

**Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents
December 13, 2019**

Call to Order/Roll Call

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, December 13, 2019, in Quarterly and Committee Session in the *Jesse Stuart Room* in Pogue Library on the main campus of Murray State University. Chair Dan Kemp called the meeting to order at 8:30 a.m. and welcomed those present.

The roll was called and the following Board members were present: Trey Book, Eric Crigler, Virginia Gray, Sharon Green, Dan Kemp, Leon Owens, Jerry Rhoads, Lisa Rudolph, Phil Schooley, Melony Shemberger and Don Tharpe. Absent: none.

Others present 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, Interim 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; Robert Miller, General Counsel; Joyce Gordon, Director of Human Resources; Michelle Saxon, Internal Auditor; Shawn Touney, Executive Director of Marketing and Communication; Renee Fister, Director of Institutional Effectiveness and Strategic Planning; Jason Youngblood, Director of Facilities Management; the Collegiate Deans and members of the faculty, staff, students, news media and visitors.

AGENDA

<u>Call to Order</u>	Chair Kemp
<u>Roll Call</u>	Secretary Hunt
<u>Resolution of Appreciation</u>	Chair Kemp/President Jackson
A. Harry Lee Waterfield II	
<u>Consent Agenda</u>	Chair Kemp/President Jackson
A. Board of Regents Minutes*	
- Minutes of the Board of Regents Annual Retreat on September 5, 2019	
- Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on September 6, 2019	
B. Report of the Registrar (August and December 2019 Conferral of Degrees)*	
C. Audit and Compliance Committee – Office of Internal Audit – Internal Audit Work Status Report (For Information Only)	
D. Audit and Compliance Committee – Office of Internal Audit – Summary of Presidential Travel Report (For Information Only)	
E. Finance Committee – State Endowment Match Program Annual Report*	
F. Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)	
G. Personnel Changes – Staff Leaves of Absence without Pay*	
H. University Appeals Board Appointments*	
<u>Public Participation</u>	Chair Kemp
<u>Report of the Chair</u>	Chair Kemp
<u>Report of the President</u>	President Jackson
<u>Report of the Treasurer*</u> (Quarterly Financial and Investment Reports)	Vice President Dudley
<u>Winter Semester Degree Conferral*</u>	Int. Provost Todd/Registrar Roberts
<u>Committee Reports/Recommendations</u>	

- A. Academic Excellence and Scholarly Activities Regent Shemberger
- 1) Academic Affairs and Stamats Analyses Updates (For Information Only)
 - 2) Strategic Plan Update (For Information Only)
 - 3) *Regional Campus Advisory Councils/Regional Campus Enrollment Update (For Information Only)*
 - 4) eCampus Pilot Programs Update (For Information Only)

- B. Athletics Regent Crigler
- 1) Department of Athletics Update (For Information Only)
 - 2) Athletic Facilities Master Plan Update (For Information Only)
 - 3) Personnel Change – Appointment of Head Football Coach*

Board Development – Financial Markets Classroom – Int. Dean David Eaton/
Arthur J. Bauernfeind College of Business (AJBCOB) MSUF President David Durr
Presentation and Ribbon Cutting (For Information Only) Location: AJBCOB

Break for Lunch (approx. 12 noon) AJBCOB *Dannie Harrison*
Conference Room (120 Business
Building)

Reconvene (approx. 1:15 p.m.)

Committee Reports/Recommendations (Continued)

- C. Audit and Compliance Regent Tharpe
- 1) Audited Financial Statements – General*
 - a. Report to Governance on Results of Annual Independent Audit
 - b. Required Auditor Communication (includes Representation Letter)
 - c. Independence/Peer Review Letter
 - d. House Bill 622 Compliance Report for the Year Ended June 30, 2019
 - e. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2019
 - f. General Financial Statements for the Year Ended June 30, 2019
 - 2) Audited Financial Statement – Federal Funds*
 - a. Single Audit Report for the Year Ended June 30, 2019
 - 3) 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, 2019
 - 4) Audited Financial Statements – WKMS-FM*
 - a. Required Auditor Communications
 - b. Audited Financial Statement for the Year Ended June 30, 2019
 - 5) Annual Audit Contract Renewal*

- D. Buildings and Grounds Regents Owens and Schooley
- 1) Acceptance of 1602 Miller Avenue Property Gift*
 - 2) Facilities Update (For Information Only)

- E. Enrollment Management and Student Success Regents Rudolph and Book
- 1) Enrollment and Retention Update (For Information Only)
 - 2) Branding, Marketing and Communication Updates (For Information Only)

- F. Finance Regent Rhoads
- 1) Pension System Update (For Information Only)
 - 2) Facilities Management Outsourcing*
 - 3) Establishment and Designation of Ruth Bailey Estate Quasi-Endowment*
 - 4) United States Geological Survey Lease Agreement*
 - 5) Projects Approval*
 - 6) Personal Services Contract*

- G. Legislative and Economic Development Regent Gray
- 1) Legislative and Economic Development Update (For Information Only)

- H. Marketing and Community Engagement Regent Green
1) Naming Opportunity – *USS Project Suite* – Arthur J. Bauernfeind College of Business*

NOTE: Full Board action will follow Committee action.

- Policy Change* President Jackson
A. *Board of Regents Policy Manual – Section 2.2* – Recognition of Rights

- Supplemental Materials (For Information Only) President Jackson
A. Quarterly Risk Management Report
B. “Good News” Report (October 2019)
C. Quarterly Branding, Marketing and Communication Report (July – September 2019)
D. Sponsored Programs – Grants and Contracts Report

Other Business

Adjournment

(*Requires Board of Regents Action)

Staff Congress Presentation, accepted

Mr. Schooley introduced Staff Congress representatives Marion Hale (President) and Jessica Evans (Treasurer) who presented President Jackson with the card signed by the children who participated in the annual Christmas party.

Resolution of Appreciation, Harry Lee Waterfield II, approved

Chair Kemp read the following resolution aloud:

***MURRAY STATE UNIVERSITY
BOARD OF REGENTS
RESOLUTION OF ACKNOWLEDGEMENT AND APPRECIATION***

***FORMER MURRAY STATE UNIVERSITY REGENT AND BOARD CHAIR
FORMER MURRAY STATE UNIVERSITY FOUNDATION TRUSTEE***

HARRY LEE WATERFIELD II

WHEREAS, Harry Lee Waterfield II was appointed by the Governor of Kentucky Steven L. Beshear to the Board of Regents of Murray State University and faithfully served with distinction from July 1, 2010, through June 30, 2016; and

WHEREAS, he exemplified and has been noted for his outstanding leadership to Murray State University as a member of the Board of Regents, as well as serving as Chair from June 2014 through June 2016.

WHEREAS, he served the MSU Foundation Board of Trustees for 22 years from 1988 until 2010; and

WHEREAS, Harry Lee Waterfield II was a steadfast advocate for higher education accessibility and was involved in many initiatives which helped improve and advance Murray State University in its efforts to serve the educational needs of the citizens of the Commonwealth; and

WHEREAS, while serving as Chair of the Murray State Board Harry Lee Waterfield II provided excellent leadership that was strong, inclusive and encouraging, which led to a cohesive and cooperative forward-looking Board; and

WHEREAS, he simultaneously had a successful business career with Investor’s Heritage Life Insurance Company and believed in giving back professionally; and

WHEREAS, Harry Lee Waterfield II's service often required the sacrifice of valuable time and the contribution of many hours of difficult work – which was rendered selflessly, without reference to personal inconvenience, without a personal agenda and always for the public good; and

NOW, THEREFORE, ON THIS 13TH DAY OF DECEMBER, TWO THOUSAND AND NINETEEN, BE IT RESOLVED that the members of the Murray State University Board of Regents unanimously express their appreciation for the life and service of Mr. Harry Lee Waterfield II. “Well done, good and faithful servant.”

AND BE IT FURTHER RESOLVED by the Murray State University Board of Regents that this recognition of the contributions and dedication of Harry Lee Waterfield II be preserved in the minutes of the Board after having been read aloud and passed unanimously by the Board on this, the 13th day of December 2019.

Mr. Rhoads moved that the Board of Regents approve the Resolution of Appreciation for Harry Lee Waterfield II as presented. Dr. Tharpe seconded and the motion carried unanimously.

Consent Agenda Items, approved/accepted

Dr. Jackson 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 September 5, 2019, and Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on September 6, 2019*
- Report of the Registrar (August and December 2019 Conferral of Degrees)*

(See Attachment #1)

- 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 #2)

- Finance Committee – Personal Services Contracts – Schedule of Expenditures (For Information Only)
- 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 November 8, 2019, include:

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Audrey Allbritten	University Libraries	09/16/2019-10/17/2019*
Ivan Baker	HSOA BVC	07/19/2019-07/23/2019
Rebecca Billington	University Libraries	07/19/2019
Misty Campbell	Adolescent, Career and Special Ed	08/09/2019-08/16/2019* 08/30/2019-11/29/2019
Teresa Champion	Campus Recreation and Wellness	08/12/2019-12/18/2019*
Roy Darnall	Facilities Management	06/08/2019-07/07/2019 07/08/2019-10/16/2019*
Benjamin Hanneman	Facilities Management	06/03/2019-06/06/2019
Jessica Herron	MSU Police Department	08/19/2019-08/19/2023

Kayla Johnson	Human Resources	10/23/2019-12/13/2019
Kimberly Johnson	Student Support Svcs./Talent Search	10/01/2019-12/18/2019*
Troy Johnson	Facilities Management	06/06/2019-06/08/2019
Eva Lewis	Facilities Management	07/11/2019-07/12/2019
Andrea Alison Marshall	Admissions/Transfer Center	09/20/2019-12/18/2019*
Candice Miller	Housing	09/23/2019-10/18/2019
		10/21/2019-11/15/2019*
Amy Seavers	University Libraries	06/26/2019-07/07/2019
		07/08/2019-07/12/2019*
		09/25/2019
Ashton Williams	MSU Police Department	10/22/2019-12/03/2019
Trisha Wood	International Admissions	08/05/2019-08/30/2019

*Intermittent Leave

- 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. The following faculty members are recommended for appointment to the University Appeals Board from the present until the end of term indicated:

Ali Hendley	College of Humanities and Fine Arts (Term expires June 2022)
Bikram Subedi	Jones College of Science, Engineering and Technology (Term expires June 2022)
Jeffrey Young	Hutson School of Agriculture (Term expires June 2022)

Mr. Owens 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. Dr. Shemberger seconded and the motion carried unanimously.

Public Participation

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

Report of the Chair, received

Chair Kemp recognized the award-winning Murray State Speech and Debate Union (SDU) and introduced their Coach Dr. Crystal Coel, Senior Instructor of Organization Communication, who has served as Director of Forensics for 24.5 years. A video was shown with members of the program expressing appreciation to donors and the University for providing this opportunity. Appreciation was also expressed to Dr. Todd, the program's major contributor; Dr. David Eaton, Interim Dean of the Arthur J. Bauernfeind College of Business (AJBCOB); Dr. Robertson and the Council of Residential College Heads. The following state, regional and national award-winning members of the Speech and Debate Union were in attendance and introduced themselves:

- Sydney Hayden – Graduate Assistant Director and May 2020 Master of Science candidate in Clinical Psychology from Paducah, Kentucky
- Christopher Stewart II – President, Speech and Debate Union and Political Science and Economics double major from Kuttawa, Kentucky
- Rachel Fischer – 1st Vice President and Tournament Director for SDU, Coach of Limited Prep events and junior Organizational Communication major (Sociology minor) from Hopkinsville, Kentucky
- Brennan Hughes – 2nd Vice President, Debate Coach and double major in Economics and Political Science from Russellville, Kentucky
- Victoria Lindsey – Secretary for SDU, Coach of Communications 353 – Team Communication and Leadership and Honors 165 – Honors Seminar in Communication – and a junior in Organizational Communication from Hardinsburg, Kentucky
- Joshua Sanders – Head Debate Coach and Political Science junior from San Antonio, Texas

- Kyle Heideman – 2019 1st place Phi Kappa Delta Novice National Parliamentary Debate Association National Champion and Political Science and Economics double major from Louisville, Kentucky
- Eli Fenwick – Varsity Award-Winner, Radio Broadcasting Coach and sophomore Engineering Physics major from Evansville, Indiana
- Ashlen Grubbs – Novice Award-Winner, Dramatic Events Coach for local youth and a sophomore Psychology major from Hodgenville, Kentucky
- Ana Moyers – Novice Award-Winner and freshman Organizational Communication major from Radcliff, Kentucky
- Jillian Owen – Novice Award-Winner and junior Organizational Communication major from Clarksville, Tennessee
- Sunshine-Mariah Coombs – Novice Competitor in public address and debate and a sophomore Accounting major from Dover, Tennessee

Chair Kemp expressed appreciation to all members of the Speech and Debate Union and indicated the University is extremely proud of these students and their accomplishments. Dr. Jackson also expressed appreciation to Coach Coel and the students, indicating they bring great pride to Murray State University.

Report of the President, received

Dr. Jackson reported that University efforts continue to focus on recruitment, enrollment and retention. Staff have visited several high schools since September and additional visits are scheduled for the 2020 Spring Semester. Appreciation was expressed to the leadership and staff in the offices of Enrollment Management; Recruitment; Branding, Marketing and Communication and Student Engagement and Success. Visits were also made to international partner schools during the Fall Semester. Appreciation was expressed to Dr. Robertson; Guangming Zou, Assistant Vice President for International Studies and staff from the Institute for International Studies for their efforts in this regard. Faculty, staff and administrators involved with the Road Scholars Program were thanked for their work as this represents an important component to recruitment and enrollment initiatives.

The University recently hosted an event for the West Kentucky Educational Cooperative (WKEC) which is housed on campus. The WKEC includes Superintendents and other administrators from the 26 school districts in far western Kentucky. Additional campus activities included the Chick-fil-A and Einstein Bros. Bagels openings, Daymond John Lecture, Family Weekend, Homecoming, First-Generation student celebration and the annual Senior Breakfast. The Presidential Lecture Series is also being reinstated and the first Keynote Speaker will be four-star Navy Admiral William H. McRaven on February 13, 2020. Admiral McRaven's father – Colonel Claude "Mac" McRaven – is a Murray State alum (1935-39) and was inducted into the Athletic Hall of Fame in 1975 as an outstanding football player. He volunteered for World War II as a fighter pilot in the European theatre and was decorated for his work in this arena. Admiral McRaven is excited to visit the Murray State campus – his father's Alma Mater – for the first time in February.

The Racers Give campaign has been highly successful and all who donated to this need-based scholarship initiative were thanked publicly. As of yesterday, the effort has exceeded \$180,000 and includes donors from 41 states. The campaign is expected to exceed \$200,000 for need-based scholarships to be awarded in 2020.

The University sponsored a New York alumni and donor event this Fall, in addition to many other successful events. Appreciation was expressed to Tina Bernot, Executive Director of the Office of Development and Carrie McGinnis, Director of Alumni Relations and staff for their efforts in this regard. Week-of-Giving events included a campus reception with distinguished guest Dr. Jesse D. Jones, the Dr. Charles and Marlene Johnson Ribbon Cutting and the Holiday Open House at the President's home – Oakhurst.

Many campus enhancements have been accomplished or will be completed in the near future, including deferred maintenance needs in the Curris Center and Lovett Auditorium, as well as in other campus legacy buildings. Additional dining operations such as Starbucks Coffee, Tres Habaneros and Steak 'n Shake will be coming online soon. New lighting has been installed at *Woods Park* and, once completed, the area will further enhance the Murray State campus. A

housing review is also being undertaken to identify potential enhancements that can be made. Appreciation was expressed to Ms. Dudley, Mr. Youngblood and the entire Facilities Management team who have had an extremely busy Fall Semester.

Additional campus enhancements include commissioning a seated bronze statue of Murray State's first and third President – Dr. John W. Carr – which will be located in front of Carr Health Building. The Board will likely be asked to rename Carr Health Building during the Spring to recognize a gentleman who – along with Dr. Rainey T. Wells – helped build this institution. The statue of Dr. Carr will provide a photo opportunity for current and prospective students and alumni and friends and will serve as a precursor to the University's Centennial in 2022. Appreciation was expressed to Dr. and Mrs. Jack Rose who privately funded this project. A further enhancement to campus will be the addition of a Racer One bronze statue in the island in front of the Curris Center. This will also provide a photo opportunity for current and prospective students and alumni and friends and will be a precursor to the 2022 Centennial. Appreciation was expressed to Dr. and Mrs. Rose, Dick Anderson, Kris Robbins, Lana Porter, Harold Doran and David Dill for privately and fully funding this campus enhancement. A dedication ceremony for these new statues will likely be held during the Spring Semester.

Academic enhancements include the expansion of online programs, other new and enhanced academic programs and a strategic plan revision process being chaired by Dr. Todd. Appreciation was expressed to Dr. Todd as well as Bob Pervine, Associate Provost; Regent Shemberger and the Deans, Chairs and faculty for their guidance and support throughout this collaborative process.

Branding and marketing efforts include enhanced recruiting and yield marketing, new branding and image work and the Murray State Promise. Appreciation was expressed to Mr. Touney and his staff for their efforts in this regard. A recent op-ed piece ran statewide and brought pride to the institution by outlining Murray State's access and affordability and availability of need-based scholarships as well as highlighting the University's rankings, quality and value. Murray State also won more Council for the Advancement and Support of Education awards than any other institution in Kentucky and appreciation was expressed to Mr. Touney and Branding, Marketing and Communication staff for their successful efforts.

The 2020 Legislative Session will begin in January 2020 and key priorities will include a 2 to 1 asset preservation/deferred maintenance match, routine reauthorizations for agency (university) bonding, performance funding and pensions. The University also recently hosted West Kentucky Caucus Legislative Night at a Racer basketball game. Appreciation was expressed to Jordan Smith, Director of Governmental and Institutional Relations; Ronny Pryor, Legislative Lobbyist and President of Capitol Solutions; regional legislators and friends/supporters in Frankfort. Dr. Jackson reported that Mr. Smith is not present due to his father's passing yesterday and all were asked to keep him and his family in their thoughts and prayers. Commencement will be held tomorrow with almost 1,000 students from the Summer and Fall semesters graduating.

Report of the Treasurer, approved

Ms. Dudley reported the following with regard to the financial statements presented to the Board:

- The University was required to significantly reduce its budget for 2020 and that adjustment has been made. Currently, the enrollment budget (tuition and fees) is at 49 percent of projected as of the end of September (three months into the fiscal year). Last year at this time the University had met 47 percent of its enrollment budget.
- Tuition and discounts are at 50 percent of budget and that is where the University is expected to be at this point in time. No projections will be made until Spring enrollment numbers are known but a \$2 million contingency remains in the budget for 2020.
- The Statement of Net Position represents the University's balance sheet. The unrestricted net position for the University is up because the shortfall (primarily due to pension adjustments) is less than last year. This represents approximately \$12 million to the good due to the year-end pension adjustments made at June 30, 2019. Even though the numbers presented compare September to September, the statements reflect June 30 starting numbers for this fiscal year. Pension adjustments made at year-end are the reason for the significant change. This change is due to the Teachers' Retirement System being in a better position which helped the University's balance sheet for Fiscal Year 2019 year-end.

- The Statement of Revenues and Expenditures and Transfers from the Education and General Fund represents the University's operating fund. As of September and compared to prior year, the operating fund is down by approximately \$2.6 million. In September the Board authorized \$2 million in reserves to be utilized for completion of the Biology Building project. Even though funding was taken from reserves it represents a current-year transaction which must be reflected on the financial statements.
- The auxiliaries schedule contains one of the most significant changes to the University's financial statements. The worksheet provided included two categories of dining and Sodexo dining. This year the institution does not have revenues from its own dining operations. Any revenue collected this year from student meal plans is going into a liability. The University then shares that revenue with Sodexo but – based on the executed contract – that is not recorded until Murray State and Sodexo reconcile at the end of each semester. Currently there are fewer revenues and expenditures reflected on the balance sheet that belong to the University. This change is quite significant although the bottom line is not substantially different. This will continue to be the case throughout this year and then the University will even out next year when there is comparative data.
- The financial statements also reflect a significant number of transactions related to Richmond Hall due to the University capitalizing the facility and receiving insurance proceeds.

Dr. Shemberger 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, 2019, through September 30, 2019, as presented. Mr. Rhoads seconded and the motion carried unanimously.

(See Attachment #3)

Winter Semester Degree Conferral, approved

Ms. Roberts reported that the Office of the Registrar confers degrees upon students once all educational requirements have been completed (three times per year at the end of the Fall, Spring and Summer semesters). If all requirements are not completed by the Commencement date, the degree will be granted at the next conferral date. In 2013, a new Winter Semester was added that begins mid-December and ends in early January (between the Fall and Spring semesters). Occasionally, a student will complete all requirements during the Winter Semester, but their degree is not conferred until the following May Commencement. In addition, the degree awarded does not appear on the academic transcript until after the conferral date.

Students who complete degree requirements during the Winter Semester have requested that their degree be conferred immediately rather than waiting until the end of the following semester. Conferring degrees at the conclusion of the Winter Semester would also better reflect the student's date of completion for financial aid, employment verification and government reporting purposes. Many universities confer degrees year-round, so allowing degree conferral following the Winter Semester would be in line with what other universities are already offering. The number of students affected would be relatively small each Winter Semester but could grow, especially as the number of courses offered during this time period increases.

Mr. Rhoads moved that the Board of Regents, upon the recommendation of the Registrar and the President of the University, approve the conferral of degrees at the conclusion of the Winter Semester, effective Winter Semester 2019. Mrs. Rudolph seconded and the motion carried unanimously.

Committee Reports/Recommendations

Academic Excellence and Scholarly Activities Committee

Melony Shemberger – Chair
 Trey Book
 Virginia Gray
 Daniel Kemp
 Leon Owens

Dr. Shemberger called the Academic Excellence and Scholarly Activities Committee to order at 9:12 a.m. and reported all other members were present.

Academic Affairs and Stamats Analyses Updates, received

Dr. Todd reported that the new Master of Science in Cybersecurity – formerly the Master of Science in Telecommunications Systems Management (TSM) – was approved by the Council on Postsecondary Education (CPE) last month. University leaders involved in this initiative over the past year include Dr. Pervine and from the AJBCOB Interim Dean David Eaton; Dr. Marcia Ford, Assistant Professor of TSM; Dr. Victor Raj, Chair and Professor, Department of Computer Science and Information Systems and Dr. Joy Humphreys, Assistant Dean, Associate Professor of Business Administration and Master of Business Administration (MBA) Director.

Dr. Todd reported that under President Jackson's vision, there is a desire to reinvigorate the Nonprofit Leadership Program and Dr. Bob Long, an international scholar and leader in this field and retired executive with the W.K. Kellogg Foundation, agreed to provide assistance to the University in this regard. Dr. Long reported that the nonprofit leadership sector is the only one of three sectors (with the other two being business and government) that is actually growing. In the last decade since the Great Recession occurred, the nonprofit sector has outperformed the for-profit sector three to one in job creation (estimated 15 million jobs today). The Kentucky Nonprofit Network reported that in 2017 Kentucky had slightly over 19,000 nonprofit organizations (based on over 30 categories in the Internal Revenue Services Revenue Code). Nonprofit wages paid in 2017 in Kentucky totaled \$3.3 billion (\$131 million in the western 18 counties). Revenues for the state were just over \$27 billion (\$1 billion in the 18-county service region). Nonprofit is simply a tax code label and these organizations are exempt from paying some taxes for the public good vision they undertake. Effective and successful nonprofit organizations in society make significant profit in terms of revenue but after all expenses are paid that net revenue must be placed back into the mission of the respective organization. Many nonprofit organizations are also putting some revenue into endowed funds to sustain themselves in the future. A major portion of the time Dr. Long spent with the Kellogg Foundation was in building a bridge between higher education and community. When this work began in the early 1990s, there were 25 programs of study in the United States focused on the nonprofit field and today there are over 350. It is viewed today to be the responsibility of higher education to develop the leadership, management and effective skills of those who lead the civil society. The University's Nonprofit Leadership Program has accomplished this but also has the potential to do much more.

Work is being undertaken to determine what the field of practice looks like and how the University can align itself across the country. This work has been well received both on and off campus and when Dr. Long's work is over in one year's time, certain initiatives will be in place and this is reflected by a set of partnerships which have been developed within the communities across the region. The Directors at the regional campus sites have been especially receptive to the opportunity this presents and examples of work being undertaken and investments being made or pledged (for when they are needed) were provided. Work is also underway to conduct a search for the new Director of the Nonprofit Leadership Program at Murray State. Dr. Long will help establish a clearer vision for the future in this regard with input from a focus group comprised of representatives from throughout the region, practitioners in academics and students. The focus of this vision will be on the impact students will make beyond the Murray State experience. A formal structure for this work will also be developed that connects a bridge between the field of practice and the University and, as a result, a recommendation for the establishment of a Nonprofit Resource Center will be presented to the Board in February 2020. The Center will allow for the development, promotion and engagement of leaders in communities, taking into consideration what the University has to offer. The Center will also include the establishment of an Intern Academy where students must meet rigorous standards before being selected for participation. This often leads to employment once students complete their internship. A Summit focused on financial sustainability is also being planned at the *Paducah Regional Campus* in 2020, in partnership with the Community Foundation of West Kentucky and a charitable trust and this event will present an opportunity to launch the Nonprofit Resource Center. Some Nonprofit Leadership Program students are seeking careers in organizational development. One such student graduated five years ago and secured a position as Assistant Director of Development for the Salvation Army in Lexington, Kentucky. She then became a Program Manager for Junior Achievement and moved from fundraising into a programming role. She is now Donor Recruitment Specialist for the Kentucky Blood Center. This represents a student who possesses a skill set that is strong enough to translate across organizations and many other Murray State students also fit into this category. Another category

of students in the Nonprofit Leadership Program want to give back. One student remembers the role Girls, Incorporated played in her development as a young girl and wanted to work with that organization. She is now Campus Manager for Girls, Incorporated in Owensboro, Kentucky, and is helping to inspire other young women. Other students have a calling to a particular issue and are determined to make an impact in this regard. One Murray State student graduated five years ago and was passionate about the issue of human trafficking, particularly young girls in the sex trade. Dr. Long was able to connect her with a colleague working on this issue in the Philippines who helped her with a post-graduate internship through an organization in the Philippines – Wipe Every Tear. This was life changing for the student and since that time one organization has not been enough for her. She now is involved with five organizations in some capacity in Costa Rica, the United States, India, China and South Africa. Her work is focused on marketing and storytelling so these organizations can promote their success and raise resources.

Confirmation was provided that the Murray State Nonprofit Leadership Program is housed within the College of Education and Human Services (COEHS) but potential opportunities through the curriculum in other academic colleges – such as the Bauernfeind College of Business (particularly the Department of Organizational Communication) – are being explored. These students take business-centered courses to train them on those functions they will be required to perform as part of the nonprofit sector. This includes sociology and psychology courses which help students understand the broader society. The University is also a member of a professional association that accredits these types of programs – the Nonprofit Academic Centers Council – and, of its membership programs proportionately, approximately 40 percent are located within the business college, 40 percent are within the college where public administration studies are located and the remaining 20 percent are housed dependent on where the creator resides. President Jackson publicly expressed appreciation to Dr. Long for his willingness to assist the University in this manner.

Dr. Todd reported that meetings have been held with the faculty of the School of Nursing and Health Professions to provide an update on the search process for the new Dean which will begin in January 2020, with a start date of July 1. Each of the Deans were recognized in order to provide a report on their college faculty and initiatives being undertaken related to the Stamats report.

Dean Eaton reported that the AJBCOB continues to grow and develop the relationship between Murray State and Shandong Technology and Business University (via accounting and finance programs). The college also continues work to expand online offerings through the eCampus initiative and four of the five graduate programs to be marketed are housed in the AJBCOB. The college is reconfiguring undergraduate program offerings in light of the Stamats information and changes which have been made to the University Studies Program. Many online graduate offerings are being moved to an eight-week format to better align with the eCampus initiative. Pre-requisites for the MBA Program are being reconfigured to ensure needed background is present while reducing the required number of foundation courses to lower barriers to entry. As mentioned earlier, the Master of Science in Cybersecurity has also been approved by the CPE.

Dean Dave Whaley, COEHS, reported that the college has utilized the Stamats report to better understand enrollment trends at the national and regional levels, factoring in some of the recruitment recommendations. Additional recruitment initiatives to increase enrollment were outlined. The section of the Stamats report related to online programs has been helpful as more programs are being targeted in this area, especially relative to specific programs which were highlighted. A faculty member within the COEHS has also recently been selected to serve on the Kentucky Board of Education.

Dean David Balthrop, College of Humanities and Fine Arts (HFA), reported the college has reviewed and discussed suggestions provided by Stamats and some have already been implemented. The report provided confirmation of where the college was already headed with regard to certain programs. New programs in several areas which have been introduced were outlined and others are being considered but must be reviewed carefully due to the associated technology cost. Applications have increased over the last several years by 170 percent and it is hoped this trend can be maintained by incorporating suggestions which align with the mission and goals of the University and the college. With regard to interdisciplinary work, the essential skills concept is also being incorporated into the curriculum for HFA as well as other colleges and schools.

Dean Claire Fuller, Jones College of Science, Engineering and Technology (JCSET) outlined the specific and general avenues for recruitment identified in the Stamats report. The report also validated much of what has already been underway in the college. Increased academic program offerings and completely online initiatives for select degree programs at the master's, bachelor's and certificate levels were highlighted. Information was provided on one particular area that will be transitioned into a stand-alone degree program in order to increase visibility. An increased emphasis is also being placed on high-demand degrees and those were outlined, as well as additional programs students are interested in to further increase visibility. Consideration is also being given to the development of new degree programs and those were outlined for the Board.

Dean Tony Brannon, Hutson School of Agriculture reported that support continues to be offered for the exponential growth of online degree programs. One such online degree program has grown from 36 students four years ago to 127 currently. The addition of classes, expansion of programs and the creation of a certificate were outlined and this work is being undertaken based on student needs. Work continues with community colleges to identify potential new partnerships.

Interim Dean Dina Byers, School of Nursing and Health Professions (SONHP) indicated that the Stamats report identified healthcare educational programs that are in high demand nationally and enhanced academic offerings in progress to address this need were outlined. This report highlighted partnerships and articulation agreements with community colleges and enhanced marketing and advertising efforts with regard to specific degree programs and tracks. An update was provided on the new program approved by the Board of Regents in June 2017. The SONHP also recently received a positive five-year accreditation report.

Dean of University Libraries Ashley Ireland reported the availability of resources to support potential growth in various academic programs is being investigated. Ways to enhance support programs, the addition of new databases and enhanced resources for research methods courses were also outlined.

These reports were presented for informational purposes only and required no Board action.

Strategic Plan Update, received

Dr. Todd reported that the revised Murray State Strategic Plan: Advancing the Tradition of Excellence, Achievement, Endeavor and Hope was approved by the Board on June 8, 2018. During the 2019-20 academic year the revised Strategic Plan is being updated and the working title is Murray State University – The Finest Place We Know – 2020-25. Work undertaken during the Fall Semester has been incorporated into the updated Strategic Plan and a revised draft will be provided to the Vice Presidents and Deans over the holidays for review and comment on necessary updates. Once the President, Vice Presidents and Deans are comfortable with the draft, Dr. Todd will present the revised Plan to Faculty Senate, Staff Congress and the Student Government Association to solicit constituency feedback. Work associated with the revised Strategic Plan is on schedule and the completed document will be provided to the Board for approval in May/June. It was indicated the Board needs to be provided with a method of tracking Strategic Plan progress. Confirmation was provided that the Provost's Office and the Office of Institutional Effectiveness and Strategic Planning will work closely in this regard.

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

Regional Campus Advisory Councils/Regional Campus Enrollment Update, received

Dan Lavit, Executive Director of the Center for Adult and Regional Education, reported that the four *Regional Campus Advisory Councils* met during the past year. These meetings helped set the groundwork moving forward. Meetings have been scheduled during the Spring Semester at the four regional campuses beginning in February and ending in April. Strategic planning will be the focus of these meetings, particularly as it relates to each of the regional campuses. Dr. Jackson indicated that all markets and communities where the *Regional Campus Advisory Councils* have been formed are very different in terms of academic program need. The advice received from *Council* members has been especially valuable in determining need in a particular area as many of these individuals work in economic and workforce development.

Overall, regional campus course enrollment is up by 6 percent in Fall 2019 compared to Fall 2018. This enrollment growth is led by the *Henderson Regional Campus* (up 26 percent), representing the highest course enrollment at this site in the last five years, due largely to the University's partnership with Henderson Community College. Confirmation was provided that enrollment is up at four of the five extended campus sites. Spring enrollment numbers are being tracked very closely and illustrate that the student populations at the regional campuses are trending toward adult students who do not follow typical Fall enrollment patterns. Recruitment and enrollment efforts for the 2020 Spring Semester continue and numbers appear to be in line with last year but a lot could change in the week leading up to the actual start of the semester.

ROTC is an integral part of the Center for Adult and Regional Education. Although no students will be commissioned during Commencement this year, numbers are expected to increase under the direction of Captain Jason Payne who is the officer-in-charge of the ROTC unit. When Captain Payne started approximately two years ago there were 12 contracted cadets in the program. Currently there are 32 students, with seven being out-of-state students. The United States Army Department of Defense pays the bill for these students and the benefit of being able to attract out-of-state cadets is significant for the University. It was indicated that there are also scholarship opportunities available through the National Guard.

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

eCampus Pilot Programs Update, received

Dr. Todd outlined five academic programs that will be highlighted as the University embarks on the eCampus initiative. All are excited about the enrollment growth potential that could materialize as a result of these efforts. Marketing efforts will likely begin in March 2020 for Fall 2020 enrollment. Ms. Dudley indicated that in September 2019 the Board approved the Personal Service Contract that would allow the administration to negotiate with a company to manage the University's online programs – specifically the ones outlined in the materials presented in the eBoard book. A contract has now been negotiated and contains an “out clause” which can be exercised with the normal teach-out option. This contract has been approved by the Legislative Research Commission and Academics Affairs can move forward in this regard.

Dr. Shemberger reported that representatives of the successful firm (with their support team via ZOOM) met with infrastructure personnel in addition to faculty teaching in the selected programs. The process has proceeded smoothly although there are still some faculty concerns. The process is moving forward and faculty are working to reimagine graduate degrees and this presents an exciting opportunity.

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

Adjournment

The Academic Excellence and Scholarly Activities Committee adjourned at 10:32 a.m.

Athletics Committee

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

Mr. Crigler called the Athletics Committee to order at 10:32 a.m. and reported all other members were present.

Department of Athletics Update, received

Director of Athletics Kevin Saal provided a Department of Athletics update with the following highlights:

- The men's and women's Cross Country teams finished 8th and 6th, respectively, at the Ohio Valley Conference (OVC) Championship. Football finished 7th; Volleyball, 3rd and Women's Soccer, 2nd.

Murray State currently resides in 4th place in the OVC Commissioner's Cup at 38.5 points (10 points behind first place). The Men's and Women's Basketball teams are in full swing.

- The annual Contract of Employment for Assistant Volleyball Coach Allison Mugler Hrusovsky has been renewed.
- Searches are currently underway for a new Women's Soccer Assistant Coach and the CFSB Center Director of Operations.
- Upcoming events at the CFSB Center include the Globetrotters on January 15, 2020, at 7 p.m. and the Eli Young Band, partnered with Walker Hayes, on February 22 at 7 p.m.

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

Athletic Facilities Master Plan Update, received

In June 2019, the Murray State University Department of Athletics began a comprehensive facilities master planning process. The study being undertaken is intended to evaluate current conditions and project future athletic facility needs. Phase I began in June and was completed in late November. On November 21, 2019, the Athletics Department and Facilities Management staff met with a design/evaluation team to review completed Phase I (high-level functional and programmatic needs, along with Stewart Stadium structural analysis) and begin Phase II (further conceptual/ schematic development of more detailed elements within each facility and estimation of cost). The scope and intent of Phase I was to identify current square footage that is used inside Stewart Stadium and analyze that use. This work has been undertaken in Stewart Stadium as well as other athletic facilities. Twenty-four meetings have been held with various constituents to identify future needs from a programming standpoint. An effort was then made to prioritize those needs within each sporting program as well as globally within the Athletic Department. The results showed that currently over 79,000 square feet is utilized inside Stewart Stadium. The programmatic meetings revealed a need for 88,000 square feet, with the increase being in student-athlete support areas such as the weight room, injury rehabilitation (currently non-existent) and hydrotherapy. There is an additional 6,000 square feet available in Stewart Stadium that is currently office and storage space that could be expanded – illustrating how close the availability of space is to need in terms of functional square footage. Consideration must now be given to whether Stewart Stadium should be renovated or if the University should consider a phased move-out approach based on expense and associated details.

Phase II represents the exploration of the two potential routes the University could take and started in late November. It is anticipated this phase will conclude in mid-February 2020. The scope and intent of Phase II is to conduct an in-depth structural and mechanical, electrical and plumbing analysis in Stewart Stadium to determine the best course of action between two scenarios: fully renovating Stewart Stadium for daily and game day use or shoring up game day needs for the next 20 years and incrementally phasing student-athlete daily use to move into a new facility utilizing a multi-phase approach. As a component of this phase, construction management firm estimates will be obtained for each Stewart Stadium scenario. A menu/pricing list will be generated for all needs within each facility studied and renderings will be created. Elements considered in the analysis of cost and timeline, prioritized in immediate, five-year and ten-year categories were square footage; functional and programmatic needs; adjacencies; mechanical, electrical, plumbing and HVAC and structural and code improvements.

Next steps include organizing and fitting the Athletic Facility Master Plan with the Campus Housing Master Plan – both of which will inform and update the global Campus Master Plan. Renderings received through the Athletic Facilities Master Plan will be utilized to further develop priorities but also as collateral to inform all constituents and support capital campaign efforts. Possible funding models and/or partnerships to accomplish these goals will also be identified.

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

Personnel Change – Appointment of Head Football Coach, approved

It was reported that the University recently concluded a search for a new Head Football Coach. Dean Hood has been selected to serve as Head Football Coach at Murray State University with of contract period of four years. Coach Dean Hood brings with him an intense desire to lead a storied program and a wealth of experience building highly successful football programs at both the Division I FBS and FCS level throughout his 30-year career. Murray State is gaining a

proficient leader on the field, a proven winner with an eight-year tenure in the Ohio Valley Conference and multiple stops as an FBS-level coordinator (Kentucky and Wake Forest). Coach Hood brings with him a whole-person development program, focused on developing student-athletes as students, people, players and eventual professionals, paving the way for life-success beyond graduation and football.

Currently, Coach Hood is Special Teams Coordinator and Defensive Backs Coach at the University of Kentucky. During his time in Lexington, the Wildcats have accomplished one of the program's most successful three years which include three consecutive bowl games and a ten-win season in 2018, just the fourth in program history. As Head Coach at Eastern Kentucky University (EKU) from 2008-15, Coach Hood was the winningest coach in the Ohio Valley Conference with a record of 44-19 (.698) in eight seasons, including three FCS playoff appearances and a pair of OVC championships. EKU produced ten All-Americans, two OVC Players of the Year and one OVC Freshman of the Year. Additionally, Coach Hood mentored 26 first-team all-conference performers and multiple players who advanced to the National Football League. In Coach Hood's eight seasons as Head Coach at EKU, the program performed well academically, producing 18 OVC Academic Medal of Honor winners. In his first two stints as an Assistant Coach at EKU (1994-96 and 1997-98), Coach Hood worked under legendary Coach Roy Kidd, helping guide EKU to two OVC championships and two FCS Tournament appearances. Coach Hood also led a highly effective, nation-best defensive unit for seven seasons at Wake Forest (2001-07), earning the school's first Atlantic Coast Conference championship in 36 years. He began his career at Fairmont (WV) in 1987 and experienced stops with Colgate (1989), Glenville State (WV) (1990-93), Ohio (1999-00) and Charlotte (2016). Dean Hood graduated in 1986 with a biology degree from Ohio Wesleyan and earned a master's degree in physical education from West Virginia in 1989. He is a native of Ashtabula, Ohio.

On behalf of the Athletics Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the employment of Dean Hood as Head Football Coach, effective January 1, 2020, through December 31, 2023, at an annual salary of \$190,000 and pursuant to such other employment terms and conditions as determined by the President to be in the best interest of Murray State University. Dr. Tharpe seconded and the motion carried.

Full Board Action – Personnel Change – Appointment of Head Football Coach, approved

On behalf of the Athletics Committee, Mr. Crigler moved that the Board of Regents, upon the recommendation of the President of the University, approve the employment of Dean Hood as Head Football Coach, effective January 1, 2020, through December 31, 2023, at an annual salary of \$190,000 and pursuant to such other employment terms and conditions as determined by the President to be in the best interest of Murray State University. Mr. Rhoads seconded and the roll was called with the following voting: Mr. Book, yes; Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Owens, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Kemp, yes. The motion carried unanimously.

Adjournment

The Athletics Committee adjourned at 10:48 a.m.

The Board adjourned for a break beginning at 10:48 a.m.

Reconvene

Chair Kemp reconvened the Quarterly Board of Regents Meeting and Committee Meetings at 11 a.m.

Buildings and Grounds Committee

Leon Owens and Phil Schooley – Co-Chairs

Trey Book

Dan Kemp

Don Tharpe

Mr. Schooley called the Buildings and Grounds Committee to order at 11 a.m. and reported all other members were present.

1602 Miller Avenue Property Gift, accepted

Dr. Jackson reported that the Buildings and Grounds Committee is being asked to accept the gift of property located at 1602 Miller Avenue. The Waldrop family members are long-time and generous supporters of Murray State. The property is located behind the Institute of Engineering that is bordered on three sides by land owned by Murray State. The Waldrop family is donating this piece of property to the institution which has been appraised at a value of \$36,000 and their support is very much appreciated.

Ms. Dudley reported that in 2017 Murray State University purchased property at 1602 Miller Avenue in Murray, Kentucky. The title work on this property identified that a 70' x 34' strip on the east side of the property was not owned by the seller. Upon further research, it was discovered that this parcel was originally owned by C. W. and Melda Waldrop and passed on to their heirs Isabella W. Hunt and Charles W. Waldrop, Jr. The next generation of heirs is Margie Waldrop, the widow of Dr. Waldrop and William (Tripp) W. Hunt III, the son of Isabella. After being contacted about this property, Margie Waldrop and Trip Hunt made the gracious offer to donate this parcel to the University. The Waldrop family has a long history with Murray State University, the Murray community and the entire purchase region. Murray State University is delighted to accept the gift of this 70' x 34' tract of land located at 1602 Miller Avenue in Murray, Kentucky, from the heirs of Isabella W. Hunt and Charles W. Waldrop, Jr. This real property gift was appraised in 2018 at \$36,000 and will be accepted without monetary consideration.

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, accept the gift (without monetary consideration) of the 1602 Miller Avenue property in Murray, Kentucky, from the Waldrop Family. Mr. Book seconded and the motion carried.

Full Board Action – 1602 Miller Avenue Property Gift, accepted

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, accept the gift (without monetary consideration) of the 1602 Miller Avenue property in Murray, Kentucky, from the Waldrop Family. Mrs. Rudolph seconded and the motion carried unanimously.

Facilities Update, received

Ms. Dudley reported that information was provided to the Board related to the 2020-22 asset preservation request for this year's session of the state budget cycle for each of the state universities. This request is being prepared and presented by the CPE. Murray State's portion of the \$400 million total will be \$24.5 million. In 2013 the VFA Study – a facility condition report – was updated and the \$400 million has been proportionalized among the schools. A request is being made for a two to one match for each of the universities. The CPE hired a firm that visited each university to sample buildings to develop a facility condition report and in 2013 which revealed \$347.5 million in renovation and renewal needs for Murray State. The University's state general biennium request of \$24.5 million includes a two to one match. The University's portion of the agency bond request of \$12 million will be paid with the Asset Preservation Fee approved by the Board and the CPE. Murray State is requesting authorization from the state to sell \$12 million in bonds. Even if the General Assembly does not budget the requested match, the University must still obtain authorization before it can sell bonds. The amount bonds are issued for – up to \$12 million – will be repaid from the Asset Preservation Fee approved this year. Annually the Asset Preservation Fee will generate sufficient revenue to pay the debt on those bonds. Any remaining revenue over the bond payment could then be utilized to fund other deferred maintenance projects. This year the Asset Preservation Fee is \$7 per credit hour (capped at 12 credit hours) and next year that increases to \$10 per credit hour (capped at 15 credit hours). Confirmation was provided that not all revenue from the Asset Preservation Fee is being utilized for the bond payment.

A timeline has also been presented to the Board. To date, a presentation has been made to the Capital Projects Advisory Board, the MSU Board approved the 2020-26 Six-Year Capital Plan (including bond authorization), the 2020-26 Six-Year Capital Plan has been submitted to the state and the CPE has reviewed the capital proposal and approved for legislative submission. In January 2020 work will begin with architectural and engineering (A&E) firms to cost out and develop a more mature plan for specific projects and costs. Confirmation was provided that the University's highest-need projects have been identified and information was provided in the eBoard book accordingly. The Legislative Session begins on January 3 and the week of March 30 represents legislative concurrence and veto days. In April, Request for Proposals (RFP) documents will be prepared to engage A&E firms to design projects in an effort to plan to award the design work shortly after July 1, 2020. It is anticipated bond sale documents will be completed and the sale date set in July as well. A preliminary asset preservation bond issuance timeline was also provided. In March 2020 the process of preparing preliminary bond documents, obtaining planning schedules from financial advisors and planning/scheduling ratings will begin. In June 2020 the Board will be asked to approve a Resolution for the bond sale. Pooled project listings were also provided based on the University only receiving bond funding or receiving a one to one or two to one match. The project listing could change once an A&E firm is hired to review facilities because the exact cost for each project is not yet known.

Mr. Youngblood reported that projects include Lovett Auditorium (HVAC upgrades and relocation, new seats/carpet/lighting and exterior door replacement), Wells Hall (window and door replacement), Wilson Hall (window replacement) and Wrather West Kentucky Museum (stage and under stage structural repairs, recovering seating and repairing/replacing carpet and canopies). Confirmation was provided that if the Legislature does not approve the match but approves the University's issuance of \$12 million in bonds, the highest priority projects will be Lovett Auditorium, Wells Hall, Wilson Hall, Wrather Museum and the Curris Center. Curris Center projects – utilizing Sodexo dining monies – include Starbucks construction which will begin next week and Thoroughbred Room renovations (Steak n' Shake, Sodexo-branded Mexican and sandwich concepts and a convenience store). New logo installations have been completed outside the Curris Center and banners and wraps have been installed inside the building. It is hoped that asset preservation funding (approximately \$3 million) and a portion of the \$12 million bond issuance can be utilized to refresh the common spaces and corridor areas in the Curris Center, as well as provide additional branding and marketing concepts. The new logo has also been installed in the amphitheater area in front of Elizabeth Hall.

Current projects included the razing of Richmond Hall and remediation work is complete. Utility work is occurring now and razing the building is planned for the holiday break. The Sparks Hall canopies/entrances project has started and the east side of the building is scheduled for completion in early January. Renovation of the west side of the building is scheduled to begin after the first of the year but this work is dependent on the weather. Perimeter lighting has been installed at *Woods Park* and an idea rendering for this area which has resulted from the work of the planning committee is expected to be completed by the end of December and will be presented for review during campus/community idea sessions. The budget and phases for completion of this project are expected to be completed by late Winter. The renovation of Blackburn Science Building continues but this project has experienced delays due to the original consultants hired. Work is currently underway to hire a new consultant to restart the design process. It is hoped a new consultant will be hired in early Spring 2020, designs are expected to be completed by April and a contractor can resume work during the Summer. Biology Building design work has been completed and the project has been bid. The bids came in over budget so work continues to identify ways to make changes so the project is within budget. It was anticipated work would begin over the holiday break but that timeline has now been revised for the project to begin during the Spring Semester. A planned electrical outage occurred over Fall Break to allow for maintenance to be conducted in select academic buildings. Another outage occurred over the Thanksgiving break to replace an electrical switch in the Engineering and Physics Building. The Board will tour the new AJBCOB Financial Markets Classroom prior to lunch. With regard to 16th Street updates, the City of Murray received \$281,000 in funding to install tabletop crosswalks to help alleviate pedestrian/vehicle conflicts. Installation of the new crosswalks is scheduled to begin on December 19, 2019, and is expected to be completed prior to the beginning of classes in January 2020. The history of 16th Street options since 2013 was also provided in the Board materials. Dr. Jackson expressed appreciation to Mayor Bob Rogers and the City Council for obtaining a state grant to install these crosswalks because 16th Street safety has been an issue for students for quite some time.

Mr. Youngblood reported that over the holiday break the sidewalks in front of Faculty Hall will be realigned to better coordinate with the new crosswalk in front of that building as well as the Science Complex. New lighting controls will be installed in the Performing Arts Hall in the Fine Arts Building. Flooring will be replaced in an office in Wells Hall and work will be undertaken in the Elizabeth Hall first floor kitchen. Interior and exterior work will continue at Pogue Library and new HVAC units will be installed on the roof later this month. Shower base replacements will be made in Hart Hall and corrections will be made to HVAC controls in the Chick-fil-A area. Work will also be undertaken in Winslow Dining Hall on a drink cabinet, on the 7th floor of Faculty Hall to replace carpeting and complete construction projects and in the weight room at Stewart Stadium.

Mr. Youngblood reported that the firm of Luckett and Farley has been engaged to develop an updated Housing Master Plan and representatives will meet with various campus stakeholder groups in order to accomplish this work. Ms. Dudley reported that through this planning stage Murray State expects to be able to have a better design on where housing facilities are headed and whether other types of facilities would better serve the University. Work will begin to develop an RFP for student housing and the potential for a private, public partnership (P3) developer or a financial partner to help the institution consider possible options. This process is expected to begin after the first of the year to determine third party interest in Murray State. The goal is to have the Housing Master Plan update completed in time to present to the Board at the Winter meeting. The Campus Master Plan update will be tied in with the Housing Master Plan and the Athletics Master Plan and is expected to be presented in the Spring.

Mr. Youngblood reported that in regard to the Residence Halls Plan, an assessment of facilities has been undertaken and the study conducted by Luckett and Farley is being finalized. This study led to the recommendation to raze old Richmond Hall but also included an assessment of Springer II, Regents and White residence halls. Work continues to complete the assessment of Hart Hall. Mr. Owens reported that Ms. Dudley and Mr. Youngblood provided an extensive tour of these facilities for him and Regent Schooley that was greatly appreciated. The level and magnitude of work which is being undertaken safely and efficiently in an effort to enhance the University cannot be overstated. Appreciation was expressed to all involved in this work.

Ms. Dudley reported she has received Board inquiries related to the University's computing infrastructure. New Chief Information Officer Brian Verkamp, who has completed his second week in this position, was introduced. Mr. Verkamp reported that the University's computing infrastructure is refreshed on a five-year rolling plan. Network, server and mission critical applications and hardware are tracked using software by the respective Information Systems department. These systems are maintained to industry best practices, are kept in a supported state when feasible and are electronically monitored for operation and health 24/7. Any end-of-support or end-of-life systems that cannot be upgraded (cost prohibitive, software availability, etc.) are isolated from the network as much as possible in an effort to mitigate risks. The University leverages the Northern Kentucky University (NKU) data center for disaster recovery as a best practice to ensure continuity of operations. Likewise, NKU houses its own equipment in Murray State's data center. The *Paducah Regional Campus* is leveraged as a backup facility as well. Major information systems are tracked via SmartSheet and are ranked by priority and status. Information Systems Directors update project status and dates weekly and the list is reviewed by management on a weekly basis.

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

Adjournment

The Buildings and Grounds Committee adjourned at 11:40 a.m.

Legislative and Economic Development Committee

Virginia Gray – Chair
Sharon Green
Daniel Kemp
Leon Owens
Jerry Rhoads

Mrs. Gray called the Legislative and Economic Development Committee to order at 11:40 a.m. and reported all other members were present.

Legislative and Economic Development Update, received

Dr. Jackson reported that Governor Andy Beshear's Inauguration was held on December 10, 2019. The new Budget Session begins on January 7, 2020 (Day 1) and constitutionally runs through April 15 (*Sine Die*). Key Session Committee Chairs include:

- Representative Steve Rudy – Chair of the House Appropriations and Revenue (A&R) Budget Committee and MSU alumnus
- Senator Stan Humphries – Senate A&R Committee member and MSU alumnus
- Representative James Tipton – House A&R Budget Review Subcommittee on Postsecondary Education member
- Representative Regina Huff – House Education Committee member
- Senator Chris McDaniel – Chair of the Senate A&R Committee
- Senator Alice Forgy Kerr – Senate A&R Budget Review Subcommittee on Postsecondary Education member
- Senator Max Wise – Senate Education Committee member

Mr. Rhoads recognized individuals appointed to the Executive Branch of government, in particular Budget Director John Hicks who is a Murray State alumnus.

Dr. Jackson indicated the Legislature also has a competitive Legislative Intern Program and Mr. Smith works diligently to help Murray State students get placed into those internships and many times these students are hired on a permanent basis. MSU student Tyler Belcher – senior Political Science major from Daviess County High School – has recently been selected to participate in the Legislative Intern Program. Kimberly Molden – junior Agriculture Technology major from Nancy, Kentucky – will be a second MSU student participating in this program this year.

All of the universities agreed to, and the CPE advanced, a two to one asset preservation match request to the Legislature. Murray State is requesting \$24.5 million in General Fund dollars to be matched with the \$12.3 million in University (agency) bonds, with debt funded from the CPE Asset Preservation Fee (\$36.8 million total). A second category – routine reauthorizations for University (agency) bonding – includes residence halls improvements (\$17.1 million from the University's own monies) and a reauthorization will be requested in this regard. A reauthorization of \$66 million will also be requested for the public-private partnership housing financing model. Confirmation was provided that the \$66 million would be provided by a private partner and not the University and under this model the University would lease property to that vendor through a long-term lease. The University's obligation under this model would be to guarantee a certain number of students live in these facilities. With regard to Performance Funding, a 2 percent permanent stop-loss provision is being requested relative to the base appropriation for each institution. A committee comprised of university Presidents has also been established to review the Performance Funding Model and identify needed improvements.

Chair Kemp reported that last month he attended a meeting which included the Board Chairs and Vice Chairs for all Kentucky public universities. There was unanimous agreement that when this group met again discussions would be held with legislators in February 2020 with regard to the match proposals advanced by the CPE. Maintaining the 2 percent stop-loss was also deemed to be critical because this provision is scheduled to end during the coming year. In Kentucky, the Performance Funding Model is different from every other state that has adopted such a model. In other states the Legislature appropriated new money, over and above the base appropriation, for performance funding but that is not how the Performance Funding Model is set up in Kentucky where all monies for performance funding comes from existing funding. The second proposal from the CPE is for the Legislature to appropriate new money for performance funding (\$400 million) to be divided across-the-board among all public universities, including the University of Kentucky and University of Louisville and the community college system. If Board members or others who support the interests of Murray State University have an opportunity to speak with a legislator about these proposals from the CPE they were encouraged to do so. Dr. Jackson indicated that a legislative priorities document was provided to the Board and additional copies are available upon request.

Pre-filed/anticipated bills include the Budget Bill, Pension Bills (Teachers' Retirement Systems and Kentucky Employees Retirement System), Sports Gaming (allowance for betting on collegiate sports), Dual Credit (high students currently paying one-third of the tuition rate – could change to one-half of the tuition rate), Tuition Waiver Bills for identified groups (Bill Request 82) and the Sanctuary University Bill for non-citizen students (Bill Request 240). Senate and House leaders have indicated they do not anticipate a great deal of activity related to the pension system in this Legislative Session.

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

Adjournment

The Legislative and Economic Development Committee adjourned at 12 noon.

The Board adjourned at 12 noon to take an annual photograph, tour the Financial Markets Classroom in the Arthur J. Bauernfeind College of Business (ribbon cutting ceremony) and have lunch.

Reconvene

Chair Kemp reconvened the Quarterly Board of Regents Meeting and Committee Meetings at 1:20 p.m.

Audit and Compliance Committee

Don Tharpe – Chair
Eric Crigler
Dan Kemp
Jerry Rhoads
Lisa Rudolph

Dr. Tharpe called the Audit and Compliance Committee to order at 1:20 p.m. and reported all other members were present.

Audited Financial Statements – General, accepted

Ms. Dudley reported that audited financial statement reports have been prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton) – and address state and federal requirements. The General Financial Statement 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 Report is submitted to the State Auditor of Public Accounts and the Kentucky Lease Law Compliance Report is submitted to the CPE.

Contained within the Presentation on the Results of the Annual Audit, 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.

Lance Mann – Dean Dorton Certified Public Accountant and Director – highlighted the following related to the general audited financial statements for the year ended June 30, 2019:

- The auditors communicated with management and Regent Tharpe, as Chair of the Audit and Compliance Committee, throughout the audit process.
- A series of audits were performed and Dean Dorton issued an unmodified opinion on the University's financial statements. Also issued was a report on compliance and internal controls over financial reporting based on an audit of the University's financial statements in accordance with *Government Auditing Standards*, an unmodified opinion on compliance and a report on internal controls over financial assistance in accordance with Uniform Guidance, an unmodified opinion on the MSU Foundation and an unmodified opinion on WKMS-FM financial statements (in accordance with Corporation for Public Broadcasting guidelines). Dean Dorton also issued the National Collegiate Athletic Association Agreed-Upon Procedures, reports on compliance with Kentucky House Bill 622 and Kentucky Lease Law statutes and an Independence Letter for the Auditor of Public Accounts.

The Subsequent Event Report was completed and has been provided to the Auditor of Public Accounts. The auditors were unaware of any subsequent events other than those reported in the financial statements. The University's financial statements will be included in those for the Commonwealth of Kentucky.

- Significant accounting policies are described in Note 1 to the financial statements which describes decisions management made to produce the financial statements according to policies set forth by the University. 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 have been recognized in a different period than when the transactions occurred.
- The auditors must identify where management made estimates that are included in the financial statements. The most notable estimates affecting the financial statements made by management include depreciation and useful lives of capital assets, allowance for uncollectible loans and student accounting receivable, self-insurance reserves and pension and other post-employment benefit-related estimates.
- The financial statement disclosure which should be reviewed by the Board includes cash and debt. A new disclosure includes Note 14 – Service Concession Arrangement for food service – where the University cannot recognize all cash received from Sodexo upfront but instead must recognize it over the life of the contract.
- There were no difficulties encountered in dealing with management related to the performance of the audit. Appreciation was expressed to Ms. Dudley and the entire Accounting and Finance team for their cooperation throughout the process. It is a significant undertaking for staff to be able to meet the timeline required by the Commonwealth.
- In terms of corrected and uncorrected misstatements, no audit adjustments were noted during the year. There was one uncorrected misstatement related to impaired property for a building the Board voted to raze in September (Richmond Hall). By the time the Board approved this razing the financial statements were substantially completed and management made the choice not to make changes at that point.
- There were no disagreements with management. Management also provided the Management Representation Letter dated October 2, 2019, indicating they were truthful with the auditors. There were also no management consultations with other independent accountants.
- Accounting principals generally accepted in the United States require that information such as the Management's Discussion and Analysis and certain pension-related schedules be presented to supplement the basic financial statements, although such information is not actually part of those statements. The Governmental Accounting Standards Board requires this information be included because it is considered to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. An opinion is not issued related to this information but the auditors did make inquiries to management about the methods of preparing the information and comparing it for consistency with management's responses to auditor inquiries, the basic financial statements and other knowledge obtained during the audit.
- There was one internal audit control finding related to cybersecurity. The University and the Foundation fell victim to a business email compromise scheme, although the Foundation was able to recover the loss through insurance. Dean Dorton recommended additional procedures to confirm vendor information prior to payment and additional education for University employees.
- Major programs audited included the Student Financial Aid and TRIO clusters and the Training Resource Center and an unmodified opinion was issued. Two current-year reportable findings required to be communicated within the Single Audit Report included a repeat finding where the auditors tested the eligibility requirements of the TRIO Cluster and noted the University was out of compliance in regard to the Talent Search Missouri Program. The University was not providing services to the minimum number of students stipulated by federal guidelines. It was recommended that the University implement procedures to ensure the minimum number of participants are enrolled and participating in the Talent Search Missouri Program and the University concurred. Substantial progress was made to increase the number of students served under each Talent Search program upon the conclusion of the grant year. As a result, the Department of Education funded both programs for the following year. The Talent Search Director is working with the Department of Education to identify and add several schools to assist with the recruiting process and additional staff will be hired to aid in the Spring recruiting period to address these issues. It was also noted that there was no formal review of eligibility and applications for the Upward Bound and Talent Search programs.
- The auditors noted that the University has not conducted an Information Technology (IT) risk assessment since 2017 to identify reasonable and foreseeable security and privacy risk. The IT assessment undertaken in 2017 also did not address employee training and management; information systems, including network and software design, as well as information processing, storage, transmission and disposal and detecting, preventing and responding to attached attacks, intrusions or other system failures. It was also recommended that the University document safeguards mitigating each risk identified and conduct an annual IT risk assessment addressing the areas previously mentioned. The University concurred with these recommendations and Information Systems will now conduct an annual IT risk assessment to be led by the Information Security Officer and

completed by the end of March each year. The risk assessment will be scoped to include all campus computing resources.

- A prior-year finding from 2018 occurred when the University brought to the attention of the auditors that 51 Direct Loan students withdrew during the first five days of the Fall 2017 Semester but were not reported to the National Student Loan Data System in a timely manner as required. This finding was resolved in 2019.
- Upcoming items include House Bill 1 which offers the University the opportunity to “buy out” of the Kentucky Retirement System and in Fiscal Year 2020-21 there will be a new lease accounting rule that could have impacts on personnel time and the financial statements.

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, accept the following reports for 2018-19:

Audited Financial Statements – General*

- a. Report to Governance on Results of Annual Independent Audit
- b. Required Auditor Communication (includes Representation Letter)
- c. Independence/Peer Review Letter
- d. House Bill 622 Compliance Report for the Year Ended June 30, 2019
- e. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2019
- f. General Financial Statements for the Year Ended June 30, 2019

Mr. Kemp seconded and the motion carried.

Full Board Action – Audited Financial Statements – 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 reports for 2018-19:

Audited Financial Statements – General*

- a. Report to Governance on Results of Annual Independent Audit
- b. Required Auditor Communication (includes Representation Letter)
- c. Independence/Peer Review Letter
- d. House Bill 622 Compliance Report for the Year Ended June 30, 2019
- e. Kentucky Lease Law Compliance Report for the Year Ended June 30, 2019
- f. General Financial Statements for the Year Ended June 30, 2019

Mrs. Rudolph seconded and the motion carried unanimously.

(See Attachments #4 - #9)

Audited Financial Statement Federal Funds, accepted

Ms. Dudley indicated the report presented has been prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton) – and addresses the University’s compliance with federal requirements as stipulated in the U.S. Office of Management and Budget (OMB) Compliance Supplement. The report is distributed as required to the Federal Audit Clearing House and to the State Auditor of Public Accounts.

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 2018-19:

Audited Financial Statement – Federal Funds*

- a. Single Audit Report for the Year Ended June 30, 2019

Mrs. Rudolph seconded and the motion carried.

Full Board Action – Audited Financial Statement Federal Funds, 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 2018-19:

Audited Financial Statement – Federal Funds*

- a. Single Audit Report for the Year Ended June 30, 2019

Mr. Rhoads seconded and the motion carried unanimously.

(See Attachment #10)

Annual Audit Report – Athletics, accepted

Ms. Dudley indicated that the Annual Audit Report – Athletics – has been prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton).

The National Collegiate Athletic Association (NCAA) Agreed-Upon Procedures report fulfills compliance with the NCAA *Bylaws 3.2.4.15*.

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, accept the following report for 2018-19:

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, 2019

Mrs. Rudolph seconded and the motion carried.

Full Board Action – Annual 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 2018-19:

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, 2019

Mr. Owens seconded and the motion carried unanimously.

(See Attachment #11)

Audited Financial Statements – WKMS-FM, accepted

Ms. Dudley indicated that the WKMS-FM documents have been prepared by an independent external auditing firm – Dean Dorton Allen Ford, PLLC (Dean Dorton) – and address state and federal requirements. The audited financial statement is also provided to the Corporation for Public Broadcasting (CPB), which is required due to funding that entity provides to WKMS-FM.

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 reports for 2018-19:

Audited Financial Statements – WKMS-FM*

- a. Required Auditor Communications
- b. Audited Financial Statement for the Year Ended June 30, 2019

Mrs. Rudolph seconded and the motion carried.

Full Board Action – Audited Financial Statements – 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 reports for 2018-19:

Audited Financial Statements – WKMS-FM*

- a. Required Auditor Communications
- b. Audited Financial Statement for the Year Ended June 30, 2019

Dr. Shemberger seconded and the motion carried unanimously.

(See Attachments #12 and #13)

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 the University's financial statements. Other governing or sanctioning bodies (e.g., the United States 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 RFP for audit services dated December 12, 2016, Dean Dorton Allen Ford, PLLC (Dean Dorton) was the successful firm.

At its February 24, 2017, meeting the Board of Regents approved the issuance of a contract to Dean Dorton Allen Ford, PLLC (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 \$123,525, including the financial, compliance and up to four single audit programs. Renewing the contract with Dean Dorton is being proposed and this represents the fourth year of a six-year contract.

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, 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, 2020, at a cost of \$126,325. Mr. Crigler seconded and the motion carried.

Full Board Action – Annual 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, 2020, at a cost of \$126,325. Mr. Owens seconded and the roll was called with the following voting: Mr. Book, yes; Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Owens, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, yes; Dr. Tharpe, yes and Mr. Kemp, yes. The motion carried unanimously.

Adjournment

The Audit and Compliance Committee adjourned at 1:47 p.m.

Enrollment Management and Student Success Committee

Lisa Rudolph and Trey Book – Co-Chairs
Virginia Gray
Sharon Green
Melony Shemberger

Mrs. Rudolph called the Enrollment Management and Student Success Committee to order at 1:48 p.m. and reported all other members were present.

Enrollment and Retention Update, received

Dr. Robertson; Shawn Smee, Director of Recruitment and Peggy Whaley, Director of Student Engagement and Success reported the following:

- For Fall 2019, enrollment numbers were up for first-time freshmen, transfers and graduate students. The underrepresented population also increased and there was a small increase in international students. Total credit hours are down slightly but overall graduate and undergraduate enrollment increased.
- In terms of Fall 2019 class characteristics, increases occurred in the average ACT score, high school Grade Point Average and percent of Valedictorians, honors students and Kentucky residents. The average number of transfer hours for incoming students is 17.6 credit hours (dual credit and community college courses).
- For Fall 2019, 42 percent of students are first-generation. Overall, 48 percent of Murray State students are first-generation and 6,589 are residents of Kentucky. Students come from 50 countries, 45 states and 112 Kentucky counties. The top sending states are Kentucky, Illinois, Tennessee, Missouri and Indiana.
- Recruitment continues for the Fall 2020 class and with regard to first-time freshmen, increases occurred in applications (30 percent), students admitted (19 percent), students admitted from the 18-county service region (19 percent) and students from out-of-state (22 percent). Total first-time admitted students are up 21 percent.
- The Office of Recruitment has conducted significantly more high school visits compared to last year and additional on-site admissions programs have been offered. Confirmation was provided that the Racer Promise Scholarships have not yet been distributed but it is anticipated those awards will be made soon to over 100 need-based students.
- Fall 2020 trends include an increase in campus visits, more first-time freshmen students have been admitted, involvement in Racer Academy has increased and there are more Legacy Scholarship admits. An update on Admitted Student Open Houses, award letter timing, the Yield Marketing Communications Campaign and high school admit goals was also provided.
- An update on the Road Scholars Program, which included 34 teams comprised of 78 faculty and staff members, was provided. Consideration is currently being given to particular areas where additional Road Scholars teams should be focused.
- In regard to international recruitment for Fall 2019, the top-sending countries are China, Belize, Korea, Saudi Arabia, India and Germany. Enrollment information was provided on the number of students from Shandong Technology and Business University and North Eastern Agricultural University. These partnerships are sponsored by the American Association of State Colleges and Universities and the Chinese Center for Education. Information was presented on countries visited in Fall 2019 to identify the potential for additional partner universities. The English-as-a-Second-Language Program is important to international student success. Additional marketing efforts – and associated emphasis – with regard to the international student population were outlined.
- The Residential College System continues to enhance recruitment and retention at Murray State and allows nine well-respected, senior faculty members to provide leadership, advising, mentoring and advocacy for students by serving as Heads of their respective colleges. The Residential College System also enhances student-faculty interactions outside the classroom and helps promote student leadership skills, self-governance, campus involvement and traditions. All students (including commuter students), faculty and staff belong to a Residential College.
- Fall 2019 retention rates were presented for freshmen (76 percent), other freshmen (64 percent), sophomores (85 percent), juniors (89 percent) and seniors (92 percent). The overall retention rate for baccalaureate-degree seeking first-time freshmen is 79.3 percent. The first-to-second year retention rate for all first-time freshmen students is 76.2 percent.
- Student Engagement and Success initiatives were outlined, including the Fall-to-Spring Recapture Campaign and a new communication toolkit that is being utilized this semester. Strategies to encourage stopped-out students to complete their degree were outlined and the name of a firm the University could potentially work with to assist in this effort was provided. An update was given on the Starfish Student Success Network since its launch in August 2019. This included faculty and staff training, two progress surveys, significant changes to message templates based on feedback and predictive analytics which will launch in April 2020. Additional efforts to promote mental health and awareness have been discussed and a tentative plan is in place for the Spring Semester. Student

Engagement and Success celebrations were also highlighted. It was noted that as enrollment increases student support services will also need to be enhanced. A video was shown highlighting Student Engagement and Success initiatives which provide support to first-generation and veteran students.

S. G. Carthell, Executive Director of the Office of Multicultural Initiatives, Student Leadership and Inclusive Excellence and Roslyn White, Senior Associate Director and Coordinator of Multicultural Recruitment, outlined diversity initiatives and scholarship commitments from the University related to recruitment and retention of low-income and underrepresented students. Work undertaken has included developing plans on how to best utilize funding raised through *Racers Give* and Week of Giving initiatives. The *Marvin D. Mills Multicultural Center* has been relocated and rededicated and the impact of this has been significant and well received by students and was only possible due to the efforts of many entities/offices on campus. Faculty Liaison and Assistant Professor of English Dr. Alicia Carthell was introduced. Dr. Carthell and a second Faculty Liaison, Donald Adongo, have worked with the Emerging Scholars Institute since its inception. It is important for these students to make a connection with faculty and this is the central focus of programming undertaken in this area. There are also opportunities for students to serve as Minority Graduate Fellows. Each year a reception is hosted by the President and in 2019 was held in the new Multicultural Center. Board members were encouraged to attend the Diversity Achievement Awards Banquet in April which honors students for academic achievement and diversity and leadership on campus, Martin Luther King, Jr. events that will be held on January 19-20, 2020, and the Hitimu Ceremony which is held each semester. Increased programming will be offered related to community service as well as educational workshops. Events focused on the Latino student population are also offered. A Presidential Commission has been formed to identify ways to recruit and retain diverse students, faculty and staff and this work will include a Campus Climate Survey. Yield opportunities and strategies relative to these populations were outlined by Ms. White.

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

Branding, Marketing and Communication Update, received

Mr. Touney reported that over the past 12 to 16 months, under the leadership of President Jackson, efforts have been made to work more strategically, positively and collaboratively with individual departments and units. Fall 2020 recruitment support, advertising strategies and public relations work which involve multiple mediums, data-driven decisions and allocations and key calls to action were outlined. This work has been focused on key recruitment areas for the University where there is the potential for increased yield, particularly the 18-county service region and includes the Legacy Tuition Grant, Racer Academy and underrepresented minority student initiatives. All work being undertaken is focused on the total Murray State experience and can be supported by data. Results are monitored carefully and indicate the new marketing and communication strategies are working and support those recommendations made by Stamats. The University is currently working through the brand process and this has represented a collaborative effort across campus. Updates are being provided and initiatives such as focus groups, open houses and testing among various groups are currently being undertaken. This work includes internal/external meetings and collaborations. In early 2020 the campus will be introduced in greater detail to the new brand for the University and a celebratory roll-out event will be held. A new 30-second commercial produced by staff was shown to the Board. New branding initiatives for this Fall were highlighted. The University also received the distinction of being the most searched college in Kentucky on Instagram. Murray State has been recognized with ten awards from the Council for the Advancement and Support of Education – Kentucky – a national organization focused on marketing, alumni and fundraising. The Branding, Marketing and Communication team was recognized for their efforts. Jennifer Cline, the new Associate Director of Marketing and Communication was also introduced.

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

Adjournment

The Enrollment Management and Student Success Committee adjourned at 3:24 p.m.

The Board adjourned for a break at 3:25 p.m.

Reconvene

Chair Kemp reconvened the Quarterly Board of Regents Meeting and Committee Meetings at 3:35 p.m.

Finance Committee

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

Mr. Rhoads called the Finance Committee to order at 3:35 p.m. and reported all other members were present.

Pension System Update, received

Ms. Dudley and Ms. Gordon reported that the Audit Report on the Teachers' Retirement System (TRS) was recently released by the Auditor of Public Accounts and that document was provided to the Board. The Audit Report provides an update on the financial status of TRS. The University also received communication from the Kentucky Retirement System (KRS) regarding Kentucky Employees Retirement System (KERS) liabilities and cessation options. Preliminary calculations for four cessation options provided by KRS for all quasi-agencies was provided. For Murray State, if the University chose to buy out of KERS it would have the choice of two options – a hard freeze option (leaving the system altogether) or a soft freeze (maintaining Tiers I and II which are those employees with the most seniority in the system). If the University chooses to make a lump sum payout with a hard freeze, that amounts to \$108 million. A lump sum payment for a soft freeze amounts to \$150 million. Information was presented on the option to finance the buy out with KRS (payments over 30 years). With a hard freeze the buy out would amount to \$125 million and would be \$162 million with a soft freeze for Murray State. The Board was also provided with a list of all quasi-agencies which included the cost of these options for the other universities to illustrate how Murray State compares to the other institutions and the Kentucky Community and Technical College System.

On December 5, 2019, the President received communication from KRS that they would be proposing a 93.01 percent employer contribution rate starting July 1, 2020. With this in mind, a short schedule was provided showing that for Fiscal Year 2019 the University paid \$6.4 million for its contribution for KERS employees. For Fiscal Year 2020, the University expected the contribution rate to be 83.43 percent which would cost an additional \$4.2 million. When the state budget instructions were released for the next biennium, institutions were told to use an 89.37 percent contribution rate instead and this added another \$738,000 to the University's total liability. The December 5 communication indicating a 93.01 percent contribution rate amounts to an additional \$460,000. This totals an estimated KERS increase for the upcoming fiscal year of \$5.4 million for Murray State. President Jackson reminded the Board that the information presented pertains to KERS and not TRS. This also represents the most significant issue the Legislature must address due to the overwhelming financial impact on the universities. The KERS pension system is currently funded at 13 percent. Confirmation was provided that none of the universities have indicated they can afford moving out of KERS. Ten years ago Murray State's contribution rate for KERS employees was approximately 10 percent and there was no indication that would increase to 93.01 percent today.

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

Facilities Management Outsourcing, approved and authorized

Ms. Dudley reported that the issue of outsourcing was discussed by the Board of Regents Finance Committee at its meeting on November 21, 2017. At that time, the Committee expressed the need for management to begin work to explore potential outsourcing options and provide additional information. At the June 7, 2019, meeting, the Board authorized the President

to continue with the exploration of outsourcing options and issue the necessary RFP in the best interest of the University. Additional information provided to the Board included:

- June 8, 2019, Board minutes related to exploring outsourcing options
- September 27, 2018, approval from KRS for Dining Contract
- RFP Schedule of Events
- RFP Evaluation Criteria Summary
- Contract Summary
- Financial Summary for Custodial and Grounds Services
- Financial Analysis of In-House vs. Outsource Potential Savings for Custodial and Grounds Services

Approval was received from KRS on September 27, 2018, for the Dining Services contract; however, their approval was limited to the specific issue of employees being able to access their retirement accounts and the University securing approval to not pay into the retirement system for those individuals. The same approach is being used for the potential custodial and grounds outsourcing process and associated documentation.

Information was presented on the KERS 49.47 percent employer contribution rate for non-hazardous employees and 36.85 for hazardous duty (police officers). Fiscal Year 2021 (FY21) contribution rates for KERS non-hazardous and hazardous duty employees are 93.01 percent and 38.71 percent, respectively. For Fiscal Year 2019 the University had a payroll base of \$13 million on which it paid KERS contributions (\$6.5 million) at the 49.47 percent rate. The University's FY21 base payroll is less at \$12 million (due to fewer positions and the University no longer contributing for dining services employees) but this amounts to an increase of \$5.5 million over the 49.47 percent rate for 353 employees (338 in the non-hazardous duty category that is impacted by the higher KERS rates). For Fiscal Year 2018 the University had a payroll base of \$14 million (\$6.9 million KERS contribution) but this was for 503 employees in the KERS system.

Custodial and grounds services have great value on campus and are needed for student recruitment and retention, facilities maintenance and to help ensure campus safety. Current services that will be impacted if the Board accepts the recommendations being presented include employee recruitment, onboarding, training and termination; Accounts Payable; Procurement; Human Resources; Residence Life and employee Payroll Services. The action being requested today will result in a reduction in the amount of work for these areas where staff reductions have also occurred.

Murray State currently has 90 buildings, 3.3 million square feet of assignable space (2 million square feet that is cleanable) and 266 acres of land that must be maintained through custodial and grounds services. Other universities already outsourcing custodial, grounds and maintenance services include Western Kentucky University, Eastern Kentucky University and Morehead State University (custodial work). The University of Kentucky and University of Louisville outsource their custodial services for housing through P3 arrangements. Middle Tennessee State University, Tennessee Technological University and Austin Peay State University also outsource some custodial services. Information was presented on the number of positions being considered for outsourcing in custodial, grounds, maintenance (professional trades) and administration (supervisors and managers) that are currently budgeted (181 positions). As of December, 123 of those positions are filled.

A Facilities Management RFP Committee was charged with reviewing vendor responses and recommending top tier companies and membership composition was provided. The evaluation criteria and process, based on "best value" and not lowest bid, were presented to the Board. After tallying the results, the highest scoring four contractors were invited to campus to meet with the Committee and present their services to the campus community. The Committee then met to review a final time to determine if the top four proposals were still acceptable for quality, effectiveness and "best fit" and was supportive of seeking best and final offers from all four firms.

After reviewing the proposals, evaluation scores of the Committee and the financial proposals, the recommendation is being made to outsource custodial and grounds services at this time. The recommendation includes a contractual option for future maintenance services that could be

implemented at a later date, pending negotiation of a successful contract when/if it is determined the option is beneficial to the University. In addition, the recommendation includes an option to use non-employee maintenance services offered in the RFP responses for specific one-time services as existing budget allows.

The RFP schedule was discussed and a contract will likely be issued in January 2020 with implementation and employee hiring to occur through April. It is anticipated services will transition by April 15, 2020. Benefits of outsourcing include access to learning about evolving technologies and regulations and employee training and development programs, more impactful purchasing power for supplies and equipment, replacement of equipment with more sustainable and energy-efficient options, access to athletic turf expertise, advancement of opportunities for employees and student internship and employment programs.

An overview of the current Facilities Management budget was presented. The total FY20 budget available for custodial and grounds outsourcing, excluding the 49.47 percent KERS retirement contribution rate, is \$3.8 million (88 employees). When the total FY20 contribution rate is factored in, this amount increases to \$4.7 million. The KERS estimated increase on all budgeted positions that may be outsourced at the FY21 rate of 93.01 percent could increase the University's contribution for custodial staff by \$907,000 and \$308,000 for grounds employees, for a total increase of \$1.2 million over and above the current 49.47 percent contribution rate and this would need to be added to the University's budget as of July 1. If no changes are made other than the University's contribution to KERS for FY21, this amounts to approximately \$6 million for current custodial and grounds employees. If the University does not outsource custodial and grounds services, additional positions will need to be filled because vacancies have intentionally not been filled and operations have continued utilizing temporary staff when feasible. If nothing changes, as of July 1, 2020, 36 percent of the budget for these two units will be going to KERS.

The initial contract for custodial and grounds services will be for 5.25 years (April 15 – June 30, 2020, and July 1, 2020 – June 30, 2025), with an option of five one-year renewals – or an overall ten-year contract. It is being recommended that contract options for future maintenance services be included as part of this contract, as well as the option to utilize non-employee maintenance services for specific, one-time projects as the budget allows. It is also recommended that the contract be cost-reimbursable, based on the RFP and best and final offers. Cost increases for custodial and grounds services will be negotiated and approved by the Board during the annual budget approval process. Under the current proposal, the University would be billed for actual services utilized, representing a variable in this process, and a fixed amount will not be paid every month. The contract will be monitored closely to ensure the University stays within budget – for custodial year one (July 1, 2020 – June 30, 2021) not to exceed \$4.4 million and for grounds year one not to exceed \$1.5 million – based on the current budget for these areas. If the contract is for both services, the authorized combined amount not to be exceeded is \$5.9 million. It is estimated that between \$400,000 and \$1 million in savings in operations can be negotiated in year one. It is anticipated the University will also receive some funding for equipment replacement (\$100,000 – \$200,000) and annual capital investment (\$50,000 – \$100,000) per year. This is not a revenue operation like dining services and the University will be paying the successful firm for their services. It was indicated that all firms being considered included a management fee that ranges from 6 to 11 percent in their proposal for services. Confirmation was provided that once more is known about the actual cost of outsourcing the decision could be made for the University to negotiate a fixed price contract. Confirmation was provided that staff who are not part of these operations will manage the contract with the successful firm. It was also indicated that among the employees being impacted 55 percent have less than five years of service at Murray State University.

On behalf of the Finance Committee, Mrs. Rudolph moved that based upon the preceding discussion, the Board of Regents, upon the recommendation of the President of the University:

- 1) Approve the outsourcing of Custodial and Grounds Services, subject to the evaluation of factors indicated by law and the provisions which follow for amounts not to exceed \$4,410,669 during the first year of the agreement for Custodial Services and \$1,546,076 during the first year of the agreement for Grounds Services or for \$5,956,745 during the first year for combined Custodial and Grounds Services;

- 2) Approve a contractual option to include the possible outsourcing of maintenance services that could be implemented at a later date, with Board approval, when/if it is determined the option is beneficial to the University and the option to use the contractor for non-employee maintenance services offered in the RFP response for specific one-time services as existing budget allows;
- 3) Approve, upon receipt of acceptable contractors by the Committee Chair and in consideration of factors indicated by law related to privatization, an evaluation process by the Vice President for Finance and Administrative Services who will report results in writing to the President;
- 4) Authorize the President and/or his designee(s) to negotiate a contract for outsourcing Custodial and Grounds Services if the President determines that negotiations should proceed. If it is determined that no satisfactory outsourcing arrangement is available, the President shall so report to the Board; and
- 5) Authorize the President and/or his designee(s) to negotiate a contract with the proper vendor and authorize the President to execute a contract in like form to the contract provided to the Board for an initial period of five years, with subsequent one-year renewals, not to exceed a total of ten years.

Mr. Crigler seconded and the motion carried.

Full Board Action – Facilities Management Outsourcing, approved and authorized

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University:

- 1) Approve the outsourcing of Custodial and Grounds Services, subject to the evaluation of factors indicated by law and the provisions which follow for amounts not to exceed \$4,410,669 during the first year of the agreement for Custodial Services and \$1,546,076 during the first year of the agreement for Grounds Services or for \$5,956,745 during the first year for combined Custodial and Grounds Services;
- 2) Approve a contractual option to include the possible outsourcing of maintenance services that could be implemented at a later date, with Board approval, when/if it is determined the option is beneficial to the University and the option to use the contractor for non-employee maintenance services offered in the RFP response for specific one-time services as existing budget allows;
- 3) Approve, upon receipt of acceptable contractors by the Committee Chair and in consideration of factors indicated by law related to privatization, an evaluation process by the Vice President for Finance and Administrative Services who will report results in writing to the President;
- 4) Authorize the President and/or his designee(s) to negotiate a contract for outsourcing Custodial and Grounds Services if the President determines that negotiations should proceed. If it is determined that no satisfactory outsourcing arrangement is available, the President shall so report to the Board; and
- 5) Authorize the President and/or his designee(s) to negotiate a contract with the proper vendor and authorize the President to execute a contract in like form to the contract provided to the Board for an initial period of five years, with subsequent one-year renewals, not to exceed a total of ten years.

Mr. Owens seconded.

The question was asked in terms of whether any of the companies being considered have indicated the percentage of current employees they plan to maintain and Ms. Dudley indicated this could not be asked based on limitations imposed by the retirement system. Typically, such firms will hire a certain percentage of the current employee base because they are already trained. It was stated that during the open forums employees expressed concern about losing the

current tuition benefit provided by the University and the question was asked whether these firms offer tuition benefits for employees and their families. It was confirmed that all firms being considered offer tuition benefits for their employees but the higher education market is essentially the only one to extend those benefits to dependents. Concern was expressed that moving forward when considering how to address the pension system, outsourcing should not continue to be the first option considered – but should instead be the last – and faculty share this concern. Dr. Jackson confirmed the University has been placed in an awkward situation and making these decisions is difficult but the only other option is to continue cutting the budget and doing so will not elevate the institution into the future. Mr. Schooley expressed concern about losing the family atmosphere that currently exists because these staff members help take care of the students. He confirmed that staff have expressed concerns to him about the loss of the tuition benefit for their dependents because that factored into their decision to accept a position at Murray State.

The roll was called with the following voting: Mr. Book, yes; Mr. Crigler, yes; Mrs. Gray, yes; Ms. Green, yes; Mr. Owens, yes; Mr. Rhoads, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Shemberger, no; Dr. Tharpe, yes and Mr. Kemp, yes. The motion carried by a vote of ten to one.

Establishment and Designation of Ruth Bailey Estate Quasi-Endowment, approved

Tina Bernot, Executive Director of Development, reported that the estate of Ruth C. Bailey left a generous gift in the amount of \$73,468 to be utilized by the Murray State University Department of Biological Sciences in an unrestricted manner. Mrs. Bailey passed away in 2018 while living in Calloway County, Kentucky. She was a retired elementary school teacher and taught in Illinois, Michigan and Maryland. While living in Maryland, Mrs. Bailey was recognized as "Miss 1st Grade" and volunteered many hours at a nursing home in the community in which she resided. During World War II, Mrs. Bailey was a supervisor at Oak Ridge National Laboratory in Tennessee. Before moving from Murray, Mrs. Bailey was employed by Dr. Titsworth's dental office while attending Murray State University, later graduating. Following her retirement and moving back to Murray, Mrs. Bailey volunteered at Murray Elementary for many years and was an avid traveler and quilter. She was a member of the First Baptist Church and the Phebian Sunday School Class.

Murray State University wishes to establish a quasi-endowment by assisting with the funding of Graduate Assistant salaries for graduate students working in the Department of Biological Sciences, as outlined in the guidelines provided. The MSU Foundation will serve as the administrator of the funds, with expenditures being made from interest earnings. The actual amount of these awards may vary based on growth of this fund and available investment earnings. The proceeds from the estate total \$73,468 and this will be the original corpus for the quasi-endowment.

On behalf of the Finance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the establishment and designation of the Ruth Bailey Estate Quasi-Endowment to be utilized by the Department of Biological Sciences at Murray State University. Mr. Crigler seconded and the motion carried.

Full Board Action – Establishment and Designation of Ruth Bailey Estate Quasi-Endowment, approved

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the establishment and designation of the Ruth Bailey Estate Quasi-Endowment to be used by the Department of Biological Sciences at Murray State University. Dr. Shemberger seconded and the motion carried unanimously.

United States Geological Survey Lease Agreement, approved

Ms. Dudley reported that in 2009 the University constructed a 2,800 square foot building on College Farm Road for exclusive use by the United States Geological Survey (USGS). The original facility cost \$330,000 to construct and this amount was advanced from the Consolidated Education Renewal and Replacement (CERR) Fund at that time with the understanding the lease income would be posted back to CERR until the original cost was fully reimbursed. The original

lease was for a term of five years, with four additional renewals of five years each, for a total of 25 years. The full reimbursement will occur in the second five-year renewal.

Under the agreement, the USGS, under the United States Department of the Interior, pays \$25,000 per year for the lease of this facility. The lease agreement was provided to the Board and has been incorporated into the cooperative agreement with the USGS and is considered federal receipts.

The lease periods are shown below:

	Lease Periods	Annual Lease Amount
Initial	11/1/09-10/31/14	\$25,000
1st five-year renewal	11/1/14-10/31/19	\$25,000
2nd five-year renewal	11/1/19-10/31/24	\$25,000
3rd five-year renewal	11/1/24-10/31/29	\$25,000
4th five-year renewal	11/1/29-10/31/34	\$12,500

Should the lease agreement be renewed for the fourth five-year renewal, the lease payment will be \$12,500 per year.

The Board of Regents Buildings and Grounds Committee was informed about this project at the February 6, 2009, meeting and was advised that the University was “looking at an initial term of five years, with up to four renewals (total 25 years).” The Board was further apprised of the project at the May 29, 2009, Quarterly Meeting as an informational item. This represents an arrangement that is mutually beneficial to the University’s Department of Earth and Environmental Sciences and the USGS.

Per Item #16 of the Delegation of Authority, the Board is to:

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

The USGS lease agreement was entered into prior to institution of the Delegation of Authority which now requires approval of such leases. Although no material changes have occurred relative to the original lease terms, in keeping with the Delegation of Authority, the Board is being asked to approve the USGS lease/renewal.

On behalf of the Finance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the second, third and fourth renewals of the United States Geological Survey lease agreement. The terms and conditions remain the same as those included in the original lease agreement. Mr. Crigler seconded and the motion carried.

Full Board Action – United States Geological Survey Lease Agreement, approved

On behalf of the Finance Committee, Mr. Rhoads moved that the Board of Regents, upon the recommendation of the President of the University, approve the second, third and fourth renewals of the United States Geological Survey lease agreement. The terms and conditions remain the same as those included in the original lease agreement. Mr. Owens seconded and the motion carried unanimously.

Projects Approval, approved

Ms. Dudley reported that Board Delegation of Authority Item #20 states that "...Prior to moving forward, all projects costing over \$200,000 and up to the threshold denoted by Kentucky statute should be reviewed by the Board Chair and the President and a determination made in terms of those projects requiring further Board approval. Two schedules were provided to the Board listing projects initiated since the last Board report as follows:

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 in the listed projects as "Board Designated" in the quarterly financial reports and annual audit. This is not an exhaustive listing of projects under \$200,000 but includes those that have been started and not completed as of the preparation date in order to designate funding.

On behalf of the Finance Committee, Mrs. Rudolph 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 listing presented. Mr. Crigler seconded and the motion carried.

Full Board Action – Projects Approval, approved

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

(See Attachments #14 and #15)

Personal Services Contract, approved

Ms. Dudley reported that Item #11 of the Delegation of Authority stipulates that 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." The contract on the listing presented requires approval by the Board of Regents.

On behalf of the Finance Committee, Mrs. Rudolph moved that the Board of Regents, upon the recommendation of the President of the University, approve the contract as outlined on the document presented, per requirements of the Board of Regents Delegation of Authority Item #11. Mr. Owens seconded and the motion carried.

Full Board Action – Personal Services Contract, approved

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

(See Attachment #16)

Adjournment

The Finance Committee adjourned at 4:45 p.m.

Marketing and Community Engagement Committee

Sharon Green – Chair
Trey Book
Eric Crigler
Virginia Gray
Melony Shemberger

Ms. Green called the Marketing and Community Engagement Committee to order at 4:45 p.m. and reported all other members were present.

Naming Opportunity – USS Project Suite – Arthur J. Bauernfeind College of Business, approved

Mrs. Bernot and Brian Canerdy, Director of Development for the Bauernfeind College of Business, reported that for many years, Mr. Scott Waldrop, a 1988 Murray State graduate in Business Administration, has been instrumental in the support and advancement of the Department of Computer Science and Information Systems (CSIS) and the Arthur J. Bauernfeind College of Business. Mr. Waldrop has funded honorary awards in the department and since becoming founder and Chief Executive Officer of United Systems and Software (USS) in Benton, Kentucky, he has also provided many project templates applicable to real-world experience for student coursework at the University. Mr. Waldrop is passionate about establishing pathways and opportunities for students who may have obstacles in the way of gaining necessary experience to be relevant in the field of CSIS and other disciplines.

To continue support of his Alma Mater, Mr. Waldrop and USS have provided a written pledge to make a gift of \$100,000 to establish the *United Systems and Software Professor Fellowship in CSIS* at Murray State University. This contribution will endow a fund to support a faculty fellow, affording office space and operational leadership of the *USS Project Suite* in the Business Building. Murray State students and student workers in the Bauernfeind College of Business will utilize the *USS Project Suite* for authentic USS template projects and other coursework opportunities that advance academic excellence, including on-campus internships, senior capstone coursework and more.

On behalf of the Marketing and Community Engagement Committee, Dr. Shemberger moved that the Board of Regents, upon the recommendation of the President of the University and the Naming of Campus Facilities, Programs and Activities Committee, approve a five-year naming of the “*USS Project Suite*,” in the Business Building (final location to be determined) to be commemorated on the glass door entryway of the project space in appreciation of this generous new gift and endeavor, as well as to honor USS and Mr. Scott Waldrop’s long-time giving and support of Murray State University. Mr. Crigler seconded and the motion carried.

Full Board Action – Naming Opportunity – USS Project Suite – Arthur J. Bauernfeind College of Business, 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 Naming of Campus Facilities, Programs and Activities Committee, approve a five-year naming of the “*USS Project Suite*,” in the Business Building (final location to be determined) to be commemorated on the glass door entryway of the project space in appreciation of this generous new gift and endeavor, as well as to honor USS and Mr. Scott Waldrop’s long-time giving and support of Murray State University. Mrs. Rudolph seconded and the motion carried unanimously.

Adjournment

The Marketing and Community Engagement Committee adjourned at 4:47 p.m.

Policy Change, approved and adopted

In 2019, the Kentucky General Assembly passed, and the Governor signed, House Bill 254 styled “AN ACT relating to freedom of speech at public postsecondary education institutions.”

This enacted legislation, among other things, requires public postsecondary institutions to adopt policies ensuring the protection of freedom of speech and expression by students and faculty; requires that policies be made available to students and faculty; and creates a cause of action for a violation of any policy required by the Act. The *Bylaws* of the Board of Regents are found at *Section 1.1* of the Policies of the Board of Regents and *Section 1.1(F)* provides:

Amendments.

Amendments of these Bylaws may be proposed by any member at any duly constituted meeting of the Board but will not be acted upon until the next meeting. Adoption of amendments shall require a vote of a majority of the members.

Board of Regents Policy Manual – Section 2.2

Murray State University recognizes the rights of all members of the University community – students, administration, faculty, staff and Regents – in matters of speech, inquiry and association. Any limitations, restrictions or disciplinary action related to the exercise of such rights will be consistent with established law.

A. In furtherance of the recognition of rights stated herein and consistent with Kentucky Revised Statute (KRS) 164.348, the following policies apply to speech and expression on campus:

1. Members of the campus community – as described above – may engage in free speech and/or expression as described in this policy in the outdoor areas of campus provided the area has not been reserved by another campus person or group.
2. Pursuant to the University’s commitment to the free exchange of ideas in a peaceful and orderly environment, academic discussions or discussions that occur in or are related to the classroom are guided by the freedom of speech principles in the *Faculty Handbook*.
3. Campus individuals and groups are encouraged to obtain a permit to reserve their desired location for speech and/or expression but such permits are not required for members of the campus community.
4. The University administration is authorized to implement reasonable time, place and manner procedures to facilitate speech and expression by one or more individuals or groups and to ensure that normal academic and business operations of campus are not unreasonably impeded. Such procedures shall be narrowly tailored, and shall be unrelated to the content of speech or expression.
5. Non-University groups or individuals who have not been invited to campus by a member of the campus community are referred to Board Policy 2.15.1.

Dr. Jackson reported that the Board approved this policy revision for the first time in September 2019. This represents the second reading of that proposed change that is necessary due to statute changes made by the state of Kentucky.

Mr. Rhoads moved that the Board of Regents, in recognition that a first reading of the proposed policy revision occurred on September 6, 2019, and upon the recommendation of the President of the University, approve and adopt the revised *Board of Regents Policy Manual Section 2.2* as outlined above. Mr. Owens seconded and the motion carried unanimously.

Supplemental Materials

Dr. Jackson reported that Regents were provided with supplemental reports in the eBoard book, including the Quarterly Risk Management Report; “Good News” Report – October 2019; Quarterly Branding, Marketing and Communication Report (July – September 2019) and the Sponsored Programs – Grants and Contracts Report. These reports were provided for informational purposes only and required no Board action.

Other Business/Adjournment

There being no further business to come before the Board, Mr. Book moved for adjournment. Mrs. Rudolph seconded and the motion carried unanimously. The Board of Regents Quarterly Meeting and Committee Meetings adjourned at 4:55 p.m.


Secretary Jill Hunt


Chair Dan Kemp

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