

**Minutes of the Meeting of the Board of Regents – Annual Advance  
Murray State University  
August 24, 2017**

The Murray State University (MSU) Board of Regents (BOR) met for their Annual Advance on Thursday, August 24, 2017, at Miller Memorial Golf Course located at 2814 Pottertown Road in Murray, Kentucky.

**Call to Order/Roll Call**

Chair Stephen Williams called the meeting to order at 8:30 a.m. The Secretary called the roll and the following members were present: Katherine Farmer, Sharon Green, Susan Guess, Jerry Rhoads, Lisa Rudolph, Phil Schooley, Don Tharpe, Stephen Williams and Tori Wood. Absent: Walter Bumphus and Dan Kemp. Chair Williams reported that Mr. Kemp would join the meeting shortly and Dr. Bumphus would join the meeting during the afternoon session.

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

**Welcome and Agenda Review**

Chair Williams welcomed everyone to the 2017 Annual Advance, specifically the two newly-appointed Regents – Dr. Don I. Tharpe from Nicholasville, Kentucky, who was appointed by Governor Matt Bevin and Ms. Tori L. Wood from Marshall County, Kentucky, who was elected as Student Regent and Student Government Association President by her peers. All look forward to the contributions these individuals will make to this Board.

**AGENDA**

|   |  |
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| Roll Call   | Secretary Jill Hunt                                |
| Welcome and Agenda Review   | Chair Stephen Williams                             |
| The Roles and Partnership of the Board, the President and the University – What Makes an “Effective Board”    | Chair Stephen Williams/<br>President Robert Davies |
| a. Board Self-Assessment  |  |
| - Committee Structure   |  |
| - Communications  |  |
| - Consent Agenda  |  |
| - Style of Minutes  |  |
| - Resource Center A   |  |
| b. Special Board of Regents Meeting – Friday, May 11, 2018  |  |
| c. Expectations of Board Members and President  |  |
| d. Delegation of Authority Review   |  |
| e. Incident Response Protocols  | 9:30 a.m.  |
| - Board Emergency Communications Protocol   |  |
| - Association of Governing Boards (AGB) – Governing During an Institutional Crisis: 10 Fundamental Principles |  |
| f. Training Session/eBoard Book Resource Center A   | 10:30 a.m.   |
| - Conflict of Interest  |  |
| - Murray State Board of Regents Statement of Conflict of Interest AY17-18                                     |  |
| - AGB Statement on Conflict of Interest   |  |
| - Kentucky Statute – Conflict of Interest   |  |

- AGB Conflict of Interest with Guidelines on Compelling Benefit
- Open Meetings/Open Records Law
  - Your Duty Under the Law (Open Records/Open Meetings)
  - Managing Government Records (Public Records Law)
- Title IX
  - Campus Resources
  - Reporting and Resources
- Family Educational Rights and Privacy Act (FERPA)
  - Annual Notification
  - Institutional Policy
- House Bill 15 – Board Orientation

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| Topics of Importance for the University   | 11 a.m. | President Robert Davies |
| a. Strategic Plan Reassessment Discussion |         |                         |
| b. New Student Freshman Profile Update    |         |                         |

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| Break for Lunch | 12 noon |
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| Reconvene | 1 p.m. |
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| Topics of Importance for the University (continued) | President Robert Davies |
| c. University Finances Discussion                   |                         |
| d. Enrollment Strategies Discussion                 |                         |
| e. Electrical Project Update                        |                         |

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| Work Plan for the Board of Regents and University | 2:30 p.m. | Chair Stephen Williams/<br>President Robert Davies |
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| Closed Session  | Chair Stephen Williams |
| a. Pursuant to Kentucky Revised Statute 61.810(1)(c) – Discussion of proposed or pending litigation against or on behalf of Murray State University                 |                        |
| b. Pursuant to Kentucky Revised Statute 61.810(1)(f) – Discussion of matters which might lead to the appointment, discipline or dismissal of an individual employee |                        |

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| Final Thoughts/Other Business/Adjournment | Chair Stephen Williams |
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The Roles and Partnership of the Board, the President and the University – What Makes an “Effective Board”

Board Self-Assessment

- Committee Structure and Communications

The Committee structure for the Board of Regents was discussed. There are currently seven standing Committees: Academic Excellence and Scholarly Activities, Audit and Compliance, Buildings and Grounds, Enrollment Management and Student Success, Finance, Legislative and Economic Development and Marketing and Community Engagement. Consensus was reached that all Board members are comfortable with the Committee structure in its current format with the various committees continuing to meet within the structure of the full Board meeting. All agreed that the Board will continue to utilize Ad Hoc committees on an “as needed” basis.

Current practice is for the University staff liaison(s) assigned to a particular Board Committee to reach out to the Chair of their respective Committee prior to a Board meeting to discuss proposed agenda items. Based on these conversations, the Committee agendas are finalized and materials are prepared for the full Board meeting. Consensus was reached that in order to more effectively utilize the Committee, each respective Chair would continue to make a more conscious effort to share necessary information received from staff with their Committee membership prior to Board meetings. The Chairs will also facilitate any other necessary conversations between Board meetings – more frequently if necessary. Confirmation was provided that these discussions will be for information gathering and sharing purposes only which is not in violation of Open Meetings Law as long as there is no intent to violate statute. This will also allow Committee members with questions about a particular agenda item to have those addressed by the Chair in

advance of the Board meeting. It is believed proceeding in this fashion will help make the Board even more effective and efficient. Dr. Davies provided confirmation that eBoard books will continue to be released two weeks prior to an upcoming meeting and he will be even more diligent in holding the administrative team to this standard.

Board members were asked to use caution regarding information requests and making those directly to staff members. Depending on the information being requested, producing the data could unintentionally become quite burdensome. To the degree reasonable, any such information requests should be funneled through the Chair of each respective Board Committee who will then share the information request with the President. The intent is not to stifle dialogue or limit questions from Board members but to coordinate such requests in a more structured manner.

Discussion occurred regarding whether telephone conversations were better methods of communication versus email and Chair Williams reminded the Board that any correspondence – email, phone communication or texts regarding University incidents – no matter how benign – would be subject to discovery and litigation and could eventually appear in depositions and court records.

Discussion occurred regarding the monthly newsletters provided to the Board and whether they provide the type of information needed. If Board members have suggestions related to how this communication could be more effective, they were asked to share those ideas with the President. Regents must have a level of comfort they are receiving enough information and the right type of information from the President. It was stated that the weekly collection of newspaper articles sent out by Secretary Hunt are particularly helpful in providing information about what is occurring on the Murray State campus and Murray area. Consensus was reached that the Board would rather have too much information than not enough. Individual members can then make a determination of how to utilize any information provided. Dr. Davies provided assurance that if there is a high probability a particular story will be reported by the press and released through mass media, he will do his best to inform the Board prior to the story breaking, although this is not always possible given the speed with which information is shared electronically. If he is unable to inform the Board about a news story prior to it breaking, all should understand this is unintentional and often unavoidable.

Chair Williams indicated this type of communication is situational in nature and to be more structured Regents were encouraged to utilize the President's Office to obtain such information whenever feasible. The Regents put Vice Presidents and others in a difficult position by asking them directly for information or requesting an action, especially in difficult situations where the answers may be illusive or premature or could result in major policy issues and litigation. When situational issues arise, Board members were asked to go through the President's Office as a general rule to allow the President to coordinate the release of information. The Board must be mindful to not unintentionally place staff in an impossible situation, generally speaking. Ms. Wood reminded the Board that the three constituency Regents are on campus every single day and the administration and this governing body should take advantage of that fact. She encouraged the Board to ask her how students feel in regard to specific issues because she talks to students every single day and sees how they react to various situations. She will be honest with the Board about how students feel and it is important to share that knowledge not only because there is a lot to be gained by the administration but because Regents should keep this information in mind when making decisions that affect students. The same is true for the Faculty and Staff Regents. Agreement was reached that Regents should make sure they are aware of University activities happening in their own communities and take on the responsibility of playing a role in those events by being visible and helping recruit students. Dr. Davies asked Regents to let him know if there are events in their communities which would present recruitment opportunities so he can coordinate Murray State's presence in the area through Enrollment Management. Proceeding in this fashion would be in lieu of the Regent calling Mr. Dietz directly and is an excellent example of the President determining how such an opportunity fits within the overall recruitment strategy for the University. Likewise, if the University is sponsoring an event within a particular community, Regents should be made aware so they can participate. Regents can have a significant impact on enrollment from their own communities and utilizing such opportunities in a coordinated fashion will make them even more beneficial.

- Consent Agenda

Discussion occurred regarding the feasibility of utilizing a consent agenda which represents a Board meeting practice that groups routine business and reports into one agenda item. The consent agenda can be approved in one action, rather than filing separate motions on each item. A consent agenda moves routine items along efficiently so the Board has more time available for discussing important governance-level policy issues.

Utilizing the agenda from the June Board meeting, a sample consent agenda was provided in the eBoard book to provide Regents with an idea of the type of agenda items which would be included. Since the Board only meets quarterly, any tools that it can use to expedite its work should be considered. Consensus was reached that a consent agenda will be part of the agenda for the December Quarterly Meeting. Board members can request an agenda item be removed from the consent agenda if they feel it requires further discussion. The use of a consent agenda will represent a learning process as the Board moves forward and input is welcome. Consensus was reached that as this process moves along consideration will be given to developing a policy that provides criteria for those items which can be handled via consent agenda. All recognize that generally these would include non-controversial agenda items or routine topics which are discussed at every meeting.

- Style of Minutes

According to information provided by the Association of Governing Boards (AGB), minutes tend to follow three general types: verbatim minutes, decision/action minutes and summary minutes. Currently, and at the request of prior Boards, Secretary Hunt prepares verbatim minutes. Following brief discussion, the Board reached consensus that the time is appropriate for Board minutes to be prepared in summary format.

- Resource Center A

The Board was provided with an outline of documents contained in Resource Center A of the eBoard book as a reminder of the availability of these resources. Regents were also reminded that when the eBoard books are archived any highlights or notes disappear. If Regents want to maintain notes from a particular meeting they need to print those pages before the eBoard book is archived.

### **Expectations of Board Members and President**

President Davies asked whether Board members feel there is any information he should be – but is not – providing to make their job easier. There were no suggestions from the Board.

### **Delegation of Authority Review**

Dr. Davies reported that four years ago the Board officially adopted the Delegation of Authority which represents the duties the Board has reserved for itself and/or delegated to the President. This document is reviewed annually to incorporate any necessary changes. No changes to the Delegation of Authority were recommended by the Board.

### **Special Board of Regents Meeting – Friday, May 11, 2018**

Following discussion, the Board selected Friday, May 11, 2018, as the date for a Special Board of Regents Meeting, if necessary. The primary purpose for the meeting will be to discuss and set tuition and fees for 2018-19 which will allow for final budget preparation. The meeting will likely be held from 9:30 to 11:30 a.m. with a luncheon to follow if there is sufficient interest. This is the day before Commencement – Saturday, May 12 beginning at 9 a.m. in the CFSB Center – which provides an opportunity for Board members to participate in that event as well. Regents were reminded that Honors Day will be held on Friday, May 11, 2018, beginning at 3 p.m. in Lovett Auditorium.

## **Incident Response Protocols**

Chief Herring presented a report on overall emergency operations at the University and incident response protocols with the following highlights:

- The Federal Emergency Management Agency (FEMA) defines an incident as an occurrence, caused by either human or natural phenomena, that requires response actions to prevent or minimize loss of life or damage to property and/or the environment. A critical incident is an extraordinary event that places lives and property in danger and requires the commitment and coordination of numerous resources to bring about a successful conclusion.
- Common teams include:
  - Incident Command System – standardized approach to managing incidents by pre-defining roles and processes
  - Incident Commander – person assigned command responsibility over the incident response
  - Field Command Post – location near the incident established where Incident Command is established
  - Emergency Operations Center (EOC) – coordination point for information and resources needed to support operations at the Field Command Post. The Murray State Police Department is the location for the Emergency Operations Center for both the University and the county.
  - Unified Command – joint management of an incident by multiple agencies with jurisdiction over an incident
- The four phases of critical incident response include:
  - Crisis Phase – characterized by a rush to the scene, gridlock and panic. This phase usually lasts between zero to 60 seconds with an emphasis on stabilizing the scene, limiting the growth of the incident and ensuring citizen and responder safety.
  - Scene Management Phase – characterized by continued potential danger, arrival of crowds, resources and media. This phase can last one hour to several days with an emphasis on establishing an organized decision-making process with the Incident Command System.
  - Executive Management Phase – occurs when size, scope and seriousness is beyond the ability to control at the scene. This phase typically lasts several hours to several weeks and an emphasis is placed on establishing the EOC and fully-expanded Incident Command System organization.
  - Termination Phase – characterized by resolving the incident and restoring normal operations. This phase can last several days to weeks and has the emphasis of bringing about a smooth transition to normal operations, preparing for the next event and maintaining the physical and psychological well-being of organizational members. During this phase the involved agencies should also begin to review incident response and determine what could have been handled more efficiently to provide a better response for the next occurrence. An after-action review process is currently underway with regard to JH Richmond but it is known communication can always be better during any crisis situation – not just those occurring on a university campus. In response to a question regarding the individuals participating in the after-action review, it was indicated that this includes the University Executive Team and community responders such as the Calloway County Emergency Managers. The Murray State Police Department also conducted a review with telecommunications staff, officers and command staff who were on duty at the time of the incident as well as officers who came in to provide assistance following the event. An incident summary will eventually be prepared and will include findings of fact or resulting key factors. Action steps will also be provided to ensure communication efforts are improved to the best extent possible. Confirmation was provided that more students would have been involved with the after-action review had the event occurred when classes were in session and not in the summer.
- The Emergency Operations Plan for Murray State has the following purposes:
  - Mitigation – intended to eliminate or reduce vulnerabilities
  - Preparedness – actions directed at developing capabilities needed to respond
  - Response – activities that affect short-term, direct effects of an incident
  - Recovery – actions focused on returning normal operations and preparing for future incidents
- Levels of Emergency and Plan Activation include:
  - Level I – Only requires small response of one or two resources with limited duration – such as a traffic accident or medical call. No activation of the Emergency Operations Center is required.
  - Level II – May require multiple resources but is limited in time such as a fire alarm or severe weather with minor damage. This involves limited activation of the Emergency Operations Center for situational awareness and monitoring response.
  - Level III – A complex event requiring the management of multiple resources, including local agencies, over an extended period of time. This involves full activation of the Emergency Operations Center for coordination of operations and resources in support of Incident Command to serve the entire community. The JH Richmond incident fell under this category.
  - Level IV – An event of increased complexity over a period of time requiring extended assistance from outside local, state and federal resources. This involves full Emergency Operations Center Activation with relief staff required from outside agencies.

- Level V – Catastrophic event falling under the direction of FEMA. The Emergency Operations Center would be one of many under the coordination of Area Command.
- The Executive Management Team – President and executive staff – are responsible for providing the overall guidance for the University’s response to an incident, making policy decisions regarding campus closures, facilitating interactions with the Board of Regents and community partners, planning for financial implications of the incident and looking past the immediate incident to future needs and the recovery stage.
- The Emergency Operations Team – Chief of Police and other key personnel at the University, such as Facilities Management, Procurement, Finance, Environmental Safety and Health, Communications, housing and Human Resources, are responsible for providing significant operational needs, requesting and directing resources to the emergency, ensuring the safety of responders and citizens, responding to requests for assistance related to the event and providing regular and timely information to the Public Information Officer and the Executive Management Team.
- During an incident, police radios and cell phones are the primary tools used by emergency responders and the Field Command Post and the EOC has phones permanently located at various work stations. Communications to the campus community will be provided by email, text messages, social media (including the Murray State webpage) and local media. Regents were reminded that the President and the Chair of the Board will be in communication with Board members as appropriate as an incident unfolds. This controlled communication is necessary to ensure Board members receive accurate and factual information and other staff members are allowed to handle the immediate needs of the situation without distraction. All should be mindful if their presence is not required on campus during an emergency situation, as part of one of the emergency teams, then they should steer clear.
- According to FEMA, the role of governing bodies is to motivate and support trained, on-scene responders so they can accomplish difficult tasks under dangerous, stressful circumstances. This can be accomplished by the Board approving policies related to the way the University responds to a crisis. The Board may be asked to approve new or revised policies to reflect the needs of the Murray State Police Department and other campus responding entities to strengthen incident response. Governing bodies must also instill confidence in the public that emergency responders are capable and the incident is being managed effectively. This message must be conveyed by the Chair of the Board and/or the President. Although individual Board members do not speak on behalf of the Board, if asked they can indicate they are confident any emergency situation on campus is being handled appropriately because they are informed about the procedures which are in place and the capabilities of different responding entities. A course has also been developed for elected officials and governing bodies regarding their role in the event of an emergency that could be provided to this Board at some point.

President Davies reported that these are very interesting times on college and university campuses. For the last couple of years the college campus has represented a target for very conflicting elements of American values involving safety and security, academic freedom and discussion and First Amendment rights. Discussions have occurred with the President’s executive team and campus in terms of how to prepare for such potential conflicts. The University must support and uphold the First Amendment right of freedom of speech but it must also ensure campus is safe and secure. Confirmation was provided that a number of Free Speech Zones are available on campus where anyone can speak if they follow the proper procedures to register to use the space but any such speaker must not disrupt the educational mission of the institution.

It was further reported that the executive team has participated in training from a legal perspective in terms of First Amendment rights and this has provided very solid advice in terms of the need for policy review and information sharing. Work is currently underway to review University policies which might need to be updated as a result of this legal perspective training. Changes to procedures have also been made to ensure the appropriate University officials are aware when a potentially controversial speaker will be sponsored or a demonstration will be held on campus. All protocols are being reviewed and the team is reaffirming the importance of safety but also protecting First Amendment rights and how to balance the two. The administration will be diligent in informing the Board of any such events held on campus, along with an outline of the planning precautions being taken. The University will uphold First Amendment rights but will also defend the safety of campus. The Board was encouraged to provide feedback in this regard.

The Board adjourned for a break beginning at 10:40 a.m.

### **Reconvene**

Chair Williams reconvened the Board of Regents at 10:55 a.m.

Dr. Davies reported that based on information from AGB regarding best practices related to protocols in an emergency situation for individuals serving as members of a university Board and to ensure that there are clear lines of communication between the Regents and the President, information was provided in the eBoard book on appropriate Emergency Communication Protocols for Level I through Level V incidents on campus. During any situation – not just in an emergency – the Chair of the Board speaks on behalf of the Board and the President speaks on behalf of the University. The document presented outlines how the Board will be kept informed during an emergency situation and expectations from all involved parties.

For Level I situations such as an approaching weather event, notice will be sent to campus and the Board will be informed before that message is distributed when possible. In Level II situations such as a weather closure, the President will be in contact with the Board Chair to notify him of the decision. Information will then be distributed as soon as possible to the full Board and the campus community. Level III, IV and V events represent those that are much more fluid, communication becomes more intensified and the structure changes. JH Richmond represented a Level III event and in this case the President received a phone call from Vice President Dudley to make him aware of what happened. He immediately called Chair Williams and additional communication flowed from there as needed. During this type of event it is crucial for Board members to ask questions or share any concerns through Secretary Hunt or directly to the President. During an actual event the Vice Presidents have their hands full addressing immediate campus needs and their focus of attention needs to be on the incident at hand. Regents should be mindful that the President will also be working to address the immediate needs associated with an incident and will respond to requests as soon as it is feasible and as facts become clearer so that speculation is not being shared. Communication can include email, text, phone conversations and face-to-face meetings depending on the nature of the incident. Regents were also asked to be mindful of comments shared with the general public as events surrounding an incident unfold because such remarks can be construed in a different way than intended and all must be cognizant of the current environment.

At Chair Williams request, President Davies developed an Emergency Communication Protocols document to provide guidance to the Board. The JH Richmond incident brought forth a reminder of how chaotic such situations can be within the first few hours. All are thirsty for information but should also be very careful regarding any remarks made publicly. Within the first two hours of the JH Richmond event it became evident the investigation would become complicated and take time to complete. Being careful with communications does not translate into not communicating but simply represents a heightened sensitivity. It is vital for the Board to know what is occurring in any such situation but all must remember that constituencies are looking to the Regents for comment and while no one is trying to speak out of turn for the Board it can certainly be viewed that way by others and this is also true with regard to staff. This heightened sensitivity is applicable well beyond the JH Richmond incident and there is likely to be a continuous flow of such circumstances where transparency is important but all must be mindful that anything said or reported will become part of the permanent record.

Consensus was reached that the Board is comfortable, generally speaking, with funneling all questions through the President, the Chair or the President's Office. The Board also has an expectation from the President that he will keep them informed as any such situations evolve. If questions cannot be answered at a particular point the administration should indicate that as well so a vacuum is not created in this regard. Being able to communicate in such situations is even more perplexing for the Faculty, Staff and Student Regents because they are on campus and are being asked by their respective constituency bodies for information.

Dr. Davies added that communication is a two-way street. Following the immediacy of a situation as information is being sent out, if Regents are consistently being asked a specific question and an answer has not been provided by the administration they should certainly let the President know. As an example, Ms. Wood was hearing that students believed that tuition would be increased to fund the repairs to the JH Richmond building. The administration was able to address this question specifically once it was brought to their attention and put the rumor to rest. If questions are funneled through one specific area they can be handled appropriately and information can be disseminated as quickly as possible. This helps with not only providing information to the Board but also to the general public. If any Regent is not receiving the information they believe is needed they should certainly indicate that as well to the Chair or the President and this is applicable to all areas.

Chair Williams stated that in the last couple of weeks two alleged assaults on campus were reported and the administration provided information to the Board in a timely manner because these incidents would certainly be reported in the media. As a measure, for any topic that may end up in the media the Board needs to be informed. Consensus was reached that the way notification of these incidents was handled and the information provided met the needs of the Board.

Dr. Davies indicated the Emergency Communications Protocol document would be presented to the Board for consensus during the meeting tomorrow. It was suggested that the Chair and the administration should make sure Board members are aware of the immediacy of a situation so they can be prepared. Assurance was provided that once the University has definitive information related to the JH Richmond incident the Board will be appropriately informed. If the communications from the President become too frequent Regents were asked to indicate such and the reporting of false rumors should also be considered in terms of what may not be pertinent to a particular circumstance so it does not become a pervasive issue.

An AGB article, *Governing During an Institutional Crisis: Ten Fundamental Principles*, was provided in the eBoard book and it was agreed this would become part of the Board's Manual.

### **Training Session**

- Conflict of Interest

Mr. Rall indicated the Board has utilized the AGB Statement on Conflict of Interest which, in general, states that if reasonable observers having knowledge of all relevant circumstances would conclude that a Board member had an actual or apparent conflict of interest in a matter then that individual should have no role related to the matter. The exception is if involvement by the Board member would have compelling benefit then the Board should consider whether to approve that member's involvement. Board members are asked to complete a Murray State University Conflict of Interest Statement annually.

The Board materials included Kentucky Revised Statute (KRS) 45A.340 related to conflict of interest for public officers and employees. The Faculty and Student Regents are not covered by this statute in terms of being identified as "officers" but the remaining Regents are and this legislation includes seven provisions of which all should be mindful. One provision specifically applicable to Regents states that "no member of a board of trustees or regents shall have an interest in any contract with a state university unless such conflict shall have been subjected to competitive bidding in compliance with KRS Chapter 45A, unless such trustee or regent shall have been the lowest bidder and unless such trustee or regent shall have first notified in writing the remaining members of the board and the newspaper having the largest circulation in the county in which the state university is located, of his intention to bid on such contract." There are many definitions of "interest" but a key reference is it has to be pecuniary and personal and having a familial relationship is not enough. It is possible that the conflict of interest could be broader than information contained on the Conflict of Interest Form which Board members complete annually. In terms of the competitive bidding process, language references that a contract should not be awarded based on the lowest bidder but to the firm that can provide the best value, taking into consideration the compelling benefit of awarding to a particular entity. The statute also has certain notification requirements as outlined above.

If the criteria of KRS 45A.340 are not met there is no point in discussing the concept of compelling benefit because the person involved either cannot be a Regent or the University cannot award the contract to that entity. If the requirements of the statute are met and a Regent is the lowest bidder on a project but it is clear they will not be able to complete the project, this is the point at which the compelling benefit requirement must be observed. A compelling benefit is one so overwhelming that no reasonable person could disagree that the Regents' proposal is the best the University can pursue and this cannot be determined solely on price. If a situation such as this is presented to the Board any decision will need to involve the totality of the circumstances. The standard is that there will not be disagreement among reasonable individuals in terms of whether a bid falling under these conditions should be accepted. Under the applicable statute, majority interest should also be considered but something less could be implicated.



The AGB Statement of Conflict of Interest references that this extends beyond just financial transactions and could include issues such as hiring decisions. For example, by statute, an employee cannot have a relative serving on the Board and the statute defines what constitutes a relative. The exception is if the relative is already an employee when the individual becomes a Regent. The basic concept is the Board cannot serve two masters.

Chair Williams indicated that the larger issues related to conflict of interest are transactions and the employment of relatives but these are generally not difficult to identify. It is the more mundane issues that can lead to issues for a Regent and management. There are situations where small conflicts of interest can cross lines and all should be mindful of this fact. The Board must be diligent to not put staff in a difficult situation even unintentionally. Mr. Rall confirmed that if Regents ask employees for information or to perform a certain task the individual may not be aware of the statute and that they could possibly be in violation of statute by honoring the request. Most employees will honor the Regent's request thinking they are doing the right thing. Such requests do put an immense amount of pressure on employees who do not feel they can deny the request. It is unfair to put an employee in such a situation, even unintentionally. Chair Williams indicated that the best way for the Board to handle such requests from staff is to channel them through the President's Office. If the request can be honored the President will interface with the right individuals who can provide the information. If the request cannot be honored then the President will be the one to inform the Regent. Staff members have the Board's permission to indicate they will need to talk with the President before honoring any such request should it inadvertently be made to them directly. Standard protocol should be for such requests to be directed through the President's Office.

As a result of conversations which occurred last year, it was also determined that it is the best policy for Board members not to try to intervene with a staff member or the Vice Presidents on behalf of a student or prospective student. If parents make a request to a Board member the Regent should indicate the best they can do is share the information with the President to handle and should not try to intervene directly. Consensus was reached that Regents serving as a reference for students or potential employees could cause undue influence in the decision-making process whether it be for scholarships, employment on campus, class scheduling or in other situations.

Confirmation was provided that the mere fact a Regent serves on the Board of another non-profit entity that has no connection to Murray State does not create a conflict of interest.

- Open Meetings/Open Records Law

Mr. Rall reported if a quorum of the Board is together and discusses public business that would represent a violation of the Open Meetings Law unless notice of the meeting has been provided 24 hours in advance. The example of the Graves County Board of Education returning from a trip to Frankfort in the same vehicle and discussing business during the trip was cited. A quorum of the Board is considered to be a "meeting" if any issues which may come before the Board for a decision are discussed and for Murray State this constitutes six Regents. The most detrimental thing about an Open Meetings issue is the associated publicity because the implication is the Board is not properly conducting its business. The key component of the Graves County Board of Education example is there was a quorum in a very innocuous setting but public business was discussed, resulting in an Open Meetings violation.

The less than quorum meeting can also occur inadvertently. Six Regents constitutes a quorum for the entire Murray State Board and if one Regent starts talking to five other Regents with the intent to evade the Open Meetings Act in the discussion of public business then this can also be a violation. It was confirmed that it is difficult for the Attorney General to determine intent. A possibility of there being a quorum of the Board committees must be taken into consideration because they are created by the Board and are considered to be public agencies subject to the provisions of the Open Meetings Act. If a quorum of a committee discusses business not related to that particular committee that would not be a violation of the Open Meetings Law. The Board must be aware of those situations where a quorum can inadvertently violate the Open Meetings Act.

Murray State is subject to the Open Records Act. Although unlikely, if a Regent receives an Open Records Request they should send those directly and as quickly as possible to Secretary

Hunt who serves as the Custodian of Records for the University and knows how to handle such requests. The University is required to respond to Open Records Requests within three business days. It is possible to request a time extension but the University must have a very good reason for doing so. The University receives a large volume of Open Records Requests and most are mundane in nature – such as a request for athletic contracts. There have been requests received regarding larger issues, such as the JH Richmond event, and it is essential those be handled properly. There could be significant fines associated with willful non-compliance with Open Records Law.

Dr. Davies reported that he has reluctantly accepted a letter from Mr. Rall indicating his intent to retire from Murray State, effective June 30, 2018. Appreciation was expressed to Mr. Rall for his service to the University. Chair Williams congratulated Mr. Rall and indicated the Board wishes him well and thanks him for his service to the University.

- Title IX

Mrs. Duffy indicated she and her colleagues are awaiting information on how United States Secretary of Education Betsy DeVos plans to enforce Title IX policies in support of sexual assault survivors and others protected from discrimination, including lesbian, gay, bisexual, transgender and queer or questioning (LGBTQ) students. At this time, the direction and movement of Title IX policies in this regard are uncertain in terms of whether to continue enforcement from the vantage point of the previous administration's policies or to make changes to reshape sexual assault policy and this has not yet been articulated. To prepare for these upcoming changes, staff continue to participate in webinars and education sessions which may help forecast anticipated changes. The Board and President will be kept apprised as these changes are finalized. Dr. Davies reported that under the previous United States' administration there was a requirement to add Title IX protection for the LGBTQ community to the Nondiscrimination Policy for any organization receiving federal funds. Given recent discussions in the new administration, this may no longer be a requirement but the University continues to consider the feasibility of adding the protection language to its Nondiscrimination Policy.

Mrs. Duffy further reported that in early August, the National Collegiate Athletic Association (NCAA) Board of Governors adopted a policy related to Title IX which now requires all college athletes, athletic administrators and coaches to annually complete educational training related to sexual violence prevention. To prepare for these changes, involved individuals at Murray State will participate in webinars and sessions to identify content appropriate for the annual education, necessary documentation and the deadline for submission of documentation. The President will be kept apprised of progress in this area.

Title IX Harassment and Prevention online training has been available on campus since early August for faculty, staff and students. All University constituencies are required to complete the training by October 13, 2017, and score a perfect 100 on the test provided. Nationwide Title IX incidents are at their highest which illustrates the importance of requiring all University constituencies to complete the training.

All University constituencies are required to report any acts of sexual violence or illegal discrimination to Mrs. Duffy in her role as Title IX Coordinator. Anyone aware of such incidents are not required to investigate or verify the validity of the claim but they must report it. Campus resources are provided to parties impacted by Title IX and other acts of illegal discrimination and those materials have been provided to the Board. Mrs. Duffy confirmed that if an individual makes a report to her as the Title IX Coordinator but does not want to involve law enforcement they are provided with access to necessary campus resources, such as counseling services. If interim measures are requested, such as not sharing a class or working alongside the accused, an accommodation is also made to address those needs. The conversation the Title IX Coordinator has with the victim as well as the respondent are crucial to determining necessary accommodations. By law, the University is required to report statistical information related to any such incident so that it is in compliance with the timely warning notices requirement for university campuses. These notices do not provide any identifying information. Confirmation was provided that students are consistently provided with information through various information venues – such as Freshman Orientation and Great Beginnings – to ensure they are aware of available campus resources and can ask any questions they may have. During these sessions information is shared in terms of what occurs once such an incident is reported.

The University does not represent the alleged victim or respondent and cannot coerce anyone into filing a complaint or dissuade them from filing said complaint. Generally speaking, the alleged victim is trying to determine how they can return to some sense of having control over what is occurring. Confirmation was also provided that staff are in place to help students navigate the process and alleged victims are contacted at numerous stages of the process to ensure they are receiving needed assistance. Students are informed University staff do not serve in an advocacy role because that duty falls under the responsibility of the campus Women's Center. Title IX staff must remain objective in terms of gathering facts and conducting the investigation.

Discussion occurred regarding an individual who has been sexually assaulted but decides not to report the incident to police. The concern is the effect this could potentially have on the University if the individual decides to file a complaint at a later date. Mrs. Duffy confirmed if a Board member or a member of the University community becomes aware of such a situation they are required to report it to the Title IX Coordinator who will then reach out to the alleged victim. If the alleged victim does not want anyone else to know what occurred they cannot be forced into making an official police report. The law provides for such an occurrence and a copy of the University's Grievance Procedures will be provided to the Board.

By law, the University does not have the authority to report such incidents against the wishes of the alleged victim. Information provided in the eBoard book outlines that under the Clery Act, members of the University community have a duty under federal law to report crimes to the Murray State Police Department. Their report to police will be statistical in nature to include the date, time and place of the incident, but not the identity of the victim-survivor. The University is relying on the wishes of the victim and cannot dictate to that individual what process they will follow. The University can provide as many opportunities as possible to allow the individual to move forward in the best way given their particular situation. The alleged victim is provided with information on all available resources and surrounded by individuals who can help them make the best decision for them personally in a given circumstance.

It was agreed that the Board will be provided with access to the Title IX training that all faculty, staff and students are required to complete annually.

- Family Educational Rights and Privacy Act

Information regarding the Family Educational Rights and Privacy Act (FERPA) was included in the eBoard book. Ms. Roberts reported that FERPA is a federal law enacted to protect the privacy of all students – not just college students but those in elementary, middle and high school. The difference is from the moment a student begins their first college-level class rights transfer from the parent to the student and the fact that the person has not reached the age of 18 does not factor into this transition. If a student is in high school but is taking a college class, parents must request permission from the student to have access to or receive communication regarding what is considered to be information that is confidential in nature. The law places information into two categories – directory and non-directory information. The institution is required to annually notify all students of their rights and what is considered directory information and that which is considered non-directory information. This information is published on the website year round and is made available on the student's myGate portal and on Canvas – the course management system. Directory information is usually considered to be information that would be harmless to the student if released – such as email address, honors or degrees received and whether they are enrolled in college. Non-directory information which must be kept private includes classes in which the student is enrolled, grades received and any disciplinary actions taken. Board members may be approached by prospective, current or former students or their families requesting information to try to influence schedules, scholarships or things of that nature but it is best for such requests to be handled by the President.

There are exceptions to FERPA law but those are very much defined and only certain information can be released or discussed without the written permission of the student. This permission must be obtained for each piece of information released. Potential litigation or disciplinary matters could come before the Board regarding a student and any information obtained during that process would most likely be considered non-directory in nature and must be kept private and cannot be discussed outside of the purview of the Board meetings. Confirmation was provided that students must give permission, in writing, for their transcripts to

be released and those will be sent directly only to the address the student provides. Student rights exist until they are deceased and the protection of their privacy at all times is essential.

For students who have been admitted to the University or are in the process of applying but their first class has not yet started, discussions can still occur with their parents and this is helpful for financial aid and payment purposes. Once the first day of classes has started – unless the student has signed a Consent to Release Information Form which is offered online – no further information can be released. FERPA guidelines provide the University with a choice related to the type of information which can be released but at Murray State student privacy is protected at all costs. Although the University receives requests for such information, and federal law would allow, no lists or other data is provided to off-campus companies or agencies.

There are provisions for the disclosure of information to public health and trained medical professionals and parents related to a student's health and safety in an emergency situation but only if knowledge of the information is necessary to protect the health and safety of the individual. The question was raised regarding whether sexual assault would fall under this category and it was agreed this represents a fine line. If, allegedly as the result of such an incident, a student is performing poorly in class this would not warrant an emergency situation and information cannot be released to a parent. If the student is being subjected to terroristic threatening or is suicidal, individual decisions would need to be made in those particular circumstances.

- House Bill 15 – Board Orientation

House Bill 15 was passed by the Governor during the last legislative session. This legislation requires the Council on Postsecondary Education to ensure newly-appointed members of the Board of Regents are receiving appropriate training. The legislation contains specific requirements for training related to fiduciary responsibilities, Open Meetings/Open Records Law and Conflict of Interest and dictates that Board members will receive six hours of training. If training is not completed by the end of the appointed Regent's term they will not be eligible for reappointment. The respective universities will provide three (3) hours of the required training while new Board members will receive the additional three (3) hours of orientation credit by attending certain sessions at the upcoming Governor's Conference on Postsecondary Education Trusteeship on September 11-12, 2017, in Louisville, Kentucky. Veteran Regents were also encouraged to attend the Governor's Conference.

### **New Student Freshman Profile Update**

Dr. Wezner presented an update on the 2017 new student freshman profile and indicated that an Executive Summary and PowerPoint presentation were provided in the eBoard book for reference. The average ACT score for this class is 24.3 for both genders and this represents a significant increase over last year (23.9) due to the new entrance requirements. Female student subscores are one point higher in English and reading and male student subscores are better, on average, in terms of math ACT scores. This is representative of what is occurring nationally. The University is required to provide remediation to students with subscores in English, math and reading below certain points. A Venn diagram was provided showing the proportion of students who need remediation and the areas in which remediation is required. One-fourth of students who responded to the survey need some sort of remediation. For students who need remediation in English, 85 percent also need remediation in another area. These students will need support courses or additional help before or as they are taking credit-bearing classes. For students who need remediation in any area, 32 percent need remediation in a second area. The percentages presented are lower than they have been in the past and that is encouraging. Overall this is positive and amounts to there being a direct correlation between higher academic standards and the decrease in the percentage of students requiring remedial courses.

Of the 704 survey respondents, 78 percent indicated Murray State was their first choice. The top six reasons why students chose Murray State were presented and while the most common reason cited this year was that they were comfortable with the size of campus and classes, the top reason has varied over the years. Not all students have selected a major prior to arriving on campus but this year represents the first time Engineering and Physics has been in the top ten majors selected. When students graduate the most common majors are the Bachelor of Integrated

Studies, Nursing, Animal and Veterinary Technology, Business Administration and Elementary Education.

Survey results show that students have very high expectations in terms of how they will perform at Murray State. An overwhelming majority – 97 percent – expect to earn A’s and B’s and 96 percent believe they will graduate from Murray State. A very large percentage – 96 percent – believe they will graduate in five to five and a half years, although the national average for public universities is 59 percent graduating within six years. The University’s most recent graduation rate is 48.5 percent which is very positive for a Kentucky regional university. Seventy-two percent of students indicated they will always be prepared for class and a significant percentage stated they will never skip class – both are positive trends.

In response to whether there are any conclusions which can be drawn from this data to assist with recruitment, Dr. Wezner indicated this analysis can be undertaken comparing out-of-state versus in-state students and their responses will vary. This information has been analyzed in previous years and even broken down by county to know what students expect based on their high school experiences. Compared to previous years, this year’s surveyed students seemed to be more realistic about what they expect college to be and have stronger academic backgrounds in terms of having taken more advanced placement classes and completed more dual credit courses. These students have had more college-level experiences prior to their arrival on campus than previous classes.

Chair Williams reiterated the importance of the Board asking for and receiving the type of information needed to fulfill its responsibility. There are obvious examples of the importance of receiving such information and one pertains to recent events at another university in the state which have occurred over the last two to three years. There were very fine individuals serving on various Boards for that particular institution but for some reason they did not receive, ask for or demand information needed to meet their fiduciary responsibilities and this has been well established given recently-released reports. All on the Murray State Board were asked to ensure the right questions are being asked and Regents are receiving the type of information necessary to move this institution forward. He is not suggesting that anything other than a healthy circumstance exists at Murray State but all should be cognizant of their role as members of the Board. There are procedures, processes, policies and checks and balances in place to ensure things which have occurred at other universities do not occur at Murray State. Regents must be diligent in asking the right questions and ensuring they are receiving sufficient and necessary information to fulfill the fiduciary responsibilities of this Board. All are fortunate the President agrees with this philosophy and is willing to have conversations in this regard. Agreement was reached that the Internal Auditor plays a valuable role in this process as well.

The Board adjourned for lunch at 12:25 p.m.

Chair Williams reconvened the Annual Advance at 1:05 p.m.

### **Electrical Project Update**

David Burdette, Interim Chief Facilities Officer and Kevin Jones, Energy Optimization Manager presented the following:

- Slightly over one year ago the Energy Optimization Manager position was created with an overall goal of determining how to save money. Mr. Jones is charged with reviewing how the institution uses energy and what can be done more efficiently. He is also in charge of the Electrical Grid Study being undertaken to address challenges the University has faced recently. This work involves Facilities Management staff as well as outside contractors.
- The Board was previously briefed on electrical system challenges but information will be provided on how the institution can move forward in this regard. Murray State takes in a 69,000-volts delivery at the Central Plant Substation and that is transformed down and distributed throughout campus. The University owns and is responsible for everything beyond that delivery point. There are two 18-mega volt amp transformers at the substation which are owned by the University and have recently been rebuilt. All other components within the substation represent equipment from the 1970s or earlier vintage while also being the protective equipment for both the transformers and the remainder of the electrical distribution system.
- This past year work has been undertaken to begin to replace the controlling equipment in the substation to update it to newer technology which will provide for both better control of the system and some “eyes” into what is occurring within the system. Moving forward, a schedule or project list must be developed to address issues which must be remedied.

- In 1999 the University conducted an electrical study and that has been reviewed. Unfortunately, no further work has been undertaken since the study was conducted. Work to develop a new comprehensive study is currently underway.
- As this work progresses, necessary replacements and repairs will be undertaken utilizing a phased approach. Phase I has already begun and work continues to map out and fully understand what the University currently has in terms of its electrical system physically and load-wise and how much electricity is actually utilized. Both components must be understood before any attempt can be made to fix existing issues. A high-voltage qualified contractor is assisting with the mapping exercise and that information will be provided to an engineering consultant to develop an electrical system model. Once this work has been completed simulations can be utilized to determine how the system would be affected given various events. This will help provide an understanding of areas within the system that are deficient and will result in the eventual development of a listing of projects which must be addressed.
- Along with this work, a coordination study is being conducted to ensure things are working in the right order and the system is being protected as best it can be for now. Following this work better decisions can be made in terms of what is needed. Over time electrical systems change when buildings are added or deleted or overhead systems are moved underground. Any such modifications change the dynamics of the electrical system. Fully understanding how an electrical system is working represents good practice to ensure the best use of the system and avoid unplanned outages.
- Beyond the more immediate list of necessary projects, the long-term plan is to systematically review the system to replace aging equipment that has reached or is beyond its end of life and begin to standardize voltage and phasing. Several different voltages run throughout the University's current system which makes it difficult to purchase standard components. The institution is currently forced to maintain a stock of different part sizes because the electrical system is not standardized. As the system becomes more standardized the University can greatly reduce the size of its inventory in this regard and still ensure it has the necessary spare parts on hand in the event of a situation on campus.
- A great deal of work must still be undertaken but a good plan is in place to accomplish that goal. Improvements have been made in the Central Plant in terms of the installation of new protective devices. The benefits of those changes have already been noticed as evidenced by two recent and unfortunate unplanned outages which have occurred but there being no major catastrophic equipment damage resulting due to the installation of the protective devices.
- Confirmation was provided that the University is a customer of Murray Electric and not directly served by the Tennessee Valley Authority (TVA) and everything on the University's side of the substation is Murray State's responsibility to maintain – in essence meaning the institution is running a small utility company, although contractors are hired to undertake high-voltage maintenance. There is a three-year inspection process currently in place for the equipment the University is responsible for maintaining. In response to whether there would be any benefit associated with the University obtaining electrical service directly from TVA, it was indicated that is simply not an option.
- An additional consideration is identifying appropriate times for planned electrical outages to occur to address issues and undertake planned maintenance work and this is usually done when the University is closed for holidays. The next planned electrical outage is during Fall Break and advance notice will be provided to campus.

Dr. Davies indicated that a timeline for the mapping process and associated projects was provided in the eBoard book to provide an idea of the scope of this project. As will be discussed at the Quarterly Meeting tomorrow, the electrical infrastructure project is the University's number one priority on the Capital Projects Request to the state. Confirmation was provided that universities do not generally privatize management of their electrical systems but many institutions are beginning to utilize companies that specialize in helping manage electricity and all utilities. These represent sustainability companies working on campus to help the institution be more efficient in terms of utility usage. In these cases any savings are shared with the university to implement recommended changes. Discussion occurred at the last Board meeting regarding Energy Savings Company (ESCO) contracts which are financed by energy savings not solely related to electricity for Murray State but for things such as the boiler system and steam lines. Discussions are currently underway with such a company to determine potential benefits from entering into an Energy Savings Performance Contract with an ESCO company but the likely outcome will be to issue a bid to start this project. A bid will be issued for the contract and the company will then work in concert with the University to determine the best projects to undertake which will amount in the most savings with the costs for such projects being returned through utility savings. One such project has been completed in the University's history but it has been some time since proceeding in this fashion has been recommended at the federal and state levels. A suggestion was made that consideration be given to partnering with a company to manage the University's electrical system instead of the institution maintaining it and this investigation could occur before a large amount of funding is expended to restore the current electrical system.

## **Strategic Plan Reassessment Discussion**

Dr. Fister provided an update on the four Strategic Plan pillars: Academic Excellence; Student Success; Research, Scholarship and Creative Activities and Community Engagement. A Connections document was provided in the eBoard book outlining the Murray State goal to recruit, retain and graduate students to help them achieve their goals. The Board, the campus community and the extended community must provide assistance in this effort. Enrollment and budget are critical factors in helping to advance the Strategic Plan but performance funding is the next element which must be considered. The University actually entered the performance funding arena three years ago but is just now feeling the effects.

Information has been provided on the Strategic Plan reassessment which is the current phase the University is addressing. The implementation and operationalization phases have ended and reassessment is now the focus (one year earlier than that originally proposed). The Board should be aware that each November the Strategic Plan Executive Team and the Initiative Chairs provide an update and for this year will include all 63 goals and measures. It is understood that some current metrics may not exist the following year dependent on decisions made by this Board. A timeline for this work was also provided for the Executive Team and the Initiative Chairs so all are aware of expectations.

Information provided in the eBoard book includes the assessment undertaken by the Initiative Chairs and this has been reviewed by the Executive Team. A survey was distributed to the campus community for their input on measures to keep, eliminate or change. Nine of the measures have been completed. Some of these measures have continuing effects so a decision must be made whether those remain part of the Strategic Plan. One measure is to conduct a comprehensive study to ensure fair and competitive compensation for faculty and staff and this will be addressed by the Board tomorrow.

There are 18 items that are to be omitted which means they may go under a different strategy or metric or a determination made that they simply cannot be continued. As a University, difficult decisions must be made in terms of what continues to be done and what is not feasible to continue. If Regents feel strongly about a particular metric or strategy they should indicate such to the President.

The Initiative Team also discussed several items in the Strategic Plan which go across all four pillars. The initial Plan was developed in 2015 but the concept now is to think about particular items of the Plan as foundational measures. The Board highlighted that every undergraduate student would have an experiential learning opportunity and this does not go across just one pillar. The deferred maintenance concept was coalesced and that affects every single aspect of the Strategic Plan. If the electrical grid is not in place the University will not be able to effect academic excellence. Overarching components will be presented to the Board and all were encouraged to share their ideas and support in terms of how the institution is moving forward. A comprehensive capital campaign will also be undertaken and this will affect every single pillar.

Discussions which are occurring are following the timeline and Initiative Chairs are beginning to meet with their teams which are comprised of faculty and staff from across campus to allow them to provide insight and help move efforts forward. In December the Board will be presented with an update on all measures and goals. Every measure has a facilitator who will provide information on how well they performed in meeting the FY17 goal. A goal for next year will also be provided.

In June 2018 after all reassessment work has been undertaken the Board will be provided with a suggestion in terms of 16 to 20 measures to be utilized and this will represent a revision of the Strategic Plan. These will be the same goals and objectives or a slight alteration of the existing ones. It does not represent a new Strategic Plan. The Board has also been provided with the dashboard which will change this year due to the fact that some items have been completed. Discussions are underway and a determination must be made in terms of what is maintained and what the University is no longer able to continue to do in order to be efficient and effective.

Confirmation was provided that under the Student Success pillar there are ten specific measures related to recruitment. One metric is for the retention rate to increase to 78 percent by 2022 (currently 75 percent). Other metrics pertain to diversity which is difficult given the climate

within the 18-county service region. When 90 percent of the county is not racially diverse it is difficult to include that metric and associate it with scholarship dollars. Another metric is for the graduation rate to be 58 percent by 2022. All must be mindful that there are currently students in the system who were enrolled under a less stringent admissions policy and this is part of the reason for the University's current graduation rate. The change in admission standards was included in the Strategic Plan and that work has now been completed. It is believed this will allow the graduation rate metric to increase significantly and progress is being observed in this regard. There are many specific measures to help the University be as aspirational as possible while also being realistic. Confirmation was provided that there are also recruitment metrics within the Academic Excellence pillar.

### **University Finances Discussion**

Ms. Dudley provided a report on long-term financial trends for the University. In terms of Education and General Funds (excluding auxiliaries), a graph was presented showing budgeted revenues and expenditures for the period FY08 to FY18. For FY18, expenditures totaled \$110.9 million and \$133.7 million has been budgeted for current year. Trend lines for revenues which include appropriations, net tuition and fees and other revenues were presented and are performing as expected. Overall, appropriations are decreasing, tuition and fees are increasing and other revenues (\$11 million) remained rather flat over this period of time.

Information was provided on Education and General Fund Full-Time Equivalents (FTEs) for employees (excluding auxiliaries) broken out by area – President, Academic Affairs, Student Affairs, Administrative Services and University Advancement. The Academic Affairs category has the largest number of FTEs but from 2008 to the current year overall FTEs have remained relatively flat in each area. In 2015 there was an increase in the President's area due to a reorganization which took place at that time. Confirmation was provided that the decrease of eight FTEs in the University Advancement area were a result of organizational changes made over a two-year period.

Two graphs were presented focusing on the state's pension systems. The first graph illustrated employer contribution rates for the Kentucky Educational Retirement System (KERS) and Teachers Retirement System (TRS) and indicated dramatic increases in rates have been experienced. KERS is the worst funded system in the state and the trend line went from 5.89 percent in 2002 to almost 50 percent today. For every dollar the University pays in salaries it must also pay an almost 50 percent contribution as an employer and this does not take into account the employee's contribution into the pension system (8 percent). There has been nearly the same increase in expenditures over this time period. Total contributions from the University were \$4.3 million in 2002 and are \$13.9 million today between the two retirement systems. The institution has been required to cover the majority of these costs out of the General Fund budget and with appropriation dollars because universities do not have a line item in the state budget for pension costs, although many other agencies do. This has had a large impact on financial decisions which have been made by the University over the past several years.

Two graphs were presented focusing on comparative data with the other comprehensive universities in the state. Data for the University of Kentucky, the University of Louisville and Kentucky State University was not included in this comparison. One graph contained data on the state appropriation compared to net tuition and fees and showed the portion of Murray State's total revenue compared to other schools for the current year (except for Northern Kentucky data which is from prior year). State appropriations fund 37 percent of the University's budget and 63 percent is funded from net student tuition and fees. Murray State is very much in line with its sister institutions. A second graph contained data on Education and General Program Expenditures based on program areas – instruction, academic support, research, public service, library, student services, institutional support, operation and maintenance of plant and other – utilizing the same schools over the equivalent time period. For Murray State's budget, 45 percent of expenditures are for instruction (including auxiliaries). The University's percentages in the various program areas are not that different when compared to other institutions.

A ratio analysis for Murray State was provided. The primary reserve ratio represents the portion of the year reserves will last assuming expenses remain constant. In 2007, reserves for Murray State would last 55 percent of the year at a constant expenditure amount. In FY16, without pension costs, reserves for Murray State would last 83 percent of the year if expenditures remain



constant. Unrestricted net asset reserves are negative because of the large pension liability the University carries but the trend has improved each year due to large one-time savings. The recommended ratio for reserves is to last 40 percent of the year so the University is meeting the recommended rate proposed by experts. The viability ratio (debt) presented indicates the adequacy of the University's unrestricted net assets and their ability to cover debt. Long-term debt for the institution is primarily auxiliary debt for the residence halls. The University currently carries approximately \$87 million in debt. Expendable net assets divided by that debt in 2007 were at a ratio of 1.84 meaning the University was well covered. The University is still above the recommended rate of 1.1 percent. Typically all debt will not come due at the same time unless there is a catastrophic situation. Murray State's annual debt payments are in the \$6 to \$7 million range but the ratio provided is related to total debt. The University is well covered to make its annual debt payments.

A return on net assets ratio was provided and showed that the University is financially better off than it was in the prior year. In 2007 the University was at 13.47 percent and in 2016 was at 12.75 percent. For most years, the University's net asset ratio has been above the recommended amount of 3 to 4 percent. This trend will always be studied to determine how the University is performing. The net operating revenues ratio provided indicated an operating surplus for the year and helped to show how the other three ratios will trend. The University is stable but is much closer to the recommended ratio (or margin) in terms of operating revenues. This data will continue to be collected and analyzed and will be shared with the Board to provide necessary information related to long-term trends.

An AGB article, *The Business of Higher Education: The Guardians Initiative – Reclaiming the Public Trust*, was included in the eBoard book and provided information on national trends in terms of gross and net tuition costs for students. The average net price for public four-year institutions should be considered when the University is determining tuition rates. A graph was presented which showed where Murray State stands in comparison to the other comprehensive universities in the state. Data was provided on tuition and fees and room and board which represent the cost of attendance and all the comprehensive universities are relatively in line with one another. Data was also provided on the average cost of attendance, after federal and state aid and scholarships, based on first-time undergraduate students. Murray State is near the bottom in this category utilizing data from 2014, 2015 and 2016 fiscal years and a comparison can be made with the national trend. Confirmation was provided that some variation in the ratios are a result of Murray State having a larger number of students living on campus, when compared to the other institutions, as well as the amount of aid received but this calculation is reliant on the formulas utilized by the different universities.

A request was made for additional information on tuition, fees and room and board with associated dollar amounts for each of these areas. Confirmation was provided that housing costs are less at Western than at Murray State but this could be due to the fact that their housing is not managed by the university but by a Foundation to which the housing assets were transferred. Murray State housing rates are not the highest but are at the top in comparison to the other comprehensive universities. The University is also the only one in the state that has not entered into a partnership agreement which could be more advantageous to the other schools from a housing cost perspective. Western also privatized some of its housing stock and consideration could be given to the feasibility of doing the same at Murray State.

In response to whether data is available to determine the influence housing has on enrollment, Mr. Dietz reported it is known housing facilities are a significant factor when families visit campus and tour available residential housing. In some cases it is less expensive for a student to live alone off campus than it is for them to live in a double room in one of the older facilities on campus and this must continue to be addressed. The goal is to determine whether it would be beneficial for the University to enter into partnership agreements to renovate existing facilities but a determination must also be made regarding whether the right number and type of rooms are available in the housing stock. Currently, the majority of housing on campus represents traditional residence hall rooms and the University likely needs to move more toward a mix of small studio-type apartment to offer students more variety. Confirmation was provided that freshman and sophomore students are required to live on campus and students receiving a regional tuition discount are required to live in University housing through their junior year in order to continue to receive the discount. Students living on campus are also required to purchase a meal plan. Data shows that freshmen living on campus have a higher success rate

than those who do not but consideration must also be given to the quality and value of the accommodation and these represent strategic and financial issues for the University.

### **Enrollment Strategies Discussion**

Dr. Davies reported that nationally enrollment is a topic of concern for comprehensive, regional-based universities like Murray State. Enrollment fluctuations, a shrinking market, unpredictability, increased competition on multiple fronts and the overall perception of whether higher education is even worth pursuing are all adding to the discussion points for such universities.

A report was prepared by the Chronicle of Higher Education and two other national bodies last year found that 45 percent of comprehensive universities missed at least one of their enrollment marks – either enrollment numbers or enrollment revenue – and 30 percent missed their mark with both. It is believed these percentages will significantly increase when the report is issued for this year.

From 2002 to 2010 Murray State was averaging 1,300 new freshmen per year and 550-600 transfer students and total undergraduate enrollment was in the low 8,000's. The University had a very solid academic reputation, good retention numbers and was nationally ranked. In 2009 the Council on Postsecondary Education issued a charge to all universities in the Commonwealth to significantly increase enrollment. That charge was taken up at Murray State through the 12 x 12 campaign – to have 12,000 students by 2012. During this time the focus very much became geared toward just getting students in the door. Academic standards were maintained but more students were admitted conditionally during this time and the initiative to increase enrollment worked. In 2010 there were 1,390 new freshmen which increased to 1,536 in 2011 and 1,626 in 2012. During this period Murray State also made the national scene through athletics and played in two NCAA games in 2009-10, had another two-game win in the NCAA in 2011-12 and had 16 games broadcast on national television. This type of exposure clearly had a significant impact on enrollment.

Shortly thereafter, new freshman enrollment began to decline from 1,581 in 2013 to 1,508 in 2014 and 1,468 in 2015. Other issues which were occurring during this time included the increased need for remedial courses, a decline in retention and persistence rates and a decline in the University's academic reputation as evidenced by *U.S. News & World Report* rankings. Even with the different academic standards, the yield rates in terms of the number of students who applied and actually matriculated went down. The yield rate also significantly declined in terms of top-end students. In 2014 and 2015 the University administration, including the Board of Regents, robustly discussed the future direction for Murray State, including whether a philosophy of student counts should be maintained or if a focus should be placed on academic rigor and quality.

As part of this work, the Maguire Study was undertaken and represented an analysis of the University's market and potential and consideration was given to how that related to the Strategic Plan for the institution. Students were also surveyed about their impressions of Murray State and what opportunities they believed the institution could provide. An entire year was spent discussing what the appropriate future direction for Murray State should be. As a result, in 2015 the number of exemptions provided for conditionally-admitted students was tightened and the open enrollment standards were changed. A review of what academic standards should be for incoming students was also undertaken as part of this work. The former Chair of this Board – Deno Curris – emphasized incredibly well that he felt it was important to strengthen academic quality and encourage a stronger effort toward achieving academic excellence. He firmly believed that the University's strongest support group of students – which the Maguire Study called the "eager beavers" – represented the primary market of students for the University even though they had average or slightly below average ACT scores. Dr. Curris also pointed out that the National Survey of Student Engagement revealed the academic rigor of classes at Murray State was slipping. At that time, Dr. Curris provided recommendations and the University is currently undertaking some of those initiatives, including providing extensive undergraduate research opportunities and experiential learning, requiring rigorous pre-tenure and tenure requirements for faculty, designing a compensation system with a strong performance component and implementing a selective admissions policy which strives to admit those students who are capable of succeeding at Murray State. Research and statistics show that students who

require three remedial courses have a very difficult time succeeding at this University. Efforts must be geared toward maintaining academic rigor, increasing standards and emphasizing academic excellence.

At the end of 2015 the new admissions standards were solidified and implemented and were utilized for the first time in 2016. As a result, the freshman class increased from 1,468 to 1,502 and there was also a 7 percent increase in applications. The yield declined slightly from the previous year but remained within the normal range of 30 percent. A new scholarship grid was also instituted and discussions continue on defining the appropriate discount structure. The Honors College had been created and there was a more robust recruitment effort in this area. In 2016, even with a higher freshman class, overall enrollment declined. The higher freshman classes from previous years are still working their way through the system and while some have graduated, many have not persisted to graduation. In 2014 over 100 Mid-Continent students were enrolled at Murray State when that institution went under. Some graduated but others were not academically prepared for the rigors of Murray State. The size of the freshman class is a leading indicator but all must keep in mind that enrollment runs on five to six-year cycles. There have been declining freshman classes for three consecutive years but it is believed this trend has been reversed and retention numbers are higher.

In the current year 2017, applications were up by 5 percent and the number of students enrolling and attending Summer Orientation led all to believe the University was on a solid course through June. The institution was well within a yield range of 28 to 30 percent and a prediction of 1,550 to 1,650 new freshmen was solid. The no show and cancellation rates for Summer Orientation sessions were down this year compared to last year. In July and August the number of students indicating their intent to attend Summer Orientation was about the same as the previous year but, in reality, there ended up being 111 no shows and the number of walk-ups was very minor. This represented a significant shift and the potential yield went from 30 percent to the current realized rate of 26 percent.

There are four admission tiers at Murray State, with Tier I being the highest with a requirement of an ACT of 23 or above and a 3.0 grade point average with no remedial courses required. The yield for Tier I students went from 32 percent in the previous year to 36 percent this year (764 to 802 students). Tier II is for those students with an ACT of 18 or above and a 3.0 GPA with no remedial courses required. This category represents solid students and the yield in Tier II decreased from 29 percent to 25 percent (270 students to 205 students) and this population represents a major opportunity for Murray State. Students in Tier III have an ACT of 18 or above but require one developmental course and meets all other admission requirements. The yield percentage for this tier dropped slightly from 20 to 19 percent but, due to the number of applicants, increased from 256 students to 265 students. Tier IV includes those students who need three remedial courses at the most but meet the requirement of an ACT of 18 or above. The yield for this tier went from 18 percent to 12 percent (145 to 113 students) but these are also the most underprepared students for the rigors of college. Most likely, these were also the students who planned to participate in Summer Orientation sessions during July and August.

The University's retention rate is currently 75 percent for the freshman class and this is a five percentage point increase since 2011 and the first time the retention rate has been at 75 percent in this Century. Even with these successes, students enrolled in Tier IV remain a significant issue with only a 48 percent retention rate at this time. The average ACT for all students is above 24 and that is the first time this has been the case in the last decade (22.1 percent from the top 25 percent of their high school graduating class). Fifty percent of the freshman class indicated Murray State was not their university of choice due to the false perception they had that the University did not adhere to high academic standards. Students with a 3.0 grade point average or higher comprise 85 percent of the student population. The number of students requiring one remedial course is down by 15 percentage points and those requiring two or more remedial courses is down by 12 percentage points. In 2015, the Honors College had 372 current students and 121 new students. This year, there are 201 new students and 499 total students in the Honors College.

Significant strides have been made in the academic arena and this is evidenced by the results of various surveys with 45 percent of students choosing Murray State based on academic excellence and 45 percent choosing the University due to affordability. Murray State lost 19 percent of students to other universities based on the scholarship package offered but, at the same time, 25

percent of students indicated they chose to attend Murray State because of the scholarship package offered. In addition, the effect of the JH Richmond incident cannot be underestimated.

The University collected 5,550 more applications this year than last year but has historically been successful in this area. The issue is actual yield rates, specifically with regard to Tier II students and efforts must be redirected toward this population. Encouraging prospective students to move from the admitted stage to the enrolled student may require changes in the current scholarship grid and consideration must be given to how to provide scholarships to talent that falls outside of the academic grid. This would include students with leadership skills and those who have participated in other types of activities.

It is also known that there are other outside influences which affect the University's yield – particularly in regard to Tier IV and maybe even Tier II students – and includes the free community college effort that is now state-wide in the Commonwealth. The University must take into consideration current economic and political conditions. Higher education is economically inverse and the economy is getting better and this is influencing the various tiers. The University must also take its market into consideration. As a whole, enrollment in the community college system is down 27 percent – West Kentucky Community and Technical College (-16 percent), Henderson Community College (-38 percent), Hopkinsville Community College (-35 percent) and Madisonville Community College (-3.5 percent). Within these community college enrollments, the number of students pursuing university-bound programs has also decreased, although total college going rates are up slightly in the United States. According to the student-based National Clearinghouse, in Kentucky enrollment has been down consecutively over the past three years by 4.3 percent, 1.6 percent and 1.1 percent. This means the University is competing within a shrinking market with increased competition. For this reason, the University must rethink how to communicate more effectively with prospective students and the amenities which can be offered to those students. Overall, the University must strategically increase yield and efforts such as personal contacts, social influencers, technology and frequency of communications are being utilized in this regard. The Summer Orientation program also needs to be revamped so the sessions are more personalized and a suggestion has been to involve alumni to a greater extent in this effort. Provost Arant is now on board so Dr. Davies' role in the student recruitment process will increase even more significantly.

Confirmation was provided that an “after incident review” has been undertaken related to students who apply but do not matriculate. Mr. Dietz confirmed that over the coming year student barriers will be identified and a determination made on how to eliminate such roadblocks. Efforts will begin to admit students based on their self-reported grades (transcripts) and test scores because it often takes the high schools too long to provide this information to the University. Data shows that students are honest on their application for admission and this could potentially provide a competitive advantage in terms of the University being able to admit students earlier in the process and provide information in relation to their scholarship package. Consideration has been given to deferring the Student Orientation Fee to the student's Fall bill so financial aid can be utilized to cover this cost. Confirmation was provided that the University has always been flexible in this area.

The University performs well in terms of retention from the freshman to sophomore year. Greater efforts must be focused on retention from the sophomore to junior year because the retention rate is currently 84 percent. The retention rate for other freshmen – those students who are not first-time students but are still classified as freshmen – is only 62 percent. These are two areas which must be addressed in terms of retention. Work also needs to be undertaken with the senior class. Last year 147 senior students left the University not because of academics or finances but for other reasons. Efforts are currently underway to recapture these students and include personal emails and phone calls to those eligible to register to determine why they have not done so.

The University also has significant opportunity related to dual credit. Although there were over 700 dual credit students this year, efforts in this arena must be significantly increased. The University has been successful marketing the Racer Academy and the Falcon Academy but these communication efforts must be increased on a much wider scale to other populations moving forward. A focus must also be placed on the transfer student population but all should be realistic that this also represents a declining market, particularly in Kentucky. One of the significant enrollment declines the University has experienced is in the international student

population. It is believed this is due to the politics of the day, including some countries that have stopped sending their students to the United States to pursue higher education. There are opportunities with regard to international students but the University must be very strategic with efforts in this regard.

Although Murray State has a very traditional campus mindset, consideration must be given to developing more online program opportunities as ways of delivering courses to meet the needs of contemporary students and nontraditional adult learners – not just to earn degrees but to complete certificate programs and receive credentialing. Specifically with regard to graduate programs, a way to create more flexible scheduling must be identified, so interested students can enter a cohort every eight weeks instead of every 16 weeks.

Consensus was reached that as part of this work consideration should be given to increasing the University's budget related to marketing efforts. Clarification was provided that current recruitment publications are funded by Enrollment Management and not the marketing unit. The recruitment process has changed from ten years ago and now represents one built on relationships. Various initiatives must be considered to facilitate such connections and efforts are currently underway to identify different means of accomplishing this work. The number of high school graduates in the 18-county service region represents a declining market and the University must find ways to expand its footprint into Missouri, Illinois, Indiana and Ohio. As the academic rigor and mission are reinforced the University must also redefine its peers and this opportunity is evident through what has been accomplished with Tier I students but this will not occur overnight. Agreement was also reached that prospective students and their parents should better understand the scholarship grid and how it will help their student not only in the first two years but throughout their collegiate career at Murray State.

Dr. Davies reported that this year's enrollment will be down from last year and, while the situation is still fluid, it is believed overall numbers will be down between 400 and 500 students. Enrollment in graduate programs is also down by roughly 200 students. These enrollment declines mean the University will have a revenue deficit of approximately \$4 million. Mr. Dietz reported that, as of this same time last year, total enrollment is 9,747 students versus 10,175 last year. Additional information was provided for enrollment broken out by undergraduate and graduate students. The numbers will continue to fluctuate daily until they are locked in to the CPE on October 25. The actual conversion to dollars depended to a great degree on the final mix of students.

Murray State must consistently articulate the value of the academic proposition and the rigor, relevance and excellence and the University's academic programs. This will also help place the University in a better position in terms of performance funding. Confirmation was provided that there are many opportunities associated with the regional campuses. Discussions have occurred in terms of how to engage the regional centers more effectively and the Deans will become much more involved in the work associated with the transfer student market. There are currently eight recruiters for freshmen students and two recruiters for transfer students. In most service areas, recruiters visit the schools every other month and this also includes the private schools in those areas. Students are brought to campus to participate in College Fairs and the different departments also conduct their own recruiting efforts. Confirmation was provided that Murray State absolutely pays attention to the high schools in its own backyard and initiatives such as involving faculty members in these visits are also being piloted this year. It is known that some high school visits are not very productive because University staff are required by the school to meet with students in less than desirable settings such as a lunchroom.

Additional initiatives which are being undertaken include facilitating conversations with Guidance Counselors, bringing them to campus and hosting an appreciation luncheon every Fall; working closely with Guidance Counselors and parents to provide education related to dual credit courses and those which meet the requirements of the high school but will also transfer to the University and facilitating discussions related to creating a three-year bachelor's degree program where students take certain dual credit courses in high school which will meet University requirements (for 99 percent of offered majors) and apply toward a Murray State degree. Often it is the Guidance Counselor who encourages a student to attend a particular University so continued emphasis must be placed on facilitating communication with these individuals.

One-third of overall first-time freshman enrollment and approximately one-half of the transfer class at Murray State come from the University's 18-county service region. Recruiters primarily concentrate within a 200-mile radius of Murray State but extend as far as Chicago. The majority of students electing to attend Murray State come from within a 200-mile radius and that should remain the focus. Confirmation was provided that personal recruiter visits are also made in Louisville, Lexington, Nashville, Evansville and St. Louis. Confirmation was provided that students in certain clubs and organizations are recruited and many times they visit campus. Current students are also becoming more involved with recruitment in their former high schools because this social influencer has been shown to be very positive. Teachers can also play a major role in this regard and should be utilized to an even greater extent.

Dr. Davies indicated that the second semester of the sophomore year is when students are no longer considered "new" but they are not yet close enough to their major or to graduation to be able to make those connections. Peggy Whaley, Assistant Director of Student Engagement and Success, reported that these sophomore students are facing the same challenges as freshman students, including homesickness, test anxiety, struggling in at least two courses, on-campus social aspects and not making connections even in their residential colleges and not being confident about finances. Efforts are underway to determine how to increase the retention rates for sophomore students by providing the support and resources needed for them to persist. A suggestion was made for scholarships to be increased for successful sophomore college students but Dr. Davies clarified that the scholarship grid is for four years and is applicable to sophomore students. Sophomores are not typically eligible for a scholarship within a major. This must be addressed because it can represent a loss of opportunity especially when during their freshman year they received freshman and Foundation scholarships but they have not yet made it to the junior year where they will be eligible for scholarships within their major. Declaring a major also factors into the low retention rate as does re-evaluating the major originally selected if they determine it is not the right path for them personally. Mrs. Whaley confirmed that the student's ability to ask for help and fear of failure is overriding their ability to utilize available resources.

Many students in Tiers I and II are matriculating from high school settings in which they were the leaders on their campus and in the classroom. Also, 52 percent of the freshman class are first-generation students who are being placed in a different environment with much higher standards and rigor. Receiving a 'C' on a paper is not uncommon in college but these first-generation students have never received that grade before and this can be difficult for them to handle. Having structures in place to address the needs of such students is critical. They must also learn that criticism and feedback can be positive and they must have a growth mindset and not a fixed mindset. Statistically this can become very important because the retention rate for American Indian and Alaskan is 75 percent; Asian, 75 percent; Blacks, 74 percent; Multi-racial, 77 percent; non-resident, 72 percent and Hispanic, 60 percent. The University's retention rates are almost the same across races (except one) and this represents significant improvement from 2012-13.

### **Work Plan for the Board of Regents and University/President**

Dr. Davies reported that at the President's Executive Council Advance this year the Vice Presidents and other members of the executive team were asked three basic questions. The first question pertained to how Murray State will be described in 2022 – the University's 100<sup>th</sup> anniversary. Robust discussion occurred and key thoughts which resulted include Murray State being known as the premiere undergraduate university in the Commonwealth, there being no difference between and among student populations in terms of graduation and persistence rates, the University being engaged in a very successful fundraising campaign and be ranked in the Top 15 regionally.

Discussion then centered on the perceived internal and external challenges that must be addressed in order for the University's future to become reality. Internal challenges include self-imposed silos and bureaucracies and encouraging team members to think differently. External challenges include performance funding and increased competition in terms of online program opportunities.

The third question related to where the University wants to be and the internal and external challenges it faces, as just outlined, and what needs to be undertaken now to reach this point. The initial plan was for the Board to undertake this same exercise today to determine where

priorities aligned but, given time constraints, Dr. Davies provided highlights which resulted from the President's Executive Council Advance. The five identified key success factors or themes which should be considered are:

1. Enrollment – A team is being convened by Mr. Dietz to discuss the traditional student market which pertains to those students who matriculate from high school to Murray State. Recruitment and retention initiatives will be addressed in terms of the number of transfer students, advising and effective recruitment of Tier I, II and III students. The emphasis will remain on academic rigor and enhanced strategic diversity. A great deal of discussion will occur on how to tie academics not to someone's first job but to a career because of technology, etc. Enrollment is key success factor #1 because it drives everything else.
2. Contemporary Learners – These are adult learners (formerly referred to as nontraditional Students) and consideration must be given to how online programs are offered and the manner in which regional postsecondary education centers are utilized throughout the state. Programming for contemporary learners must be competency based and provide flexibility in terms of calendars – a thought process related to time and space – and consideration will be given to start dates for various programs to be more accommodating for an individual working a year-round full-time job. This represents an entirely new market of individuals who need a college degree but will not be able to travel to a physical location to earn that credential. In terms of market availability, contemporary learners represent one of the largest markets in the United States and it is being “tapped” through very nontraditional means. Western Governors University was cited as an example.
3. Lifelong Learners – Addressing these needs of lifelong learners involves taking the approach that in order to be successful in today's world earning a bachelor's or master's degree and then stopping their education is not an option. Due to advances in technology, jobs are turning over every two to four years and people are finding themselves in the position of needing re-education every two to three years. Murray State must determine how it can become a lifelong learning center which provides credentials and opportunities to meet the needs of the lifelong learners. This is where the regional campus sites can be utilized more effectively and in a significantly robust way. Consideration must be given to working with industry partners to identify how the University can provide needed seminars and symposiums within those actual business locations.
4. Program and Process Innovation – Programming is related more toward academics and ensuring what is being offered is relevant and realistic to the area. This includes tearing down academic silos and offering programming that is much more robust and cross-disciplinary in nature. Process relates to efficiencies and mechanics at the University and how those can be streamlined to be more efficient. The University of Northern Arizona was cited as an example of an institution making great strides with process innovation related to the application process.
5. Resource Alignment – Consideration must be given to performance funding in terms of how it will internally affect Murray State University, including time commitments, necessary funding, increasing demands, enrollment targets, meeting infrastructure needs and realigning resources with a specific need. Over the past few years budget reductions and reallocations have been made within various areas. Consideration must now be given to reallocating funding and resources across the entire University. Merit pay should be considered as part of resource alignment and all must be mindful of the need to develop such a system.

It is believed if these five key success factors can be met the University will be able to achieve stated goals and a paper copy of this information was provided to the Board for review. The Board reached consensus that the five key success factors outlined by President Davies are appropriate and no changes are necessary at this time. Agreement was reached that follow-up discussions will occur.

The Board considered whether consensus on these five key success factors will require an adjustment to the Strategic Plan and this needs to be clearly understood. The Board, in order to fulfill its role in focusing on policy and long-term planning for the University, must fully understand and agree on those priorities it will be asking management to address on a routine reporting basis and in terms of developing execution plans and how those fit within the overall plan for advancing the institution.

It was stated that students face significant roadblocks just getting enrolled at Murray State and this needs to be addressed immediately. The enrollment process can be challenging and with 52 percent of the University's student base being first-generation, this means their parents cannot help them through the process. Often things are overlooked – such as financial aid and scholarships – due to the multitude of paperwork and forms students are required to complete. Confirmation was provided that initiatives such as the Racer One Stop are being employed to help address this need in a manner that is convenient for students. Other means of simplifying the enrollment process will certainly be considered.

### **Closed Session**

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

President Davies, Secretary Hunt, Dr. Fister and the Vice Presidents were asked to remain in the meeting room.

Closed Session began at 3:44 p.m.

At approximately 4:40 p.m. everyone was asked to leave the meeting room except for members of the Board of Regents.

### **Open Session, reconvened**

Chair Williams solicited a motion for the Board of Regents to reconvene in Open Session. Mr. Rhoads so moved, seconded by Mrs. Guess, and the motion carried unanimously. Open Session began at 6:03 p.m. Chair Williams reported that the Board of Regents took no final action during Closed Session.

### **Final Thoughts/Other Business/Adjournment**

A reception and dinner for the Board will begin at 6:30 p.m. this evening at the President's home – Oakhurst. The Quarterly Meeting tomorrow begins at 8:30 a.m. in the *Jesse Stuart Room* at Pogue Library.

There being no further business to come before the Board, the Board of Regents Annual Advance adjourned at 6:05 p.m.

  
Chair

  
Secretary