr. Jackson reported that is not the case and it is a bifurcated process. Enrollment is mostly producing publication-type and direct mail pieces while other academic areas may be doing things related to their own specific academic areas. Dr. King handles more of the institutional marketing and communications work. Part of this process may be having a discussion about ensuring all areas work together to leverage marketing dollars. It was indicated there are different areas that are doing their own marketing and they do not always coordinate in

terms of messaging. Dr. King confirmed that her unit oversees the artwork for the regional campuses from a branding perspective but they do their own design and also handle all media buys. On occasion the regional campuses will ask for advice and recommendations. International Affairs also handles all of their media buys. The Office of Branding, Marketing and Communication has worked very closely with the graduate areas in regard to marketing and is beginning to work more closely with undergraduate marketing efforts to enhance brand awareness. Currently, athletics also handles their own marketing.

Confirmation was provided that the firm hired will be working under the direction of the President of the University first and foremost. The administration must help set the tone and message and bring all parties together in regard to messaging. There needs to be collaboration in regard to recruiting and efforts must ensure the University's message is consistent, clear and focused. In terms of whether it is traditional in other universities to have so many separate units doing their own marketing, Dr. Jackson reported that most institutions will have centralized, consistent messaging but are decentralized in terms of publications. Dr. Tullos indicated that she is an advocate for integrated marketing but having the separate units undertake this work is how this has been working at Murray State. Clearly all units need to pull together to ensure a consistent message. Dr. Jackson confirmed the plan is for this effort to result in coordination among the various entities related to branding and marketing. All must collaboratively work together with a single message and a single story for recruiting and other purposes. Everyone must be brought to the table and encouraged to have more collaboration because this has been an issue over the last few years. Confirmation was provided that the end game is enhanced enrollment and the great attributes of Murray State University should be communicated as academic programs are advanced and in overall marketing efforts.

In terms of what the firm will actually be expected to do for the University, Dr. Jackson indicated it could recommend the tagline the institution should be using – where and how much – as well as providing advice and counsel related to the mix associated with programmatic spending – platform and location – or how to do more in Murray State's backyard. The firm will also help determine how marketing efforts can be more collaborative. It was stated that one advantage of hiring an outside firm will be to provide the University with information on what works and what does not for future planning purposes. While results may not occur overnight, they will show whether a particular initiative needs to continue and, if so, if the University can continue the effort on its own. It is hoped that funding for successful initiatives will be included in future budgets so that one-time funding does not have to be identified to continue this work on an ongoing basis. In terms of funding for marketing, Murray State is on the lower end of the scale while other universities are investing in this area and that is what the University is competing against. Consensus was reached that whatever is done in this regard must be sustainable and there must be a long-term plan moving forward.

A request was made that a more defined outline be prepared in terms of where this money will actually be spent before the Board considers this issue tomorrow. Dr. Jackson indicated that the administration is not prepared to say exactly how the funds will be spent because the firm that is hired will help determine where resources are expended. An attempt will be made to prepare additional information for the Board tomorrow in terms of a general outline of how funding will be utilized to provide a better sense of what the firm will be expected to do. It was indicated that if enrollment continues to decline then student tuition and fees and parking costs will continue to increase because the University cannot maintain operations with the significant enrollment decline over the past four years. Dr. King added that the University has typically spent approximately \$200,000 for media buys although this figure has recently increased. It is known that when the University buys media it is speaking to the same audience as other peer institutions. She would never discourage the University from investing additional funding for marketing efforts but the details of how that is distributed will be at the discretion of Dr. Jackson and the Board. Chair Guess added that out of an overall budget of \$160 million only \$200,000 has been allocated for marketing the University and consideration needs to be given to this decision.

The statement was made that the University already has a Branding, Marketing and Communication unit and also a Vice President for University Advancement and the question was asked if this money should be given to those units to undertake the work needed instead of hiring an outside firm. Dr. Jackson stated he believes the University is at the point where it needs to look at where, how and how much needs to be done in terms of current marketing efforts. It has

been a tough four years and the University must look at what it is doing and where – including how much is being spent in certain areas – in order to reverse the enrollment decline. After the past four years the University must try something different and make investments in key areas. Consensus was reached that the majority of the Board is willing to make this investment but the question is whether it should invest internally instead of hiring an outside firm. Dr. Jackson confirmed that work can move forward without a consulting firm but all must be willing to work collaboratively.

Dr. King confirmed that her unit collaborates well with the Office of Recruitment and the graduate area in terms of publications but is less connected with the international office and the regional campuses. In the last few months Dr. Robertson has established a regular meeting between recruitment staff from all different areas and the marketing team. The enrollment management work which has been undertaken revealed disconnect not only between marketing and these enrollment areas but also between the actual enrollment areas. An example was provided where two different teams were at the same high school and neither knew they would be on that campus at the same time. If this information had been known, promotion for the event could have been coordinated. The involved groups have now been pulled together in an effort to work more collaboratively and there are opportunities in this regard.

Chair Guess indicated that all were reminded during the morning session of the role of the Board and the role of the President. The Board should decide whether the monies in question would be useful in this regard but let the President and the various units expend those funds in the most efficient and effective manner.

It was stated that if an external firm – through their expertise and advanced analytics – can make the University's marketing efforts 10 to 20 percent more effective they have basically paid for the cost of the contract. It was also stated that this represents one component of the overall effort which could have positive results. The Board will be asked to approve the retention of a firm for an amount up to \$150,000 to assist with marketing deployment across Kentucky and urban areas within the University's regional states. The remaining money is already appropriated in the budget and this would represent a reallocation or repurposing of that funding. Dr. Tullos added that she believes there needs to be rejuvenation at Murray State and new thoughts and ideas provided by an outside firm can have significant impact and would represent a great collaboration with the current marketing team.

Performance Funding Update, received

Ms. Dudley reported that materials related to performance funding were included in the eBoard book. The Performance Funding Concepts document provides information regarding the Performance Funding Model under which public universities in Kentucky compete for funding dollars. The model is based on weighted metrics and the research universities – UK and UofL – have a higher weight in every component but one in comparison to the comprehensive schools. This is important to remember because it significantly affects the level of funding for the comprehensives. In addition, each metric is a three-year rolling average and the return for performing well may not be realized at a given time because it is based on a three-year rolling average related to the metrics which are calculated each year. For the metric of course credit hours, for non-resident students the universities only receive one-half (50 percent) of a credit for these students and Murray State has a large proportion of non-resident students.

There are three primary metrics – Student Success (35 percent), Student Credit Hour Production (35 percent) and Operations Support (30 percent). Student Success includes the metrics of bachelor's degrees, bachelor's degrees for STEM-H, underrepresented minorities bachelor's degrees, low-income bachelor's degrees and progression from full-time and part-time undergraduate earned credit hours and each has a different weight. Progression relates to students as they progress through their degree program. There are metrics for 30, 60 and 90-hour progression. The University receives 3 percent for students with at least 30 hours but as they advance to 60 hours the institution receives 5 percent and 7 percent for 90 hours. Student Credit Hours Production is the most significant metric and refers to credit hours issued. This does not include dual credit courses (college credit for high school students). This means that the Murray State *Racer Academy* numbers in dual credit courses offered are not calculated into the metric numbers that provide the University's state funding. Confirmation was provided that the University receives credit if these students reach 30 hours while at Murray State. Operations

Support includes facilities square footage, direct instruction and student services costs and full-time equivalent enrollment. A metric weighting chart was presented and illustrates that the research universities in every case, except for instruction and student services costs, are weighted significantly higher than the comprehensive universities which are all weighted at 1.0. For every metric with a weighting, the research schools are receiving a proportional share that is higher than 1.0.

Information was provided on calculated adjusted net General Fund by sector and institution. It should be noted that there was a new pool of funding this year. For the biennial budget, the General Assembly appropriated \$31 million of new funding for the Performance Funding Model and this was proportionalized between the community colleges and the four-year institutions by share of appropriation. Of the \$31 million, \$24 million was allocated to the four-year schools to share and compete for and the community colleges had to share and compete for \$6.8 million. When Murray State competes for performance funding it does not compete with the community colleges because they have their own pool of money and compete against one another.

Information was provided for each of the universities and the metrics and how they compared in terms of growth greater than the sector average for a given metric. Information provided included the number of metrics where the schools exceeded the sector average and the number they did not exceed. Out of all the metrics Murray State exceeded on four and fell below on seven and information showing the associated impact was presented by Student Success Component between fiscal year 2017-18 and 2018-19. For the first metric of bachelor's degrees, Murray State increased 7.8 percent and was above the sector average of 3 percent but for fiscal year 2019 only had 7.4 percent of the market share. Other universities may have decreased with regard to this metric but because their market share was so much larger they actually received more performance funding money. This helps to further illustrate that the entire Performance Funding Model is based on market share. The University would receive more if its market share increases but it would have to go up enough to leap frog the larger universities and the overall market share they already have and this is true for every metric. In terms of STEM-H degrees, Murray State met the sector average with a 7.5 percent change with 9.7 percent of the market share but for UK and UofL, because their weights are so much heavier, they have a significantly larger percent of the market share. Confirmation was provided that the Performance Funding Model is very much stacked against smaller schools. It was stated that one regional university performed the poorest in terms of exceeding the metrics and only exceeded in one area and was behind in ten, while Murray State exceeded on four, but that other institution received more funding because their market share related to each of the metrics is larger.

The letter the University received from the CPE to State Budget Director John Chilton was also included in the eBoard book. The letter made the universities aware of their performance funding allocation for 2018-19 and Murray State received \$557,800 from the \$24 million pool. There is a hold harmless clause in the Performance Funding Model and smaller schools such as Kentucky State and Morehead State and any negative funding amounts were placed in a hold harmless pool and those schools were given zero dollars in terms of performance funding. It will be determined whether this hold harmless provision goes away and negative funding goes back to the overall performance funding pool for everyone to compete for and the decision regarding what happens with the hold harmless pool will be made when the model is reviewed by the university Presidents in three years. Kentucky State has over \$6 million in the hold harmless pool which represents a significant amount of their state appropriation. The reason they are receiving zero performance funding dollars is because they were in the negative in terms of the formula because of their size, not because of their performance. The same is true for Morehead State.

Confirmation was provided that the model was developed by the University Presidents who elected Dr. Ransdell from Western Kentucky University to speak on their behalf. He worked with Mr. Chilton and others at the CPE to develop the model. The CPE Board also had a workgroup that provided input into the model. The Presidents met frequently with the workgroup to review progress and all Presidents eventually signed off on the model that was presented to the Governor. Prior to the Performance Funding Model, state funds were distributed based on an institution's state appropriation proportionally which replaced the FTE model utilized in 2004-05. Ms. Dudley confirmed interest in the Performance Funding Model was generated by the CPE and legislators who wanted to ensure that funding was being allocated to schools based on their performance. Murray State did not shy away from the idea of being

funded based on performance during these discussions but the way the model is currently configured is very much based on market share. Regardless of how well the University performs it is impossible for it to leap frog an institution twice its size. Confirmation was provided that additional discussion in this regard must occur and there is a legislative hearing today for that purpose. The \$557,000 Murray State received is less than 2 percent of its prior state appropriation and there is a very real imbalance in terms of percentage of appropriation which is being allocated on performance – good or bad. When the hold harmless component of the Performance Funding Model is eliminated, a 1 percent stop-loss provision will come into play for 2020 and then moves to 2 percent. This means the universities could be writing checks back to the state and this is an extremely concerning component.

It was indicated that tomorrow the Board will discuss the legislative strategy to address this imbalance. Performance Funding is a misnomer and market share funding would be a more appropriate title. Jordan Smith, Director for Governmental and Institutional Relations will provide a full report on the meeting in Frankfort today and this will include discussion of efforts to reform the Performance Funding Model so that it more accurately reflects performance. It was suggested that the University needs to be having conversations with legislators about this imbalance to illustrate how this formula is unfair to schools of similar size to Murray State and that it needs to be modified. Confirmation was provided this is a strategy for the University moving forward.

Compensation Study Update, received

Joyce Gordon, Director of Human Resources reported that the University started a comprehensive salary review in coordination with an institutional strategic mission to review compensation for faculty, then exempt staff and followed by non-exempt staff. As a part of this effort Sibson Consulting was hired. Sibson also undertakes health and welfare consulting for the University. Sibson Consulting was on campus for two days and met with all stakeholders including those in academics to receive input and feedback from all constituents. The consultants also met with Faculty Senate and Staff Congress leadership, Deans, the Vice Presidents, the President and various other groups. This work was undertaken in order to accomplish the first goal Sibson Consulting agreed to provide assistance for and that was helping Murray State to develop a compensation philosophy. This structure must be in place before next steps can be determined. The compensation philosophy which was developed was also vetted through these same groups with the understanding that it could change as the process unfolds. In all categories individuals indicated they wanted pay for performance and competitive salaries and benefits also played a large role. The process with Sibson Consulting and the University has been very interactive in nature. The contract with Sibson cost \$145,000 and began in late Spring last year. Ms. Dudley confirmed the project was funded over a two-year budget cycle with \$80,000 being budgeted last year and the balance included in this year's budget.

Dr. Arant reported that a robust investigation and discussion occurred with Sibson Consulting with regard to faculty salaries. Work began by identifying peer and aspirant institutions to which Murray State compares its values. The original list had nearly 60 aspirational institutions which was eventually narrowed to 33 schools. The list was then vetted with the Deans for their input but also to better guide Sibson in terms of who Murray State considers as its competitors related to programs the institution offers or programs the University aspires to emulate. Data from those institutions was then compared to Murray State data based on CIP code. This code is provided by the United States Department of Education for disciplines and sub-disciplines. These CIP codes were then compared to like salaries at the other institutions with similar or identical CIP codes. Several faculty members had matching CIP codes which provided for a comparison of comparable values. For other faculty members the data comparison ended after two digits of a CIP code because they were unique and Breathitt Veterinary Center is one such example. Work continues to match CIP codes exactly so an accurate comparison can occur between current faculty salaries at Murray State and those that are considered national norms. At this point consideration must be given to total cost and magnitude related to the work which has been undertaken and how data is aged. The study undertaken was for a particular year and a determination must be made in terms of how to keep data current with cost of inflation and cost of living as work progresses.

Ms. Gordon confirmed when a project covers a long period of time the challenge becomes keeping data current for up to a three-year period. The comparison peer groups which were

utilized are not the same as the University's benchmark schools, although all 22 benchmarks were used in the study as well as the state regional universities. Work was reaching the closing point in terms of the faculty study but information was not available – and still is not available – in terms of the University's targets. The institutional decision was made to hold on the faculty study while proceeding with the studies for exempt and non-exempt staff. This would allow for a more accurate determination of the appropriate targets. Work with regard to the exempt staff study has been completed to a point and work has started with non-exempt staff salaries. The issue is what it will cost to begin implementing the results of these surveys and that will not be known until the three studies are completed. Conversation has been open and transparent with all associated groups so the campus is aware of the project and that work is still underway. None of the survey stages have been completed to the point where they can be rolled out. This represents one of the largest undertakings in Human Resources because the data is not being analyzed simply by title. An analysis of the function and duties of each position are being reviewed and this adds a level of complexity, particularly for exempt staff positions. When there is a change in employee status or after a budget year passes, Human Resources must update that information accordingly with Sibson Consulting. This has become quite a challenge although it is not believed to be unmanageable. A market analysis has been conducted with the faculty and that work is nearing completion for staff. This work is more challenging for exempt staff because there is less structure in that employment classification. What remains unknown is what the budget will be to accomplish any necessary compensation adjustments and work cannot conclude until this is known because there currently is not a budgeted pool for this purpose. The University must be completely transparent in terms of how to move forward for all employees on campus. Employees understand why this process was slowed down when budget issues arose but they remain interested in the project status. When a decision is made to move forward, Human Resources will meet with every department head and review each employee situation individually which is very labor intensive. Each employee would then be notified individually regarding their status. This represents an institution-wide project and process which has been underway since June 2017. Much work still remains but cannot be completed until targets have been determined dependent on the budget. Projects such as this are normally rolled out over a period of time – three to five years – because most organizations would need that amount of time to budget. Confirmation was provided that a deadline for this work cannot be completed until a budget determination is made.

Ms. Dudley reported that when Sibson sets market values for each position it will likely result in some positions being over market value while others will be under by varying degrees. A determination must be made of how changes are phased in, such as whether the first phase puts the University at 70 percent of the market, which would then need to be budgeted if possible. Ms. Gordon indicated that from a compensation standpoint in general, any organization must determine whether it wants to lead, meet or lag the market. Most higher education institutions lag the market to some degree. Once total cost is known that will determine the market share the University may be able to address. In terms of when the total cost will be known, Ms. Dudley reported it will depend on funding that can be allocated to the project and that will be a component of budget discussions this year. Confirmation was provided that this process will likely take another year. If the University does not have the resources to dedicate toward starting to reach a particular market share, it does not need to pay Sibson to develop a model to get to that market. The University does not want to pay Sibson Consulting to develop a model if it is not ready to implement that recommendation.

Dr. Jackson reported that the overall budget deficit for this year will be significant for the University due to decreased enrollment. The percentage of market to be targeted at some point in time must also be decided. A great deal of budget work must be undertaken between now and being able to make those decisions. What must also be factored in is that the University's position this Fall also remains unknown. Ms. Dudley confirmed that the third phase of the compensation study undertaken previously for non-exempt employees was not implemented due to the new studies being started by the University and Sibson Consulting. This will be factored in when the non-exempt study is undertaken.

It was stated that faculty and staff know this study is being undertaken but have heard nothing in terms of results or comparison data as to where the University falls with its comparison groups and they should know where their salaries stand in relation to the market now. Ms. Dudley indicated she understands the concern but institutionally it must be decided where the University wants to be based on the market. A directive regarding what employees should be paid cannot

be made without an institutional decision first being made in terms of where it chooses to be related to the market. If faculty and staff are provided with information in terms of where their salary should be the University must also be able to provide a plan to reach that point. Dr. Jackson confirmed that all agree faculty and staff salaries at Murray State University must be reviewed. This past year there was a zero percent change in compensation and it is known this is also unsustainable because it causes individuals to leave the University and it also makes it difficult to recruit new talent. The key point is how the University gets to the level needed once this component of the study is completed. No matter the outcome of the surveys, a determination also needs to be made in terms of how to reach that point financially.

Deferred Maintenance Update, received

Ms. Dudley reported that a Schedule of Deferred Maintenance Funding that has historically been included in the University's operating budget (recurring) was provided in the eBoard book. The information provided includes three categories: total building and building systems (including electrical, steam lines and other systems which run the University from a Physical Plant standpoint), parking lot maintenance and total technology systems. Production of this Schedule began in FY08 and continues through the current budget cycle to FY19. This provides a depiction of where the University was then and where it is now. In 2008, the operating budget included slightly over \$100,000 to maintain the University's buildings. Substantially more than \$100,000 in project work was accomplished by utilizing one-time money or Consolidated Educational and Renewal and Replacement (CERR) funds. From FY08 through FY14 the Board has consistently approved \$100,000 to \$150,000 of deferred maintenance funding. In FY15 that was increased to slightly below \$1 million and in June 2018 the Board approved funding of \$1.4 million for deferred maintenance. Funding for technology systems has ranged from \$200,000 in FY08 to close to \$400,000 this past year. The University has been able to manage its technology infrastructure fairly well and is preparing to make significant upgrades in this area.

Also included in the eBoard book was the Roof Replacement Schedule maintained by Facilities Management. All University buildings are listed on the Schedule and information includes the year installed, estimated life, warranty expiration and planned replacement date. The associated budget amounts for roof replacements scheduled for 2018 were also provided.

Included in the eBoard book was the CERR ten-year history and eight-year planning Schedule. This fund was created by the Board of Regents in the early 1980s for deferred maintenance purposes. Its funding comes from interest the University earns on funds invested with the state. Any tuition revenue generated by Murray State is sent to the state (on an approximate weekly basis) and the University earns interest on that funding. From 2008 to 2014 this has served as the deferred maintenance pool for roofs and all other projects. In 2015 the need to identify funding for major roof replacements became evident so this was designated as a roof replacement fund for this purpose. A plan for roof replacements through 2026 from the previous schedule were also indicated on the Schedule provided. It is believed this Schedule will serve the University well as long as it continues to receive interest earnings from the state. A Regent requested a report outlining deferred maintenance needs on an annual basis so the Board knows whether it is directing the resources of the University appropriately. It was suggested that the administration also be directed to provide a plan accordingly.

Ms. Dudley indicated a report on Deferred Maintenance Critical Needs was provided in the eBoard book but the listing is not intended to be comprehensive and is subject to change. This list includes critical deferred maintenance needs but also institutional priorities. One such example is Wrather Museum which appears on the list twice. A study was done several years ago related to Wrather for new seating, curtains and expanding restrooms for handicap accessibility which would make the building more user friendly. At the time, that project was estimated to cost \$1.5 million but a funding source has not yet been identified because any funding for this project was repurposed to address more immediate needs as they arose. Replacing the stage at Wrather Museum is also on the project listing in the amount of \$50,000. The stage was taken offline a few years ago because it was deemed to be unstable and unfit for use. Facilities Management has examined the stage which contains a substructure and that makes the project more complex. The floor needs to be removed so the substructure can be studied in more detail but that work cannot progress until funding is identified to make the repair and replace the flooring once the issue has been addressed. There is also cracking in the concrete beams under the stage in the basement and whether that is part of what is causing the

substructure under the stage to sag will not be known until engineers tear out and examine the structure.

Often with deferred maintenance the actual cost of repair greatly exceeds the estimate due to underlying structural issues. The list of critical needs provided to the Board total \$38 million and this does not include all deferred maintenance needs. The largest project on the critical needs list is the \$16 million electrical infrastructure need. This was discussed at the last Board meeting where it was indicated \$3.5 million had been identified to begin addressing the electrical infrastructure in phases. Of the \$1.4 million allocated for 2019, that funding has already been earmarked for specific projects as of this month. If issues occur for the remainder of the year the Board may be asked to approve utilizing reserves (one-time funds) to make the needed repairs. A determination may also need to be made to postpone a deferred maintenance project on the Schedule if unexpected emergencies arise. There are significant challenges related to funding for deferred maintenance projects because for a number of years the deferred maintenance funding pool was very low. Ms. Dudley indicated that approximately \$4 to \$5 million is spent annually to address deferred maintenance needs such as boilers, steam lines and electrical circuits. Some events are covered by insurance while others are not. The \$5 million spent annually sometimes comes from one-time vacancy credits as needs arise. Confirmation was provided that all units on campus participate in addressing deferred maintenance needs.

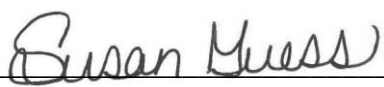
Ms. Dudley reported that last year the administration proposed to the Board undertaking some renovations in Blackburn Science Building to relocate the Institute for International Studies and the English-as-a-Second-Language Program from Woods Hall into the building. Woods Hall is in disrepair and needs to be razed but that cannot be done until all offices/units are moved out of the facility. One wing of Woods Hall contained art studios but work occurred over the Summer to move those into another facility. International programs are still in Woods Hall and the other wing is utilized for storage which must still be addressed. The restrooms in Blackburn Science Building are not currently in compliance with Americans with Disabilities Act requirements and there are not a sufficient number in the building (currently on every other floor) to accommodate additional individuals utilizing the facility throughout the day. Confirmation was provided that engineering and architectural firms help the University determine what codes must be met when undertaking major renovations. It was indicated that the design work has not been bid for Blackburn Science Building but an estimate has been provided for HVAC replacement, lighting needs and construction on the restrooms which includes plumbing work. Funding in the amount of \$3 million has been allocated for this specific project.

Final Thoughts/Other Business/Adjournment

The Board was reminded that they would embark on a facilities walking tour. In addition, a reception for the Board will begin at 5 p.m. this evening in the VIP Suite on the third floor of the CFSB Center. The Board will then meet at *Roy Stewart Stadium* for the first home football game of the season. The Quarterly Meeting tomorrow begins at 8:30 a.m. in the *Jesse Stuart Room* at Pogue Library.

There being no further business to come before the Board, the Board of Regents Annual Retreat adjourned at 3:08 p.m.


Secretary Jill Hunt


Chair Susan Guess

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