

**Minutes of the Quarterly Board of Regents Meeting and Committee Meetings
Murray State University
August 31, 2018**

Call to Order/Roll Call

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, August 31, 2018, in Quarterly and Committee Session in the *Jesse Stuart Room* in Pogue Library on the main campus of Murray State University. Chair Susan Guess called the meeting to order at 8:30 a.m. and welcomed those present. The roll was called and the following Board members were present: Eric Crigler, Katherine Farmer, Virginia Gray, Sharon Green, Susan Guess, Daniel Kemp, James T. Payne, Jerry Rhoads, Lisa Rudolph, Phil Schooley and Don Tharpe. Absent: none.

Others 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; David Durr, Interim President, Murray State Foundation; Robert Pervine, Associate Provost for Graduate Education and Research; Renae Duncan, Associate Provost for Undergraduate Education; Charlotte Tullos, Interim Chief Enrollment Officer; Velvet Milkman, Interim Director of Athletics; Robert Miller, General Counsel; Joyce Gordon, Director of Human Resources; Jordan Smith, Director of Governmental and Institutional Relations; Michelle Saxon, Internal Auditor; Cami Duffy, Executive Director for Institutional Diversity, Equity and Access (IDEA)/Title IX Coordinator; Renee Fister, Director of Institutional Effectiveness and Strategic Planning; Kevin Jones, Interim Director of Facilities Management and Associate Director of Facilities Operations; Jason Youngblood, Associate Director of Facilities Design and Construction; the Collegiate Deans and members of the faculty, staff, students, news media and visitors.

Roll Call

Secretary Jill Hunt

Swearing-in Ceremony – Virginia Bishop Gray and Phil Schooley

Judge Randy Hutchens

Election of Vice Chair and Secretary

Chair Susan Guess

Consent Agenda

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

- A. Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on June 8, 2018 and Minutes of the Special Meeting of the Board of Regents on August 7, 2018***
- B. Personnel Changes – Staff Leaves of Absence without Pay***
- C. Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)**

Public Participation

Chair Susan Guess

Board Development – Institute of Engineering (IOE)

**Provost Mark Arant
JCSET Dean Claire Fuller
IOE Chair Danny Claiborne**

Report of the Chair

Chair Susan Guess

Report of the President

President Bob Jackson

**Report of the Treasurer*
(Quarterly Financial and Investment Reports)**

Vice President Jackie Dudley

**Strategic Plan and New Student Profile Update
(For Information Only)**

**Dir. Instit. Effect. & Strategic
Planning Renee Fister**

Committee Reports/Recommendations

- A. Academic Excellence and Scholarly Activities** **Regent Katherine Farmer**
- 1) **New Degree Program – Bachelor of Arts in Global Language***
 - 2) **Eligibility Requirements for Admission to Dual Credit (*Racer Academy*) Courses***
 - 3) **Academic Affairs Overview (For Information Only)**
 - 4) **Academic Administrative Appointment Update (For Information Only)**
 - 5) **Academic Unit Title Change: FROM Regional Academic Outreach TO Center for Adult and Regional Education (CARE) (For Information Only)**

- B. Athletics (Ad Hoc)** **Regent Eric Crigler**
- 1) **National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification Consent and Affirmation of Athletics' Mission Statement***
 - 2) **Director of Athletics Search Update (For Information Only)**

- C. Audit and Compliance** **Regent Don Tharpe**
- 1) **Office of Internal Audit – Internal Audit Annual Report – Fiscal Year 2018 (For Information Only)**
 - 2) **Office of Internal Audit – Annual Audit Plan for Fiscal Year 2019***

- Buildings and Grounds** **Regents Sharon Green and Phil Schooley**
- 1) **JH Richmond Hall Project Update (For Information Only)**
 - 2) **Waterfield Library HVAC Repairs and Water Intrusion Repairs Program Statement***

- Enrollment Management and Student Success** **Regents Lisa Rudolph and J. T. Payne**
- 1) **Comprehensive Enrollment Update (For Information Only)**

- Finance** **Regent Daniel Kemp**
- 1) **Personal Services Contracts***
 - 2) **Projects Approved by Board of Regents Chair***
 - 3) **Designation of Funding for Enhanced Marketing Efforts for FY 2018-19***
 - 4) **Designation of Funding for Waterfield Library HVAC Repairs and Water Intrusion Repairs***

- Legislative and Economic Development** **Regent Jerry Rhoads**
- 1) **Legislative and Governmental Affairs Update (For Information Only)**

- Marketing and Community Engagement** **Regent Virginia Gray**

NOTE: Full Board action will follow Committee action.

- Personnel Changes** **Interim President Bob Jackson**
- A. **Contract of Employment – Head Baseball Coach***
 - B. **Salary Roster***

- Policy Changes*** **Chair Susan Guess**
- A. **Establishment of Ad Hoc Committee – Athletics***
 - B. ***Board of Regents Policy Manual – Section 1.1 – Bylaws* Revision – First Reading**

- Supplemental Materials** **Interim President Bob Jackson**
- A. **Quarterly Risk Management Report (For Information Only)**
 - B. **Quarterly Status Report – Campus Major Projects Update (For Information Only)**
 - C. **“Good News” Report – June 2018 (For Information Only)**
 - D. **Quarterly Branding, Marketing and Communication Report – April – June 2018 (For Information Only)**
 - E. **Sponsored Programs – Grants and Contracts Report (For Information Only)**
 - F. **Staff Regent Report (For Information Only)**

- Other Business** **Chair Susan Guess**

- Adjournment** **Chair Susan Guess**

(*Requires Board of Regents Action)

Swearing-In Ceremony

Chair Guess reported that in keeping with Section 164.321 of Kentucky Revised Statutes (KRS), Governor Matt Bevin, on July 27, 2018, appointed Virginia Bishop Gray of Hopkinsville, Kentucky, to replace Stephen Williams whose term had expired. Mrs. Gray's term will end June 30, 2024. In addition, in March 2018 the staff of Murray State University re-elected Philip R. Schooley to serve as Staff Regent. His fourth term will be July 1, 2018, through June 30, 2021. Calloway County District Court Judge Randall Hutchens administered the Oath of Office to Mrs. Gray and Mr. Schooley.

Chair Guess reported that Mrs. Gray is the Director of Government Relations for the Tennessee Valley Authority (TVA) and has a Bachelor of Arts degree in Public Relations from Western Kentucky University. She has influenced the creation of the Kentucky Caucus of TVA Legislators, assisted to pass bills lifting the moratorium on nuclear energy in Kentucky and the distribution of more TVA tax monies going back to TVA counties for economic development. Previously a former state lobbyist, she represented a broad array of interests – including healthcare, mental health, justice reform, corrections and transportation. Mrs. Gray serves on the Board of the Tennessee Valley Corridor, is a representing member for the First Congressional District of Kentucky and is also Chair of the Trilogy Foundation, a non-profit organization assisting residents at the Trilogy Center for Women, a Recovery Kentucky program. As a signature fundraising event for the Foundation, she created the Commissioner's Golf Classic and Farm-to-Table Dinner, partnering with the Kentucky agriculture and tourism cabinets, highlighting Kentucky Proud products and venues. Virginia and her husband, Robert, who is a Murray State alum, live in Hopkinsville with their three children.

Mr. Schooley is the senior member of the Board of Regents and appreciation was expressed for his service. Mr. Schooley is the Telecommunications Systems Management (TSM) On-line Advisor for Murray State University and has served as Staff Regent since July 2009. He has a Bachelor of Science degree in education with an industrial arts major from Murray State University and a Master of Arts in teaching degree from Southeast Missouri State University. He was also a secondary school educator for 33 years before coming to Murray State in 2001. All know and love his wife Virginia and they have a son and two grandsons.

Election of Vice Chair and Secretary

Chair Guess stated that in accordance with the *Bylaws* of the Board of Regents, all officers are elected annually at the Spring Quarterly Meeting and shall serve for one year, commencing July 1 following their election. This was accomplished at the June 8, 2018, Quarterly Meeting through a separate election conducted for each of the officers: Chair, Vice Chair and Secretary. As per Kentucky Revised Statute 164.430, an election for Vice Chair and Secretary shall be held at the organizational meeting required within 30 days of the appointment of a new member.

The procedural guidelines state that the Chair will declare nominations are in order and each member of the Board will be recognized for the purpose of making a nomination. Recognition of members shall be in the same order as roll call (alphabetical) and nominations require no second. Any member nominated for any office may withdraw his/her name from consideration. However, a member nominated will not be recognized for that purpose until all members have had an opportunity to make nominations. If, after each member has had a roll call opportunity to make a nomination, and only one name has been placed in nomination for that particular office, the Chair shall declare the person elected by unanimous consent. If more than one name is placed in nomination for any particular office a vote shall be taken. Names shall be voted upon in the same manner in which the nomination occurred. The nominee first receiving an absolute majority shall be declared elected.

Chair Guess declared that nominations are in order for Vice Chair of the Board of Regents and asked the Secretary to call the roll. Mr. Crigler and Mrs. Gray nominated Lisa Rudolph. All other members passed. Chair Guess indicated that there being only one nomination for Vice Chair Lisa Rudolph is unanimously elected, according to the *Bylaws* of the Murray State University Board of Regents.

Chair Guess declared that nominations are in order for Secretary of the Board of Regents and asked the Secretary to call the roll. Mr. Crigler passed. Ms. Farmer and Mrs. Gray nominated

Jill Hunt. All other members passed. Chair Guess indicated there being only one nomination for Secretary, Jill Hunt is unanimously elected, according to the *Bylaws* of the Murray State University Board of Regents.

Consent Agenda Items, approved/accepted

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

- Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on June 8, 2018, and Minutes of the Special Meeting of the Board of Regents on August 7, 2018*
- Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)
- Personnel Changes – Staff Leaves of Absence without Pay (processed as of August 1, 2018, for the time period indicated)*

Murray State University offers a variety of excused staff leaves without pay such as family medical leave, military leave, educational leave, a personal leave or a general leave of absence. Conditions and requirements of the specific types of leaves are defined in the Board-approved *Personnel Policies and Procedures Manual*. Board approval of Staff Leaves of Absence without Pay is requested for the following individuals:

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Rebecca Billington	University Libraries	05/07/2018-05/08/2018
Misty Campbell	Adolescent Career and Special Ed	05/18/2018-07/02/2018
		07/03/2018-08/28/2018
Anna Clayton	Facilities Management	03/28/2018-03/30/2018
Patricia DePriest	KATE Appropriation	06/29/2018-12/14/2018
Christopher Evans	Facilities Management	04/05/2018-04/18/2018
		04/24/2018-06/18/2018
Andrew Farris	Facilities Management	04/19/2018-04/20/2018
		04/30/2018-05/01/2018
		05/31/2018-06/02/2018
		06/11/2018-06/13/2018
		06/18/2018-06/19/2018
		06/26/2018-06/28/2018
Matthew Farris	Facilities Management	05/11/2018-05/12/2018
		06/29/2018-06/30/2018
Teresa Feldhaus	Office of Recruitment	05/08/2018
		06/06/2018-07/06/2018*
Landon Kornbacher	Facilities Management	04/20/2018-04/21/2018
Randall Lamb	Curriss Center Administration	04/24/2018-04/28/2018
		06/07/2018-08/01/2018
Eva Lewis	Facilities Management	04/02/2018-04/05/2018
Willem Mathis	Information Systems	04/12/2018
Carrie McGinnis	Alumni Affairs	07/16/2018-07/20/2018
Lori Rogers	Honors College	04/18/2018-04/27/2018
Ronnie Schroader	Facilities Management	06/07/2018-09/05/2018
Amy Seavers	University Libraries	03/27/2018-03/28/2018
Oscar Thomason	Dining Services and Racer Hospitality	03/31/2018-05/11/2018
Shane Thompson	Facilities Management	03/27/2018-04/02/2018
Keith Weber	Information Systems	05/02/2018-05/04/2018
		06/15/2018-06/22/2018

*Intermittent Leave

No Regents asked to remove any items from the Consent Agenda.

Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, approve the items on the Consent Agenda as submitted. Mrs. Rudolph seconded and the motion carried unanimously.

Public Participation

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

Board Development – Institute of Engineering

Dr. Arant reported that all associated with the Institute of Engineering are dedicated to supporting workforce development in STEM (Science, Technology, Engineering and Mathematics) areas to provide the Commonwealth with greater access to engineers and engineering technology. Interim Dean Claire Fuller, *Jones College of Science, Engineering and Technology* and Dr. Danny Claiborne, Chair of the Institute of Engineering were introduced and reported the following:

- Dr. Claiborne has worked at Murray State for 33 years and for 20 years has served as Chair of the initial Department of Industrial and Engineering Technology which merged with Engineering Physics in 2014. Throughout his tenure as Chair he has increased the visibility and productivity of this area.
- The Institute of Engineering is housed in two campus buildings and occupies 75 percent of the Engineering and Physics Building and 75 percent of the Martha Layne Collins Center for Industry and Technology. The Board was invited to visit both facilities.
- Four programs within the Institute of Engineering compete in national competitions each year and photographs were shown of the laboratory areas where students prepare for those events. The Baha Buggy that is constructed each year can now be built inside the facility which was not the case when the program was located in Blackburn Science Building. There is also a total fluids lab the University did not previously have and an aerospace engineering track which was added to the program a few years ago. Automation and robotics are available in the new facility which helps support local, regional and national industry.
- The Electromechanical Engineering Technology Program competed this past year in California and won first place in the National Fluid Power Association competition and this has been accomplished twice within the last ten years. Competitors included the University of Indiana, Purdue University and others.
- The Institute of Engineering houses the Engineering Physics degree and within that program there are mechanical, electrical, aerospace and advanced physics tracks. This program has been accredited by the Engineering Accreditation Commission (EAC)-ABET for almost 25 years.
- There are six programs in Engineering Technology, Civil Construction, Architecture, Environmental, Electromechanical and Manufacturing Engineering Technology. There is also a program in Engineering Graphics and Design, the state-designated program in Telecommunications Systems Management and the graduate program in Applied Engineering and Technology Management.
- Undergraduate enrollment in the Institute of Engineering has averaged 2,013 students, representing a significant increase over the past few years although enrollment has been relatively flat over the last couple of years due to the undergraduate degree in Civil Engineering Technology which typically had a large percentage of international students.
- Graduate schools visit campus for the purpose of recruiting undergraduate students and recently Auburn University indicated it is rare for an undergraduate institution to have the facilities available at Murray State. Approximately \$5 million in equipment was donated to the facility making it one of the best in the entire Southeast.
- The goal of the Institute of Engineering is to provide a one-stop shop not only for students but also for industry. Engineering students are career counseled to determine their academic abilities and personalities. Students will be placed in their initial area of engineering interest but over the next couple of years the best fit for these students will be determined. National statistics show that at least one-half of students who begin an engineering program change majors. Last year 20 students changed majors within the first couple of months but 95 percent moved into another program within the Institute of Engineering and this was the desired goal. Also, when companies approach the University for potential employees or interns, a determination is made in terms of the skill set that organization is seeking and the appropriate major is identified accordingly. This model appears to be working due to the remarkable flexibility of the Institute of Engineering model.
- Murray State is the only institution in Kentucky that has both Engineering and Engineering Technology within the same department – or at all. Other universities in Kentucky have started to replicate the University's model.
- The growth in the Engineering Physics Program has been somewhat overwhelming in that its size has almost doubled over the past five years. The University previously taught one-half of this program in Paducah as part of the University of Kentucky (UK) Engineering Program but now no longer participates in that initiative. This will allow for further program growth on the Murray State campus.
- Year three and four for the Manufacturing Engineering Technology degree are now offered online to help support industry. Students graduating from the community colleges with an associate degree can now complete the remaining two years of their degree program online. Enrollment has increased from six students to almost 40 within 12 months and it is anticipated that number will double in another year – which will require substantial changes in terms of resources. Students from five different states have expressed interest in the program. The majority of students enrolled in this program are industry personnel who desire to complete their four-year degree.
- The number of graduate internship opportunities are also significant in this area but the demand for these students is also high and sometimes the University does not have an adequate number of students to meet need. It is a goal to continue to grow these programs so that industries can be

supplied with the workforce needed. If the program does not continue to grow companies will not continue to seek out these Murray State students.

- The Institute of Engineering is in the final phases of developing the Civil and Sustainability Engineering Program proposal which will be provided to the state. Appreciation was expressed to Dr. Pervine for his assistance in this regard. The pre-proposal for the program has been approved and the full and final proposal will be submitted soon. All are optimistic the program will be approved and it will be the first time in Kentucky history that an engineering program will be approved for a university outside of UK or the University of Louisville. Once the Civil and Sustainability Engineering Program is available, the Civil Engineering Technology Program will be closed. This plan for the future is evidenced in the controlled drop in enrollment for the Civil Engineering Program. The proposal for the Civil and Sustainability Engineering Program will soon be presented to the Board for approval.
- There has been a controlled drop in graduate program enrollment over the last few years to allow graduate programs to be moved to an on-campus and online format because growth could not be sustained as it is currently structured. If the graduate program grows back to where it was a couple of years ago, there will be over 650 students enrolled through the Institute of Engineering.
- The plan for the future is to add Computer Engineering and Industrial Engineering to the engineering offerings available at Murray State. The TSM program will also be reformatted and a track will be developed with an emphasis on Cybersecurity.
- Information was presented on local, regional and national companies that play an important role in the success of the Murray State Institute of Engineering, both in terms of providing funding and hiring interns. After approximately six years of building a strong relationship and Murray State faculty and staff making visits to Germany, Iwis Engine Systems shipped a Chevrolet Volt electric vehicle from Munich to Murray and presented it to the University. These relationships are important not only for the Institute of Engineering but also for the city of Murray and Murray State University.

Regent Rhoads commended Dr. Jackson for his work over the years in helping to secure capital projects funding for the facility where the Institute of Engineering is housed.

Report of the Chair, received

On behalf of the entire Board, Chair Guess welcomed Dr. Jackson as Interim President of Murray State University. The Board offers its full support to Dr. Jackson and to the entire campus community. Change brings great opportunity to energize the campus community and this is evidenced daily. It is believed that this new energy will move the University forward in positive ways.

Chair Guess also stated that this Board is united and members are very active all across campus and this will lead to robust discussions – which is appropriate for this Board. The Board is also not going to sit around the table for every Board meeting but has instead committed to being out on campus to see first-hand facilities and grounds as well as to interact with students.

Discussions have also occurred related to a Board project for the year. The Regents have been encouraged by the Road Scholars Program and the fact that 160 faculty and staff have volunteered to participate. For this reason, the Board has decided it wants to be part of the program. If Regents have not already done so, they were encouraged to join a Road Scholars team.

The Board believes the best days are ahead for Murray State and has every confidence that one year from now the University will have a great deal to celebrate.

Report of the President, received

Dr. Jackson congratulated the newest Regents – J. T. Payne, Virginia Gray and Eric Crigler – and expressed appreciation for their service on behalf of Murray State University.

Dr. David Durr, Interim President of the Murray State Foundation was introduced. Dr. Durr also serves as a Professor of Economics and Finance in the *Bauernfeind College of Business* and is the *Bauernfeind Endowed Chair*. Appreciation was expressed to Dr. Durr for his service.

Dr. Jackson reported that during the Retreat yesterday vibrant discussion occurred on a number of important topics for the University, including enrollment, budgets and deferred maintenance. The Board also toured campus facilities to see deferred maintenance items directly. The University currently has a laser focus on enrollment because this issue must be addressed. This

work begins with the Board providing direction and ensuring all are on the same page. It will be a busy and difficult year but everyone at the University is committed to this work.

Dr. Jackson reported he is personally very proud of the Road Scholars Program. The first day the program was launched over 100 faculty, staff, Deans, Chairs and administrators were there to help on a voluntary basis in an effort to target 100 high schools and that says a great deal about this University. The number of volunteers has now increased to 165 individuals and this will make a difference. Appreciation was expressed to the team that worked to reinvigorate the Road Scholars Program.

In the next several weeks *Regional Campus Advisory Councils* will be announced at each of the regional campus sites – Paducah, Madisonville, Henderson and Hopkinsville (includes Ft. Campbell). Stakeholders will be engaged in more detail than in the past and this includes economic development officials, Superintendents, high school administrators, elected officials, etc. This will help ensure the University is enhancing programs and is offering programs needed in those communities. Key stakeholders in these communities are vital to the University’s success related to recruitment and all look forward to advancing the *Regional Campus Advisory Council* initiative moving forward. Confirmation was provided that plans will also be forthcoming related to Ft. Campbell and the military component of recruitment and enrollment.

A great deal of discussion occurred at the Retreat with regard to enhanced marketing efforts related to recruiting and imaging work to ensure what is being undertaken is appropriate in the University’s 18-county service region and in larger markets. It must be assured that the University’s story is being told in the appropriate way and through the appropriate means. Target enrollment for next Fall is 10,000 students and 10,500 the year following. The University must have goals and work toward those objectives.

Report of the Treasurer (Quarterly Financial and Investment Reports), accepted

Ms. Dudley reported that an Executive Summary related to the quarterly unaudited Financial and Investment Reports was included in the eBoard book and highlighted the following:

- The University ended the year with the Education and General (E&G) operating fund being approximately \$1 million better than anticipated (due to tuition and fees). It has been previously reported to the Board that the estimated shortfall relative to tuition and fees would be \$7.2 million. Due to Summer I (2018) net revenues materializing at \$700,000 over budget and the management of discounts, net tuition and fees fell short of budget projections by approximately \$6.2 million. The tuition and fee numbers presented for fiscal year 2018 are final and work is underway to determine the impact for fiscal year 2019.
- For fiscal year 2018, the University was required to begin disclosing post-employment benefits for the retirement systems. Approximately four years ago the University was required to begin recording its share of the pension liability for the retirement systems. This year the University was asked to begin disclosing its share of the life and health liabilities for the retirement systems and this represented a substantial change for the institution. All were aware the requirement was forthcoming but the associated amount was unknown until the retirement system audits were received. Information was presented in the eBoard book comparing fiscal year 2017 and 2018 figures. Information on the retirement expenditures was presented and for fiscal year 2017 the University expended \$22 million for year-end pension expenditures. This is in addition to the University’s payroll contributions to the pension systems. Every time a payroll is run the University contributes its required contribution rate to the state and must record this amount on its financial statements (as the institution’s proportional share of the added expenditures). For fiscal year 2018 those expenditures reversed to a negative expenditure of \$8.6 million. This is starting to reverse the trend for the Teacher’s Retirement System (TRS), not the Kentucky Employee Retirement System (KERS) and is lowering the University’s proportional share of that liability and this impacted the financial statements greatly. It did not impact cash flow but affected net position. These expenditures are not funds the University writes a check for but are liabilities it is required to disclose. It was reported that E&G ended the year \$1.5 million to the good, but because of this credit expenditure the University actually ended the year almost \$10 million ahead. This means the liability that is currently standing at \$269 million is starting to decrease. Last year-end the University’s pension liability was \$312 million which represented the institution’s share of the pension liability. This year, with the Net Other Postemployment Benefit (OPEB) adjustment, the University’s liability decreased to \$269 million, representing a significant change. With the OPEB the University was required to expense almost \$2 million this year – fiscal year 2018 – for post-employment pension benefits. The University also had to make a prior-period adjustment in its liability of \$38 million. The pension liability had to be increased by \$38 million for Murray State’s share of life and health insurance from the pension system. That liability was reversed by \$82 million because of the performance of the

Teacher's Retirement System, leaving a net change in liabilities of \$44 million. The figures presented have been confirmed by the auditors but the importance and significance of the liability decreases are critical when the University is rated by the market to sell bonds in future years. A decrease in liabilities of \$44 million is not important to the University's every day budgeting but it is significant when the institution's balance sheet is compared to others and when the institution goes to the market and is rated by rating agencies. In response to whether this means the University will not have to make an extra payment to KTRS that was anticipated for this budget year, Ms. Dudley reported there are two retirement systems – TRS and KERS. The system that operates KERS did have a significant increase in liability but the turn was with the Teacher's Retirement System due to earnings, not additional contributions. The answer to whether an additional payment will be required is not yet known because the legislation is still in the courts and it is understood there is to be some ruling by the Kentucky Supreme Court shortly after November elections to determine whether prior legislative action will remain. There is a proposal within that legislation which would increase the rate significantly but the final outcome remains unknown. Confirmation was provided that investment performance and contributions will begin to have an impact one way or the other. It is difficult to predict during the year because the numbers in the University's audits are based on the prior-year audits of the pension systems and these financial statement reporting numbers were just released this month.

- An overview was provided in terms of how the University arrived at a \$1.5 million increase in E&G net position (before pension/OPEB). These represent one-time funds which resulted from good management by all University units, vacancy credits and delaying expenditures. Close to \$1 million was due to scrubbing some plant projects that have just been completed so those funds could be repurposed in an effort to breakeven this year.
- The other significant impact on the financial statements for fiscal year 2018 was that the historic value of JH Richmond residence hall had to be written down and recognized. The JH Richmond incident occurred as the year was closing and did not impact the financial statements for fiscal year 2017. The historic value amount was unknown at that time so it could not be recorded. Information was provided in the eBoard book on the estimated restoration cost for JH Richmond versus the replacement cost and what is considered to be the impaired value for the facility. The impaired value of \$9.5 million for JH Richmond was removed from the University's balance sheet. As that building is restored, construction in progress will be added and the University will be capitalizing those new expenditures. This year there was a significant write down to remove what was calculated to be the value of the building that went off-line. Also recorded was \$13.5 million in insurance proceeds that the University has not yet received, but expects to receive. This was recorded as a receivable and is a required disclosure. As the design process for JH Richmond was undertaken it was estimated the University would receive approximately \$12.5 million in insurance proceeds. The University received \$1 million upfront for remediation to advance the facility to where it is today. Confirmation was provided that if additional work is required from what is anticipated there will be more insurance monies received and the \$12.5 million represents an estimate for restoration of the facility to its original state. The cost for the restoration could also be less than the \$12.5 million estimated. Once the restoration project begins the University will need to adhere to careful accounting standards for those expenses which are reimbursable through insurance and those for which the University is making an investment.

Mr. Kemp complimented Ms. Dudley, her staff and the entire University for doing a good job of managing its way through what could have been a financial crisis. When tuition decreases by \$6.2 million and there is also a cut to the University's state appropriation that puts the institution in a difficult situation. Appreciation was expressed to all for their efforts. Confirmation was provided that the various units sacrificed this year which resulted in the balance presented.

Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period of July 1, 2017, through June 30, 2018, as presented. Mr. Payne seconded and the motion carried unanimously.

(See Attachment #1)

Strategic Plan and New Student Profile Update (For Information Only), received

Dr. Fister reported that the revised University Strategic Plan – Achievement, Endeavor and Hope: The Murray State Plan – was approved by the Board of Regents on June 8, 2018, and work is moving forward to implement the decisions made at that time. A timeline for this work with the Initiative Chairs was presented related to how information will be provided and included an update at the December Quarterly Meeting. The official enrollment census date for Murray State is October 25. That information will then need to be validated before it can be submitted for inclusion in the eBoard book materials for the December meeting.

A dashboard for Murray State strategic priorities was included in the eBoard book. Key highlights included the metric for Student Success where it has been determined by the University and the Board that by 2021 and 2022 there will be 1,600 first-time, full-time freshmen; 700 first-time transfer students; 500 international students (unduplicated headcount); 450 first-time graduate students; 8,600 undergraduates and 1,700 graduate students. This will help the University reach the 10,300 to 10,500 enrollment goal. Later today the Board will receive the Daily Enrollment Report which shows current enrollment.

It was reported that the dashboard is tied directly to the Strategic Plan which is focused on enrollment because each measure included has a direct impact on enrollment. A request was made for a report to be prepared that is presented in smaller increments to assist the Board in understanding the dynamics behind the Strategic Plan. A snapshot of how the University is moving forward to meet the goals contained within the Strategic Plan in the format of smaller bullet points highlighting key metrics would be helpful. As an example, outlining where the University currently stands in terms of reaching its goal of 1,600 first-time, full-time freshmen. Dr. Fister indicated that a spreadsheet was provided in a previous eBoard book which contained each of the Strategic Plan measures and where the University is trying to go related to each metric. She will work with the Interim Chief Enrollment Officer and the *President's Commission on Strategic Enrollment Management* to provide the information in the format requested. Agreement was reached that the Board will make decisions related to how resources are allocated and those decisions should relate back directly to the Strategic Plan.

It was reported that multiple units across campus submitted requests for Strategic Plan funding but only two projects were strategically funded in an effort to increase enrollment. The first was an e-Textbook Campaign in the College of Humanities and Fine Arts (CHFA), in collaboration with the University Libraries (\$6,000). The goal was to increase enrollment in the Master of Public Administration (MPA) Program with the implementation of the online program, in conjunction with the use of Library resources and no-fee e-textbooks. As of July 26, 2018, 18 e-books have been identified and purchased for five MPA courses. Currently the MPA Program has approximately 60 students and the plan is to increase enrollment for this year by 10 percent. Updated numbers will be provided at the December meeting. Dean of University Libraries Ashley Ireland reported that it is early in the semester but funding spent on the University's purchase of textbooks for the MPA Program has saved a handful of students approximately \$100 each – even at this early juncture – and the investment will continue to give back to the University. CHFA Dean David Balthrop confirmed that the Branding, Marketing and Communication team helped get the word out about this initiative and enrollment in the MPA Program is 59 students but is trending up and is expected to be even larger in the Spring Semester.

The second project funded involved the Institute of Engineering and Branding, Marketing and Communication (\$10,000). Enhanced marketing efforts have been initiated related to the innovative space, equipment and hands-on learning capabilities in the Institute of Engineering in key geographical areas through billboards, social media, print and digital platforms. It is projected that these efforts will result in 40 additional students but it is too early to estimate progress in this regard.

Brett Shather, Coordinator of Assessment and Data Analyst in the Office of Institutional Effectiveness, reported that the New Student Freshman Profile has previously been based on admissions data with a combination of self-report responses and a survey that is distributed when students signed up for Summer Orientation. Unfortunately, this produced a profile which included students who did not actually attend Murray State. The decision to utilize registration data based off of the first day of classes provides a more accurate representation and a better profile of freshman students attending Murray State. The focus of the New Student Freshman Profile has traditionally been on how prepared students feel they are for college and what they expect to do while in college. Metrics are now in place to tie this work directly to the Strategic Plan and Council on Postsecondary Education (CPE) performance funding metrics. Moving forward, work will focus on these aspects to provide more predictive ability in terms of how to account for the entering freshman class.

In regard to performance funding metrics, two were presented. The first – incoming baccalaureate degree-seeking students – revealed that 53.7 percent are STEM+H majors. This is important because the STEM+H component of the Student Success indicators in performance

funding is 5 percent of the University's state appropriation. The second – underrepresented minority (URM) freshmen – has increased from 10 percent to 11.9 percent which is a testament to what the University is doing in this regard. URM bachelor's degrees related to performance funding represents a 3 percent share of the overall 35 percent component for Student Success.

The Board previously requested additional information on dual credit opportunities for high school students. It is beneficial to provide dual credit opportunities for high school students but of the undergraduate bachelor's degree-seeking students, 504 incoming freshmen were in *Racer Academy* or dual credit courses. Of the students taking *Racer Academy* courses, 30 percent actually transitioned to Murray State. The average number of credit hours that a student received was 19.26 (with a standard deviation of 12.1). These students earned 9,708 credit hours but the University was only able to charge \$56 per credit hour (one-third of the credit hour cost at the community colleges) and budgetarily this has a significant impact. If students are entering the University with an average of 19 credit hours that means they are coming in after the first semester of their freshman year and this affects advising and academics. Regent Payne reported that he was a *Racer Academy* student during his junior and senior years in high school which played a significant role in why he is even a student at Murray State and there are many other students who share his experience.

Clarification was provided that freshmen transfers are those students entering Murray State with less than 30 credit hours. It was reported that this year 962 students have *Racer Academy* courses and last year this number was 880. The administration must take into consideration when dedicating resources to the *Racer Academy* that 70 percent of these students are attending college elsewhere. Clarification was provided that 40 percent of the entering freshman class (baccalaureate degree-seeking students) had dual credit through Murray State's *Racer Academy* and pre-baccalaureate students are not included in this mix. The University's admission criteria has tiers and these students are in Tiers I, II and III.

There were 401 respondents to the student survey and 55.9 percent indicated they were moderately prepared for college academics. Undergraduate research and undergraduate creative activity are comprehensive components within the University's Strategic Plan. Students in these areas responded they would be moderately likely (67.6 percent) or slightly likely (70.4 percent) to participate in undergraduate creative activity or undergraduate research. These students also rated Murray State offering internships, externships or co-ops as being extremely important and this should be considered moving forward. Reasons incoming freshmen self-reported choosing Murray State included that the University offered the degree they wanted (73.1 percent), campus size (66.1 percent) and the climate of academic excellence (56.4 percent). It was also noted that 51.4 percent of students chose Murray State because they felt like they belonged. Of the students surveyed, 95 percent indicated they expected to graduate from Murray State and for 76.3 percent of those students, Murray State was their first choice.

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

Policy Changes, approved

Establishment of Ad Hoc Committee – Athletics

Mr. Rhoads moved that the Board of Regents, upon the recommendation of the Chair of the Board, endorse the establishment of an Ad Hoc Committee of the Board of Regents – Athletics Committee – with the following purpose: Oversight responsibilities for the strategies and initiatives for athletics and the athletics Mission, for the fiscal integrity of the program and for ensuring compliance with University policies and procedures as well as with National Collegiate Athletic Association and Ohio Valley Conference requirements. It is the intent that the Ad Hoc Committee will become a standing Committee of the Board of Regents at the next regularly-scheduled Board meeting, following this, the first reading of the *Bylaws*. Mrs. Rudolph seconded and the motion carried unanimously. This represents the first reading to change the Board of Regents *Bylaws*.

Committee Reports/Recommendations

Academic Excellence and Scholarly Activities Committee

Katherine Farmer – Chair
Virginia Gray
Lisa Rudolph

Ms. Farmer called the Academic Excellence and Scholarly Activities Committee to order at 9:55 a.m. and reported all other members were present.

New Degree Program – Bachelor of Arts in Global Languages, approved

Dr. Arant reported that a recommendation is being made for the Board to approve a new degree program – the Bachelor of Arts in Global Languages. The goal is to provide students with language, communication proficiency and the cultural nuances in each of the target languages. Students in the program will gain communication competencies in the target languages in areas such as presentation skills, conflict resolution, negotiation, persuasion, sales, teamwork and collaborative decision-making. The proposal includes language, teaching certification and translation/interpretation tracks at the undergraduate level. In this program a combination of language, literature and elective courses will be taught in the target language with opportunities to expand student communication skills toward fluency through study abroad. It is important for students to have these workforce skills to interact with different cultures. The greatest asset of this program is its versatility. In terms of whether this new degree program will help grow enrollment, Dr. Arant reported it will not only help grow enrollment but will also sustain enrollment from traditional language programs. Students may enter a pure language degree program and then realize that is not what they are really interested in pursuing. These students could decide to transfer into the Bachelor of Arts in Global Languages Program, making it as much of a retention degree as it is a recruitment degree.

On behalf of the Academic Excellence and Scholarly Activities Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the New Degree Program – Bachelor of Arts in Global Languages – as presented. Mrs. Gray seconded and the motion carried.

Full Board Action – New Degree Program – Bachelor of Arts in Global Languages, approved

On behalf of the Academic Excellence and Scholarly Activities Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the New Degree Program – Bachelor of Arts in Global Languages – as presented. Mr. Kemp seconded and the motion carried unanimously.

Eligibility Requirements for Admission to Dual Credit (*Racer Academy*) Courses, approved

Dr. Arant reported that in June 2018 the Southern Association of Colleges and Schools (SACS) Board of Trustees approved a new Dual Enrollment Policy Statement. The new policy specifically states that, “Institutions may not offer courses which combine students enrolled in the college course with students who are only receiving high school credit.” SACS has backed off on the Dual Enrollment Policy Statement after receiving feedback but it is anticipated it could eventually become an issue. Although it was never intended for non-credit seeking high school students to attend Murray State *Racer Academy* courses, it has come to the University’s attention that this is happening in a good number of classes being taught in rural high schools.

Guidance Counselors have made it clear that the University would no longer be able to offer certain *Racer Academy* courses at their high schools because not all of the students in the classes meet Murray State admission requirements. This is especially true in rural schools because they are too small to offer both college and high school versions of the classes. Removing these courses from the University’s dual credit offerings could lead to the loss of as many as 400 students for the Fall Semester alone. In order to better ensure the University is able to continue offering high quality *Racer Academy* dual credit courses at partner high schools across the

Commonwealth and especially in the 18-county service region, the proposal is being made for the admission requirements for *Racer Academy* to be revised as presented in the chart below.

Current Admission Requirements	Proposed Admission Requirements
<ul style="list-style-type: none"> • Applicants must be a high school junior or senior. • Applicants must have a minimum cumulative GPA of 3.0 or rank in top half of class. • Minimum scores required are: <ul style="list-style-type: none"> ○ ACT Composite = 18 or SAT Composite = 940; ○ For English Course Requirements: English ACT = 18; Writing and Language SAT = 480; Reading SAT=480; ○ For Math Course Requirements: Math ACT = 20; Math SAT =500; ○ Must meet prerequisites for individual classes • Recommendation from high school counselor <p>*Students who have not taken their ACT or SAT yet will not be eligible to participate.</p>	<ul style="list-style-type: none"> • Applicants must be a high school junior or senior. • Applicants must have a minimum cumulative GPA of 3.0 or rank in top half of class. • Must meet ACT prerequisites for individual classes • Recommendation from high school counselor

On behalf of the Academic Excellence and Scholarly Activities Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the revised admission requirements for the Murray State *Racer Academy* as presented. Mrs. Gray seconded and the motion carried.

Full Board Action – Eligibility Requirements for Admission to Dual Credit (*Racer Academy*) Courses, approved

On behalf of the Academic Excellence and Scholarly Activities Committee, Ms. Farmer moved that the Board of Regents, upon the recommendation of the President of the University, approve the revised admission requirements for the Murray State *Racer Academy* as presented below:

Current Admission Requirements	Proposed Admission Requirements
<ul style="list-style-type: none"> • Applicants must be a high school junior or senior. • Applicants must have a minimum cumulative GPA of 3.0 or rank in top half of class. • Minimum scores required are: <ul style="list-style-type: none"> ○ ACT Composite = 18 or SAT Composite = 940; ○ For English Course Requirements: English ACT = 18; Writing and Language SAT = 480; Reading SAT=480; ○ For Math Course Requirements: Math ACT = 20; Math SAT =500; ○ Must meet prerequisites for individual classes • Recommendation from high school counselor <p>*Students who have not taken their ACT or SAT yet will not be eligible to participate.</p>	<ul style="list-style-type: none"> • Applicants must be a high school junior or senior. • Applicants must have a minimum cumulative GPA of 3.0 or rank in top half of class. • Must meet ACT prerequisites for individual classes • Recommendation from high school counselor

Mr. Kemp seconded and the motion carried unanimously.

Academic Affairs Overview (For Information Only), received

Dr. Arant provided an overview of Academic Affairs at Murray State University with the following highlights:

- Last year the Board approved the University entering into a partnership with West Kentucky Community and Technical College (WKCTC) to offer the Accelerate U! Program. WKCTC has had great success in this arena and the University is fortunate to be able to develop this partnership and learn from that institution. There are currently 40 students enrolled in the Accelerate U! Program. There were 44 students enrolled in the program but four recently dropped. Confirmation was provided that while the reasons for all four students dropping are not known, at least one student did not actually want to attend college but the parents had enrolled their child in the program. Once all the reasons are known in terms of why students choose not to participate in the Accelerate U! Program – and the coaches assigned to these students may be able to provide this information – adjustments can be made accordingly. The University is receiving feedback from other universities across the country that are implementing similar programs. The Accelerate U! Program represents an

effort to reach out to students who do not meet the minimum admission requirements for Murray State but really want to attend. The goal of the partnership is to have these students enrolled in WKCTC classes – as well as in some Murray State classes on campus. These students would live in the residence halls and would be treated like any other student. Research shows that this is key to retaining these students. They will also be provided with a great deal of academic coaching and support to strategically ensure their success. Agreements such as this must be in place for there to be a corresponding increase in enrollment.

- The first class associated with the Master's in Occupational Therapy is currently being taught on the *Paducah Regional Campus* and 21 students from across the country are enrolled.
- The entire Academic Affairs unit is looking at efficiencies and an effort is being made to automate as much as possible. A key component of this process is determining how to shorten the current curriculum approval process that now takes up to two years. This work is being undertaken to allow all resources to be focused on students. Efforts will also be maintained to ensure the University is offering those degree programs that are needed and best serve the Commonwealth of Kentucky.
- Board members were encouraged to visit the Provost's Office which is located in Room 333 in Wells Hall.

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

Academic Administrative Appointment Update (For Information Only), received

Dr. Arant reported that Dr. Allen White, Professor of Journalism and Mass Communications, has been appointed as Interim Chair of that department. Dr. White replaces Dr. Debbie Owens, Associate Professor, who has served as Interim Chair of the department since July 1, 2016. Dr. Owens has assumed a 9-month faculty contract, effective August 14, 2018. The University has experienced some difficulty identifying a full-time Chair for this department for a variety of reasons. Dr. Arant publicly thanked Dr. Owens for her service to Murray State and her dedication to this department.

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

Academic Unit Title Change: FROM Regional Academic Outreach TO Center for Adult and Regional Education (CARE) (For Information Only), received

Dr. Arant reported that the current Regional Academic Outreach unit has undergone significant reorganization to enhance efforts to recruit and retain adult students. In order to better reflect these changes, the name of the unit has been changed to the Center for Adult and Regional Education. Adult learners comprise an ever-increasing population of the educational community and moving forward the University must be fully engaged with this market. Currently in the United States there are 36 million individuals with some college experience but no degree. An effort is also being made to add an emphasis on the University's regional campuses to strategically improve their status by ensuring the right programs are being offered at the respective sites. An effort is also being made to better connect the regional campuses with the main Murray campus.

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

Adjournment

The Academic Excellence and Scholarly Activities Committee adjourned at 10:03 a.m.

Athletics Committee (Ad Hoc)

Eric Crigler – Chair
Sharon Green
Jerry Rhoads
Phil Schooley
Don Tharpe

Mr. Crigler called the ad hoc Athletics Committee to order at 10:03 a.m. and reported all other members were present.

National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification Consent and Affirmation of Athletics' Mission Statement, consented and affirmed

Mr. Crigler reported that Regent Schooley serves as the Board representative for the National College Athletic Association Board. Each year the National Collegiate Athletic Association/Ohio Valley Conference requests Board consent related to Governing Board Certification and certifies that authority for the administration of the Athletics Program be delegated to the Chief Executive Officer. The Board is also being asked to affirm the Athletics' Mission Statement.

On behalf of the ad hoc Athletics Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, consent to the National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification for Academic Year 2018-19 and affirm its support of the Athletics' Mission Statement as presented. Mr. Rhoads seconded and the motion carried.

Full Board Action – National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification Consent and Affirmation of Athletics' Mission Statement, consented and affirmed

On behalf of the ad hoc Athletics Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, consent to the National Collegiate Athletic Association/Ohio Valley Conference Governing Board Certification for Academic Year 2018-19 and affirm its support of the Athletics' Mission Statement as presented. Mr. Rhoads seconded and the motion carried unanimously.

(See Attachments #2 and #3)

Director of Athletics Search Update (For Information Only), received

Dr. Jackson recognized Velvet Milkman who is currently serving as the Interim Director of Athletics. Mrs. Milkman has been very supportive of recruiting efforts at the University and helped facilitate providing 750 tickets to three different high schools for junior and senior high school students to attend the football game last night. Efforts such as this will occur moving forward into the basketball season.

A Search Committee will be announced within the next week for the Director of Athletics. Once named, the Search Committee will discuss the process to be utilized moving forward. A search firm will likely not be utilized. The Search Committee will develop a timeline to assist with its work. Regent Crigler expressed appreciation on behalf of the Board to Women's Golf Coach Milkman for her willingness to serve the University as Interim Director of Athletics.

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

Adjournment

The Ad Hoc Athletics Committee adjourned at 10:07 a.m.

Audit and Compliance Committee

Don Tharpe – Chair
Susan Guess
Lisa Rudolph

Dr. Tharpe called the Audit and Compliance Committee to order at 10:07 a.m. and reported all other members were present. He reported that the Audit and Compliance Committee has been very active and while much of the work undertaken has been unseen, he has taken this task to heart to determine where audits are necessary. Appreciation was expressed to Mrs. Saxon who has educated him well.

Office of Internal Audit – Audit Annual Report – Fiscal Year 2018 (For Information Only), received and accepted

Mrs. Saxon reported that the Internal Audit Annual Report provides information on the status of audit activities included in the Annual Audit Plan for Fiscal Year 2018. She has worked diligently with Dr. Tharpe and the entire Audit and Compliance Committee to keep them informed on any issues that may arise.

There are annual disclosures required by the Institute of Internal Auditors, which sets forth standards all Internal Auditors must follow. One such disclosure relates to the Internal Audit Charter which was included in the Appendix section of the report. The Charter formally defines the internal audit activity's purpose, authority and responsibility. Authority relates to the Internal Audit Office being granted access to all information needed to conduct an audit. The University's Audit Charter was last reviewed in August 2017 and no additional changes are necessary. There is also a Statement of Independence that is necessary every year to assure the Board that the office is independent and not influenced by any other department. The Internal Audit reports functionally to the Board of Regents in order to maintain this independence. There is also a Quality Assurance and Improvement Program that was reviewed and updated. This is also required by the Institute of Internal Auditors. Part of this Program includes a five-year review similar to the peer review that Certified Public Accountant firms undertake. The process will begin for the University this upcoming fiscal year and is included on the Fiscal Year 2019 Audit Plan.

The report presented contained a comparison of budgeted hours to actual hours spent on each audit. During the year 13 reports related to audits and investigations were issued. The reports were provided to management with recommendations related to governance, risk management and controls.

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

Office of Internal Audit – Annual Audit Plan for Fiscal Year 2019, approved

Mrs. Saxon reported that the Annual Audit Plan for Fiscal Year 2019 was included in the eBoard book and outlines work to be performed in seven areas: Internal Reviews, Compliance Reviews, Operational Reviews, Follow-Up Projects, Audit Assistance, Internal Audit Department Projects and Unplanned Projects. The Plan is developed each year with input from the President, the Chair of the Audit and Compliance Committee and the University Vice Presidents. Assurance was provided that the Audit Plan for Fiscal Year 2019 being presented today has been discussed extensively with Drs. Tharpe and Jackson.

On behalf of the Audit and Compliance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approved the Office of Internal Audit – Annual Audit Plan for Fiscal Year 2019. Mrs. Guess seconded and the motion carried.

Full Board Action – Office of Internal Audit – Annual Audit Plan for Fiscal Year 2019, approved

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, approved the Office of Internal Audit – Annual Audit Plan for Fiscal Year 2019. Mr. Kemp seconded and the motion carried unanimously.

(See Attachment #4)

Adjournment

The Audit and Compliance Committee adjourned at 10:16 a.m.

The Board adjourned for a break beginning at 10:17 a.m.

Reconvene

Chair Guess reconvened the Quarterly and Committee meetings of the Board of Regents at 10:38 a.m.

Buildings and Grounds Committee

Sharon Green and Phil Schooley – Co-Chairs

Susan Guess

Daniel Kemp

Don Tharpe

Ms. Green called the Buildings and Grounds Committee meeting to order at 10:38 a.m. and reported all other members were present.

JH Richmond Hall Project Update (For Information Only), received

Ms. Dudley; Kevin Jones, Interim Chief Facilities Officer and Jason Youngblood, Assistant Director of Facilities Design and Construction reported the following:

- Over the past couple of months a contractor has been working onsite to undertake selective demolition to remove additional damaged items in the facility. As part of this work the existing systems which will remain in place are being tested. This includes plumbing, sprinkler lines and electrical systems on the north section of the building.
- At the beginning of August mold issues began to develop in the facility due to the extremely high humidity over the course of the summer. In order to address the mold issue, the installation of four two-ton air conditioning units was fast tracked. The largest installation delay was being able to provide electric power to the units because the electrical system for the entire building was destroyed during the initial incident. A determination was necessary related to the appropriate type of power source to utilize and this work was undertaken with the insurance provider but this process took some time. These units were connected on August 17 and began cooling the facility. Mold remediation was then undertaken and no further issues have occurred to date.
- The University is a couple of weeks away from getting the bid documents out to potential bidders. Once released the bids will be out for approximately three weeks which leads to a late-September early-October potential bid date. This process will involve two phases of bidding in order to secure a “best value” bid. Phase I will include an evaluation of the bidders in relation to references, experience, how their team is assembled and staffing levels, etc. (60 percent of bid total). Phase II will include the bidders submitting their price (40 percent of bid total). A Committee will then be formed to evaluate the bids received to determine the successful “best value” bid. The best value concept is new for Murray State as the University has historically chosen the lowest-price bidder. General Counsel, Procurement and Facilities Management worked together closely to develop statutory language to be utilized but this also means more factors come into play in terms of choosing the contractor but it is in the University’s best interest to proceed in this manner.
- The targeted completion date for the restoration of JH Richmond is August 2019 in time for Fall Semester move-in. Phase I of the bid schedule details this timeline for potential bidders so they can determine whether they can meet the University’s needs. If a bidder determines they are not able to meet the completion deadline, they have been asked to provide their next best schedule option.
- Confirmation was provided that the insurance companies are very much involved in the bid process and contingency conversations have occurred. Two entrances to the building were destroyed and insurance only covers restoring the building to the way it was before the event. Because the University has chosen to make enhancements to the east entrance for the facility, the trade-off was insurance would fully cover the cost of restoring the west entrance to its former condition and Murray State would fully cover the cost of replacing the east side, with the desired enhancements. It is anticipated that many more trade-off conversations will need to occur as this work progresses.
- Confirmation was provided that insurance will cover the cost of replacing the south one-third of the JH Richmond roof. The University will be building into the bid document an “add alternate” to allow for full roof replacement. This way it will be known what the full cost of replacing the roof will be if the University decides to accept the bid. The roof replacement would be funded out of the \$2 million the Board approved for further facility enhancements. It is unlikely insurance will cover the entire roof replacement. Part of the process is to determine the color differential between the existing roof and a new one. Confirmation was provided that insurance will cover the cost of replacing the roof on Clark Hall (which was damaged by debris) and this work will begin during the first part of October (when the contractor is fully staffed) and the project will take approximately 60 days to complete. This work is being undertaken in coordination with Housing to provide the least disruption to students. The north half of the Richmond Hall roof does not appear to be damaged to the same extent as the roof on Clark Hall.
- Windscreens have been added along the fencing around the construction site and a “coming soon” sign will be added on one of the south sides with a rendering of the new facility. The windscreens should arrive within the next two weeks and will be installed as quickly as possible.

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

Waterfield Library HVAC Repairs and Water Intrusion Repairs Program Statement, approved

Ms. Dudley reported that the Board toured Waterfield Library yesterday. The facility was originally built in 1957 to serve as the student union building. In 1976, the facility was converted into a library through major renovation including a large three-level addition to the west side of the building. During this renovation, portions of the heating and cooling system were replaced or updated, however, others remained from the original construction. Total square footage of the building in its current configuration is 106,830. In 2016, due to failures in the underground steam distribution piping, Waterfield Library was converted from the campus central steam heating system to a self-contained boiler system local to the building. Waterfield Library has a current replacement cost for insurance purposes of \$21,417,890.

Mr. Jones reported that in 2017, BRiC Partnership, LLC was commissioned to perform an engineering analysis of the HVAC systems in Waterfield Library in order to improve temperature control issues and to reduce moisture and prevent mold growth in the east lower portion of the building. Concurrently, Ross Tarrant architectural firm was commissioned to investigate and propose solutions to water intrusion in the basement of the library which was suspected to be coming from the front porch area and to propose design alternatives for potential functional changes to the library overall. At the conclusion of their analysis, BRiC made several recommendations to repair and/or replace several portions of the HVAC system due to repurposed use of the building and/or equipment that has outlived its useful life. The overall construction budget for this portion of the project is estimated to be \$750,000, which would include replacing and/or repairing several of the air handling units, updating controls and terminal devices and other required maintenance work. In order to prevent further water intrusion from the porch area, Ross Tarrant has suggested demolishing and removing the existing concrete, removing the existing failing waterproofing membrane, repairing any damaged drainage equipment and replacing the waterproofing membrane underneath. The porch would then need to be rebuilt to allow for continued use of the space as it is currently configured. The estimated construction cost for this portion of the project is \$350,000. It is also desired to repurpose some of the spaces in the library for other uses than their current function. At this time, those details are not fully known but plans will take into consideration future use of the space and plan modifications accordingly to interface successfully with those potential changes. Appropriate approvals will be obtained from the state, if needed.

The cost for this project – slightly over \$1 million – is being covered with deferred maintenance one-time monies which remained in the Plant Fund. Once design plans are finalized work will be undertaken as expeditiously as possible to address the HVAC issues in the facility because they are creating other concerns in the building. This work will likely be accomplished in phases. The porch section that needs repair is also creating other issues but that work will also need to be accomplished in phases. Discussions still need to occur with the engineers to determine how all systems in the building fit together. These do not represent new issues as repairs have been done on the units for a number of years. The units are simply reaching the age where repairs are no longer feasible.

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the Program Statement for HVAC repairs and water intrusion repairs in Waterfield Library as outlined. Dr. Tharpe seconded and the motion carried.

Full Board Action – Waterfield Library HVAC Repairs and Water Intrusion Repairs

Program Statement, approved

On behalf of the Buildings and Grounds Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, approve the Program Statement for HVAC repairs and water intrusion repairs in Waterfield Library as outlined. Mr. Kemp seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

Dr. Jackson expressed appreciation to Ms. Dudley and her team, the City of Murray, Mayor Jack Rose and the Murray City Council with regard to work that has been undertaken on 15th Street. Chipped glass had been used as mulch in some of the right-of-way areas. Over the last couple of weeks the city has removed the chipped glass which is being replaced with dirt, mulch and greenery to make 15th Street a more attractive entry point to campus.

Adjournment

The Buildings and Grounds Committee adjourned at 10:58 a.m.

Enrollment Management and Student Success Committee

Lisa Rudolph and James T. Payne – Co-Chairs

Eric Crigler

Katherine Farmer

Virginia Gray

Mrs. Rudolph called the Enrollment Management and Student Success Committee to order at 10:58 a.m. and reported all other members were present.

Comprehensive Enrollment Update (For Information Only), received

Mrs. Rudolph reported that the newly-formed *President's Commission on Strategic Enrollment Management* began meeting in June and has met every Tuesday following. The *Commission* is co-chaired by Provost Mark Arant and Vice President for Student Affairs Don Robertson and includes representatives from all administrative and academic departments across campus. The purpose of the *Commission* is to analyze all policies, processes and procedures pertaining to recruitment, the application and admission process and enrollment on the main campus as well as the regional campuses. The *Commission* has also completed a SWOT analysis.

Dr. Robertson provided a snapshot report on enrollment showing a comparison from Fall 2017 to Fall 2018 as of Day 9 (August 24, 2018) as follows:

- The number of undergraduate students decreased by 6 percent; undergraduate full-time students decreased 4 percent and undergraduate part-time students decreased 12 percent. Graduate numbers were also presented and included a 5 percent decrease from Fall 2017 to Fall 2018, a 4 percent decrease in graduate full-time students and a 5 percent decrease in graduate part-time students. Total enrollment from Fall 2017 decreased by 6 percent in Fall 2018.
- First-time freshmen decreased by 9 percent, first-time transfer students decreased 6 percent, first-time graduate students decreased 4 percent and Racer Academy students increased by 10 percent.
- The number of returning undergraduate students decreased by 5 percent and the same was true for returning graduate students. Confirmation was provided that as part of the University's retention strategies staff follow up with students who were eligible but did not register to determine whether there is support which can be provided. It was indicated that the freshman to sophomore retention is currently 77.4 percent. Final numbers will be provided after the census date in late October.
- Minority student enrollment decreased by 3 percent which includes a decrease of 4 percent in minority undergraduate enrollment, 6 percent minority graduate enrollment increase and a 16 percent increase in minority first-time freshmen. Minority first-time transfer numbers decreased by 14 percent and minority first-time graduate students decreased by 2 percent. In response to whether an analysis of where minority students are coming from has been undertaken, it was reported these students are mainly from St. Louis, Missouri; Memphis, Tennessee and Louisville and Hopkinsville, Kentucky.
- International enrollment decreased by 26 percent from Fall 2017 to Fall 2018 which includes a 22 percent decrease in undergraduate students, 33 percent decrease in graduates, 35 percent decrease in first-time freshmen, 80 percent increase in first-time transfer students and 7 percent increase in first-time graduates. Confirmation was provided that recruitment strategies include the Saudi Arabian student population. The decline in this population was mainly due to the Saudi Arabian government eliminating scholarships for students to study abroad.
- Information was presented on regional campus enrollment trends. Dr. Arant reported that the five-year change in enrollment is down 17 percent but the one-year change is up by 2 percent. This indicates a slowing of the decline momentum. The *Paducah Regional Campus* is actually experiencing a surge in enrollment for a number of reasons, including the Occupational Therapy Program which is now being offered in that location. Conversations are currently underway with the Henderson, Hopkinsville and Madisonville campuses to identify programs the University should be offering in those areas. *Regional Campus Advisory Councils* are being established for each of the

extended campus sites to help undertake this necessary work. Part of the review being undertaken focuses not only on the local communities but outside areas with potential for growth and new tuition strategies and academic offerings are being considered. Confirmation was provided that consideration is being given to offering certifications and micro-credentialing, particularly in certain areas and this work will be undertaken in collaboration with Hopkinsville Community College.

- In response to a question related to the University's strategy with online courses, Dr. Arant reported that enrollment trends at the regional campuses show the number of students enrolled in online classes is increasing. Confirmation was provided that Campbellsville University and the University of the Cumberland have significantly affected enrollment due to their online offerings. The University of the Cumberland predicts an enrollment of 15,000 students with only 1,100 students actually being on campus. Confirmation was provided that how Murray State proceeds in the online arena will not compromise academic standards.

Shawn Smee, Director of Recruitment, reported the following:

- In 2017-18 the Office of Recruitment hosted 4,723 campus visits from prospective students and their families. Staff attended 303 college and career fairs in Kentucky and surrounding states and participated in 719 high school and community programs. Confirmation was provided that the trend has actually been for prospective students to visit campus less and for some Summer Orientation is the first time they have actually been on campus. There has also been a large number of students scheduled for visits who do not show because they are involved in high school extracurricular activities and are choosing to attend those events instead of visiting campus.
- Last year 14 additional Saturday visit options were added. In collaboration with the Office of Undergraduate Admissions and the Transfer Center, a self-reported Admission Application has been developed. The number of on-site admission programs were also increased and a number of student and high school Counselor bus-in programs occurred throughout the year. These included visits to specific academic departments as well as general campus tours.
- For 2018-19, the Office of Undergraduate Recruitment has doubled the number of scheduled on-site admission events. So far 27 events have been confirmed and by the end of September it is anticipated approximately 40 on-site admission events will be scheduled. In response to a suggestion that the Office of Recruitment work with local community groups such as the National Association for the Advancement of Colored People and the Urban League because these groups know the families and can help attract potential students to Murray State events, confirmation was provided that the University does work with these entities as well as through outreach with local churches and youth programs.
- The kick-off event for the Road Scholars Program was held during the first week of August and 173 faculty, staff and alumni have participated in a training session. Of these individuals, 138 have been appointed to Road Scholars teams and there are several bus-in sessions already scheduled. Confirmation was provided that faculty and staff continue to be recruited to participate in the Road Scholars Program and training is still being offered. A suggestion was made to connect with Murray State graduates who are teaching in the high schools so they can also assist with recruitment. Confirmation was provided that a staff member on campus makes signs for these teachers to use in their classroom to make students aware they are Murray State graduates. Dean David Whaley, College of Education and Human Services, reported that between 52 to 54 percent of Murray State graduates are teachers within the University's service region.
- Yield events and opportunities for admitted students to visit campus have been increased and will begin earlier in the process. A staff member has been identified for the specific purpose of being in one of the high schools in the University's 18-county service region each day of the week (Monday through Thursday). Since the majority of prospective students and families visit campus on Friday, this individual is needed back on campus to help conduct these visits. The Office of Recruitment is also hosting targeted departmental and spotlight events focused on particular majors to bring additional students to campus.
- In regard to first-time transfer recruitment in 2017-18, there were 332 campus visits and staff participated in 68 college and career fairs, conducted 89 community college visits and were involved in 72 special community events. Transfer recruitment also doubled the number of VIP events held at the community colleges, increased scheduled office hours in key community colleges and presented in all First-Year Experience classes at WKCTC. Academic pre-advising and registration were also added at VIP events, a credit evaluation staff member was hired, a Transfer Task Force was created and staff have participated in cross-training in admission processing for greater efficiency and faster turn-around to an admission decision. Confirmation was provided that the University is recruiting at the junior colleges in southern Illinois. One issue for these students is the cost of housing but work is underway to address this concern.
- Transfer Center initiatives for 2018-19 include the Accelerate U! Program fostering the first-time transfer class for the following year, enhancing VIP events and expanding location offerings both in Kentucky and surrounding states and having additional presence and expanding office hours in the Kentucky Community and Technical College System. In addition, enhanced communication plans, articulation agreements and partnerships with academic departments are being implemented.
- Additional new first-time transfer student recruitment initiatives include Spring start scholarship availability, one-to-one recruitment appointments at community college sites (includes enhanced

admission opportunities), campus bus-in events, expanding/enhancing events for community college advisors, joint admission programs, website audit and enhancements, focus group research and alumni participation in community college partnership events.

- Confirmation was provided that a consultant will visit campus next week to participate in and evaluate the current campus visit process.

Roslyn White, Associate Director of Recruitment and Coordinator of Multicultural Recruitment reported the following:

- Bus-ins will continue to bring students from diverse backgrounds to the main campus from areas such as Lexington, Louisville, Memphis and Hopkinsville. Racer Days this year is scheduled during Family Weekend and high school students will again be visiting the University from many different locations. Staff will also continue to make visits to racially diverse high schools and attend college fairs where diverse students are represented.
- Collaboration with pre-college programs and high schools will continue to identify prospective recruits. Presentations to targeted groups will be made to expose underrepresented students to college. Such groups include the Whitney Young Scholars Program for rising high school seniors – a program which has been on the Murray State campus for two weeks almost every summer since 1999. Staff also continue to participate in community events and celebrations as well as make presentations to church youth groups in new recruitment areas.
- The Rising Stars Inclusive Excellence Summit, a new annual Multicultural Leadership Summit, is designed for high school juniors and seniors to help elevate their leadership skills. Sessions were conducted by Murray State staff and alumni and participants were able to interact with currently-enrolled students. The next Summit is scheduled for February 23, 2019.

Dr. Arant indicated that graduate recruitment reports to Dr. Pervine. Last year when Matt Jones, Director of Domestic Graduate Recruitment joined the University he hit the ground running and has done a fantastic job getting the University to where it is now. Mr. Jones reported the following:

- Prior to arriving on campus graduate recruitment fair activity was minimal with staff attending 16 to 18 events during the academic year. Last year from October 9 until the end of May, staff attended 60 graduate recruitment fairs. Attendance at graduate fairs was previously centralized at events within an hour and half radius of Murray and that area has now been expanded significantly and includes attendance at national conferences which attract large prospective graduate student populations.
- Staff will have a presence at every public university campus in Kentucky this year with the exception of one. Staff will also attend events in Tennessee, Missouri, Indiana, Illinois and Georgia, promoting particular online master's degrees.
- Last year the Domestic Graduate Recruitment Office connected with approximately 1,100 prospective students through various activities.
- A new initiative for this academic year will be a Murray State Graduate Program Fair on October 18, 2018, in Alexander Hall to showcase all graduate programs on campus. High school juniors and seniors, alumni and community members will be invited to attend.
- The plan for this academic year is to visit every single school in the University's 18-county service region, along with those in some border counties, to help establish one-on-one connections with teachers and others. Murray State graduate faculty are also recruiting heavily. As an example, Dr. Randy Wilson, Assistant Professor of Educational Studies, Leadership and Counseling who also serves as Director of the Doctorate of Education Program (Ed.D.), will present information sessions in the Calloway, Fulton, Carlisle, Hickman, Paducah City, Ballard, Hopkinsville school systems as well as at the regional campus sites and in Louisville and Lexington. The program will be promoted at many conferences and civic organization meetings and phone calls are being made and emails are being sent to share information about the program. Dr. Joy Humphreys, Assistant Dean of the *Bauernfeind College of Business*; Professor of Management, Marketing and Business Administration and Director of the Master of Business Administration (MBA) Program, has been working to enhance graduate efforts in Madisonville. Dr. Humphreys and Heather Roy, Director of the regional campuses in Madisonville and Henderson, have visited all banks in Hopkins County as well as Baptist Health promoting the Murray State Madisonville MBA. Dr. Humphreys also attended the Leadership Hopkins County luncheon this summer and there are many similar activities planned in the future. She is also offering advising sessions for individuals interested in pursuing the MBA. Additional initiatives are being offered in Paducah, Ft. Campbell and Clarksville. *Hutson School of Agriculture* faculty Dr. Brian Parr, Assistant Dean, Head of Agricultural Science and Professor and Alex Shultz, Associate Professor of Animal and Equine Science, have been instrumental in recruiting for the master's in agriculture and either have or will attend various national conferences in this regard and numerous inquiries have been received as a result of their efforts.
- Virtual information sessions will also be offered for prospective students who are unable to attend the graduate fair being held on campus.
- Work is underway with Dr. King and her team on graduate program promotions to share information on social media, radio, in various publications and at conferences. A review of communications sent out to potential graduate students has also been undertaken. The graduate campus visit will be

restructured to include information not only about the University but also the city of Murray and available housing. The Graduate Student Council will be revamped to include graduate students on campus and online from all colleges and schools across the University. These efforts will help identify what the University is doing right and what needs to be changed to better meet the needs of graduate students.

- Confirmation was provided that the graduate tuition change the Board approved has had an impact. With regard to the domestic graduate market, there has already been an increase in the number of full-time students. Part-time and full-time out-of-state graduate student numbers have also increased.

Dr. Robertson reported the following with regard to international recruitment:

- Institute for International Studies staff Dr. Guangming Zou, Assistant Vice President and Tyson Manering, Director of International Recruitment and Operations Manager have visited numerous schools, worked with agents and attended recruitment fairs and conferences where various schools from across the world gather to talk about Murray State with these individuals in one location. The number of international partnerships has been enhanced and follow-up messaging has been personalized through social media, texts, emails and phone calls.
- The new graduate tuition rate model is expected to result in significant dividends in the upcoming year because it makes the University much more competitive with schools it competes against. A merit-based scholarship grid for undergraduate students and the partner schools has also been established. Students come to Murray State for a semester or a year but end up wanting to stay and the new scholarship will help enrollment in the long- and short-term. For the first time there is now an undergraduate scholarship grid for high-achieving international students.
- New initiatives for 2019 include enhancing efforts with international students in the local high schools and community colleges. Contact has been made with the sponsors of these students to ensure they know Murray State is an option once the student graduates high school. Work is underway with the Alumni Relations Office to ensure there is better outreach with international alumni. Carrie McGinnis, Director of Alumni Relations, has worked with the group to help develop a strategy which includes sending newsletters to alumni and working to establish alumni chapters in areas where there are larger groups of Murray State alumni.
- Two major partnerships are being developed and finalized. The partnership between the Shandong Institute of Business and Technology and the Murray State *Bauernfeind College of Business* is close to being finalized and it is hoped University faculty will teach the first class of students this winter – between the Fall and Spring semesters – at Shandong University, representing a cohort of 150 undergraduate students. The second partnership that is being developed is with the Qingdao Agricultural University equine program, agribusiness and the veterinary technology programs. This represents three cohorts of 60 students in each area and it is anticipated the partnership will be in place by Summer 2019. Faculty will teach students on their home campuses but these students will count as Murray State students enrolled in dual degree programs.
- There are several strong country-specific student associations in Korea, Belize, Saudi Arabia and China and the University will be working much more closely with those organizations to enhance recruitment efforts. Once these students come to Murray State it would be advantageous if they already have a group of peers in place that can help them adjust to the new culture and it is expected this will significantly impact retention. The Saudi Arabian Student Association has been very helpful in the University's desire to attract Saudi Arabian students enrolled in colleges that are now leaving Canada. These alumni have been very helpful as a result of their own experiences while attending Murray State.
- The University is also increasing the number of international agents it is working with particularly in key areas. Webinars and virtual fairs are being targeted to help reduce the travel costs associated with attending international recruitment fairs and discussions have occurred with Branding, Marketing and Communication to determine how best to maximize opportunities in this regard. Country-specific promotional materials have also been developed and some are in native languages. Efforts are also underway to work more closely with international high schools and guidance counselors.
- The "You are Welcome" campaign which began this year will be enhanced even further. The international student population is decreasing on many college campuses in the United States because these students do not particularly feel welcome. Murray State wants to ensure international students know they are very welcome and this is being accomplished through media campaigns and letters, including one from the President to every admitted student. Staff will be traveling aggressively visiting various schools in many different countries and attending recruitment fairs. Visits with the related embassies are also scheduled.

Dr. Zou reported that only 30 percent of international students are approved for a visa to study in the United States. When international students apply to a university they usually apply to five at the same time and the institution that responds the quickest with the best offer is usually the one chosen. This is because these students do not have an emotional connection to a particular university so the "first look" component of this work is very important.

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

Chair Guess expressed appreciation for all the work that is being undertaken with regard to recruitment and enrollment. The significance of enrollment is not lost on the Board. At the June meeting the Board asked that a Comprehensive Enrollment Plan be developed for presentation at this meeting but it is also known changes have occurred which prevented the full presentation of that Plan. At the October meeting the Board expects a Comprehensive Enrollment Plan so it can better understand how all the initiatives presented today actually affect enrollment. The work of the *Commission* has been meaningful and impactful and there has clearly been a great deal of movement in the right direction. This Board stands ready and committed to do whatever it can to help the process moving forward.

Adjournment

The Enrollment Management and Student Success Committee adjourned at 12:15 p.m.

Chair Guess reported that the Board of Regents will gather on the front steps of Pogue Library for a group photograph and will then have lunch in Winslow Dining Hall. Following lunch the Board will tour Blackburn Science Building and Regents Hall to get a first-hand look at deferred maintenance needs in those two facilities. It is anticipated the Board will reconvene at 2:15 p.m. The Board adjourned for lunch at 12:17 p.m.

Reconvene

Chair Guess reconvened the Quarterly and Committee meetings of the Board of Regents at 2:30 p.m. and reported all members were present.

Regent Schooley introduced Marion Hale, the new Staff Congress President.

Finance Committee

Daniel Kemp – Chair
Eric Crigler
Katherine Farmer
Jerry Rhoads
Phil Schooley

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

Ms. Dudley was asked to share preliminary projections for the budget for this fiscal year based on the enrollment decline. Ms. Dudley reported there will not be an official month-end number until August books are closed. The only way to project tuition at this point is based on headcount and there is not a good picture of residency from a revenue standpoint. With regard to net tuition (gross tuition, less scholarships and discounts), the shortfall could be between \$3 to \$5 million but this is a very early estimate. Spring enrollment is typically at 98 percent of Fall enrollment due to graduation in December. Summer I also presents an opportunity. Confirmation was provided that a \$2 million contingency is included in the budget for Fiscal Year 2019.

Personal Services Contracts, approved

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

Ms. Dudley indicated that the first Personal Services Contract is with the Registry for consulting services related to Enrollment Management leadership. The contract has been approved by the President and the Board Chair in the estimated amount of \$213,000. The contract has been approved by the Legislative Research Commission and is finalized. Ms. Dudley clarified that the Registry charges a 33 percent fee to be paid monthly, \$120,000 for salary and \$70,000 to

\$80,000 for travel. When Dr. Tullos travels the University does not reimburse her directly (processed through the Registry) and the figure presented represents travel for business purposes based on job requirements. Confirmation was provided that if the \$80,000 is not used for travel it could be repurposed for other recruiting activities because the source is the General Fund. The President's Office will be responsible for the disbursement of these funds and paying invoices.

The second Personal Services Contract is for services to assist with targeted marketing efforts for student recruitment and was discussed during the Retreat yesterday. The amount of the contract is \$150,000 to retain a firm to assist with the deployment of marketing across Kentucky and urban areas within the University's regional states. Dr. Jackson distributed additional information with regard to a firm to assist with marketing efforts as per the Board's request. Information included where and how monies in this regard are being spent today and justification for hiring a consultant to assist with marketing efforts targeted toward recruitment, brand enhancement and image building. A chart was presented outlining where marketing funds were expended last fiscal year and information was also provided on the objectives associated with an enhanced marketing program. Part of the enhanced marketing program is the Personal Services Contract being presented today and the remainder pertains to the Finance Committee agenda item to designate funding for enhanced marketing efforts. The President's Office will be responsible for the disbursement of these funds.

The third Personal Services Contract is for a search firm for the Director of Athletics position. The amount of the contract is \$80,000 to retain a firm to manage the search for a new Director of Athletics. The University may choose not to exercise the option of using a search firm and is likely moving in that direction. Procurement will be responsible for the disbursement of these funds if a search firm is hired. If a search firm is not hired either the President's Office or Ms. Dudley's office would be the responsible account manager for these funds.

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

Full Board Action – Personal Services Contracts, approved

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

(See Attachment #5)

Projects Approved by the Board of Regents Chair, funding designated

Ms. Dudley reported that Delegation of Authority Item #20 states that "...prior to moving forward, all projects costing over \$200,000 and up to the threshold denoted by Kentucky statute should be reviewed by the Board Chair and the President and a determination made in terms of those projects requiring further Board approval." Although these projects do not actually require Board approval, the Board is being asked to take action so funding can be restricted accordingly. Clarification was provided that the Board is being asked to designate funding in a specific amount to certain projects but the total project scope refers to the amount needed for completion of the project and could include amounts previously approved in prior years by the Board for any of the projects listed.

The first project listing included in the eBoard book contains projects over \$10,000 but less than \$200,000. Per the Delegation of Authority, these are approved in-house and do not require Board Chair approval. The projects are brought to the Board to designate funding but represent projects that are already underway or about to start. This Board-designated funding is included on the University's financial statements – a practice that was started two years ago as a way to protect these funds. Information provided on the listing includes current funding approval and total scope which is funding being added to that already approved for those projects. The

Schedule is divided into different funding sources, including departmental unit, restricted and auxiliary. Confirmation was provided that the departments also provide assistance in meeting deferred maintenance needs and it is not solely a Facilities Management issue.

The second listing includes projects over \$200,000. If these projects need to begin before they have full Board approval, they are submitted to the Chair for approval. These projects are also divided by funding sources. There are three projects included on the listing for information technology infrastructure needs as well as a project for relocating an office suite and one related to safety and security improvements to stairwells and balconies in the Doyle Fine Arts Building. All projects are being funded through departmental/unit funding sources. In terms of funding in the amount of \$200,000 to be determined for necessary upgrades to the Legal Services suite in Pogue Library, Ms. Dudley provided confirmation that an effort is being made to identify funding for this purpose. If approved by the Board, funding will be identified from one-time Education and General Fund sources. Discussion occurred with regard to whether there is any other space on campus where the General Counsel office could be relocated – such as Wells Hall. Dr. Jackson reported that an effort is being made to not house every senior administrator in one facility. When consideration has been given to other spaces the office becomes more remote and difficult to find. In terms of proximity, the office is currently located across the Quad from the President’s Office. One of the ideas presented has been to invest in and maintain Pogue Library to protect the building. Keeping the General Counsel office in this location is a way to have an entity in the facility on a more permanent basis. Confirmation was provided that there is not currently a plan for housing the four full-time staff in the General Counsel office or replacing restroom facilities. The amount being suggested for this reconfiguration may not be sufficient but would at least allow for the project to get started. Regent Payne indicated he is concerned about putting \$200,000 into one office when there are many other needs. There may not be an “ideal” location to move the office but doing so could save money that could be put into student facilities and have a significantly greater impact on more individuals. Ms. Dudley confirmed that if the Board does not want to expend any funding for this project the University certainly does not want to engage in design work for this purpose. Regent Rudolph indicated she is all for maintaining the facility but does not have the vision as to whether this is the best location for the General Counsel office. Dr. Jackson agreed that more discussion can occur in this regard but the current offices encompass a rather large space. Agreement was reached that the cost to retrofit a comparable suite of offices must also be taken into consideration and this could represent the first effort toward maintaining Pogue Library.

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

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

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects approved by the Board of Regents Chair on the attached listings. Mr. Rhoads seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, no; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, no; Dr. Tharpe, no and Mrs. Guess, yes. The motion carried by a vote of 8 to 3.

(See Attachments #6 and #7)

Designation of Funding for Waterfield Library HVAC Repairs and Water Intrusion Repairs, funding designated

On behalf of the Buildings and Grounds Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of \$1.1 million for the Waterfield Library HVAC and water intrusion repairs discussed earlier. Ms. Farmer seconded and the motion carried.

Full Board Action – Waterfield Library HVAC Repairs and Water Intrusion Repairs, funding designated

On behalf of the Buildings and Grounds Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of \$1.1 million for the Waterfield Library HVAC and water intrusion repairs. Mr. Rhoads seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

Designation of Funding for Enhanced Marketing Efforts for Fiscal Year 2018-19, funding designated

Ms. Dudley confirmed that funding is currently available for enhanced marketing efforts but the expenditure of those funds would most likely be incurred over a two-year period. The funds are coming from a source that had been designated by the Board in 2006 for the University's Banner project and these monies had not been earmarked for another project. Regent Payne expressed appreciation for the additional information provided by President Jackson as per his request. He is basing his decision today on the fact that if an investment is not made in marketing efforts for the University to turn the ship in the right direction in terms of enrollment then costs for students would eventually have to be raised. The Board should remember this in years to come when consideration is being given to raising tuition.

On behalf of the Finance Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, designate up to \$950,000 of unrestricted funding for the specific focused use of marketing for student recruitment efforts. Mr. Rhoads seconded and the motion carried.

Full Board Action – Designation of Funding for Enhanced Marketing Efforts for Fiscal Year 2018-19, funding designated

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, designate up to \$950,000 of unrestricted funding for the specific focused use of marketing for student recruitment efforts. Ms. Farmer seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

Adjournment

The Finance Committee adjourned at 3:02 p.m.

Legislative and Economic Development Committee

Jerry Rhoads – Chair
Daniel Kemp
James T. Payne

Mr. Rhoads called the Legislative and Economic Development Committee to order at 3:03 p.m. and reported all other members were present.

Legislative and Governmental Relations Update (For Information Only), received

Regent Rhoads reported that Tony Brannon, Dean of the *Hutson School of Agriculture*; Debbie Reed, Breathitt Veterinary Center (BVC) Director and Mr. Smith testified in July at the Interim Joint Committee (IJC) on Education meeting regarding the BVC. Mr. Smith and Beth Ward, Director for Procurement also testified at the Government Contract Review Committee meeting in August and successfully made the case for the Racer Fund technology and marketing contract. The Board was invited to attend the upcoming IJC on Appropriations and Revenue being held at the *Paducah Regional Campus* on September 27. President Jackson has been asked to provide welcome remarks at the full Committee meeting at 1 p.m. but Board members were also invited to attend lunch at 12 noon. Mr. Smith attended the Budget Review Subcommittee on Education meeting yesterday where performance funding was vigorously discussed. It was reported that presentations were given by CPE President Bob King; UK President Eli Capilouto and Morehead State University President Jay Morgan. There is some disagreement among the regional

universities in regard to the current Performance Funding Model. Dr. Morgan did a very good job representing the regional universities by outlining concerns with the Performance Funding Model and the unintended consequences which have resulted since its implementation. Many of the smaller schools are performing over the average but are still losing funding under the model as it is currently structured because it is based on volume and not rates of growth. Dr. Morgan also reported that six out of eight of the four-year university Presidents are new and there are many new Board members for the respective institutions since the model was first presented to the Legislature. Common consensus is that the Performance Funding Model should be revisited and reevaluated. Dr. Morgan also highlighted that state-mandated pension obligations rest solely with the regional, four-year universities and not the two research universities. Yet, in this model, the two research universities obviously gained the most in terms of funding. UK received \$9.1 million and UofL received \$2.5 million while these two institutions do not have the pension obligations that the other universities must address. The presentation the CPE gave to the Legislature showed that in terms of student success – with underrepresented minorities earning bachelor's degrees – Murray State and Morehead are actually outperforming three of the other regional universities but received less of the funding distribution. Morehead State received zero funding and Murray State received slightly over \$500,000. The other two universities that did not perform as well received significantly more. CPE President King was not able to fully answer why this occurred and instead focused discussion on equity funding and the way the universities have been previously funded not working for the future. It was clear that the CPE – at this time – does not want to change the Performance Funding Model in any way. It is also known that several legislators on the Committee are open to further discussion.

Regent Rhoads reported that the current Performance Funding Model will not be changed overnight and will likely be on this Board's agenda for some time. All know that the model is unfair and discussion occurred at the Retreat yesterday in this regard. The irony is that in terms of Student Success, Course Completion, Maintenance and Operations and Institutional and Academic Support, Murray State rates highly in all of these areas and outperforms most of the other public universities but was not rewarded because the formula is highly weighted on volume. An effort will be made to align with other universities to secure legislative support and periodic reports will be provided to the Board accordingly.

Another development was that the Educational Professional Standards Board (EPSB) regulation which removes the master's degree requirement for teachers to move to Rank II. The Attorney General has indicated this needs to be codified and this will likely occur during the next Legislative Session. Dean Whaley is aware and is determining how the University should handle the change while mitigating the impact it will have on Murray State graduate enrollment in education.

A determination was made that it would be useful for this Board to approve a Resolution related to the Performance Funding Model as long as it was diplomatic and properly worded. Agreement was reached that this action would be taken at the October meeting. A request was made for additional information to be provided to the Board specifically related to the current Performance Funding Model so all are fully informed. It is clear that performance funding works to the detriment of the smaller schools and Regents were encouraged to have this discussion with their respective legislators. It is hoped that significant changes can be made to the Performance Funding Model during the 2019 Legislative Session to help smaller schools with significant regional missions. The Board was reminded that the Legislature could also be significantly reconfigured following November elections. Dr. King is also leaving the CPE and all are hopeful that the new President will be open to Performance Funding Model reform.

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

Adjournment

The Legislative and Economic Development Committee adjourned at 3:16 p.m.

Marketing and Community Engagement Committee

Virginia Gray – Chair
Sharon Green
Susan Guess
James T. Payne

The Marketing and Community Engagement Committee had no business to address and did not meet.

Personnel Changes

Contract of Employment – Head Baseball Coach, approved

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Contract of Employment for Dan Skirka – Head Baseball Coach – for the period of July 12, 2018 – June 30, 2021, at an annual salary of \$65,775, effective July 12, 2018. Mr. Kemp seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #8)

Salary Roster

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Salary Roster as of June 30, 2018, which includes new employment, retirements, resignations and terminations. Mr. Payne seconded and the roll was called with the following voting: Mr. Crigler, yes; Ms. Farmer, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Kemp, yes; Mr. Payne, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes and Mrs. Guess, yes. The motion carried unanimously.

(See Attachment #9)

Policy Changes, approved

Board of Regents Policy Manual – Section 1.1 – Bylaws Revision – First Reading

The *Board of Regents Policy Manual – Section 1.1 – Bylaws* outlines the standing Committee structure for the Board and provides the duties associated with the work of each of those Committees. There are currently seven standing Board Committees as follows: Academic Excellence and Scholarly Activities, Audit and Compliance, Buildings and Grounds, Enrollment Management and Student Success, Finance, Marketing and Community Engagement and Legislative and Economic Development. The Chair of the Board and the President of the University are ex-officio members of every Committee, except the President shall be a non-voting member.

In order to more effectively meet the needs of the University and the Board of Regents, and as per the authority of the Board, an Ad Hoc Committee of the Board of Regents – Athletics Committee – will be established. It is intended that the Ad Hoc Committee will become a standing Committee of the Board of Regents following this, the first reading of the *Bylaws*.

Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the Chair of the Board, endorse the establishment of an Ad Hoc Committee of the Board of Regents – Athletics Committee – with the following purpose: Oversight responsibilities for the strategies and initiatives for athletics and the athletics Mission, for the fiscal integrity of the program and for ensuring compliance with University policies and procedures as well as with National Collegiate Athletic Association and Ohio Valley Conference requirements. It is the intent that the Ad Hoc Committee will become a standing Committee of the Board of Regents at the next regularly-scheduled Board meeting, following this, the first reading of the *Bylaws*. Mr. Kemp seconded and the motion carried unanimously.

Supplemental Materials

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

Other Business/Adjournment

Mrs. Rudolph requested that before capital project work is undertaken with regard to the General Counsel office suite the Board be informed and given an opportunity to provide input.

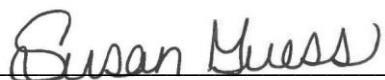
Chair Guess expressed appreciation to Murray State faculty and staff for the work that they do every day. It is obvious students are having a great experience at Murray State University. It is good for this Board to question and not always vote yes on issues that are presented. It is also good for the Board to get out and see campus and have robust discussions. Congratulations was expressed to President Jackson on his 33rd wedding anniversary.

There being no further business to come before the Board, Chair Guess asked for a motion for the Board of Regents Quarterly and Committee Meetings to adjourn. Ms. Green so moved. Mr. Kemp seconded and the motion carried unanimously.

Adjournment was at 3:23 p.m.



Secretary Jill Hunt



Chair Susan Guess

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