

**Minutes of the Quarterly Meeting of the Board of Regents  
Murray State University  
December 4, 2020**

**Call to Order/Roll Call**

The Murray State University Board of Regents met on Friday, December 4, 2020, in Quarterly and Committee Session via video teleconferencing (ZOOM). Chair Jerry Rhoads called the meeting to order at 8:30 a.m. and welcomed those joining the meeting via ZOOM or Livestream. The roll was called and the following Board members were present: Eric Crigler, Virginia Gray, Sharon Green, Warren Norman, Leon Owens, Jerry Rhoads, Lisa Rudolph, Phil Schooley, Melony Shemberger and Don Tharpe. Absent: none.

Others participating in the ZOOM meeting were: Robert L (Bob) Jackson, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Tim Todd, 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 and Enrollment Management; Bob Pervine, Associate Provost; Robert Miller, General Counsel; Jordan Smith, Executive Director of Governmental and Institutional Relations; Renee Fister, Director of Institutional Effectiveness and Strategic Planning; Shawn Touney, Executive Director of Marketing and Communication and Information Technology staff monitoring the technology component of the meeting. The meeting was also livestreamed to provide access to the general public. It was noted that various presenters would join the Board via ZOOM at the appropriate time throughout the meeting.

**AGENDA**

**Call to Order**

**Chair Rhoads**

**Roll Call**

**Secretary Hunt**

**Consent Agenda**

**Chair Rhoads/President Jackson**

- A. **Minutes of the Annual Retreat on August 27, 2020, and Summer Quarterly Meeting and Committee Meetings of the Board of Regents on August 28, 2020\***
- B. **Report of the Registrar\* Provost Todd/Registrar Roberts (August and December 2020 Conferral of Degrees)**
- C. **Academic Excellence and Scholarly Activities Committee – University Appeals Board Appointments\***
- D. **Audit and Compliance Committee (For Information Only)**
  - 1) **Office of Internal Audit – Internal Audit Work Status Report**
  - 2) **Office of Internal Audit – Summary of Presidential Travel Report**
- E. **Finance Committee**
  - 1) **State Endowment Match Program Annual Report\***
  - 2) **Personal Services Contracts – Schedule of Expenditures (For Information Only)**
- F. **Personnel Changes**
  - 1) **Professor Emeritus Designations\***
  - 2) **Staff Leaves of Absence without Pay\***

**Report of the Chair**

**Chair Rhoads**

**Report of the President**

**President Jackson**

**Report of the Treasurer\***

**Vice President FAS Dudley**

**(Quarterly Financial and Investment Reports)**

**Board of Regents Self-Evaluation Results Presentation (For Information Only)**

**Associate Provost Pervine**

**Approval of Revised University Mission Statement\***

**President Jackson/Provost Todd**

**Committee Reports/Recommendations**

- A. Academic Excellence and Scholarly Activities      Regent Shemberger**  
1) **Southern Association of Colleges and Schools Commission on Colleges Reaffirmation of Institutional Accreditation – 5<sup>th</sup> Year Interim Report (For Information Only)**
- B. Athletics      Regent Crigler**  
1) **Personnel Changes – Contracts of Employment – Assistant Coaches (For Information Only)**
- C. Audit and Compliance      Regent Tharpe**  
1) **Audited Financial Statements – General\***  
a. **Report to Governance on the Results of Annual Independent Audit**  
b. **Required Auditor Communications (includes Representation Letter)**  
c. **Independence/Peer Review Letter**  
d. **House Bill 622 Compliance Report for the Year Ended June 30, 2020**  
e. **Kentucky Lease Law Compliance Report for the Year Ended June 30, 2020**  
f. **General Financial Statements for the Year Ended June 30, 2020**
- 2) **Annual Audit Report – Athletics\***  
a. **National Collegiate Athletic Association Independent Accountant’s Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2020**
- 3) **Annual Audit Report – WKMS-FM\***  
a. **Required Auditor Communications**  
b. **Audited Financial Statements for the Year Ended June 30, 2020**
- 4) **Annual Audit Contract Renewal\***
- D. Buildings and Grounds      Regent Schooley**  
1) **Sewer Easement – *Paducah Regional Campus\****  
2) **Lovett Auditorium HVAC and Electrical Systems Renovations Program Statement\***  
3) **Disposition of Structure – Special Education Storage Building (#0118)\***  
4) **Major Projects Update (For Information Only)**
- E. Enrollment Management and Student Success      Regents Rudolph and Norman**  
1) **Enrollment and Retention Update Report (For Information Only)**
- 12 noon (approx.)      Break for Lunch**
- 12:30 p.m. (approx.)      Reconvene**
- F. Finance      Regent Owens**  
1) **Financial Update (For Information Only)**  
2) **Kentucky Employees Retirement System Non-Hazardous Pension System Participation Decision\***  
3) **Lovett Auditorium HVAC and Electrical System Renovations Project Funding\***  
4) **Establishment and Designation of the *Dr. Robert “Doc” McGaughey Fund for Excellence in Journalism and Mass Communications Quasi-Endowment\****  
5) **Projects Approval\***  
6) **Personal Services Contracts\***
- G. Legislative and Economic Development      Regent Gray**  
1) **Legislative Update Report (For Information Only)**
- H. Marketing and Community Engagement      Regent Green**

- 1) **Gifts-in-Kind**
    - a. **Acceptance of *Tosh Wean-Finish Facility* – Hutson School of Agriculture\***
    - b. **Acceptance of Coins from the Dr. Robert Howe McGaughey III Estate and Designation of Proceeds from Sale\***
  - 2) **Naming Opportunity – *Dennis Jackson Racer Room* in Roy Stewart Stadium\***
- I. Ad Hoc Presidential Evaluation Process Review Committee    Regent Crigler**
- 1) **Minutes of the Board of Regents Ad Hoc Presidential Evaluation Process Review Committee Meetings on October 29, 2020, and November 20, 2020\***
  - 2) **Operating Procedure for Presidential Evaluation Revisions\***

**NOTE:        Full Board action will follow Committee action.**

**Policy Changes**

**President Jackson**

- A. ***Board of Regents Policy Manual – Section 2.21 – Sexual Harassment Policy Revisions\****
- B. ***Board of Regents Policy Manual – Section 2.24 (becomes part of Section 2.21) – Sexual Violence and Misconduct, Relationship Violence and Stalking Policy Revisions\****
- C. ***Board of Regents Policy Manual – New Section 2.24 – Minors on Campus (first reading)\****
- D. ***Board of Regents Policy Manual – Section 2.6 – Fee Establishment Revisions (first reading)\****

**Board Development (For Information Only)**

**Dir. of Housing/Staff Congress**

- A. **2020 Staff Perspective Survey**
- President Wilson**

**Supplemental Materials (For Information Only)**

**President Jackson**

- A. **“Good News” Report (October 2020)**
- B. **Quarterly Branding, Marketing and Communication Report (July – September 2020)**
- C. **Sponsored Programs – Grants and Contracts Report**

**Other Business**

**Chair Rhoads**

**Adjournment**

**Chair Rhoads**

**(\*Requires Board of Regents Action)**

**Consent Agenda Items, approved**

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

- Minutes of the Board of Regents Annual Retreat on August 27, 2020, and Minutes of the Summer Quarterly and Committee Meetings on August 28, 2020\*
- Report of the Registrar (August and December 2020 Conferral of Degrees)\*  
(See Attachments #1 and #2)
- Academic Excellence and Scholarly Activities Committee – University Appeals Board Appointments\*

As stated in *Section 6.6* of the *Board of Regents Policy Manual*, decisions of the University Judicial Board may be appealed to the University Appeals Board. Decisions involving disciplinary suspension or expulsion are automatically appealed to the University Appeals Board. The nine-member University Appeals Board consists of six faculty members and three students. A request is being made for the following faculty members to be appointed to the University Appeals Board from the present until the end of term indicated.

<b>David Gesler</b>	Arthur J. Bauernfeind College of Business	Term expires June 2023
<b>Sean Simons</b>	College of Education and Human Services	Term expires June 2023
<b>Jeremy Erdmann</b>	School of Nursing and Health Professions	Term expires June 2023

- Audit and Compliance Committee – Office of Internal Audit – Internal Audit Work Status Report (For Information Only)
- Audit and Compliance Committee – Office of Internal Audit – Summary of Presidential Travel Report (For Information Only)
- Finance Committee – State Endowment Match Program Annual Report\*  
(See Attachment #3)
- Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)
- Personnel Changes – *Professor Emeritus* Designations\*

According to the Murray State University Bulletin, the rank of Professor Emeritus is assigned to Assistant Professors, Associate Professors or Professors who have limited or terminated their responsibilities as ranked faculty members after ten or more years of distinguished service to Murray State University. Faculty Emeritus designation is being recommended for the following faculty members:

Rena Duncan	Psychology	Professor
Harry Fannin	Chemistry	Professor
John Fannin	Music	Associate Professor
Joseph Morgan	Agricultural Science	Professor
Robert Pilgrim	Computer Science and Information Systems	Associate Professor
Jeanetta Riley	Early Childhood and Elementary Education	Professor

- Personnel Changes – Staff Leaves of Absence without Pay\*

Murray State University offers a variety of excused staff leaves without pay such as faculty medical leave, military leave, educational leave, a personal leave or a general leave of absence. Conditions and requirements for the specific types of leaves are defined in the Board-approved *Personnel Policies and Procedures Manual*. Staff Leaves of Absence without Pay that have been processed as of August 11, 2020, include:

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Audrey Allbritten	University Libraries	8/3/2020-10/15/2020
Donovan Alexander	University Parking	9/15/2020-9/25/2020
Clara Bearsby	Teacher Education Services	8/10/2020 9/17/2020 9/25/2020 10/23/2020
Angela Lampe	Facilities Management	9/8/2020-10/2/2020
Andrea Rogers	University Store	7/14/2020-7/31/2020 8/3/2020-9/8/2020*
Anna-Marie Ulrich	Undergraduate Admissions	9/28/2020-11/9/2020

\*Intermittent Leave

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

### **Report of the Chair, received**

Chair Rhoads reported that the pandemic has been challenging for the postsecondary education system which includes Murray State. This is in addition to other challenges already facing the University such as a decline in state funding, increase in pension obligations, unfavorable performance funding provisions, enrollment challenges and many other factors. Recent publications have noted that colleges and universities nationwide have experienced 16 percent fewer freshman enrollments and the effect this has had on the postsecondary education system is evident. Despite these challenges, Murray State is doing well considering the current environment and this is due to the strong leadership of President Jackson and his leadership team and dedicated faculty and staff who have planned and implemented the Racer Restart Plan practically 24/7 since March. The campus is as safe as possible, there have been no sacrifices made in terms of academic quality, strong enrollment figures continue and Murray State has maintained a focus on its mission of being a student-centered university. He publicly thanked President Jackson, his leadership team and faculty, staff and students for the way they have

coped with the pandemic as these efforts were undertaken in compliance with the Racer Restart Plan.

Chair Rhoads also recognized partners Sodexo (dining services) and SSC (buildings and grounds) for doing a tremendous job under very difficult circumstances due to the pandemic. The campus has never looked more beautiful than it does today. Major positive developments include installation of the Racer One bronze statue that greets visitors to campus in front of the Curris Center and the John W. Carr statue in the central mall area. The University's goal during the pandemic was not just to survive but to emerge even stronger by thinking about new ways to recruit, educate and retain its most important asset – students.

Secretary Hunt sent emails on Chair Rhoads' behalf regarding Board member committee preferences. All were asked to indicate their top four preferences but a few individuals have not yet responded. Regents were reminded to send their Committee preferences to Secretary Hunt. Final committee assignments will be made once Governor Andy Beshear appoints a replacement for the current vacancy on the Board. In the meantime, the committee structure that is already in place will be utilized.

### **Report of the President, received**

President Jackson reported that for the Fall 2020 Semester approximately 65 percent of colleges and universities across the country were either totally or mostly remote. Murray State was not and this can be credited to faculty, staff, students and administrators – including the Vice Presidents, President's Executive Council, Deans and Chairs, Human Resources team, Faculty Senate President, Faculty and Staff Regents and the Director of Athletics. In particular with regard to housing, Dr. Jackson recognized David Looney, Executive Director of Auxiliary Services and his Data and Communications Manager Emily Asher; Director of Housing David Wilson; the Residential College Heads; Resident Assistants and Directors and housing staff. This has been a difficult time and these individuals – along with many others – helped make the Fall 2020 Semester successful for students. The Spring 2021 Semester will look much the same due to the ongoing pandemic. Jordan Smith was recognized for serving as the University's Health and Safety Officer whose primary responsibility in this role is to help Murray State maneuver through the Racer Restart Plan. Appreciation was expressed to all for their efforts, dedication and hard work. Necessary changes are currently being made to the Racer Restart Plan for the Spring 2021 Semester, including adjustments to the academic calendar.

Information was presented relative to Fall 2020 Semester course delivery for the eight public institutions in the Commonwealth (as reported in the *Chronicle of Higher Education*). The data presented illustrates how courses were delivered at each of the schools. No university delivered all courses in-person. Two universities – including Murray State – delivered courses primarily in-person. Two universities delivered courses through hybrid means and four provided classes primarily online. It was not an easy task for Murray State to deliver courses primarily face-to-face and Provost Todd and all facets of academic leadership are to be commended for their efforts which provided this opportunity.

Recent rankings include *U.S. News & World Report* recognizing Murray State for the 30<sup>th</sup> consecutive year as a “Top Tier” university and *Washington Monthly* naming MSU as a “Best Bang for the Buck” top public university in Kentucky. *Money Magazine* recognized Murray State among the 2021 Best Colleges in America Ranked by Value – top public university in Kentucky. Rankings information is provided to the Board on a regular basis and all were encouraged to indicate whether too much or too little information is being shared. Confirmation was provided that these rankings – and the value of a Murray State education and the safety of campus – are shared regularly as recruitment and retention tools.

Photos were shown of the first day of the Fall 2020 Semester and while a large number of students were on campus walking through the mall area, all had on masks. Appreciation was expressed to Regent Norman in this regard as adherence to the mask mandate was 99.5 percent or higher. This effort is how students were allowed to remain on campus and the leadership of the various student groups in recognizing the importance of wearing masks was very much appreciated.

Information presented on campus appearance included work being completed on the Price Doyle Fine Arts Building in terms of painting, sealing and window repairs. Appreciation was

expressed to Mr. Youngblood and the Facilities Management team for completing this work. All are proud of the work SSC has undertaken with the assistance of custodial and grounds staff and the entire Facilities Management team. This fall, Starbucks, Steak 'n Shake, Tres Habaneros and Subconnection opened in the Curris Center. These restaurant venues are important to the institution for recruiting and retention purposes – as well as to faculty and staff. Future updates for the Curris Center are also being planned to refresh and enhance the facility. This work is being undertaken with student leadership and others in regard to the functionality needed in this facility. A great deal of work is currently underway in Lovett Auditorium and other historic buildings on campus. Appreciation was expressed to Vice President Dudley who manages the entire Facilities Management team that has been required to operate in a challenging environment compounded by the pandemic.

Dina Byers, Dean of the School of Nursing and Health Professions, and others have discussed needs in that area and how to enhance and grow programs. As part of this work, the School has received a United States Department of Agriculture (USDA) grant in the amount of \$960,000 and a Kentucky Hospital Research and Education Foundation grant of \$25,000 to build a new Nursing Education Simulation Center. Appreciation was expressed to Dean Byers and faculty and staff in the School of Nursing and Health Professions – in addition to Provost Todd – for their efforts to secure this grant funding. The University is partnering with Murray-Calloway County Hospital on this project because there is not sufficient space in Mason Hall on campus to house the Nursing Education Simulation Center. The University graduates 70 new nurses each year with a Bachelor of Science in Nursing degree but there are approximately 700 students in the School of Nursing and Health Professions overall. Appreciation was expressed to the University's congressional delegation – Senate Minority Leader Mitch McConnell, U.S. Senator Rand Paul and U.S. Congressman James Comer – who were all very supportive and wrote letters or made phone calls to the USDA on behalf of the University in regard to this initiative.

The University also received a Paducah Area Community Reuse Organization (PACRO) grant in the amount of \$25,000. Appreciation was expressed to PACRO Executive Director Greg Wiles and Board member Jordan Smith for their efforts in this regard. This grant will be used to enhance professional health programs at the *Paducah Regional Campus*. The University currently offers a Masters of Occupational Therapy degree and the PACRO grant will provide funds needed to enhance additional programs.

Dr. Jackson reported that the Board will be presented with additional information on the draft Strategic Plan and an amended Mission Statement. A great deal of work has gone into these efforts over the past year and a half and appreciation was expressed to Provost Todd for his leadership in this regard. The draft Strategic Plan was originally presented to the Board in August and since that time work has been undertaken with the President's Executive Council, Faculty Senate, Staff Congress and the Student Government Association to secure input and proceed following direction provided by the Board. Previously, the University had a very long Mission Statement and that has now been amended to be precise and more accurately reflect the institution's focus.

A pension proposal will be presented to the Board later today in regard to the Kentucky Employees Retirement System (KERS). Vice President Dudley has led this effort with assistance from the University's auditors – Dean Dorton – who have assessed and analyzed the KERS pension proposal to help the University determine whether it would be feasible to leave the system. In order to leave KERS, the University would be required to take on approximately \$150 million in new debt and would have to pledge all of its available assets for security (if financed through KERS). This represents a 30-year mortgage for this institution which is why the recommendation will be made for the University to remain in KERS. All other state universities, with the exception of Northern Kentucky, also plan to remain in the system. It was also recently learned that Governor Andy Beshear will be providing Murray State with at least an additional \$1.01 million in Coronavirus relief funds to assist with additional costs incurred as a result of the pandemic. All are appreciative of the Governor's support of public higher education following an extensive auditing process for all the universities.

Dr. Jackson is the Convener of the public University Presidents and weekly meetings have been held with the Council on Postsecondary Education (CPE) to discuss the Coronavirus response, Performance Funding Model, pension system and legislative initiatives. The Performance Funding Work Group, comprised of all university Presidents, CPE President Aaron Thompson,

Senator David Givens (architect of performance funding in the Commonwealth) and Chair James Tipton (higher education leader in the House), has also been meeting. The group unanimously agreed to advance the recommendation to the Legislature that the appropriation base for each of the institutions be protected and that only new money put into the Performance Funding Model will be utilized moving forward. This means the Legislature will be responsible for putting new funding into the model in the future and only those monies will be distributed to the universities on a performance funding basis. Last year due to the Performance Funding Model stop-loss provision, every university had to take 2 percent of its base funding and put it into the formula. These monies were then recirculated among the public universities. Murray State lost its entire 2 percent but none of the smaller universities made back their full 2 percent contribution. The unanimous Performance Funding Work Group recommendation will be advanced to the Legislature – with the support and leadership of Senator Givens and Representative Tipton.

Appreciation was expressed to all involved in reviewing the various scenarios in regard to the Performance Funding Model to ensure any change was negotiated correctly. With the CPE, agreement was also reached to ask the Legislature for a significant increase in funding and this new money would be part of the Performance Funding Model. Requests have also been made for Asset Preservation Funds and pension relief to be provided to the institutions. In terms of pension relief, the recommendation has been made to maintain the current contribution rates in KERS – 49.47 percent for Murray State – or, if the rate does increase, the Legislature would appropriate funds to cover the difference. Other meetings have occurred with a number of legislators over the last few months. Appreciation was expressed to Regent Gray for helping bring together legislators and other leaders in Christian County to meet with University staff in regard to the topics just outlined. Other legislative meetings have occurred both in-person and virtually as the Legislative Session approaches in January 2021. The University also continues to meet with Superintendents, Principals, Guidance Counselors, teachers and prospective students and their families.

Initiatives with regard to diversity, equity and inclusion involved discussions with Dr. Robertson and S. G. Carthell, Executive Director of Multicultural Initiatives, Office of Multicultural Initiatives, Student Leadership and Inclusive Excellence/Director of the Dr. Marvin D. Mills, Sr. Multicultural Center, regarding efforts which can be undertaken on campus. Major events were held during the Fall 2020 Semester, including the Diversity, Equity and Inclusion Listening Sessions in August, September and November which included University administrators and was open to all students and the Virtual Symposium in October (with over 300 participants). CPE President Aaron Thompson served as the Keynote Speaker for the Symposium and appreciation was expressed to Regents Tharpe and Owens for their participation in the Symposium and Listening Sessions. These initiatives helped illustrate the importance of diversity, equity and inclusion at Murray State University and how it can be advanced in a positive manner. As part of the Listening Sessions, students were able to talk directly with the President, Provost and Vice Presidents. Regent Tharpe indicated that the Symposium and Listening Sessions represented the best Murray State has shined in terms of diversity and inclusion. The world is hypersensitive with regard to this topic and minority students being able to meet with senior leadership shows the University's concern for these individuals and the desire to address the needs of students of color. The inaugural *Distinguished Presidential Fellow* award was also presented to Mrs. Eunice J. Mills, the wife of Dr. Marvin Mills. Ten distinguished alumni from across the country and two current and three former Regents participated in the Symposium.

Dr. Jackson reported that in 2019 he formed a Task Force to review the recruitment of faculty, staff and students of color and different proposals have resulted. One recommendation was to change the University's scholarship program and, as a result, diversity scholarships have been increased from 30 in 2018 to 62 today. These include the Dr. Marvin D. Mills, Sr. Full Scholarship; Dr. Marvin D. Mills, Sr. Gold Scholarship and Dr. Marvin D. Mills, Sr. Blue Diversity Scholarship. The Eunice J. Mills Retention Scholarship has also been implemented.

Regent Norman and the Student Government Association worked diligently to ensure Homecoming was as normal as possible this year and photos highlighting that event were presented. Appreciation was expressed to Chair Rhoads and his wife Judy for serving as Homecoming Grand Marshals and participating in the scheduled events. The Ribbon Cutting for the Racer One bronze statue was also held during Homecoming with donors Jack and Janice Rose. Many students, alumni, friends and prospective students have already visited campus and utilized the location for a photo opportunity. The Dedication and Ribbon Cutting for the Carr

statue was also held in front of *John W. Carr Hall* as part of Homecoming festivities. The generosity of Dr. and Mrs. Rose, as well as other donors, is very much appreciated.

Dr. Jackson indicated that a detailed enrollment report will be provided by Dr. Robertson and others but the national landscape for university enrollment for Fall 2020 was presented with the following highlights:

- For public four-year universities, first-time freshman enrollment declined 13.7 percent and graduate enrollment increased 4 percent.
- For public community colleges, there was a 22.7 percent decline in first-time community college students, with a total community college enrollment decline of 9.4 percent.
- Total undergraduate enrollment declined 4 percent.

Appreciation was expressed to Dr. Robertson; Shawn Smee, Director of Recruitment; Matt Jones, Coordinator of Domestic Graduate Recruitment and Retention; the Deans; Chairs and faculty and staff for the groundwork they have laid over the last couple of years with a focus on increasing enrollment at Murray State. The importance of recruitment is well known because 71 percent of the University's budget is directed by enrollment. Dr. Fister has provided the University with a service it has not had in the past in regard to predictive analysis. This tool has made a significant difference in terms of how the institution targets marketing, advertising, direct mail and social media efforts to more effectively recruit students. Peggy Whaley, Director of Student Engagement and Success, and her staff have done an excellent job relative to retention. Appreciation was expressed to all for their efforts.

Dr. Jackson outlined challenges which lie ahead for the University, including Fiscal Year 2020-21, performance funding, federal stimulus, state budget, pensions, enrollment and the upcoming Legislative Session. Work on the second year of the state budget will begin in January and University representatives will be integrally involved in that process.

Racers Give 2020 represents the third round of need-based scholarship initiatives to assist with recruitment and retention. Last year, Racers Give raised \$418,000 and an estimated 400 incoming freshman students were impacted this fall. There is also a matching grant for next year. Appreciation was expressed to the MSU Foundation that has advanced monies to match other funds that are raised. The Foundation has set aside over \$60,000 for this purpose. Trustee Jerry Shroat and his wife Betsy also made a significant scholarship gift. The Racers Give 2020 campaign includes a major gift recognizing the Board of Regents during this holiday season in appreciation for all they do for the institution. All were encouraged to give personally if they are able.

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

### **Report of the Treasurer, accepted**

Ms. Dudley reported Kentucky Revised Statute 164.420 stipulates that "The treasurer of each governing board shall receive and disburse all money under the control of the Board, perform all acts that pertain to his office under the direction of the Board and make timely reports to the Board on a schedule established by the Board." The following was highlighted:

- The information being presented today is based on data that has been analyzed through September (one quarter).
- Tuition is collected in August but revenue is booked in January for both Spring and Fall semesters. Although numbers are not final, for the Fall 2020 Semester the University met gross tuition and fee revenue. This has not necessarily been the case in previous years and is due to the discipline of adjusting the budget for the last few years and living within that budget.
- Challenges this year included scholarships over budget – which is positive. Tuition estimates for June 30, 2021, include revenues not meeting budget by approximately \$1 million due in large part to scholarships being over estimated budget. Scholarship dollars always represent an estimate because the type of students the University attracts and the scholarships they accept is unknown when they are budgeted. The estimate being provided is conservative but there are a lot of unknowns remaining in the current budget year. The \$2 million budget contingency remains in place and will help offset budget shortfalls.
- The impact of COVID-19 has been substantial on the University's financial position. Costs have been managed well and the Governor's Office made \$800,000 available to the University – with two-thirds having been received to date. It is hoped an additional \$1 million will be forthcoming to help cover costs associated with the pandemic. It is important to note that a portion of these additional federal funds can be utilized to cover some of the expenditures incurred for COVID-19 in the last



fiscal year (March 1 – December 31, 2020). Expenditures must be tracked and appropriate documentation maintained because these expenditures will be included in the University's federal audit for the current year.

- Appropriate adjustments to pension numbers have been made to reflect estimates for the current year. Nothing out of the ordinary with regard to pensions is included in the reports presented.
- Revenue in the amount of \$830,000 has been generated from the Asset Preservation Fee. These funds will not be spent until January revenues are known. All are cognizant of cash flow this year and must ensure it is managed. By the time revenues are collected and posted for the Spring 2021 Semester, it is expected the University will meet its \$1.4 million budget for Asset Preservation Fee revenues. The Board has already approved preservation projects for which those funds will be utilized and further discussion will occur later in this regard.
- The Education and General Fund represents the University's operating dollars. For this quarter, there was an increase in net position by \$21.3 million. It is not out of the ordinary in the first quarter of any year for the increase to be this significant. The University is on target and has generated 35 percent of revenues and spent 21 percent. The difference is due to receiving revenue in August and living on that amount until the University begins receiving tuition revenue again in January. Revenues at this time of year will always trend up compared to expenditures and is \$2.5 million over last year. This does not represent a significant change because last September \$2 million was transferred to undertake the Biology Building repairs. If that one-time transfer had not been made, the University would be parallel to the September 2019 financial statements. The University is basically at the same point as it was this time last year.
- Auxiliaries experienced a \$385,000 change in net position for this quarter which is down by slightly over \$1 million from last September. This is due to a timing difference in receiving revenue from Sodexo due to COVID-19. It does not represent a risk factor.
- As the University moves forward through the remainder of this year, housing occupancy is down approximately 5 percent which will present some challenges. For the Fall 2020 Semester, this amounts to about \$500,000. Through September this has been managed by cutting costs, deferring projects and not filling positions, not through a decrease in net assets.
- Overall through the first quarter the University is in a stable position but is also in uncharted waters with a long way to go this fiscal year.

Regent Owens commended Vice President Dudley and her team for their work, especially considering the uncertainty associated with COVID-19 and appropriations from the General Assembly and federal government. There will be upcoming challenges but the University has a good foundation on which to be able to mitigate those circumstances.

Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period of July 1, 2020, through September 30, 2020, as presented. Mrs. Gray seconded and the motion carried unanimously.

(See Attachment #4)

### **Board of Regents Self-Evaluation Results Presentation, received**

Dr. Pervine reported that in December 2017, Murray State University's accreditor – the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) – approved revisions to its *Principles of Accreditation*. Among the revisions was the following new standard:

*4.2 (g): The governing board defines and regularly evaluates its responsibilities and expectations.*

SACSCOC provides the following rationale in its *Resource Manual*:

*As the body that holds in trust the fundamental autonomy and ultimate well-being of the institution, the governing board of the institution is a critical element in the success of the institution. Good institutional governance requires that the board systematically asks itself, "How are we doing? What are we doing? Are we as effective as a board as we can be?" The process of institutional improvement underlies the Principles of Accreditation. While the means by which a governing board participates in that process may be different in scope, tone and detail than that of the rest of the institution, it is still a necessary element in institutional leadership... What is expected of this standard is something more substantive than a statement that "the Board conducted a self-evaluation."*

At the March 1, 2019, Quarterly Board of Regents Meeting, the annual Board self-evaluation process was approved. For the most recent Board self-evaluation, Dr. Pervine reported the survey did not produce any results that would be of concern to SACSCOC. Collectively and individually, Board members support the Mission Statement and Strategic Plan for the University. The Board also has a general understanding of the finances of the University and seemed to be satisfied that it holds the primary decision-making authority for the institution. The racial and gender diversity of the Board was also highlighted by members as a strength. Individually, members seem to be exhibiting a high level of involvement in Board activities and appear to be satisfied with the meeting format in general. Overall, several positive comments were offered with regard to how meetings are conducted.

Board members expressed some concern relative to timeliness of information and receiving too much information. There also appeared to be a theme among Board members regarding asking for more context and focus with regard to information provided. There was an expression of frustration with COVID-19 and the fact that Board members could not visit campus.

Dr. Pervine reminded the Board of the Open Meetings Law and the importance of ensuring no Board business is conducted outside of a called meeting. He also confirmed it is an expectation of SACSCOC that the Board regularly evaluate itself because it is mission critical for Murray State to be nationally accredited.

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

### **Revised University Mission Statement, approved**

Dr. Todd reported that the revised University Mission Statement has been vetted through President's Executive Council, the Dean's and Chair's council, Faculty Senate, Staff Congress and the Student Government Association.

Dr. Pervine reported that the **SACSCOC Core Requirement 2.4** requires the institution to have a clearly-defined, comprehensive and published Mission Statement that is specific to the institution and appropriate for higher education. Since a revision to the Mission Statement will not represent a fundamental change in scope, SACSCOC denoted that no prior approval or notification is required if it becomes necessary to change the University's Mission Statement.

The Mission Statement represents the template for the University to create alignment with curriculum, scholarship, community outreach and service. SACSCOC requires documentation that the University follows a viable policy with a designated process to create a solid product. The Mission Statement is the hallmark document that guides each area within the University. The Mission Statement review policy and procedures are provided to the Board in the *Board of Regents Policy Manual, Section 2.0 – Murray State University Mission Statement*.

The Southern Association of Colleges and Schools Commission on Colleges requires universities to have and follow a documented procedure for a systematic review of the University Mission Statement. Specifically, SACSCOC standards pertinent to this process are as follows:

1. SACSCOC Core Requirement Standard 2.5: The institution engages in ongoing, integrated and institution-wide research-based planning and evaluation processes that (1) incorporate a systematic review of institutional mission, goals and outcomes; (2) result in continuing improvement in institutional quality and (3) demonstrate the institution is effectively accomplishing its mission.
2. SACSCOC Comprehensive Standard 3.1.1: The Mission Statement is current and comprehensive, accurately guides the institution's operations, is periodically reviewed and updated, is approved by the governing board and is communicated to the institution's constituencies.

Dr. Shemberger moved that the Board of Regents, upon the recommendation of the President of the University, approve the following new Murray State University Mission Statement:

*Murray State University places our highest priority on student learning and excellent teaching, blending the range of educational opportunities often found at research institutions with the nurturing student-teacher interactions usually found at smaller universities.*

Mr. Owens seconded and the motion carried unanimously.

### **2020-25 Strategic Plan, approved**

Dr. Todd reported that the current Murray State University Strategic Plan – *Advancing the Tradition of Excellence: Achievement, Endeavor and Hope* was approved by the Board of Regents on June 8, 2018. During the 2019-20 academic year and the Fall 2020 Semester, this Plan was updated and refreshed. The revised Strategic Plan is now titled: *Murray State University, The Finest Place We Know, 2020-2025*.

Updates encompass adding strategic imperatives and linkages with performance funding metrics, enrollment and retention goals, etc. In early Spring 2020, plans were made to hold shared governance meetings with the Student Government Association, Faculty Senate, Staff Congress and the Dean's and Chair's councils. Amongst the restrictions of the COVID-19 pandemic, these meetings were scheduled and have occurred virtually during the Fall 2020 Semester. The revised Strategic Plan has been well received and approved by all constituency bodies.

Appreciation was expressed to Dr. Fister for her work with regard to producing the Scorecard which accompanies the Strategic Plan. This tool will enable the administration to annually present to the Board the status of the Strategic Plan initiatives. Appreciation was also expressed to Shawn Touney and his staff for their excellent publication work. Dr. Jackson added that the Scorecard contains the 11 CPE performance funding metrics so the University can monitor, focus and enhance parameters of the Performance Funding Model. This is a key component of the Strategic Plan because these metrics correlate to the University being able to secure new monies from the state based on performance. The Scorecard provides a color-coded status update on how the University is performing with regard to the metrics. Chair Rhoads asked all Board members to keep the Strategic Plan and Scorecard handy for frequent reference.

Dr. Shemberger moved that the Board of Regents, upon the recommendation of the President of the University, approve the updated Murray State University Strategic Plan: *Murray State University, The Finest Place We Know, 2020-2025*. Mr. Schooley seconded and the motion carried unanimously.

(See Attachment #5)

### **Committee Reports/Recommendations**

#### **Academic Excellence and Scholarly Activities Committee**

Melony Shemberger – Chair  
Virginia Gray  
Warren Norman  
Leon Owens

Dr. Shemberger called the Academic Excellence and Scholarly Activities Committee to order at 9:45 a.m. and reported all other members were present.

### **Southern Association of Colleges and Schools Commission on Colleges Reaffirmation of Institutional Accreditation – 5<sup>th</sup> Year Interim Report, received**

Dr. Pervine reported that SACSCOC requires every school it accredits to be on a ten-year reaffirmation cycle with an interim report due mid-cycle. Murray State has been continuously accredited since 1928 because institutional accreditation is essential to ensure the success of any university and its students. In addition, the United States Department of Education requires institutions that receive Title IV funds to be accredited.

Murray State University's 5<sup>th</sup> Year Interim Report was submitted to SACSCOC in March 2020 and examined by an off-site review committee. Results of the review were returned to the University in September 2020 and were largely positive in nature. The off-site committee requested clarification on which indicator is utilized when reporting graduation rates and for details regarding the University's student complaint process. The University must also clarify that it utilizes IPEDS data for graduation rates and provide more detailed information relative to the student complaint process. The referral report is due by April 1, 2021, and there are no foreseen issues in meeting this deadline.

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

Dr. Shemberger expressed appreciation to Dr. Pervine for providing leadership with regard to institutional and program accreditations due to their importance to the University. Appreciation was also expressed to the administration – President Jackson, Provost Todd and Vice Presidents Dudley and Robertson – for all they do. This past year in particular has not been an easy one. Appreciation was expressed to staff who provided valuable assistance to faculty. Students were thanked for showing up for class, completing assignments and working with faculty to make sure their academic needs were met. Appreciation was expressed to all faculty and staff who have teaching duties for being in the trenches with students. Murray State has top-of-the-line faculty. Dr. Shemberger also reported that Blitz Week will be held January 11-14, 2021, and Board members were invited to attend sessions with faculty in order to fully understand the class-preparation process.

Chair Rhoads expressed appreciation to Regent Shemberger for sending detailed monthly emails to the Board to keep all apprised of the outstanding accomplishments and achievements of faculty.

### **Adjournment**

The Academic Excellence and Scholarly Activities Committee adjourned at 9:50 a.m.

### **Athletics Committee**

Eric Crigler – Chair  
Jerry Rhoads  
Lisa Rudolph  
Phil Schooley  
Don Tharpe

Mr. Crigler called the Athletics committee to order at 9:50 a.m. and reported all other members were present. Appreciation was expressed to the Athletics Department – administration, coaches and support staff – who have experienced unique challenges relative to supporting student-athletes within the environment over the past year.

### **Personnel Changes – Contracts of Employment – Assistant Coaches Update, received**

Mr. Crigler reported that employment agreements with the Coaches listed below expire on December 31, 2020. The University desires to continue to employ these Coaches for the period of January 1, 2021, to December 31, 2021. Salaries remain unchanged from the prior year.

### **Football**

Yon Boone	\$60,000
Chris Cunningham	\$55,000
Darius Hart	\$60,000
Michael Hodges	\$70,000
Evan McKissack	\$40,000
Jerome Richardson	\$60,000
Dillon Sanders	\$70,000
Fred Walker	\$45,000

### **Strength and Conditioning**

John Clay \$50,000

### **Volleyball**

Allison Hrusovsky \$36,000

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

Chair Rhoads indicated that every effort has been made for the University to make prudent decisions relative to athletic competitions given the current environment.

### **Adjournment**

The Athletics Committee adjourned at 9:52 a.m.

### **Audit and Compliance Committee**

Don Tharpe – Chair  
Eric Crigler  
Jerry Rhoads  
Lisa Rudolph

Dr. Tharpe called the Audit and Compliance Committee to order at 9:52 a.m. and reported all other members were present.

Ms. Dudley reported that the Audited Financial Statements have been prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton) – and address state and federal requirements. Appreciation was expressed to Ellen Dale, Director of Accounting and Financial Services, and her staff for their assistance completing the audits.

The General Financial Statements and the Independence Letter are distributed as required to the State Auditor of Public Accounts and the Finance and Administration Cabinet. The House Bill 622 Compliance Report is submitted to the State Auditor of Public Accounts and the Kentucky Lease Law Compliance Report is submitted to the Council on Postsecondary Education. Contained within the Presentation of the Results of the Annual Audit Report, the Management Letter complies with the SAS 112 auditing standard which requires written communication regarding control deficiencies found during the audit. The Representation Letter, also incorporated in the report, provides confirmation by management regarding the fairness of various financial statement elements and acknowledging that the accuracy of the statements is the primary responsibility of management. The Single Audit Report (Federal Funds) will not be available for this meeting as the U.S. Office of Management and Budget (OMB) Compliance Supplement providing reporting guidelines for the Coronavirus Aid, Relief and Economic Security (CARES) funding has not been released.

Dean Dorton Director Lance Mann and Manager Megan Crane joined the Board via ZOOM. Mr. Mann reported that due to the pandemic 100 percent of the audit was conducted remotely. The following highlights from the Report to Governance on Results of Annual Independent Audit were presented:

- An unqualified opinion had been issued and auditors met the deadline established by the Commonwealth of Kentucky. The audit was performed in accordance with auditing standards generally accepted in the United States. This included a review of internal controls and processes at the organization. This year, auditors were required to review how Murray State's controls may have changed due to the pandemic and employees working remotely.
- An unmodified opinion was issued on the University's financial statements for the year ended June 30, 2020. A report on compliance and internal control over financial reporting was issued based on the audit of the University's financial statements in accordance with Government Auditing Standards. A separate audit of the MSU Foundation was undertaken and that entity also received an unmodified opinion relative to its financial statements. The financial statements for the Foundation are included within Murray State's consolidated financial statements so the auditors must review those submissions.
- An unmodified opinion, along with an examination report on compliance with Corporation for Public Broadcasting guidelines, were issued for the University's radio station – WKMS-FM.

- The National Collegiate Athletics Association Agreed-Upon Procedures report was also prepared to ensure Murray State is following all rules relative to athletics. No issues were noted in this regard.
- The auditors issued the Kentucky House Bill 622 report which primarily ensures the University is following state purchasing requirements and has appropriate cash management tools in place to adhere to Kentucky Lease Law statutes for state institutions. There were no findings in this regard.
- The auditors are also required to provide communication to the Auditor of Public Accounts stating their independence from the University. The Single Audit is currently in progress but issues beyond the University's control are impeding its completion. The auditors are also required to issue a subsequent event report to the Auditor of Public Accounts if any exist. No such events have been discovered at Murray State.
- In regard to required communications to the Board of Regents and the Audit and Compliance Committee, the 2020 audited financial statements of the University will be included in the financial statements of the Commonwealth of Kentucky. The auditors are not aware of the University's financial statements being included in any documents other than the financial statements for Kentucky. The University is allowed to include its financial statements in bond documents but that requires prior approval from the auditors.
- Early in the audit process certain matters were communicated to both management and Dr. Tharpe regarding Dean Dorton's audit responsibilities. Discussions also occurred relative to requests from the Audit and Compliance Committee Chair relative to specific areas to be reviewed.
- Significant accounting policies are described in Note 1 to the financial statements. The auditors noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. No new accounting policies were adopted and the application of existing policies was not changed. No significant transactions were recognized in a different period than when the transactions occurred. Preparation of the financial statements requires the use of accounting estimates and the most significant ones for Murray State were included in the report provided. The most notable estimates include depreciation and useful life of capital assets, pension and other post-employment benefit liabilities, allowance for uncollectible loans and student accounting receivable, fair value of investments and self-insurance reserves. The auditors evaluated the key factors and assumptions used to develop these estimates and determined they were reasonable in relation to the financial statements as a whole. The disclosures were neutral, consistent and clear. Certain disclosures are particularly sensitive due to their significance to the financial statement users. New items this year were included in Note 10 and relate to the Coronavirus Aid, Relief and Economic Security (CARES) Act funding the University received and custodial/grounds services.
- There were no difficulties encountered in dealing with management related to the performance of the audit. There were no audit adjustments noted during the year and there were no material uncorrected misstatements in the financial statements. There were no disagreements with management which provided the Representation Letter indicating to the auditors that the University had shared everything they needed to know to perform the audit well. Dean Dorton is unaware of any occasion where the University has consulted with other auditors.
- Significant issues discussed with management include the higher education relief fund monies received as part of the CARES Act relative to how the money should be disbursed and the associated reporting requirements to ensure the University followed all rules and regulations.
- The Single Audit represents the University's grant audit primarily related to the student financial aid cluster because this represents the largest percentage of federal monies received by Murray State. Also reviewed was the Training Resource Center Independent Living Grant the University received. How those funds were expended was audited to ensure accordance with the grant fund guidelines. CARES Act higher education relief funding was also audited. An unmodified opinion is expected to be issued on the uniform guidance single audit. The auditors expect to issue a modified opinion but testing is not complete due to the Compliance Supplement from the federal government being delayed. It is projected the information needed will be released by Christmas. At this time, no findings required to be communicated within the Single Audit report have been identified.
- Three prior-year findings have been or will be resolved in the current year. The largest related to TRIO Talent Search and numbers increased in the current year which resolved the prior finding.

Dr. Tharpe expressed appreciation to Mr. Mann and Dean Dorton and indicated he believes the auditors and the Board are asking the right questions relative to the financial statements for the University.

### **Audited Financial Statement – General, accepted**

On behalf of the Audit and Compliance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, accept the following audit reports for 2019-20:

- a. Report to Governance on the Results of Annual Independent Audit
- b. Required Auditor Communications (includes Representation Letter)
- c. Independence/Peer Review Letter

- d. House Bill 622 Compliance Report for the Year Ended June 30, 2020
- e. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2020
- f. General Financial Statements for the Year Ended June 30, 2020

Mr. Rhoads seconded and the motion carried.

**Full Board Action – Audited Financial Statement – General, accepted**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, accept the following audit reports for 2019-20:

- a. Report to Governance on the Results of Annual Independent Audit
- b. Required Auditor Communications (includes Representation Letter)
- c. Independence/Peer Review Letter
- d. House Bill 622 Compliance Report for the Year Ended June 30, 2020
- e. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2020
- f. General Financial Statements for the Year Ended June 30, 2020

Mr. Owens seconded and the motion carried unanimously.

(See Attachments #6 – #11)

**Annual Audit Report – Athletics, accepted**

Ms. Dudley indicated the report being presented has been prepared by the independent external auditing firm of Dean Dorton. The NCAA Agreed-Upon Procedures report fulfills compliance with NCAA *Bylaws* 3.2.4.15 which states:

“Operating and Capital Financial Data Report. An institution shall submit financial data detailing operating revenues, expenses and capital related to its intercollegiate athletics program to the NCAA on an annual basis in accordance with the financial reporting policies and procedures. The required data shall include, but is not limited to, the following: (Adopted: 1/17/09 effective 8/1/09) (a) All expenses and revenues for or on behalf of an institution’s intercollegiate athletics program, including those by any affiliated or outside organization, agency or group of individuals; (b) Salary and benefits data for all athletics positions. The data shall include base salary, bonuses, endorsements, media fees, camp or clinic income, deferred income and other income contractually guaranteed by the institution; (c) Capital expenditures (to be reported in aggregate for athletics facilities), including capitalized additions and deletions to facilities during the reporting period, total estimated book value of athletically related plant and equipment net of depreciation, total annual debt service on athletics and university facilities and total debt outstanding on athletics and university facilities; (d) Value of endowments at fiscal year-end that are dedicated to the sole support of athletics; (e) Value of all pledges at fiscal year-end that support athletics; and (f) The athletics department fiscal year-end fund balance.

Verification and Certification. The report shall be subject to annual agreed-on verification procedures approved by the membership (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant who is not a staff member of the institution and who is selected by the institution’s chancellor or president or by an institutional administrator from outside the athletics department designated by the chancellor or president. The independent accountant shall verify the accuracy and completeness of the data prior to submission to the institution’s chancellor or president and the NCAA. The institution’s chancellor or president shall certify the financial report prior to submission to the NCAA. (Adopted: 1/17/09 effective 8/1/09)”

The auditors made no comments relative to any pending items related to the Athletics audit.

On behalf of the Audit and Compliance Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2019-20:

- a. National Collegiate Athletic Association Independent Accountant's Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2020

Mrs. Rudolph seconded and the motion carried.

**Full Board Action – Audit Report – Athletics, accepted**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2019-20:

- a. National Collegiate Athletic Association Independent Accountant's Report on Application of Agreed-Upon Procedures for Intercollegiate Athletics for the Year Ended June 30, 2020

Mr. Crigler seconded and the motion carried unanimously.

(See Attachment #12)

**Annual Audit Report – WKMS-FM, accepted**

Ms. Dudley reported that the documents included in the eBoard book have been prepared by Dean Dorton and address state and federal requirements. The WKMS-FM audited financial statement is provided to the Corporation for Public Broadcasting and is required by that entity for any funding provided to WKMS-FM. This represents a clean audit.

On behalf of the Audit and Compliance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2019-20:

1. Required Auditor Communications
2. Audited Financial Statements for the Year Ended June 30, 2020

Mr. Crigler seconded and the motion carried.

**Full Board Action – Annual Audit Report – WKMS-FM, accepted**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, accept the following report for 2019-20:

1. Required Auditor Communications
2. Audited Financial Statements for the Year Ended June 30, 2020

Mr. Owens seconded and the motion carried unanimously.

(See Attachments #13 and #14)

**Annual Audit Contract Renewal, authorized**

Ms. Dudley reported that under provisions of Kentucky Revised Statutes, Chapter 164A.570, the University is required to engage a qualified firm to conduct an annual audit of its financial statements. Other governing or sanctioning bodies (e.g., the U.S. Office of Management and Budget for federal grants and contracts and the National Collegiate Athletic Association) require annual financial or compliance audits. As a result of the Request for Proposals for audit services dated December 12, 2016 (RFP-236J-17), Dean Dorton Allen Ford, PLLC was the successful firm selected to audit the University's financial statements for Fiscal Year 2021.



At its February 24, 2017, meeting, the Board of Regents approved the issuance of a contract to Dean Dorton for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2017, and further authorized the University to enter into six subsequent contract renewals based upon mutual consent. The cost for the current-year contract is \$126,325, including the financial, compliance and up to four single audit programs.

On behalf of the Audit and Compliance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to extend the contract with Dean Dorton for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2021, at a cost of \$129,000. Mrs. Rudolph seconded and the motion carried.

#### **Full Board Action – Audit Contract Renewal, authorized**

On behalf of the Audit and Compliance Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to extend the contract with Dean Dorton for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2021, at a cost of \$129,000. Mrs. Rudolph seconded and the roll was called with the following voting: Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Norman, yes; Mr. Owens, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Rhoads, yes. The motion carried unanimously.

President Jackson expressed appreciation to Dean Dorton for the excellent work the firm performs for the University and for ensuring all rules and processes are being followed appropriately. Dean Dorton also provides internship opportunities for a number of Murray State students and, in some cases, hires those individuals. Dean Dorton is the largest auditing firm in the Commonwealth and their support of Murray State University is appreciated.

#### **Adjournment**

The Audit and Compliance Committee adjourned at 10:20 a.m.

The Board adjourned for a break beginning at 10:20 a.m.

#### **Reconvene**

Chair Rhoads reconvened the Quarterly Meeting of the Board of Regents and Committee meetings at 10:30 a.m. and reported all members were present.

#### **Buildings and Grounds Committee**

Phil Schooley – Chair  
Warren Norman  
Leon Owens  
Don Tharpe

Mr. Schooley called the Buildings and Grounds Committee to order at 10:30 a.m. and reported all other members were present.

#### **Sewer Easement – Paducah Regional Campus, approved**

Jason Youngblood, Director of Facilities Management, reported that the *Paducah Regional Campus* property houses the Crisp Center which was completed in 2012. The property to the North is being planned for development and will require connection to the sanitary sewer main on Murray State University property. The Paducah-McCracken County Joint Sewer Agency will take over ownership of this utility and its maintenance. A copy of the 2012 preliminary subdivision plat of the property being developed was provided to the Board for reference. A copy of the MSU property plat showing the previously-approved sewer easement and the proposed easement area was also provided to the Board. This sewer easement is over and across University-owned property and is intended for the installation and maintenance of a sanitary

sewer line. This easement contains 1,622 square feet and consideration for said easement shall be \$1.00.

On behalf of the Buildings and Grounds Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, enter its Order approving the granting of a permanent easement for the consideration as indicated above. Such approval shall be conditioned upon and full review by University Legal Counsel and the University receiving approval, if required, from the Kentucky Secretary of the Finance and Administration Cabinet or his/her designee. Mr. Owens seconded and the motion carried.

**Full Board Action – Sewer Easement – Paducah Regional Campus, approved**

On behalf of the Buildings and Grounds Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, enter its Order approving the granting of a permanent easement for the consideration of \$1.00. Such approval shall be conditioned upon and full review by University Legal Counsel and the University receiving approval, if required, from the Kentucky Secretary of the Finance and Administration Cabinet or his/her designee. Mrs. Gray seconded and the motion carried unanimously.

**Lovett Auditorium HVAC and Electrical Systems Renovations Program Statement, approved**

Per the Delegation of Authority Item #13, the Board must approve any “Program Statement” that may be prepared for a capital construction project requiring approval by the Kentucky General Assembly prior to implementation of the Program Statement. Mr. Youngblood reported that the project identified as “Capital Renewal and Building Modernization” was initially included in the University’s *2020-26 Six-Year Capital Plan* as described below:

**Brief Description/Justification:**

Project includes asset preservation renovations and building system upgrades to education and general buildings. This is for a pool of deferred maintenance projects.

As part of the Capital Plan initiative, Murray State University partnered with RossTarrant Architects and Marcum Engineering to scope the planned work on Lovett Auditorium. During this process, HVAC and electrical system modifications were identified as immediate needs. During the summer, failing duct work insulation created a need to expand this project and elevating it to an immediate need. As per the Program Statement, items to be addressed will be moisture remediation, attic duct cleaning and sealing to prevent further damage to the plaster ceiling, plaster repair, new hot water boilers, new air handlers to be installed in the basement, crawl space ductwork for supply air, BAS controls, new electrical transformer, switch gear and electrical distribution panels and natural gas supply system for the boilers. This work will result in the removal of Lovett Auditorium from the central steam system and its retention on the central chilled water system. The estimated cost for phase one of the project is \$2 million. A funding request will be made to the Finance Committee later today in this regard.

Pending Board of Regents approval, the University will seek any necessary approvals from the Council on Postsecondary Education and the Capital Projects and Bond Oversight Committee for the project. In terms of timeline, the project is currently out for bid. All bids are due by December 14 and should represent a two-phased approach. Currently, only two general contractors are interested in the project but most of the work is mechanical in nature and qualified contractors in this regard are also interested. The contract is anticipated to be awarded as soon as possible with physical work beginning after the first of January. The schedule for Phase I work to be completed is 180 days and work will conclude during the summer in order to have the building ready for occupancy in the Fall 2021 Semester. If additional funding is received from the state, the decision will be made to keep the facility offline in order to complete Phase II work. Ms. Dudley clarified that although bids are out, the University must receive CPE and Capital Projects and Bond Oversight Committee approval before moving forward with repairs. These approvals are expected on December 14 and 16, respectively.

On behalf of the Buildings and Grounds Committee, Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, approve the Program Statement for the Lovett Auditorium HVAC and Electrical Systems Renovations Project as presented. Dr. Tharpe seconded and the motion carried.

**Full Board Action – Lovett Auditorium HVAC and Electrical Systems Renovations Program Statement, approved**

On behalf of the Buildings and Grounds Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Program Statement for the Lovett Auditorium HVAC and Electrical Systems Renovations Project. Mrs. Gray seconded and the motion carried unanimously.

(See Attachment #15)

**Disposition of Structure – Special Education Storage Building (#0118), approved**

Ms. Dudley reported that the Special Education Storage Building (Building #0118) was acquired in 1985 at a cost of \$2,537. The structure contains approximately 114 square feet and has been used by the Murray Independent School District's Head Start Program with offices in Alexander Hall. The building no longer provides any functionality for the University and it is recommended that the structure be razed. The Murray Independent School District would like to purchase a new building which includes playground upgrades. The cost of disposal, replacement of a new storage building and playground upgrades will be funded by the Murray Independent School District.

On behalf of the Buildings and Grounds Committee, Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, approve the Resolution authorizing the disposition of the structure known as Special Education Storage Building (Building #0118) as presented. Mr. Norman seconded and the motion carried.

**Full Board Action – Disposition of Structure – Special Education Storage Building (#0118), approved**

On behalf of the Buildings and Grounds Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Resolution authorizing the disposition of the structure known as Special Education Storage Building (Building #0118). Mrs. Rudolph seconded and the motion carried unanimously.

(See Attachment #16)

**Major Projects Update, received**

Mr. Youngblood reported the following:

- The Biology Building project is nearing completion. Undertaking tests and balances and receiving commissioning must be completed before the project is finished – which is expected to occur during the first week in January. Although there were some COVID-related delays on the project, contractors were able to keep fairly close to schedule. Ductwork is currently being completed and all of the classroom space has been returned to use and will be ready for the Spring 2021 Semester, as will the laboratory spaces. Most of the work undertaken was related to HVAC and automated building systems.
- The Blackburn project is now underway. Clark Construction is on site and work within the facility will continue throughout the holiday break. Substantial completion of this project is expected in April 2021. Work is being undertaken on a floor-by-floor basis with a focus on returning displaced workers to the facility. Full HVAC replacement is not being done but work that is occurring will allow for additional updates to be completed in the future. The building will also house the first dedicated lactation room which was included as part of the design during the renovation process, along with ADA restroom upgrades.
- Lovett Auditorium was earlier discussed in detail but photos of the facility were provided focusing on the air handlers that are currently on the stage. These units must be shut off during events because they are extremely loud. A new air handler will be installed in the basement to eliminate this issue. Appreciation was expressed to the academic groups and programs that were displaced due to the need to make these necessary repairs. The project is anticipated to take six months to complete Phase I renovations and is currently out for bid.

- The Curris Center boiler replacement project is underway with completion expected during the Spring 2021 Semester. This will remove the facility from the University's central steam system and requires coordination with Sodexo to ensure current dining services equipment can also be converted to the new system without impacting operations. Interior renovations have also been proposed for the Curris Center and concept photos were presented to the Board. The University is working with Sherman Carter Barnhart from Lexington, Kentucky, as architectural consultants for this project. Several ZOOM meetings have occurred over the past few weeks between the consultants and students, staff and faculty stakeholders to provide these groups with an opportunity to convey ideas relative to what should be included in the Curris Center. These ideas were used to develop a Master Plan which was shared with the stakeholder groups prior to Thanksgiving. Consultants are revising the Master Plan to reflect comments received during those sessions and the results are expected to be presented on December 14. At this point there is no anticipated timeline for the project. Although the project is included in the Capital Plan, the University did not receive the funding it anticipated and will instead need to determine whether funding for this purpose can be designated internally utilizing a phased approach. If this avenue is pursued, efforts will be made to keep each phase under \$1 million so additional approvals are not required. It is expected that the Curris Center will continue to be included in the Capital Plan as a priority moving forward in the hopes that funding or bonding authority will materialize in the future. Updated photos of the Thoroughbred Room following renovation were also provided. Work was completed in the space in time for it to be open for the Fall 2020 Semester.
- The Hart Hall boiler failed upon startup this season and there currently is no heat in the facility. A rental boiler is on site but is still being connected. The rental boiler will remain in place throughout the heating season to allow additional time for the University to determine whether it needs to replace the boiler or consider alternatives that should be pursued relative to the HVAC system.
- Projects associated with the exterior lighting first-year plan have started and it is hoped work can conclude by June 2021. The goal is to begin the second phase of this work in July 2021.
- The Price Doyle Fine Arts Building cleaning and painting projects have been completed. Safety and security initiatives have also been completed in that facility, including securing the stairwells from the exterior.
- A preservation project has been completed at Oakhurst relative to painting and window improvements.
- Work to install the Racer One statue outside the Curris Center was completed in the Fall 2020 Semester and a Dedication Ceremony was held during Homecoming Weekend. The John W. Carr sculpture and plaza area outside *John W. Carr Hall* was also completed in time for the Dedication Ceremony to be held the same weekend.
- The Maker Space area in Waterfield Library is nearing completion for potential use in the Spring 2021 Semester.
- Several additional projects are scheduled during the winter break, including replacement of carpeting and the potable water system, as well as painting, at the Hancock Biological Station.

Dr. Tharpe expressed appreciation to President Jackson and University staff for addressing needed buildings and grounds projects on campus. It is up to the Board to protect legacy buildings on campus and take care of Murray State assets. The work that has been and continues to be undertaken is very much appreciated. Chair Rhoads echoed this sentiment and indicated it is especially important to alumni who visit campus often that legacy buildings are being maintained.

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

### **Adjournment**

The Building and Grounds Committee adjourned at 10:56 a.m.

### **Enrollment Management and Student Success Committee**

Lisa Rudolph and Warren Norman – Co-Chairs  
Virginia Gray  
Sharon Green  
Melony Shemberger

Mrs. Rudolph called the Enrollment Management and Student Success Committee to order at 10:56 a.m. and reported all other members were present. Mr. Norman indicated he is very proud of Murray State students and how they conducted themselves to ensure a successful Fall 2020 Semester. This shows how motivated students are to be at Murray State and such dedication will

continue for the Spring 2021 Semester. Efforts employed by the administration to allow students to remain on campus and receive in-person instruction are very much appreciated.

### **Enrollment and Retention Update Report, received**

Dr. Robertson expressed appreciation to all for their support of recruitment and retention as it represents a total University commitment – not just the work of one office or a few individuals. Faculty, staff and students have made a difference in this area and the support of the Board of Regents is critical to this success. Enrollment highlights included:

- Final Fall 2020 Semester enrollment numbers were presented with the following highlights over the Fall 2019 Semester:
  - First-time Freshman (FTF) numbers up almost 6 percent
  - First-time Transfer (FTT) numbers up 23.1 percent
  - First-time Graduate (FTG) numbers up 15.6 percent
  - Underrepresented Minority (URM) students up 6 percent
  - International student numbers up 16.2 percent due to the University's program in Shandong China
  - Total credit hours even (total undergraduate headcount down slightly, graduate enrollment up)
- Fall 2020 Semester incoming student characteristics include:
  - Average ACT of 24
  - High school Grade Point Average (GPA) of 3.56
  - Percent of Valedictorians increased to 8.84 percent
  - Average number of transfer hours was 14.9 percent (dual credit courses and Advanced Placement credit)
  - First Generation FTF – 42.1 percent
  - Kentucky residents – 924
- Fall 2020 Semester student highlights include:
  - Overall, 46 percent First Generation students
  - 6,253 student residents of Kentucky
  - Hail from 45 countries, 48 states and 110 Kentucky counties
  - Kentucky, Illinois, Tennessee, Missouri and Indiana top sending states
- The number of students enrolled for the 2020 Winter Term is 407 versus 344 for 2019 (over 18 percent increase and more than 1,200 credit hours). As of November 30, there are 538 students enrolled for the Holiday Session (over 1,500 credit hours). Dr. Shemberger expressed appreciation to all who played a role in creating the Holiday Session and asked what can be accomplished one year from now in this regard. Dr. Todd reported that this involved a University-wide effort with the President's leadership. The Fall 2020 Semester was reduced by two weeks due to the pandemic and the Holiday Session was created in an effort to address this occurrence. All are open to discussing continuing the Holiday Session post-pandemic but this will require input from faculty teaching those courses. Dr. Jackson added that in a normal year this might resemble an expanded Winter Term. Students very much appreciated having this additional opportunity but input from the faculty, Deans and faculty leadership is needed. Mr. Norman confirmed that this initiative provided a valuable opportunity to a large number of students and was very much appreciated and needed.
- The first-to-second year retention rate for baccalaureate degree-seeking first-time freshmen students is 81.1 percent, compared to 79.3 percent for Fall 2019, making Murray State among the top regional public institutions in the state with regard to retention. Mrs. Whaley; Dr. S. G. Carthell and Melissa Cooper, Director of Student Support Services and their staffs were commended for work in this area. The retention rate for first-generation students is 72 percent but there are more risks associated with this population.
- The Recapture Campaign which is administered by the Office of Student Engagement and Success began in November with welfare and registration calls. The details of the Recapture Campaign, under the direction of Mrs. Whaley, were outlined. Progress continues to decrease the number of eligible students who have not yet registered for the Spring 2021 Semester (decreased from 3,200 to 1,200 undergraduate students and from slightly over 700 graduate students to 350 at this time).
- The following diversity highlights from Fall 2019 to Fall 2020 were provided:
  - URM First-time Freshmen increased to 194 students (compared to 183).
  - URM Undergraduate students increased to 11.45 percent (compared to 11.38 percent).
  - URM Graduate students increased to 12.39 percent (compared to 8.89 percent).
  - URM Retention (first-to-second year baccalaureate degree-seeking) increased to 75.33 percent (compared to 73.8 percent).
- Fall 2021 Semester initial enrollment data was presented with the following highlights:
  - FTF applications down slightly but FTF admitted student numbers are up.
  - FTF admitted from the 18-county service region are down slightly but FTF admitted out-of-state student numbers are up.
  - FTT admitted student numbers are down due to community college enrollment also being down.

- Confirmation was provided that due to the pandemic the ability to visit campus has been greatly diminished for students. On-campus visits resumed in November and are being offered seven days a week. This work will continue during the holiday break and participant numbers are beginning to increase as a result of such efforts. The virtual campus tour has been upgraded and is being utilized to supplement campus visit efforts. Admissions Counselors are playing an integral role in this process.
- Recruitment strategies for building the first-time freshman and transfer student class for the Fall 2021 Semester were presented in detail by Undergraduate Admissions and Transfer Center Director Maria Rosa, including a number of special campaigns that are underway to encourage students to apply to Murray State as early as possible. This work also included restructuring scholarship opportunities and providing additional resources in this regard. Dr. Robertson outlined the restructuring process which has resulted in such a significant change in the number of available scholarships to impact more students and significantly enhance the incoming class.
- The University's Yield Marketing Campaign focused on prospective students and their families was outlined in detail by Mr. Touney. Included in the presentation was information on admitted student and family outreach efforts, key messaging and themes and calls to action and the means by which these are accomplished. Innovative ways to undertake this work are consistently discussed and encouraged as it represents a critical component of the overall Strategic Enrollment Management Plan executed by multiple units across campus. Appreciation was expressed to the entire Branding, Marketing and Communication team for the pride they take in their work and continued efforts to be an effective service unit.
- Data analytics presented by Dr. Fister included confidence level interval estimates, score predictions based on indicators, admit goals and comparison reports and associated process and detail. Appreciation was expressed to the offices of Student Financial Services, Information Systems, Student Engagement and Success, Graduate Recruitment, International Affairs, Alumni Relations, Housing and Racer Academy for providing the information necessary to conduct this work. Confirmation was provided that the formula utilized for predictive analysis has been augmented to normalize the data due to this not being a typical year because of the pandemic.

A suggestion was made for the enrollment reports provided by the President to the Board to be in chart or graph form so the information is easier to decipher. The President agreed to review the information provided to determine what changes could be made, although some reports are currently provided in the format requested. It was indicated that the frequency with which the Board receives enrollment reports is appreciated. Confirmation was provided that any Regent who wants to visit their local high schools will be welcomed to do so when schools allow in-person visits again. Many Regents have already taken advantage of this opportunity prior to the pandemic.

Dr. Jackson provided confirmation that any efforts undertaken will relate back to the University's new Strategic Plan with all offices on campus working toward the same goals in a collaborative manner. Dr. Robertson thanked the Board for their leadership, support and commitment to the enrollment process, especially related to new recruitment and retention initiatives in terms of staffing, budgeting, providing additional scholarship dollars and being active participants in the recruitment process. Mrs. Rudolph commended all for their efforts.

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

### **Adjournment**

The Enrollment Management and Student Success Committee adjourned at 11:58 a.m. The Board adjourned for lunch beginning at 12 noon.

### **Reconvene**

Chair Rhoads reconvened the Quarterly Meeting of the Board of Regents and Committee meetings at 12:30 p.m. and reported all members were present.

### **Finance Committee**

Leon Owens – Chair  
 Eric Crigler  
 Jerry Rhoads  
 Lisa Rudolph  
 Phil Schooley

Mr. Owens called the Finance Committee meeting to order at 12:30 p.m. and reported all other members were present.

### **Financial Update, received**

Ms. Dudley provided a financial overview with the following highlights:

- The University must continue to monitor enrollment, net tuition and fees and housing occupancy.
- A reduction to the General Fund was anticipated for this year but state revenues were better than expected and Governor Andy Beshear announced the University would not be receiving a mid-year reduction in General Fund revenues. This will help bridge the gap relative to revenue losses the institution will experience.
- An additional \$1 million is expected from the Coronavirus Relief Fund to help further offset expenditures.
- For Fiscal Year 2021, it remains a financial unknown whether the University will be able to offer in-person courses for Spring 2021 but it is anticipated that the semester will closely mirror the Fall, including students being able to move into the residential colleges.
- The Legislative Session in January represents a risk factor for both current and next fiscal year.
- The budget planning process for Fiscal Year 2022 will begin in earnest in January. Risk factors include whether the University will be able to provide a traditional campus experience and how that is accomplished must be monitored given the current environment. New initiatives are always part of the budget planning process but this year consideration of the feasibility of a cost-of-living adjustment for employees is a priority item.
- Pensions and performance funding remain risk factors which must be monitored closely. The Performance Funding Work Group has done a tremendous amount of work this year and the resulting recommendations will benefit the University if approved by the Legislature.

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

### **Kentucky Employees Retirement System (KERS) Non-Hazardous Pension System Participation Decision, discussed**

Dr. Jackson reported that pension discussions have occurred over the past many months in great detail. Dean Dorton was retained to help the University conduct an analysis relative to the significant decision that must be made. That analysis has shown that the risk of getting out of KERS outweighs the uncertainty of remaining in the system and that is the recommendation being presented to the Board. Leaving KERS would dramatically affect the institution's balance sheet by adding \$125 million to \$150 million in hard debt. The exact liability for the University would not be known until after the decision has been made to leave the system. Such a decision could affect the future borrowing capacity for the institution and, in essence, represents a 30-year mortgage that could impair the University from taking on future debt to address housing needs or being able to explore public-private partnership arrangements. Over the last two years Murray State has reduced its exposure in KERS by over 60 percent and work will continue to aggressively keep rates down to mitigate liability.

Ms. Dudley reported that the University has been part of statewide discussions on the increasing liabilities relative to the Kentucky Employees Retirement System – Non-Hazardous pension plan for many years. Per Senate Bill 249 adopted during the 2020 regular Legislative Session, universities must notify the Kentucky Retirement System by December 31, 2020, if their Board approves ceasing participation in the KERS Non-Hazardous pension system. Highlights relative to this decision were presented as follows:

- A graph was provided to the Board depicting the KERS Non-Hazardous rates since Fiscal Year 2002 and how those have progressed over the years. For Fiscal Year 2021, the University was able to maintain the current contribution rate of 49.47 percent, although at one point it was believed that rate could increase to 93.01 percent. Next year an increase to the 93 to 96 percent contribution rate is anticipated. For this reason, costing analyses at that level have been prepared. The potential also exists for the Legislature to provide funding to help cover the gap between the current and potential rate increases. The administration has done an extensive review of Murray State options as shown in the information presented and engaged Dean Dorton to analyze the short- and long-term costs associated with each option.
- The information being presented is only for the KERS Non-Hazardous plan and does not include KERS-Hazardous (sworn police officers). Any action taken by the Board will affect all employees classified in KERS Non-Hazardous plan positions. Remaining employees are either in the Teachers' Retirement System (TRS) or in an Optional Retirement Plan (ORP). When individuals in a teachers' retirement plan are hired they have the option to choose an ORP (tax shelter), meaning they do not participate in the state plan. The University contributes to their plan but at a lesser amount statutory

than what is required for TRS. When KERS employees are hired they do not have this same option. Providing the ORP option for newly-hired KERS employees could become a discussion point during the Legislative Session. If the Board approves the recommended action for the University to remain in KERS, if the ORP option is provided for KERS employees, costs could begin to decrease as new employees choose this option. If such legislation is passed this could be beneficial to the University but it will take longer for the institution to realize the benefit. This is also beneficial to KERS employees by providing them with the same option as TRS participants.

- Dean Dorton cost estimates are based on information from House Bill 1 passed in 2018 and Senate Bill 249 passed in 2020. Kentucky Retirement Systems Consultant GRS Retirement Consulting provided estimates to Murray State on January 28, 2020, based on membership data as of June 30, 2019. GRS has been hired by Kentucky Retirement Systems to provide the actuarial analysis to each of the state universities. The information provided as a result of the analysis conducted by GRS is what the University must use to make its decision. The estimates prepared by Dean Dorton utilized the current employee base – the number of KERS positions in the budget for Fiscal Year 2021. This number is less than it would have been over the past three years. A conservative estimate is being presented but may still be lower than actual costs associated with getting out of KERS. This is due to the fact that relative to the legislation upon which KERS determines the University's liability, either the higher of a three-year average or current University payroll could be utilized. For Murray State, the cost associated with using the three-year average would be higher than that for current payroll.
- A recap of the KERS tiers was provided. Tier 1 includes employees who were participants in KERS prior to September 1, 2008. These individuals have the most seniority in the plan. Tier 2 includes employees who were participants between September 1, 2008, through December 31, 2013. Tier 3 includes employees who joined the KERS plan on or after January 1, 2014. These are the participants with the least seniority and number of years in the plan.
- KERS provides the University with two options – a hard or soft freeze. With a hard freeze the University would cease to participate in KERS and be required to take all KERS-participating employees out of the system. Employees will retain their prior service and contributions to the plan and can still retire from that plan but no future contributions are made. With a soft freeze the University would only be required to remove Tier 3 employees from the KERS plan. The soft freeze option will always be more expensive because those employees with the most seniority remain in the KERS plan.
- Basically seven options are available to the University. These include 1) remaining in KERS, 2) making a lump sum payment next year to buy the University out of the system (hard or soft freeze option), 3) issuing taxable bonds to finance and repay those bonds in a 20- or 30-year increment (hard or soft freeze option) and 4) selecting an installment payment plan (hard or soft freeze option) which is by far the most expensive option and would be financed through the Kentucky Retirement System (steep interest rates). Confirmation was provided that legacy liabilities would continue with KERS under both the hard and soft freeze options. The soft freeze option also includes the risk of the retirement system changing the amount the University is required to contribute after the decision has been made to leave the system. With the installment payment plan, rates increase 1.5 percent each year automatically, meaning this option does not represent a fixed rate like a bond payment that is based on a schedule.
- A House Bill 1 timeline was provided and discussed with the Board.
- Employment statistics used in Dean Dorton's estimates were provided based on a three-year average. The University's pre-2019 salary base was \$13.6 million (payroll) for KERS employees only. In December, the salary base decreased to \$9.2 million due to KERS employees transitioning onto Sodexo payroll as a result of outsourcing dining services. In April 2020, the payroll base decreased again to \$7.9 million due to outsourcing to SSC for custodial and grounds services. These actions led to a weighted average salary base of \$10.4 million. In terms of the budget for Fiscal Year 2021, the payroll base is \$6.8 million. The retirement system used a combination of these payrolls over a three-year average and the result is estimated to be an approximate \$10.4 million salary base. When compared to the current year payroll base of \$6.8 million, this resulted in a GRS estimate based on an \$11.3 million salary base. Salary bases are important because the recommendation being made is predicated on remaining in KERS with the University's contribution being computed on a percentage of salary or payroll. Prior to 2019 there were 589 individuals participating in the KERS Non-Hazardous plan and for the current budget cycle that number is 232 employees (61 percent decrease in the number of positions where the University is contributing 49.47 percent to the KERS Non-Hazardous plan). A breakdown of employees in the various tiers was also provided and this data is important when considering the hard or soft freeze options.
- A Schedule of Unknowns/Risks/Knowns was presented. Key points included that if the University decides to remain in KERS, the employer contribution rates on payrolls may significantly increase over the next 30 years. If the University decides to leave KERS and finance through the retirement system, the true cost will not be known at the time the decision must be made. If the University decides to leave KERS and finance with bonds there is also an associated risk, including whether the market is able to provide adequate lenders for the size of the issue that would be required for this purpose (plus interest rates at the time of the bond issuance). As of today, if the University chooses to cease participation in KERS it does not have authority to sell bonds and would have to obtain approval from the General Assembly. The University's bond rating would need to be determined and



the impact of the resulting debt on the balance sheet is unknown relative to future debt decisions (selling bonds for new housing facilities or entering into new public-private partnerships). The University is in a good cash position but providing what is needed to make the initial payment to cease participation in KERS would require a significant liquidation of assets that carries with it substantial risk.

- Assumptions used in the cash flow analysis prepared by Dean Dorton were provided. Dean Dorton also provided data relative to the average annual cash flow analysis for pension costs for the employer over a 30-year period. This data included the seven options mentioned earlier, in addition to a new option of remaining in KERS at the anticipated employer contribution rate of 93.01 percent. These eight costing scenarios provided by Dean Dorton included an associated principal amount the University would be required to finance dependent on the option chosen. Data was also presented on the average annual cost for each of the available options and how that changes over 30 years (through 2051, if a financing option is chosen). The 30-year cash flow analysis provided by Dean Dorton illustrated that to remain in KERS (at the 49.47 contribution rate) would represent a total cash outflow of \$122.5 million for the University. If the contribution rate increases to 93.01 percent as anticipated, the associated total cash outflow would be \$171 million. With either of these options where the University chooses to remain in the system, there is no associated finance debt on the balance sheet and the institution will continue to carry the liability the same as it does today, only not as a fixed debt. The most expensive option would be for the University to choose to cease participation in KERS (soft freeze) which amounts to over \$336 million versus remaining in the system and the contribution rate increasing to 93.01 percent for a total outflow of \$171 million.
- Data analysis was also provided by Dean Dorton relative to the present value of total cash flow. If the University remains in KERS and the rates stay at 49.47 percent, the \$122.5 million was converted to today's dollars at different discount rates of 3, 3.5 and 4 percent. Today's dollar at a 4 percent discount rate would be valued at \$67 million versus the value of an installment payment option (soft freeze) of \$178.8 million. This data helps illustrate the long-term impacts to the institution – all based on a January 28 estimated number provided by KERS (which can change).
- The recommendation being made today is for the University to remain in the KERS Non-Hazardous plan. Murray State will continue to work with the Kentucky Legislature and KERS Work Group on actions that could reduce the financial burden of participation. Work will also continue to review KERS-participating positions that currently exist.

Dr. Jackson added only one public institution in Kentucky is choosing to leave KERS – Northern Kentucky University (NKU) – that has opted for the soft freeze option but remaining in the system for Tier 1 and 2 employees. NKU is different because all employees participate in KERS and no individuals are in TRS. The other state universities are choosing to remain in the system for the same reasons outlined for Murray State.

#### **Kentucky Employees Retirement System (KERS) Non-Hazardous Pension System Participation Decision, approved**

On behalf of the Finance Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, approve the University's continued participation in the Kentucky Employees Retirement System (KERS) – Non-Hazardous pension system. Mr. Schooley seconded and the motion carried.

#### **Full Board Action – Kentucky Employees Retirement System Non-Hazardous Pension System Participation Decision, approved**

On behalf of the Finance Committee, Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, approve the University's continued participation in the Kentucky Employees Retirement System (KERS) – Non-Hazardous pension system. Mrs. Rudolph seconded and the roll was called with the following voting: Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Norman, yes; Mr. Owens, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Rhoads, yes. The motion carried unanimously.

#### **Lovett Auditorium HVAC and Electrical System Renovations Project Funding, approved**

Ms. Dudley reported that as part of the development of the 2020-26 Capital Plan, Murray State identified a series of asset preservation project requests. Some of the requested asset preservation funding was designated for historic buildings, with Lovett Auditorium as the priority. Due to strains on the state budget and COVID-19, this project was not authorized in the enacted 2020-21 budget (House Bill 352). However, HVAC issues in Lovett Auditorium must be addressed now in order to preserve the building for future use.

The total scope of the Lovett Auditorium project is anticipated to be \$2 million. The proposed funding to be utilized would be \$600,000 of Fiscal Year 2020-21 revenue from the Asset Preservation Fee, with the remaining \$1.4 million to be taken from emergency deferred maintenance funding held in the Plant Fund. Once approved by the Board of Regents, the University will seek any necessary approvals from the CPE and the Capital Projects and Bond Oversight Committee for the \$2 million necessary for the project.

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve funding of \$600,000 from Fiscal Year 2020-21 Asset Preservation Fee revenue and \$1.4 million from emergency deferred maintenance funds in order to complete the Lovett Auditorium HVAC and electrical system renovations as stipulated in the Program Statement approved earlier by the Buildings and Grounds Committee. Mrs. Rudolph seconded and the motion carried.

**Full Board Action – Lovett Auditorium HVAC and Electrical System Renovations Project Funding, approved**

On behalf of the Finance Committee, Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, approve funding of \$600,000 from Fiscal Year 2020-21 Asset Preservation Fee revenue and \$1.4 million from emergency deferred maintenance funds in order to complete the Lovett Auditorium HVAC and electrical system renovations as stipulated in the Program Statement approved earlier by the Buildings and Grounds Committee. Mr. Schooley seconded and the roll was called with the following voting: Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Norman, yes; Mr. Owens, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Rhoads, yes. The motion carried unanimously.

**Establishment and Designation of the *Dr. Robert “Doc” McGaughey Fund for Excellence in Journalism and Mass Communications Quasi-Endowment, approved and designated***

Tina Bernot, Executive Director of Development, reported that Robert Howe McGaughey, III, “Doc,” arrived on Murray State’s campus in the fall of 1961 as an undergraduate student. He earned a Bachelor of Arts in History and a Master of Arts in Journalism (JMC) at Murray State before receiving his doctorate at Ohio University. Doc returned to Murray State as a member of the Journalism faculty and spent 23 years as Chair of the department. During his service to the University, he held every faculty rank available, including College Head of Elizabeth Residential College. An active advisor to students and organizations, he was recognized for teaching excellence as the Max Carmen Outstanding Teacher and as Distinguished Professor. Dr. McGaughey passed away in June of 2019. He was awarded the Murray State University Alumni Association’s Distinguished Alumni Award – the organization’s highest honor – posthumously, in 2020.

Through his estate, Doc McGaughey left a legacy gift of \$103,333.18 to Murray State University to support the educational dreams of future journalism students. The Department of Journalism and Mass Communications has requested that this gift be used to establish a Quasi-Endowment. The spendable investment earnings from the *Dr. Robert “Doc” McGaughey Fund for Excellence in Journalism and Mass Communications* will be used to support the department’s programs and overall mission in accordance with University spending guidelines. The department requests that the sum of \$100,000 be invested for the principal of the Fund and that \$3,333.18 be designated for current spending. In addition, under the direction of current Department Chair Allen White and Professor Bob Valentine, the senior capstone course in advertising campaigns in JMC in the Bauernfeind College of Business has presented a plan to increase the endowment – *Onward Communications*. To date, \$18,000 has already been raised to be added to this new Fund. The Murray State University Foundation will serve as the administrator of the funds and expenditures will be made from interest earnings. The actual number of awards may vary based on growth of this fund and available investment earnings. Proceeds from the McGaughey estate total \$103,333.18, with \$100,000 serving as the original corpus for the Quasi-Endowment.

On behalf of the Finance Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of \$100,000 of the estate gift from Dr. Robert Howe McGaughey, III, for the establishment of the Quasi-

Endowment named in his honor: the *Dr. Robert “Doc” McGaughey Fund for Excellence in Journalism and Mass Communications*. Mrs. Rudolph seconded and the motion carried.

**Full Board Action – Establishment and Designation of the *Dr. Robert “Doc” McGaughey Fund for Excellence in Journalism and Mass Communications* Quasi-Endowment, approved and designated**

On behalf of the Finance Committee, Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, approve the designation of \$100,000 of the estate gift from Dr. Robert Howe McGaughey, III, for the establishment of the Quasi-Endowment named in his honor: the *Dr. Robert “Doc” McGaughey Fund for Excellence in Journalism and Mass Communications*. Regent Shemberger abstained from the vote because the action being taken involves her assigned department. Mr. Norman seconded and the motion carried.

**Projects Approval, approved**

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

The two schedules below listing projects initiated since the last Board report were provided to Regents:

1. Projects with estimated costs of \$200,000 or less
2. Projects with estimated costs of over \$200,000, which were reviewed by the Board Chair and President

Designation of funding is obtained from the Board to allow the institution to report the funds for the listed projects as “Board Designated” in the University’s quarterly financial reports and annual audit. This is not an exhaustive listing of projects under \$200,000 but those that have been started and not completed as of the preparation date in an order to designate funding.

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

**Full Board Action – Projects Approval, approved**

On behalf of the Finance Committee, Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, designate the funding as outlined for the projects on the attached listings. Dr. Shemberger seconded and the roll was called with the following voting: Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Norman, yes; Mr. Owens, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Rhoads, yes. The motion carried unanimously.

(See Attachments #17 and #18)

**Personal Services Contracts, approved**

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

On behalf of the Finance Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, approve the contracts as listed in the document provided per requirements of the Delegation of Authority Item #11. Mr. Schooley seconded and the motion carried.

## **Full Board Action – Personal Services Contracts, approved**

On behalf of the Finance Committee, Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, approve the contracts included on the attached listing per requirements of the Delegation of Authority Item #11. Dr. Tharpe seconded and the roll was called with the following voting: Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Norman, yes; Mr. Owens, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Rhoads, yes. The motion carried unanimously.

(See Attachment #19)

## **Adjournment**

The Finance Committee adjourned at 1:45 p.m.

### **Legislative and Economic Development Committee**

Virginia Gray – Chair  
Sharon Green  
Leon Owens  
Jerry Rhoads

Mrs. Gray called the Legislative and Economic Development Committee to order at 1:45 p.m. and reported all other members were present.

## **Legislative Update Report, received**

Mr. Smith reported the following:

- On January 5, 2021, the Legislature will be entering a 30-day, one-year budget session which will address the second year of the biennium (2021-22). The 2020 Legislative Session would normally deal with the two-year biennial budget but was cut short due to the beginning of COVID-19. March 30, 2021, is the official last day of the Legislative Session (*Sine Die*) after the veto period.
- Appreciation was expressed to key Session Committee Chairs and legislators as follows:
  - House Majority Floor Leader – Representative Steve Rudy (Racer alum)
  - House Appropriations and Revenue (A&R) Committee: Budget Review Subcommittee on Postsecondary Education – Representative James Tipton (Performance Funding Work Group member, along with President Jackson as Convener)
  - House Education Committee – Representative Regina Huff
  - President Pro-Tem – Senator David Givens (Performance Funding Work Group member)
  - Senate A&R Committee – Senator Chris McDaniel
  - Senate A&R committee: Budget Review Subcommittee on Postsecondary Education – Senator Alice Forgy Kerr
  - Senate Education Committee – Senator Max Wise
  - All 18-county service region legislators
- Murray State University legislative priorities for the 2021 Legislative Session include:
  - Deferred Maintenance/Asset Preservation – the University will support the CPE’s Deferred Maintenance/Asset Preservation Request for higher education overall. The University (agency) bond request for historical building preservation in the amount of \$12.2 million is also a key priority.
  - Routine Reauthorizations for the University (Agency) Bonding/Public-Private Partnership (P3) – includes replacement/renovation of residence halls (\$27.1 million), P3 housing financing (\$66 million) and P3 alternate dining facilities (\$12 million).
  - Performance Funding – includes support of CPE’s 2021-22 increased funding request for the Performance Funding Model and support of the Work Group recommendations.
  - Public Pensions – includes a bill to keep the KERS contribution rate the same in 2021-22 as 2020-21 (49.47 percent) or provide additional funding to offset the rate increase and support of the Public Pension Work Group recommendations on the Teachers’ Retirement System.
- Other than the state budget, not many bills are expected to move during this Short Session. It is possible the University’s legislative priorities could be addressed in the state budget bill, with the exception of a stand-alone performance funding recommendation bill and a potential pension bill to address the Kentucky Retirement System TRS rates.
- Regional and state legislative activities include meetings with many area legislators throughout the interim period, in addition to the CPE Performance Funding Work Group, Legislative Research Commission, LRC Public Pension Work Group, Governor’s Agri-Tech Work Group (Dr. Jackson, member), the regional Agri-Tech Committee established by MSU and regular updates with the Governor’s Office. Appreciation was expressed to Ms. Dudley and Dr. Fister who are key to the

University's work in effectively advocating for Murray State in Frankfort. Appreciation was expressed to Regent Gray for organizing a ZOOM meeting between the University and Hopkinsville legislators and leaders.

- As mentioned earlier, the University successfully secured a PACRO grant award for the *Paducah Regional Campus*. Appreciation was expressed to Executive Director Greg Wiles for providing this opportunity for the MSU School of Nursing and Health Professions. The PACRO Board also includes several local elected officials.
- Murray State has formally congratulated all 18-county service region legislators, legislative leaders, its federal delegation and others following the election.
- MSU hosted United States Congressman James Comer on campus. He visited the newly-named School of Engineering and discussion occurred with President Jackson; Chair Danny Claiborne and Dean of the Jones College of Science, Engineering and Technology Claire Fuller and others.
- Appreciation was expressed to Congressman Comer and his staff for helping the University secure the USDA grant award for the Nursing Education Simulation Center student recruitment program in the School of Nursing and Health Professions. Leader Mitch McConnell and Senator Rand Paul and their staff also assisted in this effort. The support of the federal delegation, as well as weekly updates they provide, are very much appreciated.
- Frequent meetings were held regarding additional CARES stimulus funding assistance with staff and field representatives for Leader McConnell, Senator Paul and Congressman Comer.

Dr. Jackson added that yesterday the Breathitt Veterinary Center (BVC) Advisory Board met. Dorsey Ridley from Henderson, Kentucky, serves as Executive Director of the Governor's Office of Agricultural Policy and attended the BVC Advisory Board meeting. Former Senator Ridley knows the BVC, agriculture and the region well and has been very helpful to Murray State. The Agri-Tech initiative is positive for the MSU Hutson School of Agriculture, the University overall and agriculture throughout the Commonwealth.

### **Adjournment**

The Legislative and Economic Development Committee adjourned at 2 p.m.

### **Marketing and Community Engagement Committee**

Sharon Green – Chair  
Eric Crigler  
Virginia Gray  
Melony Shemberger

Ms. Green called the Marketing and Community Engagement Committee to order at 2 p.m. and reported all other members were present.

### **Gifts-in-Kind**

#### **Tosh Wean-Finish Facility – Hutson School of Agriculture, received, accepted and approved**

Mrs. Bernot welcomed the Tosh family who is listening to the meeting via livestream. Tosh Farms is a family-owned business located in Henry, Tennessee. The business consists of three separate enterprises working together in a synergistic fashion. Tosh Farms is a general partnership and the crop production company. Tosh Pork, LLC, is the swine production company. Bacon By Gosh, Incorporated, is the transportation company. Tosh Pork provides care from birth to market to approximately 30,000 sows that produce over 750,000 market hogs each year.

Jimmy Tosh is the owner and Chief Executive Officer of Tosh Farms and has two sons – Jamey and Jonathan. Jonathan is a 2004 graduate of the Murray State Hutson School of Agriculture and Jamey taught Swine Science for Murray State as an Assistant Instructor. The Tosh family has been supportive of MSU agriculture for some time, annually donating generously for scholarships and Agriculture Appreciation Week activities. Tosh Farms also regularly hires Murray State graduates. In recognition of this support, the MSU Hutson School of Agriculture presented the company and family with the prestigious Agriculture Support award at Homecoming in 2016.

The Swine industry currently provides a large number of good employment opportunities. With Tosh Farms assistance and guidance, the Hutson School of Agriculture reinitiated its swine operation several years ago to include a farrow to show pig to finish swine operation. The primary objective of this unit is to train students to work in the modern swine industry. Secondary objectives are to produce high-quality show animals for purchase by area 4-H organizations and Future Farmers of America members to enhance future student recruitment and provide a potential source for locally-produced Kentucky Proud Racer Pork.

Tosh Farms has provided all funding toward constructing an 85 x 25 Swine Finishing Learning Laboratory on the North Farm, as well as for all internal equipment to make it operational. They also covered the full cost of all engineering and construction of this facility and coordinated the construction with the MSU Facilities Management team, utilizing their regular construction crew. The facility was constructed in Spring/Summer 2020. Sincere appreciation was expressed to Tosh Farms for furthering their support of Murray State agriculture and the Racer Pork initiative, by providing a laboratory to supplement curriculum and instruction, enhancing their employee recruitment and marketing efforts and modernizing and providing state-of-the-art Food Animal Science hands-on educational opportunities.

Mrs. Bernot expressed appreciation to the Tosh family on behalf of Dean Tony Brannon for this gift that will serve in perpetuity to preserve and procure Murray State's swine and animal science academic and laboratory support. This pioneering project could not have been completed without the involvement of the Tosh family and their support is greatly appreciated.

On behalf of the Marketing and Community Engagement Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, receive, accept and approve the donation of the *Tosh Wean-Finish Facility* and associated equipment on the North Farm for the benefit of student-centered instruction in the Hutson School of Agriculture. The total value of this project, as determined upon completion of the barn (including construction/replacement cost), is \$508,274. Mrs. Gray seconded and the motion carried.

**Full Board Action – Tosh Wean-Finish Facility – Hutson School of Agriculture, received, accepted and approved**

On behalf of the Marketing and Community Engagement Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, receive, accept and approve the donation of the *Tosh Wean-Finish Facility* and associated equipment on the North Farm for the benefit of student-centered instruction in the Hutson School of Agriculture. The total value of this project, as determined upon completion of the barn (including construction/replacement cost), is \$508,274. Mrs. Rudolph seconded and the motion carried unanimously.

**Coins from the Dr. Robert Howe McGaughey III Estate and Designation of Proceeds from Sale, accepted and designated**

Mrs. Bernot reported that information regarding Dr. Robert "Doc" McGaughey was shared earlier relative to the legacy gift of \$103,333.18 to Murray State University to support the educational dreams of future journalism students through the establishment of a quasi-endowment with the Murray State University Foundation, Incorporated. The endowment would be named in his honor – the *Dr. Robert "Doc" McGaughey Fund for Excellence in Journalism and Mass Communications*. Murray State also received a distribution of gold coins from U.S. Money Reserve, Coin Galleries, Incorporated, and JP Capital Collectible (value unknown) through Dr. McGaughey's estate. The University wishes to sell these coins and designate the proceeds to the *Dr. Robert "Doc" McGaughey Fund for Excellence in Journalism and Mass Communications* held by Murray State University Foundation, Incorporated, on behalf of the University.

On behalf of the Marketing and Community Engagement Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, accept the gift of gold coins from the estate of Dr. Robert "Doc" Howe McGaughey III and approve the sale of those coins and transfer of the proceeds to the Murray State University Foundation, Incorporated, designated for the principal for the *Dr. Robert "Doc" McGaughey Fund for Excellence in Journalism and Mass Communications*. Dr. Shemberger stated for the record that she will

abstain from this vote because the action being taken involves her assigned department. Dr. Tharpe seconded and the motion carried.

**Full Board Action – Coins from the Dr. Robert Howe McGaughey III Estate and Designation of Proceeds from Sale, accepted and designated**

On behalf of the Marketing and Community Engagement Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University, accept the gift of gold coins from the estate of Dr. Robert “Doc” Howe McGaughey III and approve the sale of those coins and transfer of the proceeds to the Murray State University Foundation, Incorporated, designated for the principal for the *Dr. Robert “Doc” McGaughey Fund for Excellence in Journalism and Mass Communications*. Mrs. Gray seconded and the motion carried.

**Naming Opportunity – Dennis Jackson Racer Room in Roy Stewart Stadium, approved**

Mrs. Bernot reported that Dennis Jackson earned the Bachelor of Science degree in 1966 (double major in Adolescent, Career and Special Education and History) and the Masters of Arts (Education) degree in 1971, both from Murray State. Throughout his professional life, continuing education remained a consistent priority for Mr. Jackson, as he received the Rank 1 Professional Certificate for School Administration, Endorsement for Secondary School Principal for Grades 7-12 and Endorsement for School Superintendent. Mr. Jackson’s focus after graduation was assisting youth through education as a teacher, administrator, Coach and game official, serving in many positions in school systems in Michigan (Benton Harbor) and Kentucky (Trigg County and Paducah Public Schools). In recognition for his dedication to education throughout his life, Mr. Jackson was honored by Who’s Who Among American Teachers.

In 1960, Mr. Jackson became the first African American student-athlete at Murray State University. He was an all-around talent on the football field as a receiver, tailback and safety from 1962-64, being named to the All-Ohio Valley Conference Football Team in 1964. Additionally, Mr. Jackson excelled as a track student-athlete from 1961-64, notably as a member of Murray State’s 4x100 meter relay team which held the best time in the southeast region. For his contributions as a student-athlete and lifelong Racer, Mr. Jackson was inducted into the Murray State University Athletics Hall of Fame in 2007.

As a lifelong educator in the Paducah public school system, Mr. Jackson served as a Health and Physical Education Teacher, Football/Basketball/Track Coach and Dean of Students at Jetton Junior High School. Additionally, Mr. Jackson was a History teacher and Track Coach at Brazelton Junior High/Paducah Middle School. He went on to serve as Assistant Football Coach, Athletics Director and Assistant Principal at Paducah Tilghman High School. Finally, he served as Director of District Personnel for Paducah Public Schools. Prior to his time with the Paducah public school system, Mr. Jackson served as Health and Physical Education teacher and high school Assistant Football Coach at Trigg County, Kentucky, and Social Studies teacher/Student Council Advisor in Benton Harbor, Michigan.

Mr. Jackson has been honored with numerous awards throughout his distinguished career. He received the Murray State University Distinguished Alumnus Award – the highest honor granted by the Murray State Alumni Association – on the 60<sup>th</sup> anniversary of desegregation at the University. Additionally, Mr. Jackson was inducted into the Kentucky High School Athletic Hall of Fame in 1999, working as an official for 25 years (15 total state basketball championships).

Throughout his life Mr. Jackson has been an active member of his community, serving as Deacon at Harrison Street Baptist Church and a member of the Board of Directors for the Luther S. Carson Four Rivers Center for the Arts and Paducah Civil Service Commission. He served as Chair of the Pam and Havana Rutledge Memorial Scholarship Fund, Vice President and President of the First Region Basketball Officials Association, President of the Murray State University Alumni Association and served on the Kentucky Council on Postsecondary Education (Chair of the Committee on Equality and Opportunity).

Mr. Jackson is married to Patricia Brandon Jackson (Bachelor of Science in 1967 – Elementary Education and Master of Arts in 1972 – Education). They have one son, Brandon Jackson.

In appreciation for Dennis Jackson's service and lifelong commitment to education and serving as an ideal ambassador for the University and Murray State Athletics, naming of the *Dennis Jackson Racer Room* in Roy Stewart Stadium is being recommended. The naming will be commemorated with a plaque of recognition located at the entrance and/or inside the space. In the coming months, as a result of marketing funds included in the Athletics Department-wide apparel agreement with Nike/BSN and maintenance work scheduled through campus Facilities Management, the *Dennis Jackson Racer Room* will be outfitted with a projector/screen, sound system, new carpet, drywall, fresh paint and sport-specific mannequins donning respective Nike gear. Athletics envisions this space as a nutrition/fueling location for two-thirds of the 327 student-athletes housed inside Stewart Stadium, a pre-game (football and track/field) hospitality area, a recruiting space for all teams and potential location to host general campus and/or external community events. Fundraising efforts will run parallel to project work in an effort to renovate the outdated kitchen and restrooms in the rear of the *Dennis Jackson Racer Room*.

On behalf of the Marketing and Community Engagement Committee, Mrs. Gray moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Facilities, Programs and Activities, approve the naming opportunity for the *Dennis Jackson Racer Room* in Roy Stewart Stadium in appreciation for Mr. Dennis Jackson's lifelong commitment to education and serving as an ideal ambassador for the University and Murray State Athletics. Dr. Shemberger seconded and the motion carried.

Director of Athletics Kevin Saal reported that Mr. Jackson represented a model student-athlete who created a pathway for thousands who have come behind him. He has dedicated his life to education and the development of young people through athletics. He served Murray State University as an active alumnus and his community as a model leader. Most importantly, he is a giver of his time. This naming opportunity will continue to further the education of current and future student-athletes for many years to come. Through Mr. Jackson's story student-athletes can see a defined pathway to tremendous success and impact.

Mr. Owens expressed appreciation to President Jackson and Mr. Saal for recognizing the significance of Mr. Jackson's contributions to Murray State University. He has known Mr. Jackson as his mentor for a number of years and he embodies and exemplifies the best in mankind, is a consummate gentleman and any accolades he receives are not sought out. Mr. Jackson is a fine man and this represents a worthy designation – there is no one more deserving. Dr. Jackson reported that he spoke with Mr. Jackson yesterday. Mr. Jackson asked him to thank everyone for this consideration, not knowing whether it would be approved – as he is that humble. He is a recruiter for the University and maintains regular contact with Murray State. He has and continues to serve this University well and it is an honor to recognize him in this way. Chair Rhoads indicated that Mr. Jackson has been a true pioneer and has even shared some of his stories while attending Murray State. All would have an even greater appreciation for Mr. Jackson after hearing some of those stories.

#### **Full Board Action – Naming Opportunity – *Dennis Jackson Racer Room* in Roy Stewart Stadium, approved**

On behalf of the Marketing and Community Engagement Committee, Ms. Green moved that the Board of Regents, upon the recommendation of the President of the University and the Committee on Naming of Facilities, Programs and Activities, approve the naming opportunity for the *Dennis Jackson Racer Room* in Roy Stewart Stadium in appreciation for Mr. Dennis Jackson's lifelong commitment to education and serving as an ideal ambassador for the University and Murray State Athletics. Mr. Owens seconded and the motion carried unanimously.

#### **Adjournment**

The Marketing and Community Engagement Committee adjourned at 2:20 p.m.



## **Ad Hoc Presidential Evaluation Process Review Committee**

### **Eric Crigler – Chair**

Virginia Gray

Jerry Rhoads

Lisa Rudolph

Don Tharpe

Mr. Crigler called the Ad Hoc Presidential Evaluation Process Review Committee to order at 2:20 p.m. and reported all other members were present. Members were appointed at the August 28, 2020, Board of Regents Meeting and were charged with assessing the current procedures and methods for evaluating the President of the University – both on an annual and a comprehensive (four-year) basis. The Committee was asked to evaluate changes to ensure the procedure is more effective, informative and efficient and make recommendations to the Board as to the policies and procedures needed to enhance the evaluation process since it has not been reviewed in many years. The Committee has met twice and the minutes from the two meetings were provided to the Board for transparency and approval.

### **Minutes of the Board of Regents Ad Hoc Presidential Evaluation Process Review Committee Meetings on October 29, 2020, and November 20, 2020, approved**

On behalf of the Ad Hoc Presidential Evaluation Process Review Committee, Mrs. Gray moved that the minutes of the meetings on October 29 and November 20, 2020, be approved as submitted. Mr. Rhoads seconded and the motion carried.

### **Full Board Action – Minutes of the Board of Regents Ad Hoc Presidential Evaluation Process Review Committee Meetings on October 29, 2020, and November 20, 2020, approved**

On behalf of the Ad Hoc Presidential Evaluation Process Review Committee, Mr. Crigler moved that the minutes of the meetings on October 29 and November 20, 2020, be approved as submitted. Mrs. Rudolph seconded and the motion carried unanimously.

### **Operating Procedure for Presidential Evaluation Revisions, adopted**

Mr. Crigler reported that in accordance with its charge of reviewing and revising the procedures utilized to evaluate the Murray State University President, the Committee carefully reviewed the procedures for both the annual evaluation and the 360° evaluation (four-year review) and recommends adoption of the revised procedure as approved and submitted by the Committee. The method to be used to evaluate the President (survey) will be addressed by the Committee at a later date, with anticipated recommendations to be presented at the Quarterly Board of Regents Meeting in February 2021. Four basic changes are being recommended for the current Operating Procedure for Presidential Evaluation. The first is the addition of a timeline for this process, which includes steps to be followed. The second change was to add the Vice Chair of the Board to the evaluation process to aid in both transparency and future consistency when evaluating the President. Additional structure was also added to the evaluation so it would be consistent from year to year in terms of identifying what has gone well and where opportunities for improvement exist. Sections were also added relative to annual goals for the President and progress toward the Strategic Plan. The final change that is being recommended relates to the 360° review to be conducted every four years. The last time the review was undertaken, constituency groups that were added included secondary education leadership (regional Principals and Superintendents) and government leaders. This has now been codified in the revised procedure.

On behalf of the Board of Regents Ad Hoc Presidential Evaluation Process Review Committee, Mr. Rhoads moved that the Board of Regents adopt the revised Operating Procedure for Presidential Evaluation as submitted, with the appropriate survey method and instrument to be utilized to be determined at a later date by the Ad Hoc Committee and submitted for approval by the full Board at the February 2021 Quarterly Meeting. Mrs. Rudolph seconded and the motion carried.

## **Full Board Action – Operating Procedure for Presidential Evaluation Revisions, adopted**

Mr. Crigler moved that the Board of Regents, upon the recommendation of the Ad Hoc Presidential Evaluation Process Review Committee, adopt the revised Operating Procedure for Presidential Evaluation as attached, with the appropriate survey method and instrument to be utilized to be determined at a later date by the Ad Hoc Committee and submitted for approval by the full Board at the February 2021 Quarterly Meeting. Mr. Owens seconded and the motion carried unanimously.

(See Attachment #20)

Chair Rhoads commended the Committee for their work to this point. The revised document being presented addresses concerns expressed by Regents relative to the presidential evaluation process.

### **Policy Changes**

Dr. Jackson reported that the first two policy changes represent the second reading of these policies to be considered by the Board to ensure conformity with federal and state regulations and laws. Mr. Miller confirmed that the changes being recommended are in conformance and consistent with changes to federal regulations.

### **Board of Regents Policy Manual – Section 2.21 – Sexual Harassment Policy Revisions, adopted**

Mr. Owens moved that the Board of Regents, upon the recommendation of the President of the University, adopt the revised *Board of Regents Policy Manual – Section 2.21 – Sexual Harassment Policy*, having been presented as a first reading at the August 28, 2020, Quarterly Meeting. Mrs. Gray seconded and the motion carried unanimously.

(See Attachment #21)

### **Board of Regents Policy Manual – Section 2.24 (becomes part of Section 2.21) – Sexual Violence and Misconduct, Relationship Violence and Stalking Policy Revisions, adopted**

Dr. Tharpe moved that the Board of Regents, upon the recommendation of the President of the University, adopt the revised *Board of Regents Policy Manual – Section 2.24 – Sexual Violence and Misconduct, Relationship Violence and Stalking Policy* (becomes part of Section 2.21), having been presented as a first reading at the August 28, 2020, Quarterly Meeting. Mrs. Rudolph seconded and the motion carried unanimously.

(See Attachment #22)

### **Board of Regents Policy Manual – New Section 2.24 – Minors on Campus (first reading), approved**

Dr. Jackson reported that a new policy for the University relative to minors on campus is being recommended. The University began considering adopting this new policy several years ago but that work was not completed. Work resumed over the past year to develop the policy being presented to the Board. The policy has been vetted through all appropriate offices across campus and the Work Group overseeing this work was guided by Vice President Dudley. There have been a number of widely-publicized issues relative to minors on university campuses over the last several years. This policy will address required background checks for individuals working with minors on campus, in addition to other initiatives.

Dr. Shemberger moved that the Board of Regents, upon the recommendation of the President of the University, approve the *Board of Regents Policy – New Section 2.24 – Minors on Campus* (first reading) as submitted. Mr. Owens seconded and the motion carried unanimously.

Board of Regents Policy Manual – Section 2.6 – Fee Establishment Policy Revisions (first reading), approved

Dr. Jackson reported that an amendment to *BOR Policy Manual – Section 2.6 – Fee Establishment Policy* is being recommended. The change clarifies language relative to how course fees are allowed to be used for teaching purposes and has the support of Academic Affairs because it is needed to enhance teaching and learning.

Dr. Shemberger moved that the Board of Regents, upon the recommendation of the President of the University, approve the *Board of Regents Policy – Section 2.6 – Fee Establishment* revisions (first reading) as submitted. Mr. Norman seconded and the motion carried unanimously.

### **Board Development**

Mr. Schooley expressed appreciation to Murray State staff for their excellent work which allowed the University to complete the Spring and Fall 2020 semesters. Appreciation was specifically expressed to Willem Mathis, Web Research Solutions Coordinator in Information Systems; Jessica Evans, Director of Assessment and Accreditation for the College of Education and Human Services and the Staff Perspective Survey Committee for their work. The entire survey results report was included in the eBoard book.

David Wilson, Director of Housing and Staff Congress President, presented the 2020 Staff Perspective Survey results with the following highlights:

- Appreciation was expressed to all student workers.
- The Staff Perspective Survey response rate was 39.7 percent and 721 total surveys were sent out. The survey was released right before the University closed campus in the spring and it is believed this affected the response rate. Staff continue to do excellent work – and more work – with smaller numbers compared to prior years.
- An ad hoc committee met and reviewed the results of the survey responses in detail. This work resulted in ten overall recommendations, including the following:
  - A great deal of communication has occurred relative to flexible work hours for staff and that has been advanced to the Working Conditions Committee to determine whether it is feasible.
  - Pay was cited as an issue for staff. In response to this concern, total institutional cost information associated with a pay raise has been provided to staff.
  - Concern was also expressed relative to the cost of benefits increasing.
  - Throughout the responses there was an air of uncertainty among staff relative to their jobs. Many were worried about additional outsourcing and equitable workloads due to vacant positions not being filled.
  - All concerns have also been advanced to the appropriate committees to review.
- Overall, staff feel that the current administration listens to what they have to say. With the exception of pay, staff feel that the benefits they receive are positive and appropriate.
- The majority of staff are positive about the direction in which the University is headed.

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

Dr. Jackson expressed appreciation to Dr. Wilson who oversees student workers, Resident Advisors and Directors in the residential colleges. A major concern last spring was the potential for a COVID-19 outbreak in the residence halls. This did not occur due to the good work of Dr. Wilson and his staff and their efforts are truly appreciated.

### **Supplemental Materials**

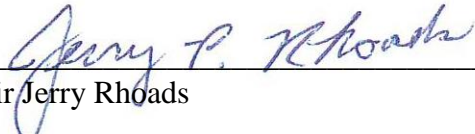
Dr. Jackson reported that Regents were provided with supplemental materials in the eBoard book, including the “Good News” Report – October 2020; Quarterly Branding, Marketing and Communication Report – July – September 2020 and Sponsored Programs – Grants and Contracts Report. The Litigation Status Report prepared by General Counsel Miller was provided in a separate, confidential eBoard book. These reports were provided for informational purposes only and required no Board action.

### **Other Business/Adjournment**

The Board of Regents presented Christmas gifts to President and Mrs. Karen Jackson and Secretary Hunt. Appreciation was expressed to the Board for their thoughtfulness. Chair Rhoads expressed appreciation to Dr. Jackson, Karen and Secretary Hunt for all of their good service, particularly during this trying time. A special thank you was given to Karen for the

sacrifices she makes to support Murray State as her role as First Lady. The Board gave virtual applause to these individuals.

There being no further business to come before the Board, Chair Rhoads requested a motion for the Board of Regents Quarterly and Committee Meetings to adjourn. Mr. Schooley so moved, seconded by Dr. Shemberger, and the motion carried unanimously. Adjournment was at 2:55 p.m.

  
\_\_\_\_\_  
Chair Jerry Rhoads

  
\_\_\_\_\_  
Secretary Jill Hunt

**(The remainder of this page intentionally left blank to allow for inclusion of attachments.)**