

January 24, 1979
Morehead, Kentucky

The Board of Regents of Morehead State University convened in the Riggle Room of the Adron Doran University Center on Wednesday, January 24, 1979, at 1:30 p.m., EST.

The meeting was called to order by Chairman Lloyd Cassity.

The invocation was given by Elmer Anderson, Assistant to the President and Director of Student Financial Aid.

The oath of office was administered by Notary Public Elmer Anderson to Mr. Billy Joe Hall, appointed by Governor Julian M. Carroll to fill the unexpired term of Mr. B. F. Reed who resigned due to health reasons, for a period ending March 31, 1982.

On roll call, the following members answered present:

- Mr. Lloyd Cassity
- Mr. Jerry F. Howell
- Dr. W. H. Cartmell
- Mr. Billy Joe Hall
- Mr. Sam F. Kibbey
- Judge J. M. Richardson
- Dr. Charles Pelfrey
- Mr. Evan Perkins

- Absent:
- Mr. Cloyd D. McDowell
 - Dr. Daniel H. Stamper

Also, present for the meeting were representatives of the news media and various members of the faculty and staff at the University.

Motion by Dr. Cartmell that the reading of the minutes of the meeting held November 15, 1978, be dispensed with and that the minutes be approved since each member of the Board had received a copy by mail. Motion was seconded by Mr. Howell and unanimously approved.

President Norfleet presented his report to the Board of Regents for the period of November 15, 1978, to January 24, 1979, with certain recommendations:

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Minutes of January 24, 1979, cont'd

MOREHEAD STATE UNIVERSITY
Morehead, Kentucky
January 24, 1979

Board of Regents
Morehead State University
Morehead, Kentucky

Gentlemen:

I am submitting my report on the operation of the University for the period of November 15, 1978, to January 24, 1979, with certain recommendations:

I. ASHLAND OIL GRANT

I recommend that the Board accept a grant to Morehead State University from Ashland Oil, Inc. to enable us to build a coal mining technology laboratory on campus. The grant will approximate \$50,000 to be given in installments. To present this grant to the University is Mr. Bob Welter, Director, Employee Relations. Mr. Welter will now officially present this to the Chairman of the Board, Mr. Cassity, and to the President of the University.

II. REPORT BY DR. JERRY HOWELL ON ENERGY CONSERVATION PLAN

III. PERSONNEL CHANGES

I recommend that the Board approve the personnel changes as suggested in Exhibit I.

IV. ADJUSTMENT OF SECRETARIAL/CLERICAL EMPLOYEES SALARIES

Based on the action of the Board last year, it was decided to adjust all personnel in accordance with the minimum wage scale. At the same time, the Board adopted the recommendation of the Secretarial Committee which indicated that the spread should be maintained in the secretarial/clerical salaries as the minimum wage increases. As of January 1, this has been done, and all individuals' salaries, falling in the secretarial/clerical classification, have been adjusted in accordance to the minimum wage pay scale.

V. STUDENT LOAD

Our catalog states that the student load at Morehead State University shall be 17 hours and that a student must have special permission to take 18 or more hours.

I recommend that the student load be changed to 18 hours and that the student must seek special permission to take hours in addition to the 18.

VI. DISTINGUISHED RESEARCHER AWARD

I recommend that we establish an award entitled "Morehead State University Distinguished Researcher Award." The purpose of this award is to recognize the faculty member who contributes most to the field of research at Morehead State University during a given period of time. A committee will be selected to develop the guidelines for implementing the program.

VII. STATEMENT OF PURPOSE

As a result of our accreditation study, a special committee has recommended that the following statement of purpose be adopted by the Board as a guide for Morehead State University. I recommend its adoption:

The University should be a community of students, teachers, administrators, and staff where all pursue intellectual, creative, and technical development.

The University should foster an environment in which knowledge may be discovered, integrated, and disseminated for concerns of social significance or for the excitement of research or free inquiry.

The University should provide opportunity for students to recognize their potentialities and to acquire the discipline necessary for self-realization.

The University should be a place where the interaction of students and teachers committed to excellence creates an atmosphere in which both will be stimulated to accept the challenges of the universe.

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The University should promote the development of those qualities of leadership necessary to meet the diverse needs of the state, nation, and world.

The University should develop programs to fulfill its specific mission of serving the economic, educational, social, and cultural needs of northern and eastern Kentucky.

The University should respond to the demands of the present by utilizing the achievements and values of the past and by exploring the possibilities of the future.

VIII. STAFF BENEFITS

Last year we discussed the inequities which exist in contribution of faculty and staff members to the Kentucky Teachers' Retirement System, and a resolution was presented in the last general assembly to do a study of staff benefits to equalize this among institutions. Exhibit II is a resolution which has been prepared in support of this effort.

I recommend that the Board adopt this resolution and that it be sent to the appropriate parties.

IX. BUDGET PREPARATION GUIDELINES

I recommend that the Board approve the following guidelines in the preparation of the 1979-80 operational budget:

1. Analysis be made of revenue and expenditures for the current fiscal year to determine adequacy. If it is necessary to increase certain fees, that these increases be built into the budget-making processes which would be presented for adoption at a future Board meeting.
2. We will have a base of 5 percent salary money for increments and adjustments this year. The salary adjustments will range from 0 to 7 percent this year based on evaluation of the chairperson, the dean of the school, the Vice President for Academic Affairs and/or the same supervisory positions in other bureaus.

X. QUARTERLY FINANCIAL REPORT

After reviewing this document,

I recommend that the Board adopt the quarterly financial report as presented in Exhibit III.

XI. LIABILITY INSURANCE

Alexander and Alexander has been selected to provide the liability insurance coverage for Board members and all employees of Morehead State University at a cost of \$7,453 per year as previously approved by the Board. (Exhibit IV)

XII. SALE OF PROPERTY

Since our last Board meeting, two pieces of property have been sold and the transactions closed.

- 1. The Bigler property was sold at a price of \$80,000 to Mr. Eddie Holbrook.
- 2. The Greer property was sold at a price of \$36,000 to the Church of Christ of Morehead.

The Evans property sale was rejected by the state, and we will be in the process of putting it up for sale at a later date.

XIII. ENROLLMENT

Exhibit V

XIV. ORGANIZATION CHART

I recommend that the Board approve the Organization Chart for Morehead State University as presented in Exhibit VI.

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-----End of President's Report Except for Following Exhibits----

I. PERSONNEL CHANGES

A. Resignations

1. Mr. Randy Smith, Farm Laborer, University Farm, effective October 17, 1978.
2. Mrs. Sandra D. Shackelford, Instructor of Radio-Television, Department of Communications, effective January 1, 1979.
3. Dr. Carl Culver, Assistant Professor of Veterinary Technology, School of Applied Sciences and Technology, effective December 31, 1978.
4. Mr. John Fouch, Electrician's Helper, Department of Buildings and Grounds, effective December 8, 1978.
5. Ms. Sonja Bledso, Secretary, Appalachian Development Center, effective November 30, 1978.
6. Mrs. Linda Duvall, Systems Analyst, Division of Planning, effective June 30, 1979.
7. Ms. Velda Biggs, Rotating Night Clerk, Bureau of Student Affairs, effective December 16, 1978.
8. Mrs. Bridgett L. Chandler, Secretary, Department of Athletics, effective December 29, 1978.
9. Mr. Rich Rachel, Assistant Football Coach, Department of Athletics, effective January 1, 1979.
10. Miss Karen Lynn Bechtold, Student Assistant, Mignon Hall, effective December 31, 1978.
11. Mrs. Sharon Hilger, Secretary, Division of Accounts, effective January 25, 1979.
12. Mr. A. L. Dawson, Assistant Professor of Health, Physical Education and Recreation and Track and Cross Country Coach, effective December 31, 1978.
13. Mr. Howard Gee, Technical Director/Instructor, Department of Communications, effective May 12, 1979.
14. Ms. Julie Kay Rice, Assistant Women's Track Coach, Department of Athletics, effective January 1, 1979.
15. Mr. Jim Hastings, Assistant Football Coach, Department of Athletics, effective January 2, 1979.
16. Mr. Robin Wright, Supervisor, General Services (Moving), Department of Buildings and Grounds, effective December 28, 1978.

17. Mr. Wayne Roe, Janitor, Department of Buildings and Grounds, effective December 31, 1978.
18. Miss Sherry Waddle, Clerk/Typist, Johnson Camden Library, effective December 31, 1978.
19. Ms. Brenda J. Hardin, Secretary, Department of Industrial Education and Technology, effective January 12, 1979.
20. Ms. Susan Jeanette Allen, Secretary, Department of Communications, effective December 12, 1978.
21. Mr. Kenneth Gilliam, Farm Laborer, University Farm, effective December 1, 1978.
22. Mr. John Fritsch, Assistant Farm Manager, University Farm, effective December 12, 1978.
23. Mrs. Victoria McBrayer, Secretary, Department of Buildings and Grounds, effective January 19, 1979.
24. Mrs. Betty J. Watkins, Sales Clerk, University Store, effective January 31, 1979.
25. Ms. Juanita McClurg, Janitress, Department of Buildings and Grounds, effective January 31, 1979.
26. Mr. William Paul McElwain, Jr., Student Assistant, Alumni Tower, effective January 19, 1979.
27. Ms. Deborah S. Miles, Secretary, School of Business and Economics, effective January 31, 1979.
28. Mr. David Baker, Residence Hall Director, Cooper Hall, effective January 31, 1979.
29. Mr. Clifford Cassity, Carpenter, Department of Buildings and Grounds, effective December 31, 1978. (Retire)

B. Appointments

1. Mrs. Wilma Howard, Library Technical Assistant, Johnson Camden Library, at a twelve-month salary of \$6,500 for the period beginning November 15, 1978, and ending June 30, 1979.
2. Miss Betty Lane, Library Technical Assistant, Johnson Camden Library, at a twelve-month salary of \$6,500 for the period beginning November 15, 1978, and ending June 30, 1979.
3. Mrs. Teresa Day, Secretary/Receptionist, Division of Financial Aid, at a twelve-month salary of \$5,790 beginning November 28, 1978.
4. Miss Alma Lewis, Clerk/Typist, Johnson Camden Library, at a twelve-month salary of \$5,790 for the period beginning December 1, 1978, and ending February 28, 1979.
5. Ms. Kathy Cornett, Secretary, Mining Technology, at a twelve-month salary of \$5,790 beginning October 1, 1978.
6. Mrs. Nina C. Wright, Clerk/Typist, Dean's Office of School of Applied Sciences and Technology, at a twelve-month salary of \$5,790 beginning December 1, 1978.
7. Dr. Ted Pass, Director of Histoplasmosis Research Project, at a salary of \$1,687.08 for the period beginning December 16, 1978, and ending January 6, 1979, and \$562.36 for the period March 10-18, 1979.
8. Mrs. Jacquelyn J. Kephart, Key-Punch Operator, Data Processing, at a twelve-month salary of \$5,790 beginning December 5, 1978.
9. Mr. Lloyd Oakley, Security Officer, Bureau of Student Affairs, at a twelve-month salary of \$11,550 beginning December 18, 1978.
10. Mrs. Paula Hayes, Copy Center Operator, Division of Public Affairs, at an hourly rate of \$2.65 for the month of December and at an hourly rate of \$2.90 for the months of January and February.
11. Mrs. Sandy Lynn Marshall, Secretary, Department of Management and Marketing, at a twelve-month salary of \$5,790 beginning December 11, 1978.
12. Mr. David Broderick, Research Assistant, School of Social Sciences, at a salary of \$328 for the period beginning December 18, 1978, and ending January 10, 1979.
13. Dr. Gary Cox, Research Grant, School of Social Sciences, at a salary of \$328 for the period beginning December 18, 1978, and ending January 10, 1979.

14. Mr. Thomas McLoughlin, Research Assistant, Mining Project, at a salary of \$379 for the period beginning December 18, 1978, and ending January 10, 1979.
15. Mr. Michael Stamper, Research Assistant, School of Social Sciences, at a salary of \$328 for the period beginning December 18, 1978, and ending January 10, 1979.
16. Dr. David Hylbert, Director, Mining Research Project, at a salary of \$1,584 for the period beginning December 18, 1978, and ending January 10, 1979.
17. Ms. Patricia Carol Taylor, Student Assistant, Mignon Hall, at a salary of \$1,500 for the period beginning January 5, 1979, and ending May 15, 1979.
18. Mrs. Maureen Anne VanHoose, Rotating Night Clerk, Bureau of Student Affairs, at a salary of \$2.93 per hour for three nights per week, seven hours per night beginning January 6, 1979.
19. Dr. Stacy C. Myers, Assistant Professor, School of Humanities, at a nine-month salary of \$17,200 for the 1979-80 academic year.
20. Mr. Oscar Jones, Acting Men's Track Coach, Department of Athletics, at a salary of \$800 per month for the period beginning January 1, 1979, and ending May 31, 1979.
21. Ms. Jeanette Stone, Clerk-Typist, Johnson Camden Library, at a twelve-month salary of \$6,032 beginning January 15, 1979.
22. Mr. Steve Loney, Assistant Football Coach, Department of Athletics, at a twelve-month salary of \$15,000 for the period beginning January 1, 1979, and ending June 30, 1979.
23. Mr. Tom Lichtenberg, Head Football Coach, Department of Athletics, at a twelve-month salary of \$23,000 for the period beginning December 28, 1978, and ending June 30, 1979.
24. Mr. John Fritsch, Assistant Football Coach, Department of Athletics, at a twelve-month salary of \$13,200 for the period beginning January 1, 1979, and ending June 30, 1979.
25. Mr. Van Hollaway, Assistant Football Coach, Department of Athletics, at a twelve-month salary of \$16,000 for the period beginning January 1, 1979, and ending June 30, 1979.
26. Dr. Dennis Edinger, Assistant Professor of Education, School of Education, at a salary of \$8,500 for the 1979 spring semester.
27. Mrs. Mary Franeda Campbell, Secretary, Department of Athletics, at a twelve-month salary of \$6,032 beginning January 8, 1979.

28. Dr. Raymond S. Ferrell, Coordinator of Regional Research and Associate Professor of Economics, Appalachian Development Center, at a twelve-month salary of \$21,500 beginning January 1, 1979.
29. Mrs. Freda Collett, Secretary, Department of Business Education, at a twelve-month salary of \$6,032 beginning January 1, 1979.
30. Mrs. Carol Ann White, Secretary, Appalachian Development Center, at a twelve-month salary of \$6,500 beginning December 18, 1978.
31. Mr. Richard E. Mackey, Coordinator of Television Productions, Bureau of University and Regional Services, at a twelve-month salary of \$15,200 beginning January 1, 1979.
32. Mrs. Tommie Holbrook, Secretary, TRIO Center, at a twelve-month salary of \$6,600 beginning January 8, 1979.
33. Mr. Levi Anderson, Farm Laborer, University Farm, at a twelve-month salary of \$6,100 beginning December 15, 1978.
34. Mr. Dennis Wayne Claypool, Library Technical Assistant, Johnson Camden Library, at a twelve-month salary of \$6,500 beginning January 2, 1979.
35. Miss Deborah Howard, Library Technical Assistant, Johnson Camden Library, at a twelve-month salary of \$6,500 beginning January 2, 1979.
36. Ms. Terry McDowell, Library Technical Assistant, Johnson Camden Library, at a twelve-month salary of \$6,500 beginning January 15, 1979.
37. Mrs. Patricia Lynn McClain, Secretary, Appalachian Development Center, at a twelve-month salary of \$7,300 beginning January 8, 1979.
38. Dr. Charles Elliott, Associate Professor of Sociology, School of Social Sciences, at a salary of \$10,000 for the 1979 spring semester.
39. Mr. Eddie Jay Horton, Carpenter, Department of Buildings and Grounds, at a twelve-month salary of \$9,050 beginning January 8, 1979.
40. Miss Carlotta Kay Bush, Assistant Coach of Women's Track Team, Department of Athletics, at a salary of \$66.60 per week for 18 weeks beginning January 8, 1979.

41. Mr. Anthony Barnette, Farm Laborer, University Farm, at a twelve-month salary of \$6,032 beginning December 15, 1978.
42. Ms. Sharon Roberts, Loan Officer, Bureau of Fiscal Affairs, at a twelve-month salary of \$11,500 beginning February 1, 1979.
43. Ms. Linda Carol Rardin, Secretary, Bureau of Fiscal Affairs, at a twelve-month salary of \$6,032 beginning January 19, 1979.
44. Mr. Tommy Planck, Farm Laborer, University Farm, at a salary of \$2.65 per hour beginning October 17, 1978.
45. Mrs. Ruth Workman, Cook, University Breckinridge School, at a nine-month salary of \$4,345 beginning December 1, 1978, and ending May 18, 1979.
46. Ms. Deborah Tewksbury, Assistant in Athletic Training for Women's Program, Department of Athletics, at a salary of \$66 per week for 18 weeks for the 1979 spring semester.
47. Mr. Chester Lewis, Security Officer, Bureau of Student Affairs, at a salary of \$4.50 per hour beginning January 1, 1979.

C. Leaves of Absence

1. Mrs. Kay Gartin, Maternity Leave of Absence without pay as Clerk/Typist in the Johnson Camden Library for the period beginning December 1, 1978, and ending March 1, 1979.
2. Dr. Dong Kim, Leave without pay as Associate Professor of Sociology, School of Social Sciences, for 1979 spring semester.
3. Mr. James D. Reeder, Leave without pay as Assistant Professor of Education, School of Education, for the 1979-80 academic year.

D. Adjustments

1. Mrs. Donna Meade, Secretary, Bureau of Academic Affairs, salary increased from an annual salary of \$6,615 to \$7,300 beginning January 1, 1979.
2. Mr. Tom Jones, Assistant Football Coach, Department of Athletics, salary increased from a ten-month salary of \$11,480 to an annual salary of \$13,000 beginning February 1, 1979.
3. Mrs. Cuba Craig, Project Director, HSST/CDA Project, contract extended for the period December 1, 1978, to August 31, 1979, at a twelve-month salary of \$14,500.
4. Mrs. Lynn Richter, HSST/CDA Field Trainer, contract extended for the period December 1, 1978, to May 15, 1979, at a twelve-month salary of \$10,500.
5. Mr. Chester Lewis, Security Officer (P-T), Bureau of Student Affairs, salary increased from \$4.50 per hour to \$5.00 per hour beginning January 15, 1979.
6. Mr. David Byrd, Staff Photographer, Division of Public Affairs, salary increased from \$200 per month for 20 hours per week to \$251.33 per month beginning January 1, 1979.
7. Mrs. Lisa Conn, position changed from Clerk/Typist and Cashier to Cashier, Bureau of Fiscal Affairs, and salary increased from \$7,500 to \$8,000 beginning January 1, 1979.
8. Mr. Tim Rhodes, position changed from Loan Officer to Bursar, Bureau of Fiscal Affairs, and salary increased from \$12,500 to \$14,500 beginning December 1, 1978.

ADJUNCT INSTRUCTORS

1978 Fall Semester

School of Applied Sciences and Technology

Kay Stephenson	\$ 6,000 (5)
Bud Claxan	935 1 sem.
Sammy Sorrell	970 1 sem.
Bobbie Tucker	935 1 sem.
Russell Shelton	2,275 1 sem.
Joe Fraley	935 1 sem.
Don Royse	1,337.50 1 sem.
Dana Greenfield	835 1 sem.
Jim Williams	500 1 sem.
Ann Mayhew	750 1 sem.
Frank Hammond	600 1 sem.
Deanna Shelton	1,139 1 sem.
Judy Reuv	1,139 1 sem.
Stewart Taylor	750 1 sem.
Norman Roberts	970 1 sem.

School of Business and Economics

Alan Galloway	750 1 sem.
Don Lail	750 1 sem.
Joseph Satterfield	792 1 sem.
Debbie Plank	750 1 sem.
Pamela Lynn Lail	750 1 sem.
Steve Lewis	750 1 sem.
Harold Bellamy	750 1 sem.

School of Education

John Brock	\$ 750 1 sem.
Palmer Hall	750 1 sem.
Ottis Murphy	1,000 1 sem.
Steve Towler	1,000 1 sem.
Morris Cierley	750 1 sem.
Jean Wilson	6,000 1 sem.
Walter Frasure	750 1 sem.
Ted Edmonds	1,500 1 sem.
Frank Welch	750 1 sem.
Dan Branham	750 1 sem.
Norman Osborne	750 1 sem.
Carol Ca-rington	750 1 sem.
Carl Lively	750 1 sem.
Kelly Thompson	750 1 sem.
Jeff B. Mayse	750 1 sem.

School of Humanities

Robert Speaks	750 1 sem.
Sylvia Layne	3,650 (5)
JoAnne Keenan	10,000 (9)
Suanne Blair	7,700 (9)

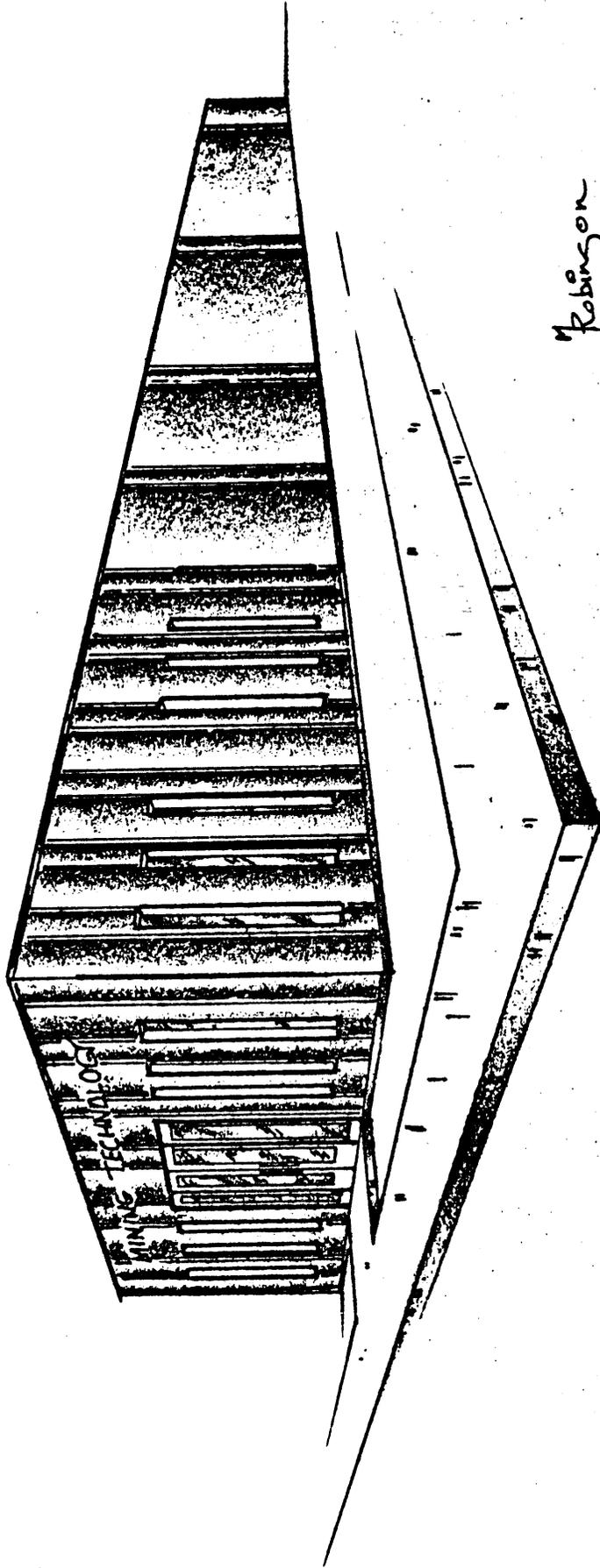
School of Sciences and Mathematics

John Turbek	750 1 sem.
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JOHNSON CAMDEN LIBRARY

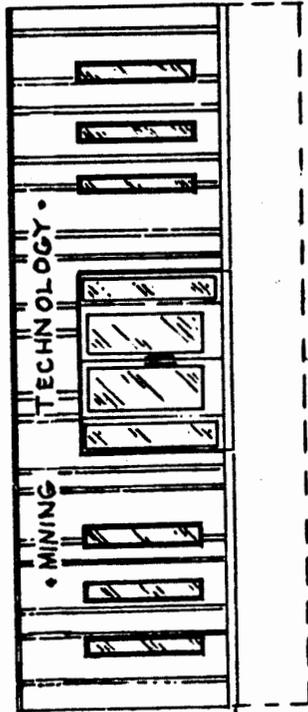
Department of Library Science and Instructional Media

Opal Belcher	Class did not develop
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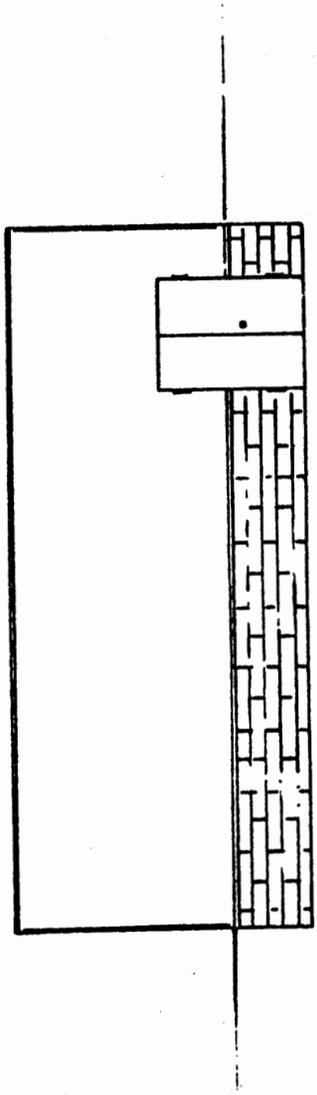


Robinson
76.1

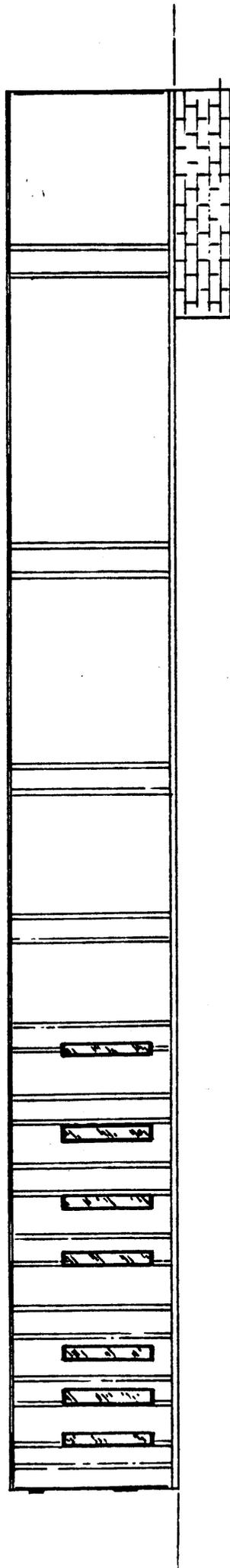
ENGINEERING TECHNOLOG



FRONT



BACK



RIGHT SIDE

OR
LEFT

A RESOLUTION

WHEREAS, The Board of Regents of Morehead State University recognizes the inequities which exist in employee benefits among the state-supported institutions of higher education in the Commonwealth of Kentucky, and

WHEREAS, these disparities in retirement benefits and health benefits continue to restrict faculty recruitment and retention efforts, and

WHEREAS, the Kentucky Council on Higher Education, by its adoption of benchmark institutions and subsequent recommendations for state-appropriated funds to our institutions to equalize faculty salaries, has recognized the need for equality in compensation programs

BE IT THEREFORE RESOLVED by the Board of Regents of Morehead State University that the Kentucky General Assembly is respectfully requested to provide funding in the 1980-82 Biennium to equalize employee benefit programs in the state-supported institutions of higher education in the Commonwealth of Kentucky.

Adopted this 24th day of January 1979.

ATTEST:


Secretary


Chairman

Statement of Current Funds Revenues

MOREHEAD STATE UNIVERSITY

For the Six Months Ended December 31, 1978

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Totals</u>
<u>EDUCATIONAL AND GENERAL</u>			
Tuition and Fees	\$ 2,062,923.97	\$	\$ 2,062,923.97
State Appropriations	8,467,259.55		8,467,259.55
Governmental Grants and Contracts	10,700.00	1,222,484.12	1,233,184.12
Indirect Cost Reimbursements	32,025.87		32,025.87
Sales and Services of Educational Activities	117,269.42		117,269.42
Other Services	<u>158,370.92</u>		<u>158,370.92</u>
TOTALS--Educational and General	<u>\$10,848,549.73</u>	<u>\$1,222,484.12</u>	<u>\$12,071,033.85</u>
<u>AUXILIARY ENTERPRISES</u>			
Sales and Services of Auxiliary Enterprises	<u>\$ 2,045,796.12</u>	<u>\$ - 0 -</u>	<u>\$ 2,045,796.12</u>
<u>TOTAL CURRENT FUNDS REVENUES</u>	<u>\$12,894,345.85</u>	<u>\$1,222,484.12</u>	<u>\$14,116,829.97</u>

Statement of Current Fund Expenditures and Mandatory Transfers

MOREHEAD STATE UNIVERSITY

For the Six Months Ended December 31, 1978

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Totals</u>
<u>EDUCATIONAL AND GENERAL</u>			
<u>Expenditures</u>			
Instruction	\$ 3,444,765.20	\$ 274,666.53	\$ 3,719,431.73
Research	38,749.57	44,544.43	83,294.00
Public Service	100,255.75	257,490.20	357,745.95
Library	409,324.16	4,049.36	413,373.52
Academic Support	666,143.09	- 0 -	666,143.09
Student Services	667,515.62	28,295.84	695,811.46
Institutional Support	2,197,571.07	- 0 -	2,197,571.07
Operation and Maintenance of Plant	1,177,254.17	- 0 -	1,177,254.17
Financial Aid	140,019.58	741,512.74	881,532.32
	<hr/>	<hr/>	<hr/>
TOTAL--Educational and General Expenditures	\$ 8,841,598.21	\$1,350,559.10	\$10,192,157.31
	<hr/>	<hr/>	<hr/>
<u>Mandatory Transfers</u>			
Principal and Interest	\$ 792,738.13	\$ - 0 -	\$ 792,738.13
Loan and Other Matching Grants	101,102.00	- 0 -	101,102.00
	<hr/>	<hr/>	<hr/>
TOTAL--Mandatory Transfers	\$ 893,840.13	\$ - 0 -	\$ 893,840.13
	<hr/>	<hr/>	<hr/>
TOTALS--EDUCATIONAL AND GENERAL	\$ 9,735,438.34	\$1,350,559.10	\$11,085,997.44
	<hr/>	<hr/>	<hr/>
<u>AUXILIARY ENTERPRISES</u>			
Expenditures	\$ 1,386,352.17	\$ - 0 -	\$ 1,386,352.17
Mandatory Transfers			
Principal and Interest	448,533.75	- 0 -	448,533.75
	<hr/>	<hr/>	<hr/>
TOTALS - AUXILIARY ENTERPRISES	\$ 1,834,885.92	\$ - 0 -	\$ 1,834,885.92
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT FUND EXPENDITURES AND MANDATORY TRANSFERS	\$11,570,324.26	\$1,350,559.10	\$12,920,883.36
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Balance Sheet

MOREHEAD STATE UNIVERSITY

December 31, 1978

ASSETS

LIABILITIES AND FUND BALANCES

CURRENT FUNDS

CURRENT FUNDS

Unrestricted

Unrestricted

Cash	\$ 1,839,470.57
Investments--at cost	435,000.00
Accounts Receivable (Net of Allowance for Doubtful Accounts)	286,142.06
Inventories	<u>501,337.28</u>

Accounts Payable		\$ 388,445.78
Fund Balances		
Allocated	\$2,046,513.21	
Unallocated	<u>626,990.92</u>	<u>2,673,504.13</u>

Total Unrestricted \$ 3,061,949.91

Total Unrestricted \$ 3,061,949.91

Restricted

Resitricted

Cash	(\$ 82,573.39)
Accounts Receivable	<u>88,081.39</u>

Unearned Revenues		\$ 5,508.00
Fund Balance		<u>- 0 -</u>

Total Restricted \$ 5,508.00

Total Restricted \$ 5,508.00

TOTAL CURRENT FUNDS \$ 3,067,457.91

TOTAL CURRENT FUNDS \$ 3,067,457.91

LOAN FUNDS

LOAN FUNDS

Cash	\$ 314,805.82
Investments--at cost	300,000.00
Loans to students (Net of Allowance for Doubtful Accounts)	<u>3,264,183.16</u>

Fund Balances		
U.S. Government Contributions	\$ 4,826,664.00	
Institution's Contribution	534,287.09	
Deficit	<u>(1,481,962.11)</u>	

TOTAL LOAN FUNDS \$ 3,878,988.98

TOTAL LOAN FUNDS \$ 3,878,988.98

ASSETS

ENDOWMENT FUNDS

Cash	\$ 1,571.92
Investments--at cost	<u>702.58</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 2,274.50</u>

PLANT FUNDS

Unexpended

Cash	\$ <u>8,379,539.01</u>
Total Unexpended	<u>\$ 8,379,539.01</u>

Renewals and Replacements

Cash	\$ 57,968.05
Investments in U.S. Treasury Notes -- at cost	<u>80,000.00</u>
Total Renewals and Replacement	<u>\$ 137,968.05</u>

Retirement of Indebtedness

Cash	\$ 46,635.52
Investments in U.S. Treasury Securities--at cost	<u>2,541,052.84</u>
Total Retirement of Indebtedness	<u>\$ 2,587,688.36</u>

LIABILITIES AND FUND BALANCES

ENDOWMENT FUNDS

Fund Balance--Restricted	\$ <u>2,274.50</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 2,274.50</u>

PLANT FUNDS

Unexpended--Fund Balances

Reserve for Encumbrances Restricted	\$ 7,055,631.46
	<u>1,323,907.55</u>
Total Unexpended	<u>\$ 8,379,539.01</u>

Renewals and Replacement

Fund Balance	\$ <u>137,968.05</u>
Total Renewals and Replacement	<u>\$ 137,968.05</u>

Retirement of Indebtedness

Fund Balance	\$ <u>2,587,688.36</u>
Total Retirement of Indebtedness	<u>\$ 2,587,688.36</u>

Investment in Plant

Land and Improvements	\$ 1,969,662.26
Buildings	53,725,640.51
Library	3,253,916.43
Charles M. Derrickson Agricultural Complex	349,950.00
Vehicles	233,117.00
Equipment	5,295,550.78
Construction in Progress	<u>8,996,507.00</u>

Total Investment in Plant \$73,824,343.98

TOTAL PLANT FUNDS \$84,929,539.40

AGENCY FUNDS

Cash	\$ 205,681.34
Investments--at cost	265,000.00
Accounts Receivables	<u>3,944.50</u>

TOTAL AGENCY FUNDS \$ 474,625.84

Investment in Plant

Bonds Payable	\$33,050,000.00
Net Investment in Plant	<u>40,774,343.98</u>

Total Investment in Plant \$73,824,343.98

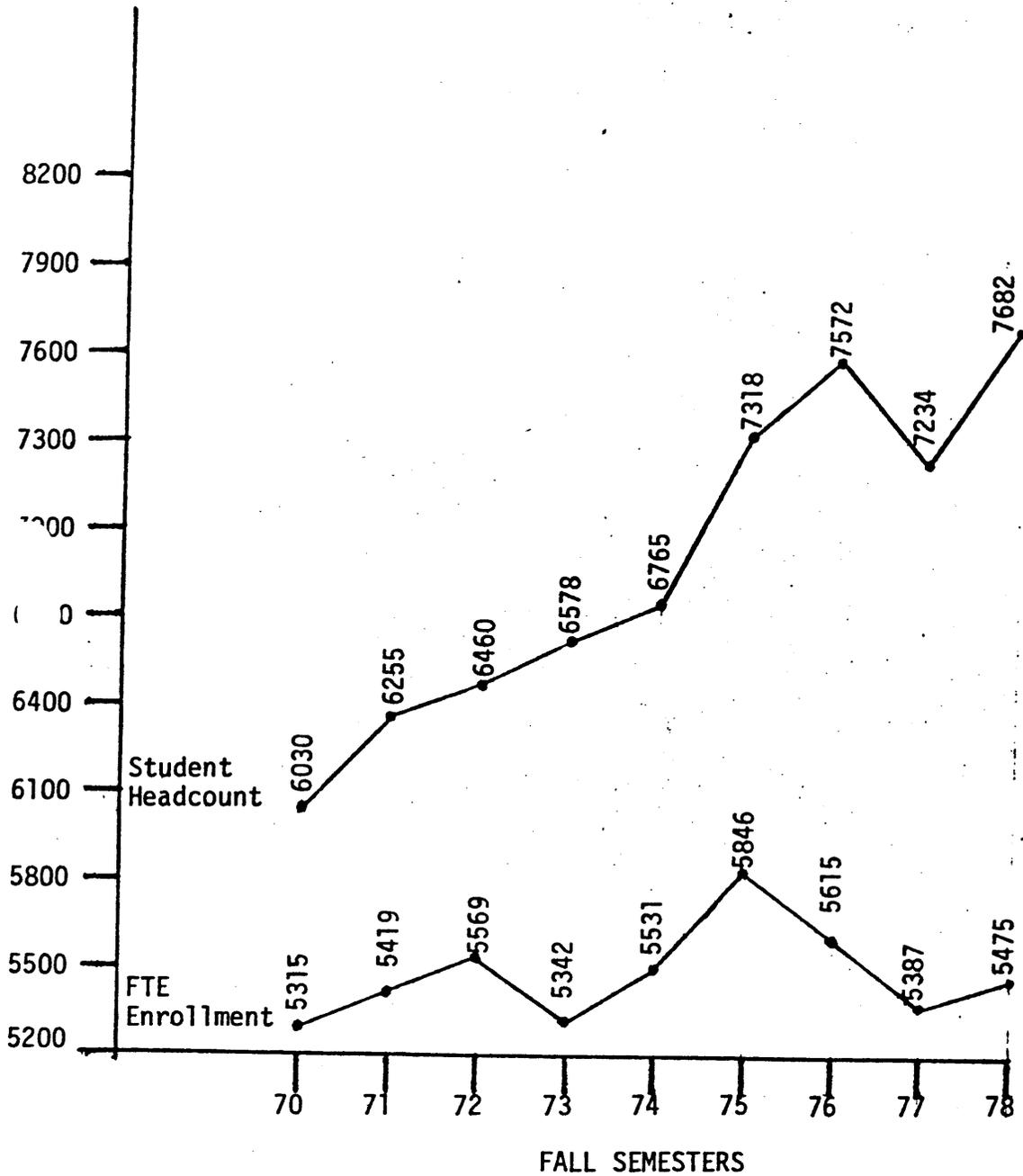
TOTAL PLANT FUNDS \$84,929,539.40

AGENCY FUNDS

Funds held in custody for others	<u>\$ 474,625.84</u>
----------------------------------	----------------------

TOTAL AGENCY FUNDS \$ 474,625.84

STUDENT HEADCOUNT and FTE ENROLLMENT 1970 - 78



BOARD OF EDUCATION LIABILITY
INCLUDING SCHOOL DISTRICT REIMBURSEMENT POLICY



CNA PLAZA / CHICAGO, ILLINOIS 60685

Exhibit IV

I. Insuring Clause:

The Insurer designated in the declarations (a stock insurance corporation, herein called the insurer) in consideration of the payment of the premium and subject to all of the terms, conditions and limitations of this policy, agrees as follows:

- (a) With the Assureds that if, during the policy period any claim or claims are made against them, individually or collectively, for a Wrongful Act occurring during the policy period, the Insurer will pay on behalf of, in accordance with the terms of this policy, the Assureds, or any of them, their Executors, Administrators or Assigns, for all loss which the said Assureds or any of them shall become legally obligated to pay;
- (b) With the School District that if, during the policy period, any claim or claims are made against the Assureds, individually or collectively, for a Wrongful Act occurring during the policy period, the Insurer will pay on behalf of, in accordance with the terms of this policy, the School District all loss for which the School District may be required or permitted by law to indemnify such Assureds.

II. Extensions:

- (a) This policy shall cover loss arising from any claim made during the policy period against the estates, heirs, legal representatives or assigns of deceased persons, who were Assureds at the time of the Wrongful Act upon which such claims are based, provided always that such claims are based upon a Wrongful Act occurring during this policy period.
- (b) If the policy is cancelled or not renewed by the Insurer, the School District may apply to the Insurer for an extension of the cover granted by this policy in respect to any claim or claims which may be made against the Assureds during the period of twelve calendar months after the date of such cancellation or non-renewal, but only in respect of any Wrongful Act which occurred during the policy period and before the date of cancellation or non-renewal of the policy. Such extension of coverage is at the discretion of the Insurer. (Application for this extension must be made within ten (10) days from the effective date of cancellation or non-renewal of the policy.)

III. Definitions:

- (a) The term "School District" shall mean the School District shown in Item A of the Declarations as legally constituted at the inception of this policy.
- (b) Based upon the applicable Coverage Form as shown under Item H of the policy Declarations, Assureds shall mean:

PLAN A - BROAD FORM - All persons who were, now are or shall be employed by the School District and shall also include student teachers and all elected or appointed members of the Board of Education, Trustees or School Directors of the School District.

PLAN B - LIMITED FORM - All persons who were, now are or shall be elected or appointed members of the Board of Education, Trustees or School Directors of the School District.

PLAN C - SCHEDULED FORM - All persons who were, now are or shall be elected or appointed members of the Board of Education, Trustees or School Directors of the School District and those persons who occupy the positions as shown under Item H of the policy Declarations.

- (c) Wrongful Act shall mean any actual or alleged errors or misstatement or misleading statement or act or omission or neglect or breach of duty by the Assureds in the discharge of their duties, individually or collectively, or any matter claimed against them solely by reason of their being or having been Assureds during this policy period.
- (d) Loss shall mean any amount which the Assureds are legally obligated to pay or for which the School District may be required or permitted to pay as indemnity to the Assureds, for a claim or claims made against the Assureds for a Wrongful Act and shall include but not be limited to damages, judgments, settlements and costs, cost of investigation and defense of legal actions, (excluding from such costs of investigation and defense, salaries of officers or employees of the School District or any other governmental body) claims or proceedings and appeals therefrom, cost of attachment or similar bonds, provided always, however, such subject of loss shall not

include fines imposed by law, or matters which shall be deemed uninsurable under the law pursuant to which this policy shall be construed.

- (e) The term "policy year" shall mean the period of one year following the effective date and hour of this policy or any anniversary thereof, or if the time between the effective date or any anniversary and the termination of the policy is less than one year, such lesser period.

IV. Exclusions:

- (a) Except insofar as the School District may be required or permitted by law to pay as indemnity to the Assureds, the Insurer shall not be liable to make any payment for loss in connection with any claim made against the Assureds:

- (1) based upon or attributable to their gaining in fact any personal profit or advantage to which they were not legally entitled;
- (2) for the return by the Assureds of any remuneration paid in fact to them if payment of such remuneration shall be held by the Courts to be in violation of law;
- (3) if a judgment or final adjudication in any action brought against the Assureds shall be based on a determination that acts of fraud or dishonesty were committed by the Assureds.

- (b) The Insurer shall not be liable to make any payment for loss in connection with any claim against the Assureds.

- (1) which is insured by another valid policy or policies except as provided in (4);
- (2) for which the Assureds or the School District are entitled to indemnity and/or payment by reason of having given notice of any circumstance which might give rise to a claim under any policy or policies the term of which has expired prior to the inception date of this policy;
- (3) for any damages, direct or consequential, arising from bodily injury, sickness, disease or death of any person, or for damage to or destruction of any tangible property including loss of use thereof;
- (4) for false arrest, libel, slander, defamation of character, invasion of privacy, wrongful eviction, assault or battery, except insofar as may be insured under any other valid policy or policies and then only in excess of such insurance.
- (5) arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.

V. Limits of Liability:

- (a) The Insurer shall be liable to pay all loss in excess of the amount of the retention shown under Item D of the Declarations up to the limit of liability as shown under Item C of the Declarations.
- (b) Subject to the foregoing the Insurer's liability for any

loss shall be the amount as shown under Item C of the Declarations for both Sections I(a) and I(b) of the Insuring clause and shall be the maximum liability of the Insurer in each policy year and in no event shall the Insurer's total limit of liability in any one policy year exceed the maximum annual aggregate stated in Item C of the Declarations.

- (c) This policy shall pay only the excess of such retention in respect of each and every loss hereunder, including costs, charges and expenses as described in Clause VI and such retention shall be uninsured.

VI. Costs, Charges and Expenses:

- (a) No costs, charges or expenses shall be incurred settlements made without the Insurer's consent, such consent not to be unreasonably withheld.
- (b) The Insurer may, at its option and upon request, advance on behalf of the Assureds, or any of them, expenses which they have incurred in connection with claims made against them, prior to disposition of such claims, provided always that, in the event it is finally established the Insurer has no liability hereunder, such Assureds agree to repay to the Insurers, upon demand, all monies advanced by virtue of this provision.

VII. Notice of Claim:

- (a) If the School District or any Assureds shall receive written or oral notice from any party that it is the intention of such party to hold the Assureds responsible for a Wrongful Act which occurred during the policy period, they shall give written notice within one year to the Insurer of the receipt of such written or oral notice, then any claim made within the space of two years following the termination of this policy (or of the expiration of extended discovery period under Section II(b)) against the Assureds arising out of such Wrongful Act shall, for the purpose of this policy, be treated as a claim made during the policy year in which the Wrongful Act occurred.
- (b) If this policy is cancelled or not renewed by the School District and should the School District or any Assureds receive within ninety (90) days after the cancellation or expiration date of this policy written or oral notice from any party that it is the intention of such party to hold the Assureds responsible for a Wrongful Act which

Item IV exclusions is amended by the addition of the following:

(b)

- (7) based upon the Employees Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as The Pension Reform Act of 1974, and amendments thereto, or similar provisions of any Federal, State or Local Statutory Law or Common Law.

This endorsement forms a part of and is for attachment to the following described policy issued by the company designated therein, takes effect on the effective date of said policy, unless another effective date is shown below, at the hour stated in said policy and expires concurrently with said policy.

<i>Must Be Completed</i>	
ENDT. NO.	POLICY NO.

<i>Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy</i>	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT



Countersigned by _____
Authorized Agent

COLLEGE OR UNIVERSITY AMENDATORY ENDORSEMENT

It is agreed that the policy is amended as follows:

1. The words "School District" wherever they appear are amended to read "College or University";
2. The words "Board of Education, Trustees or School Directors of the School District" are amended to read "Board of Regents, Board of Trustees or Board of Governors of the College or University";
3. IN CONSIDERATION of the premium for which this policy is written, it is agreed that such insurance as is afforded by this policy does not apply to loss arising out of any claim made against any Assureds, or the College or University, or any of them, based on or attributable to the rendering or failure to render any opinion, treatment, consultation or service if such opinion, treatment, consultation or service was rendered or failed to have been rendered while any person was (a) engaged in any activity for which such person received compensation from any source other than the College or University named in Item A of the Declarations or (b) gratuitously engaged other than by specific direction of the College or University named in Item A of the Declarations.

This endorsement forms a part of and is for attachment to the following described policy issued by the CNA/INSURANCE company designated therein, takes effect on the effective date of said policy, unless another effective date is shown below, at the hour stated in said policy and expires concurrently with said policy.

<i>Must Be Completed</i>	
ENDT. NO.	POLICY NO.

<i>Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy</i>	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT



Countersigned by _____
Authorized Agent

**BOARD OF EDUCATION LIABILITY INCLUDING
SCHOOL DISTRICT REIMBURSEMENT POLICY
LIBERALIZATION ENDORSEMENT**

IN CONSIDERATION of the premium charged, it is agreed that the policy to which this endorsement forms a part of is amended as follows:

Paragraph I - Insuring Clause

(c) is hereby added

“(c) With the School District that if during the policy period any claim or claims are made against it as a result of any Wrongful Act occurring during the policy period, the Insurer will pay on behalf of, in accordance with the terms of this policy, all loss which the School District shall become legally obligated to pay.”

Paragraph II - Extensions

(b) is hereby deleted and the following substituted therefor:

“(b) If the Insurer cancels or refuses to renew this policy, the School District shall have the right, upon payment of an additional 25% of the three (3) year premium for this policy, to extend the policy period for an additional twelve (12) month period, but only as respects Wrongful Acts taking place prior to the date of cancellation or expiration of the policy. The Insurer shall be notified of the School District's election to purchase this extension of coverage within ten (10) days after the date of cancellation or expiration of this policy, but the twelve (12) month period shall begin on the date of cancellation or expiration and not on the date of notification.”

Paragraph III - Definitions

(a) is hereby deleted and the following substituted therefor:

“(a) The term “School District” shall mean the School District shown in Item A of the Declarations as legally constituted at inception of this policy and its Governing Board.”

(d) is hereby deleted and the following substituted therefor:

“(d) Loss shall mean any amount which the Assured or School District are legally obligated to pay, including, but not limited to, any amounts which the School District may be required or permitted to pay as indemnity to an Assured, for a claim or claims made against an Assured for a Wrongful Act and shall include but not be limited to damages, judgments, settlements and costs, cost of investigation and defense of legal actions (excluding from such costs of investigation and defenses, salaries of officers or employees of the School District or any other governmental body) claims or proceedings and appeals therefrom, costs of attachment or similar bonds, provided always, however, such subject of loss shall not include fines imposed by the law, or matters which shall be deemed uninsurable under the law pursuant to which this policy shall be construed.”

Paragraph IV - Exclusions

(b) is hereby deleted and the following substituted therefor:

“(b) The Insurer shall not be liable to make any payment for loss in connection with any claim against the Assureds, and/or the School District.”

Sub-paragraphs (1), (2), (3), (4) and (5) are to remain as written and the following sub-paragraph (6) is hereby added:

“(6) For any amounts due, under the terms of any contractual obligation; however, except with respect to construction or demolition contracts this exclusion shall not apply to fees, costs and expenses of the investigation, defense or appeal of any claim or suit or arbitration or administrative proceedings resulting from failure to perform or breach of any contract.”

Paragraph V - Limits of Liability

(b) is hereby deleted and the following substituted therefor:

“(b) Subject to the foregoing, the Insurer's liability for any loss shall be the amount as shown under Item C of the Declarations for Sections 1(a), (b) and (c) of the Insuring Clause, and shall be maximum liability of the Insurer in each policy year and in no event shall the Insurer's total limit of liability in any one policy year exceed the maximum annual aggregate stated in Item C of the Declarations.”

Paragraph VI - Costs, Charges and Expenses

(a) and (b) are hereby deleted and the following substituted therefor:

“(a) The Assureds and/or the School District shall select and retain legal counsel to represent them in the defense and appeal of any claim, suit, action or proceeding covered under this policy, but no fees, costs or expenses shall be incurred or settlements made, without the Insurer's consent, such consent not to be unreasonably withheld.”

“(b) The Insurer may at its option and upon request, advance on behalf of an Assured, and/or the School District fees, costs and expenses which have been incurred in connection with claims made against an Assured, prior to disposition of such claims, provided always that, in the event it is finally established the Insurer has no liability hereunder, each agrees to repay to the Insurer, upon demand, all monies advanced on their behalf pursuant to this provision.”

Paragraph VII - Notice of Claim:

(a) is hereby deleted and the following substituted therefor:

"(a) If the School District or any Assureds shall receive written or oral notice from any party that it is the intention of such party to hold the Assureds responsible for a Wrongful Act which occurred during the policy period, they shall give written notice within one year to the Insurer of the receipt of such written or oral notice, then any claim made within the space of three years following the termination of this policy (or of the expiration of extended discovery period under Section II(b)) against the Assureds arising out of such Wrongful Act shall, for the purpose of this policy, be treated as a claim made during the policy year in which the Wrongful Act occurred."

Paragraph VIII - General Conditions:

(a) is hereby deleted and the following substituted therefor:

"(a) Warranty and Severability Clause:

It is warranted that the particulars and statements contained in the written proposal, copy of which is attached hereto, and the Declarations are the basis of this policy and are to be considered as incorporated in and constituting part of the policy. As respects the particulars and statements contained in the written proposal and the Exclusions set forth herein, this policy shall be construed as a separate agreement with each Assured and the School District. Nothing in this paragraph shall be construed to increase the Insurer's maximum liability as set forth in Section V of this policy."

All other conditions are to remain as written except as specifically changed, amended or added herein.

This endorsement forms a part of and is for attachment to the following described policy issued by the CNA/INSURANCE company designated therein, takes effect on the effective date of said policy, unless another effective date is shown below, at the hour stated in said policy and expires concurrently with said policy.

<i>Must Be Completed</i>

<i>Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy</i>	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT



BOARD OF EDUCATION LIABILITY INCLUDING
SCHOOL DISTRICT REIMBURSEMENT POLICY

CLARIFICATION ENDORSEMENT

Nothing in this policy shall be construed to insure loss arising out of or in any way attributable to:

- 1) failure to integrate or desegregate the student enrollment or participation in any school district, school or educational or extra-curricular program on the basis of race, ethnic background or national origin, or,
- 2) the bussing or other transportation of students to or from schools or extra-curricular events in connection with a program or plan of such integration or desegregation, or,
- 3) causing or allowing the student enrollment or participation in any school district, school or education or extra-curricular program to be operated or administered on a discriminatory basis because of race, ethnic background or national origin.

This endorsement, which forms a part of and is for attachment to the following described policy issued by the company designated therein, takes effect on the effective date of said policy, unless another effective date is shown below, at the hour stated in said policy and expires concurrently with said policy.

<i>Must Be Completed</i>	
ENDT. NO.	POLICY NO.

<i>Complete Only When This Endorsement Is Not Prepared with the Policy Or Is Not to be Effective with the Policy</i>	
ISSUED TO	EFFECTIVE DATE OF THIS ENDORSEMENT



Countersigned by _____
Authorized Agent

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM)**

his endorsement modifies the provisions of this policy

It is agreed that:

I. This policy does not apply:

A. to loss

- (1) with respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. to loss resulting from the hazardous properties of nuclear material, if

- (1) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
- (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) the loss arises out of the furnishing by an assured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to loss to such nuclear facility and any property thereat.

II. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"insured" means the School District and shall also mean the Assureds;

"loss" includes all forms of radioactive contamination of property.

occurred during the policy period, they shall give immediate written notice to the Insurer of the receipt of such written or oral notice, then any claim made, within the space of twelve (12) months following the cancellation or expiration of this insurance against the Assureds arising out of such Wrongful Act shall, for the purpose of this policy, be treated as a claim made during the policy period in which the Wrongful Act occurred.

- (c) The School District, or the Assureds shall, as a condition precedent to their rights under this policy, give the Insurer notice in writing of any claim made and shall give the Insurer such information and cooperation as it may reasonably require.
- (d) For the purpose of the above clauses, notice to the designee named under Item F of the Declarations shall constitute notice to the School District or to the Assureds.
- (e) In the event of any claim occurring hereunder, notice to the Insurer shall be given to the person or firm(s) shown under Item G of the Declarations. Notice shall be deemed to be received if sent by prepaid mail properly addressed.

VIII. General Conditions:

(a) Warranty and Severability Clause:

It is warranted that the particulars and statements contained in the written proposal, copy of which is attached hereto, and the Declarations are the basis of this policy and are to be considered as incorporated in and constituting part of the policy. As respects the particulars and statements contained in the written proposal and the Exclusions set forth herein, this policy shall be construed as a separate agreement with each Assured. Nothing in this paragraph shall be construed to increase the Insurer's maximum liability as set forth in Section V of this policy.

(b) Cancellation Clause:

This policy may be cancelled by the School District at any time by written notice or by surrender of this policy. This policy may also be cancelled by or on behalf of the Insurer by delivery to the School District or by mailing to the School District, by registered, certified or other first class mail, at the School District's address shown in this policy, written notice stating when, not less than thirty (30) days thereafter, the cancellation shall become effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this policy shall terminate at the date and hour specified in such notice.

If this policy shall be cancelled by the School District the Insurer shall retain the customary short rate proportion of the premium hereon. If this policy shall be cancelled by or on behalf of the Insurer, the Insurer shall retain the pro rata proportion of the premium hereon. Payment or tender of any unearned premium by the

Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation by such law.

(c) Subrogation Clause:

In the event of any payment under this policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery therefore, and Assureds or the School District shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the Assureds.

(d) School District Authorization Clause:

By acceptance of this policy, the School District named in Item A of the Declarations agrees to act on behalf of all Assureds with respect to the giving and receiving of notice of claim or cancellation, the payment of premiums and the receiving of any return premiums that may become due under this policy; and the Assureds agree that the School District shall act on their behalf.

(e) Conformity Clause:

Terms of this policy which are in conflict with the statutes of those states wherein certain provisions and coverages included under this policy are not permitted are hereby amended to cover only these provisions and coverages as apply and conform to such statutes.

(f) Action Against Insurer:

No action shall lie against the Insurer, unless as a condition precedent thereto, the Assureds and the School District shall have fully complied with all terms of this policy. In the event of the bankruptcy or insolvency of the Assureds, the Insurer shall not be relieved of payment hereunder as would have been payable but for such bankruptcy or insolvency.

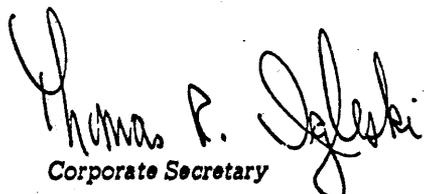
(g) Changes:

Notice to any agent of knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Insurer from asserting any right under the terms of this policy/nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

(h) Assignment:

Assignment of interest under this policy shall not bind the Insurer until its consent is endorsed hereon.

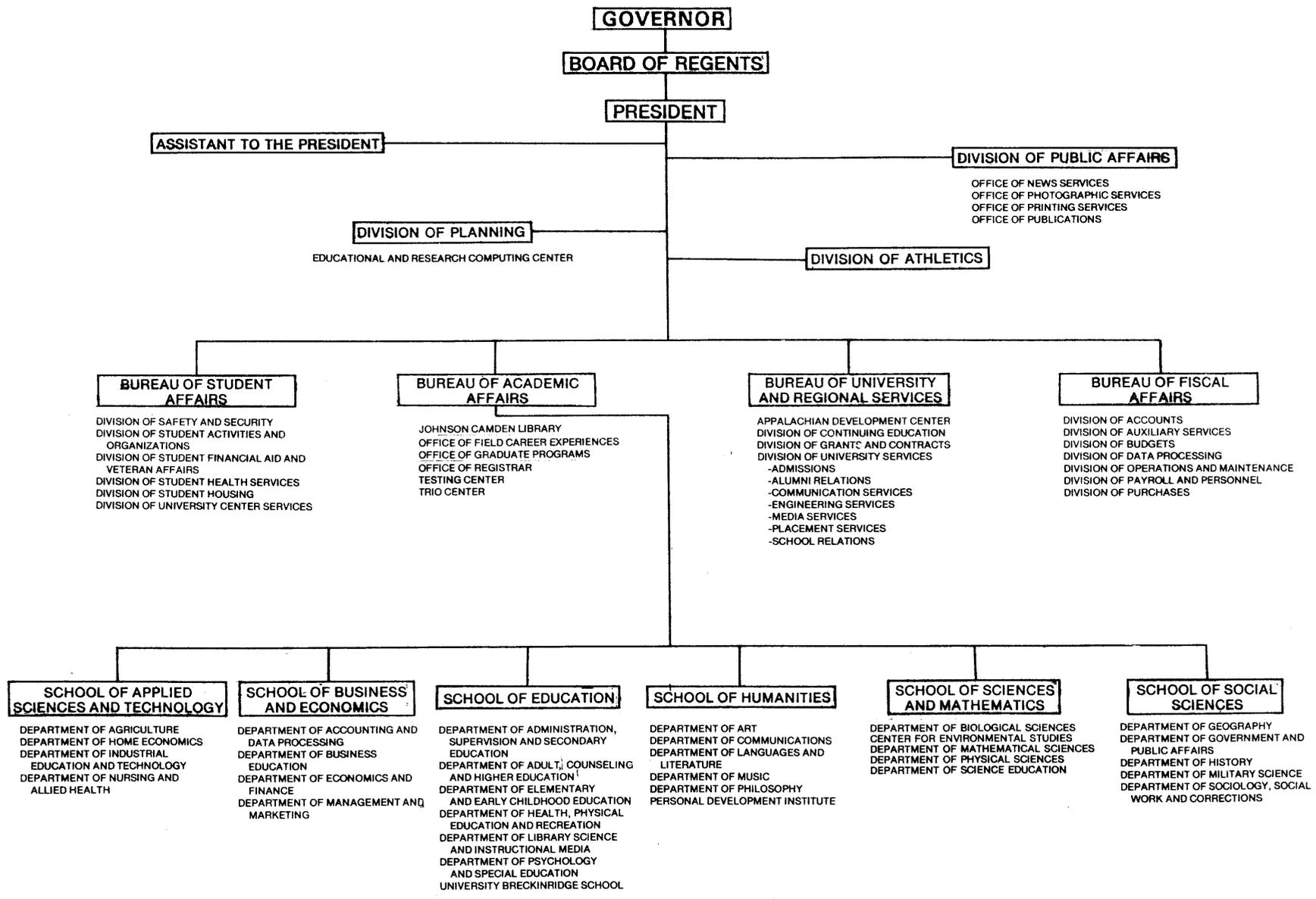
IN WITNESS WHEREOF, the Insurer designated on the declarations page has caused this policy to be signed by its Chairman of the Board and Corporate Secretary, at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned on the declarations page by a duly authorized agent of the Insurer.


Thomas P. Jaleski
Corporate Secretary


Chairman of the Board

MOREHEAD STATE UNIVERSITY Organization Chart

Jan. 1, 1979



DDG722

On the recommendation of President Norfleet, Mr. Richardson moved that a resolution be prepared commending Mr. B. F. Reed, on behalf of the Board of Regents, for over 21 years of loyal and dedicated service rendered to Morehead State University as a member of the Board, and that consideration be given to some other means of recognizing him further at a future Board meeting. Motion was seconded by Dr. Cartmell and unanimously approved.

Mr. Robert Welter, Director, Employee Relations, Ashland Oil, Inc., was present and made a presentation of a check in the amount of \$10,000 to Chairman Cassity and President Norfleet to enable the University to build a coal mining technology laboratory on campus. The grant will approximate \$50,000 by Ashland Oil, Inc. to be given in installments.

Dr. Jerry Howell, Chairman of the Campus Energy Conservation Committee, presented a report on the phases of implementation of the Energy Conservation and Emergency Plan which was adopted by the Board of Regents at its meeting on November 15, 1978.

Dr. Pelfrey moved that the personnel changes suggested in Exhibit I be approved. Motion was seconded by Dr. Cartmell and unanimously approved.

Dr. Cartmell moved that the Board approve the adjustment in secretarial/clerical personnel salaries to the minimum wage scale effective January 1, 1979, and that the spread be maintained by adjusting all other secretarial/clerical personnel accordingly. Motion was seconded by Mr. Kibbey and unanimously approved.

Mr. Perkins moved that the Board approve changing the maximum student load from seventeen (17) to eighteen (18) hours and that special permission must be given to take hours in excess of eighteen (18). Motion was seconded by Dr. Pelfrey and unanimously approved.

Dr. Pelfrey moved that the Board approve the establishment of an award entitled "Morehead State University Distinguished Researcher Award." The purpose of the award would be to recognize the faculty member who contributes most to the field of research at Morehead State University during a given period of time. A committee composed of students, faculty and administrators will be selected to develop the guidelines for implementing the program. Motion was seconded by Dr. Cartmell and unanimously approved.

Dr. Pelfrey moved that the Board adopt the Statement of Purpose for the University as follows:

The University should be a community of students, teachers, administrators, and staff where all pursue intellectual, creative, and technical development.

The University should foster an environment in which knowledge may be discovered, integrated, and disseminated for concerns of social significance or for the excitement of research or free inquiry.

The University should provide opportunity for students to recognize their potentialities and to acquire the discipline necessary for self-realization.

The University should be a place where the interaction of students and teachers committed to excellence creates an atmosphere in which both will be stimulated to accept the challenges of the universe.

The University should promote the development of those qualities of leadership necessary to meet the diverse needs of the state, nation, and world.

The University should develop programs to fulfill its specific mission of serving the economic, educational, social, and cultural needs of northern and eastern Kentucky.

The University should respond to the demands of the present by utilizing the achievements and values of the past and by exploring the possibilities of the future.

Motion was seconded by Dr. Cartmell and unanimously approved.

Mr. Howell moved that the Board adopt a resolution to be sent to the members of the General Assembly in regard to the inequities which exist in contribution of faculty and staff members to the Kentucky Teachers' Retirement System as follows:

A RESOLUTION

WHEREAS, The Board of Regents of Morehead State University recognizes the inequities which exist in employee benefits among the state-supported institutions of higher education in the Commonwealth of Kentucky, and

WHEREAS, these disparities in retirement benefits and health benefits continue to restrict faculty recruitment and retention efforts, and

WHEREAS, the Kentucky Council on Higher Education, by its adoption of benchmark institutions and subsequent recommendations for state-appropriated funds to our institutions to equalize faculty salaries, has recognized the need for equality in compensation programs,

BE IT THEREFORE RESOLVED BY THE Board of Regents of Morehead State University that the Kentucky General Assembly is respectfully requested to provide funding in the 1980-82 Biennium to equalize employee benefit programs in the state-supported institutions of higher education in the Commonwealth of Kentucky.

Adopted this 24th day of January, 1979.

ATTEST:

/s/ Secretary

/s/ Chairman

Motion was seconded by Dr. Pelfrey and unanimously approved.

Mr. Richardson moved that the Board adopt the following guidelines in the preparation of the 1979-80 operational budget:

1. Analysis be made of revenue and expenditures for the current fiscal year to determine adequacy. If it is necessary to increase certain fees, that these increases be built into the budget-making processes which would be presented for adoption at a future Board meeting.
2. We will have a base of 5 percent salary money for increments and adjustments this year. The salary adjustments will range from 0 to 7 percent this year based on evaluation of the chairperson, the dean of the school, the Vice President for Academic Affairs and/or the same supervisory positions in other bureaus.

Motion was seconded by Dr. Cartmell and unanimously approved.

Mr. Richardson moved that the Board adopt the quarterly financial report as submitted by John Graham, Treasurer of the Board. Motion was seconded by Mr. Howell and unanimously approved.

Mr. Perkins moved that the Board approve the organizational chart for Morehead State University as presented in Exhibit VI. Motion was seconded by Dr. Pelfrey and unanimously approved.

On the recommendation of President Norfleet, Mr. Hall moved that the Board adopt a resolution to be sent to Dr. C. Louise Caudill for her contributions to the community, Morehead State University and the state of Kentucky as follows:

A RESOLUTION

WHEREAS, Dr. C. Louise Caudill of Morehead, Kentucky, has been engaged in the distinguished practice of medicine for 30 years, and

WHEREAS, Dr. Caudill is an alumnus and former faculty member of Morehead State University, and

WHEREAS, Dr. Caudill is serving her second term as a citizen member of the Kentucky Council on Higher Education, the coordinating agency for the Commonwealth's public institutions of higher education, and

WHEREAS, Dr. Caudill was instrumental in the founding of St. Claire Medical Center and has been active in other efforts to improve the quality of life in Eastern Kentucky, and

WHEREAS, Dr. Caudill recently was honored by the Kentucky Federation of Business and Professional Women as the 1979 "Kentucky Woman of Achievement" for these and other accomplishments and contributions,

BE IT THEREFORE RESOLVED by the Board of Regents of Morehead State University that Dr. C. Louise Caudill be and hereby is commended for her personal and professional service to the people of Kentucky, for her support of public higher education in general and of Morehead State University in particular.

Adopted this 24th day of January, 1979.

ATTEST:

/s/ Secretary

/s/ Chairman

Motion was seconded by Mr. Richardson and unanimously approved.

On the recommendation of President Norfleet, Dr. Cartmell moved that the Board go into Executive Session for the purpose of discussing personnel matters. Mr. Howell seconded the motion and the motion was adopted by the following roll call vote:

Mr. Cassity	Aye
Mr. Howell	Aye
Dr. Cartmell	Aye
Mr. Hall	Aye
Mr. Kibbey	Aye
Mr. Richardson	Aye
Dr. Pelfrey	Aye
Mr. Perkins	Aye

Nays: None

After a brief period of time, Chairman Cassity declared the Board back into Open Session. Dr. Cartmell moved, upon the recommendation of Dr. Norfleet, that the Board approve the requests of Dr. James Powell, Dean of the School of Education, and Dr. Mary Northcutt Powell, Head of the Department of Elementary and Early Childhood Education, to relinquish their administrative positions as dean and department head respectively and to assume full-time faculty status on nine-month contracts in the School of Education to become effective June 30, 1979, and that letters of commendation be written to them for their significant contributions to Morehead State University. Motion was seconded by Dr. Pelfrey and unanimously approved.

Mr. Howell moved that the Board adopt a resolution to be sent to the members of the General Assembly in regard to any cut in appropriation for Morehead State University as follows:

A RESOLUTION

WHEREAS, The Board of Regents of Morehead State University recognizes that the regular state appropriation to Morehead State University for the 1978-80 Biennium allows funds to partially offset inflation, meet federally-mandated salary and benefit requirements, and provide services as charged by state statute, and

WHEREAS, a reduction in state-appropriated support effected by the current Extraordinary Session of the Kentucky General Assembly would seriously impair the programs and services provided by Morehead State University.

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BE IT THEREFORE RESOLVED by the Board of Regents of Morehead State University that the General Assembly is hereby respectfully requested to forego any reduction in state appropriations to Morehead State University.

Adopted this 24th day of January, 1979.

ATTEST:

/s/ Secretary

/s/ Chairman

Motion was seconded by Mr. Perkins and unanimously approved.

Mr. Howell moved that the meeting adjourn. Motion was seconded by Mr. Perkins and unanimously carried.

Lloyd Casity

Chairman

Carol Johnson

Secretary