

Morehead State University  
**Board of Regents Meeting**

Thursday, December 9, 2010

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9 a.m.	BOR Meeting	Riggle Room
11 a.m.	Lunch	Heritage Room
Noon	Tour	Space Science Building

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Morehead State University  
**Board of Regents Members**

John C. Merchant, Chair

Paul C. Goodpaster, Vice Chair

Lindsay R. Adkins, Student Regent

James H. Booth

Julie A. Butcher

David V. Hawpe

Cheryl U. Lewis

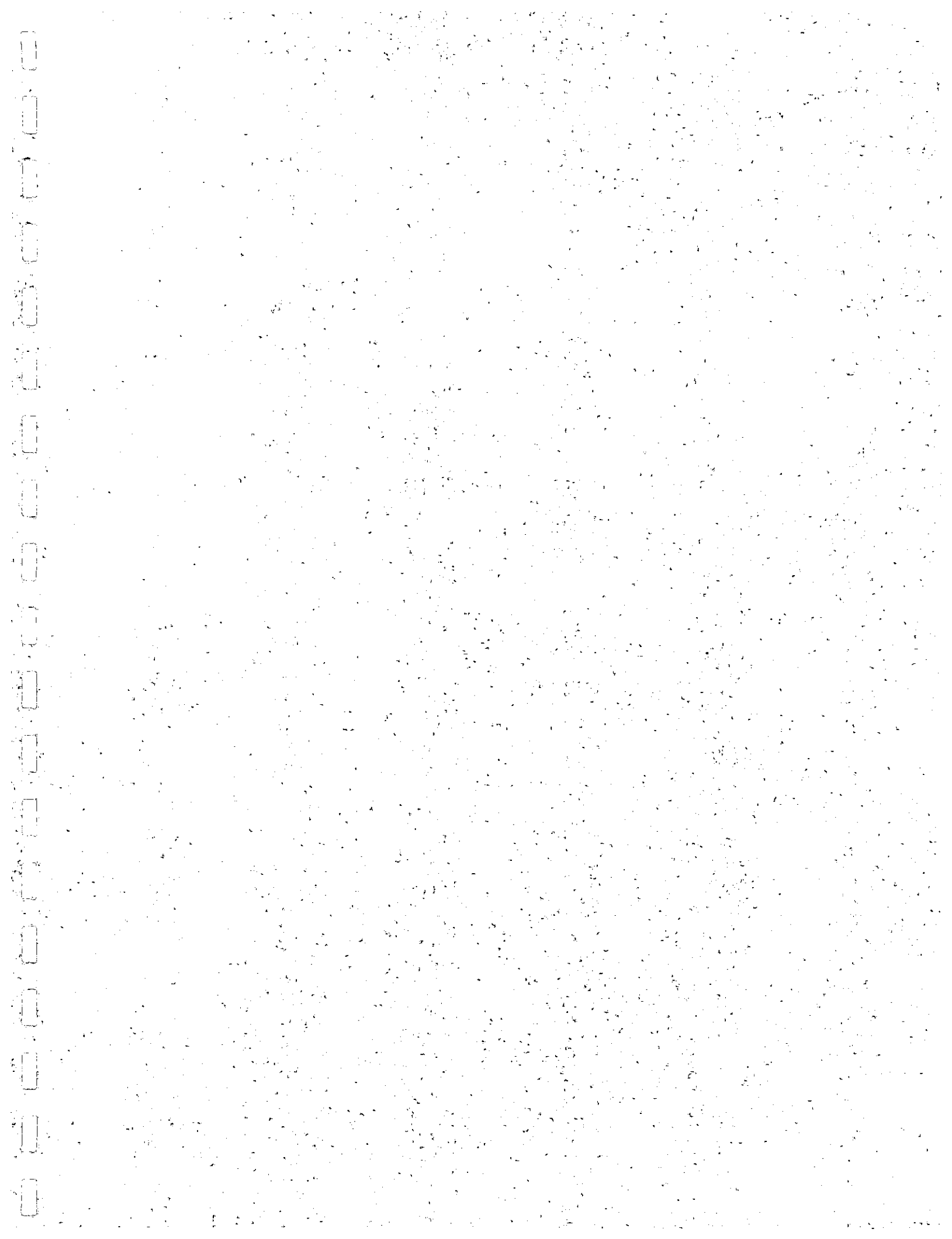
Sylvia L. Lovely

Ronald D. Morrison, Faculty Regent

Patrick E. Price

Terry E. White, Staff Regent

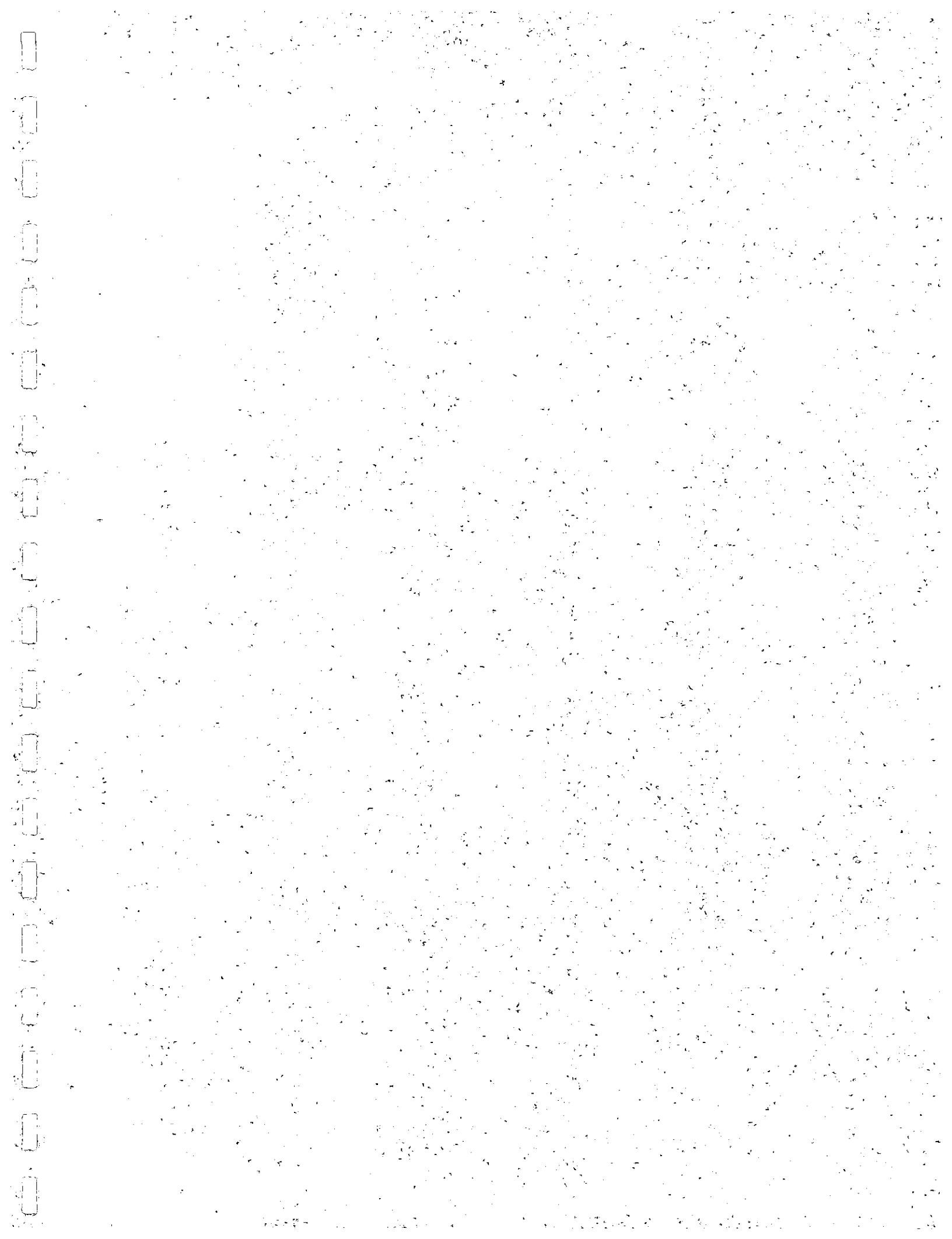
Wayne D. Andrews, President



**Board of Regents Meeting**  
**Morehead State University**  
Riggle Room, Adron Doran University Center  
9 a.m., Thursday, December 9, 2010

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **SABBATICAL LEAVE REPORT – Gary Mesa-Gaido, Professor of Art**
- IV. **SPOTLIGHT PRESENTATION – *Space Science Center***  
**Dr. Ben Malphrus, Chair of the Department of Earth and Space Sciences**  
**Robert Twiggs, Professor of Space Science**
- V. **PRESIDENT’S RECOMMENDATIONS AND REPORTS**
  - A. **Consent Agenda (Recommendations)**
    - 1. Approve Minutes of September 16, 2010..... 1-6
    - 2. Approve Winter Graduates..... 7
    - 3. Approve Amended SGA Constitution ..... 8-10
    - 4. Ratify Personnel Actions..... 11-15
    - 5. Accept 2009-10 Audit Report and Amend Operating Budget ..... 16-20
    - 6. Accept First Quarter Financial Report and Amend Operating Budget..... 21-30
  - B. **Consent Agenda (Reports)**
    - 1. Final Report on 2010 Fall Enrollment..... 31
    - 2. Report on Health Insurance for Plan Year 2011 ..... 32-33
    - 3. Report on Personal Service Contracts ..... 34-35
  - C. **President’s Report**
- VI. **OTHER BUSINESS**
  - A. **Executive Session**
  - B. **BOR Meetings for Calendar Year 2011**

Work Session	February 24
Quarterly Meeting	March 10
Work Session	May 5
Quarterly Meeting	June 9
Work Session	August 25
Quarterly Meeting	September 15
Work Session	November 17
Quarterly Meeting	December 8
  - C. **Midyear Pay Supplement**
- VII. **ADJOURNMENT**



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**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY  
September 16, 2010**

The Board of Regents of Morehead State University met at 9:30 a.m. on Thursday, September 16, 2010, at MSU's Regional Campus in Mt. Sterling. Chair John Merchant presided.

**CALL TO ORDER**

Chair Merchant called the meeting to order.

**ROLL CALL**

On roll call, the following Board members were present: Lindsay R. Adkins, James H. Booth, Julie A. Butcher, Paul C. Goodpaster, David V. Hawpe, Cheryl U. Lewis, Sylvia L. Lovely, John C. Merchant, Dr. Ronald D. Morrison, Patrick E. Price, and Terry E. White.

**GUESTS**

Mr. Merchant introduced members of the MSU at Mt. Sterling Advisory Board who were present: Dr. Daniel Freeman, Superintendent of Montgomery County Schools, and Floyd Arnold, Montgomery County Judge Executive; and Dr. Janet Kenney, Director of the MSU at Mt. Sterling Center. Also, Dr. Kim Sharp, Chair-elect of the Faculty Senate and Rebecca McGinnis, Chair of the Staff Congress, were present.

**PRESS**

Jason Blanton, Director of Media Relations, announced that there were no members of the news media present.

**RESOLUTIONS  
HONORING JOHN  
O'CULL &  
JILL HALL ROSE**

Chair Merchant opened the floor for a motion to adopt resolutions honoring two former Regents, Ms. Jill Hall Rose and Dr. John D. O'Cull, who served on the Board from 2004 to 2010. (*Resolutions attached to these minutes and marked III*)

**MOTION:** Ms. Butcher moved that the Board adopt the resolutions. Mr. Booth seconded the motion.

**VOTE:** The motion carried. (Ms. Rose was present at lunch to accept the resolution.)

**RESOLUTION  
HONORING BILLY  
JOE HALL**

Chair Merchant opened the floor for a motion to adopt a resolution in memory of Billy Joe Hall, a two-time graduate of Morehead State University, who served as MSU's first alumni director, as a member of the Board of Regents, as vice chair of the MSU Foundation Board of Trustees, and as chairman of the MSU at Mt. Sterling Advisory Board. (*Resolution attached to these minutes and marked IV*)

**MOTION:** Mr. Goodpaster moved that the Board adopt the memorial resolution. Ms. Lovely seconded the motion.

**VOTE:** The motion carried. (Mr. Hall's wife, Joyce, and children Sarah and David were present at lunch to accept the resolution.)

**2010 FOUNDERS  
AWARD FOR  
UNIVERSITY  
SERVICE**

Chair Merchant opened the floor for a motion to approve the selection of Dr. Jack D. Ellis as the recipient of the 2010 Founders Award for University Service. *(Additional background information attached to these minutes and marked V)*

MOTION: Mr. Booth moved that the Board approve Dr. Ellis as the recipient of the Founders Award for University Service. Mr. Goodpaster seconded the motion.

VOTE: The motion carried. (The award will be presented at the Homecoming Hall of Fame Banquet on October 29.)

**GOVERNOR'S  
CONFERENCE**

Chair Merchant reported on the 2010 Governor's Conference on Postsecondary Education Trusteeship held September 13 in Hebron, Kentucky. He commented on how pleased he was that MSU's Board of Regents and administrative staff were well represented at the conference. In addition, he commended Regent Jim Booth on being the recipient of the Oak Award and Dr. Ben Malphrus, Chair of MSU's Department of Earth and Space Science, on being the recipient of the Acorn Award. He said it was wonderful having two people from MSU receive such prestigious awards. The Acorn Award goes to outstanding teachers at Kentucky's public or independent colleges and universities and includes a \$5,000 honorarium. The Oak Award is presented to an alumnus of a public or independent Kentucky college or university who has achieved national stature and reputation in his or her chosen career.

Ms. Butcher said that it was fabulous to see our people receive the awards and also to have an opportunity as a Board member to interface with others from around the state.

Mr. Goodpaster commented on the presentation by Dr. Brit Kirwan, Chancellor of the University System of Maryland, who kicked off the cost containment discussions on the challenges and opportunities facing American higher education. He said that Dr. Kirwan's agenda for the public universities in Maryland was very similar to what Morehead is doing in moving forward.

Mr. Hawpe commented that he had a chance to talk with individuals he had known for years, and every single one said that Dr. Andrews has the University headed in the right direction. However, he said that there was no opportunity to raise the one issue that he wished had been raised. That is the need to develop a revenue system and tax base for Kentucky that fits the modern economy that will sustain, support, reward and extend the outstanding work that is being done on all of the campuses, particularly at Morehead.

**PRESIDENT'S  
2010-11 GOALS**

Dr. Andrews presented his proposed goals for the 2010-11 year. He indicated that based on his evaluation in June, he had incorporated the Board's suggestions into his goal statements for 2010-11. He noted that the major focus and effort during 2010-11 will be on developing and implementing an enrollment management framework to strategically grow enrollment. *(2010-11 Goals attached to these minutes and marked VI)*

Dr. Andrews said that another goal on which the University is diligently working is the new diversity plan. He noted that in his goal statements, it says the Kentucky Plan for Equal Opportunities; however, the Commonwealth has been released from that plan. He said that the Council on Postsecondary Education (CPE) and the institutions acknowledged the need to work within a common framework for diversity across higher education in Kentucky, and each institution will develop a diversity plan for its respective campus. The framework was approved by the Council at its meeting on September 12, 2010. Charles Holloway, MSU's Chief Diversity Officer, will provide the leadership in developing the University's plan according to that framework. The Board will be asked to review and approve the plan prior to its submission to the CPE in the spring of 2011.

Discussion followed on the development of the enrollment and diversity plans. In response to a question on whether the Southern Association of Colleges and Schools (SACS) has a diversity standard, Dr. Andrews advised that SACS does not have a particular diversity standard. However, the framework developed by CPE sets out categories that each institution must look at especially as it relates to each institution's service region in terms of race, ethnicity, poverty level, high school completion rates, etc. The University will set goals based on this analysis. The CPE will then advise whether MSU's goals are appropriate.

Chair Merchant talked about the importance in today's society for young people attending MSU to see more people of color. As a student at Morehead State in the 80's, he said it was not necessarily an issue, but it was important to blaze the trail for future students.

Mr. Holloway discussed an initiative he implemented this fall referred to as DREAMS. Students participating in this program are assigned advisors and mentors to whom they can go for help with academic and/or social issues. Approximately 80 students are involved in the program, which is being offered not only to freshmen but also to sophomores, juniors and seniors to work with them on leadership skills.

Dr. Morrison stressed the importance of developmental education to help those students who have deficiencies in one or more core subjects.

Dr. Andrews stated that approximately 30 percent of high school students nationally do not matriculate through to graduation. Senate Bill 1, which was approved by the General Assembly in 2009, will ensure that the standards are aligned from elementary to high school to postsecondary education so that all children in Kentucky schools are working toward a common curriculum and can be successful at each educational level.

Mr. Hawpe said that the downside of Senate Bill 1 is the change in the way the writing portfolio was treated. If the state is not going to be as effective in encouraging writing instruction and vigorous training in writing in K-12, he suggested that the University operate in such a way to encourage preparation in writing.

Following discussion, Dr. Morrison suggested that developmental education be the spotlight at a future Board meeting.

Dr. Andrews next turned to the draft Strategic Enrollment Plan, which will be the major focus and effort during 2010-11. Beth Patrick, Chief of Staff and Vice President for Planning and Budgets, presented the framework of the plan to strategically grow enrollment across the institution.

Following discussion of the framework, Chair Merchant entertained a motion to approve the President's Goals for 2010-11.

MOTION: Ms. Butcher moved that the Board approve the goals. Mr. Goodpaster seconded the motion.

Dr. Morrison stated that all of the goals are worthwhile; however, he said that he was still not entirely comfortable that they were specific enough.

Discussion followed with several Regents indicating that they believed the goals were very comprehensive and appropriately addressed the specific areas.

VOTE: The motion unanimously carried.

#### CONSENT AGENDA

Chair Merchant opened the floor for a motion to approve the items in the consent agenda. Dr. Morrison requested that two items, Tenure for Department Chair and Personnel Actions, be removed for further discussion.

MOTION: Ms. Lewis moved that the Board approve/ratify the following consent agenda items:

1. Minutes of June 10, 2010, and August 5, 2010, meetings; *(VII-A-1)*
2. Student Conduct Code for the *2010-11 Eagle Student Handbook*; *(VII-A-3)*
3. Submission of new gifts eligible to be matched in the Regional University Excellence Trust Fund program *(VII-A-5)*; and
4. Naming of the Dr. Gerald L. DeMoss Conference Suite in the Center for Health, Education and Research *(VII-A-6)*.

Ms. Lovely seconded the motion.

VOTE: The motion carried.



**TENURE FOR  
ADMINISTRATORS**

Dr. Morrison indicated that PAc 27, related to Tenure for Administrators, presents rules for tenure and specifically states that the search committee, faculty dean, and University Tenure Committee will make the recommendation on tenure. The University Tenure Committee was left off of the recommendation. He asked if that were an oversight or did the committee not approve the recommendation? Dr. Andrews stated that it was an oversight and that the template used by the Provost's Office did not have the University Tenure Committee listed. Further, he said that he had confirmed with the Provost that the University Tenure Committee had, in fact, recommended tenure for Dr. Calvin Meyer, Chair of Middle Grades and Secondary Education. The letter that came to Dr. Andrews from the Provost specifically stated: "Dr. Meyer's credentials have been reviewed consistent with PAc-27 and upon the recommendation of the search committee, the dean, University Tenure Committee, and my (Provost) review of his credentials, I (Provost) recommend that he be granted tenure." As a result, Dr. Morrison asked that the minutes reflect the change.

**MOTION:** Dr. Morrison moved that the Board approve the recommendation granting tenure and the rank of Professor of Education to Dr. Calvin Meyer, Chair of Middle Grades and Secondary Education. Ms. Lewis seconded the motion.

*(Additional background information attached to these minutes and marked VII-A-2)*

**VOTE:** The motion carried.

**PERSONNEL  
ACTIONS**

Dr. Morrison said that there were a large number of supplemental personnel actions that he would rather see in the personnel roster.

Dr. Andrews said that a supplemental action provides additional pay to an individual for specific work that is not part of the employee's regular appointment contract. While it may seem that these are excessive, Dr. Andrews said that each has a logical explanation for the additional work. Also, there was general discussion about fixed term faculty positions.

**MOTION:** Dr. Morrison moved that the Board approve the Personnel Actions. Mr. Goodpaster seconded the motion.

*(Personnel Actions and additional background information attached to these minutes and marked VII-A-4)*

**VOTE:** The motion carried.

**PRESIDENT'S  
REPORTS**

Ms. Patrick presented the Fall 2010 Preliminary Enrollment report. *(Report attached to these minutes and marked VII-B-1)*

Michael Walters, Vice President for Administration and Fiscal Services, presented the Annual Report on Real Property Leases (*Report attached to these minutes and marked VII-B-2*) and the Report on Personal Service Contract (*Report attached to these minutes and marked VII-B-3*).

Jim Shaw, Vice President for University Advancement, presented the Gift Income Report (*Report attached to these minutes and marked VII-B-4*).

Following a ten-minute break, Chair Merchant reconvened the Board at 11:35 a.m.

**OVERVIEW OF MSU  
AT MT. STERLING**

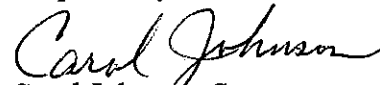
Dr. Andrews thanked the members of the MSU at Mt. Sterling Board for their good work. He also thanked Dr. Daniel Freeman, Superintendent of Montgomery County Schools, and Mr. Charles Mitchell, Superintendent of Menifee County Schools, for the fine relationship the University has with these two school systems.

Dr. Kenney presented an overview of the MSU at Mt. Sterling Regional Campus. In her presentation, she included student testimonials of what the center has meant to the citizens of Montgomery and surrounding counties.

**ADJOURNMENT**

There being no further business to conduct, Mr. Goodpaster moved that the meeting adjourn at 12:10 p.m. Mr. Booth seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary  
Board of Regents

**Recommendation:**

That the Board approve the awarding of degrees to all candidates who successfully complete all degree requirements as approved by the faculty of the University at the 2010 Winter Commencement on December 18, 2010.

**Background:**

Five hundred seventy-six (576) students have applied for graduation at the Winter Commencement on December 18, 2010. This includes 60 associate degrees, 366 baccalaureate degrees, and 150 masters degrees.

**STUDENT GOVERNMENT ASSOCIATION (SGA) BOR (V-A-3)**  
**CONSTITUTIONAL AMENDMENTS December 9, 2010**

**Recommendation:**

That the Board of Regents approve amendments to the SGA Constitution.

**Background:**

Per Article XII, Section 1 of the SGA Constitution, proposed amendments to the constitution must be presented to Student Congress for consideration. A proposed amendment will become effective when ratified by a two-thirds majority of those voting on the amendment in a campus-wide election, and when approved by the Student Life Committee and the Board of Regents.

**Analysis:**

The Student Government Association has engaged in an in-depth examination of its Constitution and By-Laws to ensure they reflect the current needs of the organization as it attempts to represent students in an effective and efficient manner. The proposals voted on by student body on October 19 and 20, 2010, taken to Student Life Committee and approved on November 29, 2010.

Highlights of the recommended amendments are:

- 1) Change the GPA requirements for Congress members as listed in Article V, Section 2.**

**SGA Constitutional Amendment 2**

In order to ensure higher academic quality, do you approve of raising the required accumulative grade point average for Congress members to 2.75 (previously 2.25)?

**Proposed changes:**

Change the GPA requirement for representatives from 2.25 to 2.75.

**Results:**

Students: For = 661 (80.7%) Against = 158 (19.3%) n=819

Student Life Committee: Approved

**2) Change the GPA requirements for Executive Branch members as listed in Article IV, Section 2.**

SGA Constitutional Amendment 3

In order to ensure higher academic quality, do you approve of raising the required accumulative grade point average for Executive Branch members to 3.00 (previously 2.50)?

Proposed changes:

Change the GPA requirement for executives from 2.50 to 3.00.

Results:

Students: For = 635 (77.6%) Against = 183 (22.4%) n=818

Student Life Committee: Approved

**3) Adjustments to number of representatives as listed in Article V, Section 1.**

SGA Constitutional Amendment 4

In order to assure better campus-wide representation, do you approve of the following adjustments to the number of Representatives in Congress?

Freshman	2	(previously 4)
Sophomore	2	(previously 4)
Junior	2	(previously 4)
Senior	2	(previously 4)
Graduate	1	(previously 2)
Commuter	2	(previously 5)
Residence Hall	3	(previously 5)
College	4	(previously 8)
At Large	20	(previously 2)

Results:

Students: For = 593 (72.7%) Against = 223 (27.3%) n=816

Student Life Committee: Approved

**4) Add ALLYance Representative to Congress to be included in Article V, Section 1.**

SGA Constitutional Amendment 5

Add one (1) ALLYance Representative to be elected by their constituency when recognized by and in good standing with Morehead State University.

Proposed changes:

Add one representative from ALLYance to the SGA Congress membership.

Results:

Students: For = 600 (74.5%)      Against = 205 (25.5%)      n=805

Student Life Committee: Approved

- 5) Add the planning and executing Fall and Spring Congress retreats to the duties of the SGA Executive Vice President in Article IV, Section 5.**

SGA Constitutional Amendment 6

Do you approve of adding the planning and executing Fall and Spring Congress retreats to the duties of the SGA Executive Vice President?

Results:

Students: For = 636 (79.3%)      Against = 166 (20.7%)      n=802

Student Life Committee: Approved

- 6) Authorize SGA to make “housekeeping” changes (as approved by the SGA Congress) related to grammar, punctuation, and clarity in the SGA Constitution.**

SGA Constitutional Amendment 7

Do you approve of “housekeeping” changes (as approved by the SGA Congress) related to grammar, punctuation, and clarity in the SGA Constitution?

Results:

Students: For = 719 (88.9%)      Against = 90 (11.1%)      n=809

Student Life Committee: Approved

## **RATIFY PERSONNEL ACTIONS**

**BOR (V-A-4)  
December 9, 2010**

### **Recommendation:**

That the Board ratify the Personnel Actions for the period August 25, 2010, through November 16, 2010.

### **Background:**

The Personnel Action Request Report includes actions related to:

- 1) full-time and continuing part-time faculty, librarians and Executive, Administrative and Managerial employees, excluding supplemental actions not listed under Item 3, below;
- 2) full-time and continuing part-time non-classified Executive, Administrative and Managerial and Professional Staff positions (including supplemental actions);
- 3) supplemental actions for faculty acquiring managerial duties, excluding normal grant activities;
- 4) discipline;
- 5) leave of absences;
- 6) sabbaticals; and
- 7) retirements.

MOREHEAD STATE UNIVERSITY  
 STANDING I AND STANDING II POSITIONS SUMMARY  
 11/16/10

	<u>July 1 Authorized Positions</u>	<u>Current Authorized Positions</u>	<u>+/- Position Adjustments</u>	<u>Current Position Strength</u>	<u>% Current Strength</u>
Office of the President	4.50	4.50	0.00	4.50	100.00
Division of University Advancement	47.00	47.00	0.00	46.00	97.87
Division of Planning and Budgets	5.00	5.00	0.00	5.00	100.00
Division of Administration and Fiscal Services	111.58	111.58	0.00	109.58	98.21
Facilities Management	154.70	154.70	0.00	150.70	97.41
Division of Student Life	115.15	116.15	1.00	111.15	95.70
Division of Academic Affairs	33.00	34.00	1.00	28.50	83.82
Caudill College of Arts, Humanities & Social Sciences	146.25	146.25	0.00	140.25	95.90
College of Business and Public Affairs	71.50	70.50	-1.00	63.50	90.07
College of Education	92.50	91.50	-1.00	86.50	94.54
College of Science and Technology	176.00	176.00	0.00	173.00	98.30
Academic Programs and University Outreach	87.00	92.00	5.00	88.00	95.65
Camden-Carroll Library	38.00	38.00	0.00	36.00	94.74
	<u>1082.18</u>	<u>1087.18</u>	<u>5.00</u>	<u>1042.68</u>	<u>95.91</u>

Note: Positions are expressed in terms of full-time equivalency.



## DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

- Full-Time Standing:** A Full-Time Standing Appointment designates an appointment that is full-time and for which no ending date is specified. Such appointments are terminable in accordance with the appropriate University policy. Full-time Standing Appointments must be backed with budgeted funds. Full-Time Standing Appointments may be used for all four payroll classification categories namely 1) Academic; 2) Administrative; 3) Staff Exempt; and 4) Staff Nonexempt (see PG-2). Full-Time Standing Appointments may be specified for nine, ten, eleven, or twelve months per fiscal year. This type of appointment is provided all regular University benefits.
- Full-Time Fixed:** A Full-Time Fixed Appointment designates an appointment that is full-time for a fixed period of time and for which an ending date is specified. Such appointments may be specified for nine, ten, eleven, or twelve months. The appointments do not have to be backed by permanent funds. Full-Time Fixed Appointments may be used for all four payroll classification categories namely 1) Academic; 2) Administrative; 3) Staff Exempt; and 4) Staff Nonexempt (see PG-2). This includes instructors and any other individuals in a classification covered by the tenure regulations. Such appointments are discontinued automatically at the specified ending date. Appointments may be terminated before the ending date for cause or business necessity. Full-Time Fixed Appointments may be renewed. Persons appointed to Full-Time Fixed Appointments are not converted to Full-Time Standing Appointments without an appropriate search or search waiver. This type of appointment is provided all regular University benefits.
- Supplemental:** A Supplemental Appointment designates an appointment which is supplementary to a Full-Time Standing or Full-Time Fixed Appointment and has the effect of providing an additional contractual provision beyond the term of the Full-Time Standing or Full-Time Fixed Appointments. For example, a Supplemental Appointment may be used if an individual whose regular appointment is for nine months but whose appointment is extended for one to three additional months. Supplemental Appointments will also be used to designate those appointments which are supplementary to Full-Time Standing or Full-Time Fixed Appointments to compensate for approved additional services normally outside the scope of regular duties. For example, A Supplemental Appointment can be used when an eligible employee is employed to teach a course for additional compensation. Regular University benefits, except sick leave and vacation accrual, continue with a Supplemental Appointment.

**APPOINTMENT STATUS ACTIONS**  
8/25/2010 - 11/16/2010

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
<b>Hires</b>								
Athletics-Men's Basketball	Howard, Christopher	09/14/10	03/31/11	Assistant Basketball Coach	12	\$40,000.00	Full-Time Fixed, Probationary	New
Carl Perkins Vocational Center	Combs, Cheryl	09/01/10	06/30/11	Mental Health Counselor	12	\$33,645.00	Full-Time Fixed, Probationary	New
Foundational & Graduate Stud. Ed.	Christian, Carol	10/19/10	10/25/10	Asst. Prof. and Director of P-16	11	\$56,667.00	Full-Time Standing	New
Health, Wellness & Human Performance	Clark, Matthew	10/01/10	08/31/11	Project Coordinator/Instructor of HWWHP	12	\$34,239.00	Full-Time Fixed	New
<b>Demotion</b>								
Adult Education & College Access	Cornett, Karen	11/16/10		Administrative Support Assistant	12	\$15.85	Full-Time Standing	Due to Reorganization
<b>Leaves</b>								
Earth & Space Science	Ratajeski, Esther	10/13/10	01/17/11	Asst. Prof. of Geography	9	\$44,000.00	Leave of Absence without Pay	Medical
<b>Promotions</b>								
Athletics-Men's Basketball	O'Connor, Wade	10/01/10	03/31/11	Associate Head Basketball Coach	12	\$60,000.00	Full-Time Fixed, Probationary	
Foundational & Grad. Studies Ed.	Conner, Timothy	08/15/11		Asst. Prof. of Educational Psychology	9	\$48,000.00	Full-Time Standing	
History, Philosophy, Religion & Legal Stud.	Ernst, John	10/16/10		Chair, HPRL	12	\$100,000.00	Full-Time Standing	
<b>Reclassifications</b>								
Athletics	Fletcher, Richard	09/01/10		Sr. Assoc. Director of Athletics/Compliance	12	\$61,469.00	Full-Time Standing	
<b>Terminations</b>								
Counseling & Health Services	Collins, Daniel	11/04/10		Staff Psychologist	12	\$41,057.00		Discharge
Facilities Mngt.-Landscaping & Grounds	Troxell, Marcus	11/02/10		Groundskeeper	12	\$8.89		Discharge
Talent Search II	Haney, Michelle	11/12/10		Director of Talent Search Programs	12	\$49,473.00		Discharge
Talent Search-TRIO	Hall, Sandra	11/12/10		Trio Program Specialist IV	12	\$14.62		Discharge
Innovation Center-Paintsville	Rowe, Joe	10/31/10		Director of Paintsville Innovation Center	12	\$45,000.00		Layoff
Institution for Economic Development	Jude, Sabrina	12/31/10		Administrative Support Specialist	12	\$11.38		Layoff
Institution for Economic Development	Russell, Maria	12/31/10		General Service Worker	12	\$8.89		Layoff
Athletics-Men's Basketball	Grady, Matthew	09/08/10		Associate Head Basketball Coach	12	\$60,000.00		Resignation
Earth & Space Science	Ratajeski, Esther	11/12/10		Asst. Prof. of Geography	9	\$44,000.00		Resignation
Educational Opportunity Center	Thompson, Linda	12/31/10		Counseling Coordinator	12	\$38,148.00		Retirement
Facilities Mngt.-Building Maintenance	Moore, Keith	12/31/10		Maintenance Technician II	12	\$15.38		Retirement
Facilities Mngt.-Building Maintenance	Stamper, Donald	12/31/10		Maintenance Supervisor/Preventive Maintenance	12	\$19.22		Retirement
Morehead State Public Radio	Hall, James	12/31/10		Chief Engineer	12	\$57,668.00		Retirement
University College	Collins, Betty	12/31/10		Instructor of Education	9	\$37,447.00		Retirement
Facilities Mngt.-Building Maintenance	Hesler, James	12/31/10		Painter III	12	\$12.79		Retirement-Disability
<b>Other</b>								
Counseling & Health Services	Wilburn, Brenda	01/01/11		Director of Counseling & Health Services	12	\$90,800.00		Advanced Degree Increase
Government & Regional Analysis	Masterson, James	08/16/10		Asst. Prof. of Government	9	\$46,000.00		Advanced Degree Increase
IRAPP	Bessett, Murray	08/16/10		Asst. Prof. of Government	9	\$50,000.00		Advanced Degree Increase
IRAPP	Sloan, Margaret	08/16/10		Asst. Prof. of Government	9	\$50,300.00		Advanced Degree Increase
Music, Theatre & Dance	Hsieh, Chia-Ling	08/01/10		Instructor of Music	9	\$38,661.00		Advanced Degree Increase
Athletics-Men's Basketball	Price, Joseph	09/13/10	03/31/11	Assistant Basketball Coach	12	\$55,000.00		Equity Increase
<b>Total Number of PARs = 31</b>								

**SUPPLEMENTAL ACTIONS**  
**8/25/2010 - 11/16/2010**

Name	Title	Department/Office	Effective Date	Ending Date	Salary	Description
Abell, Ritta	Asst. Prof. of Speech	Communication, Media & Leadership Studies	08/23/10	12/17/10	\$2,500.00	Black Gospel Ensemble Advisor
Atkins, Joan	Asst. Prof. of Journalism	Communication, Media & Leadership Studies	08/23/10	05/13/11	\$4,200.00	Trail Blazer Advisor
Barker, Stephanie	Head Women's Golf Coach	Athletics-Women's Golf	08/15/10	06/30/11	\$3,000.00	Produces compliance and rules, newsletters, monitor
Bruder, Holly	Head Women's Softball Coach	Athletics-Women's Softball	11/01/10	12/01/10	\$9,000.00	Softball Camp
Neal, Jason	Assistant Baseball Coach	Athletics-Baseball	09/26/10	09/26/10	\$250.00	Baseball Showcase Camp
Neal, Jason	Assistant Baseball Coach	Athletics-Baseball	10/24/10	10/24/10	\$500.00	Baseball Showcase Camp
Seelig, Dayna	Assoc. VP for Acad. Affairs/Acad. Prog.	Health, Wellness & Human Performance	09/01/10	08/31/11	\$16,170.00	Project Director
Sorg, John	Head Baseball Coach	Athletics-Baseball	09/26/10	09/26/10	\$200.00	Baseball Showcase Camp
Sorg, John	Head Baseball Coach	Athletics-Baseball	09/30/10	06/15/11	\$4,000.00	Strength and conditioning duties
Sorg, John	Head Baseball Coach	Athletics-Baseball	10/24/10	10/24/10	\$150.00	Baseball Showcase Camp
Steele, Paul	Director for Justice Studies	Center for Justice Studies	07/01/10	07/31/10	\$7,481.00	Evaluation work on Education Project
<b>TOTAL NUMBER OF SUPPLEMENTALS = 11</b>						

**ACCEPT 2009-10 AUDIT REPORT  
AND AMEND OPERATING BUDGET**

**BOR (V-A-5)  
December 9, 2010**

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**Recommendation:**

That the Board accept the audit report for the fiscal year ended June 30, 2010 as presented by Dean, Dorton & Ford, PSC, accept the reports related to the fourth quarter financial information and capital outlay, and amend the operating budget for the 2009-10 fiscal year.

**Background:**

KRS 164A.570 requires an annual audit to be conducted by all universities in the state system. The audit is to be conducted by an independent public accounting firm. At the June 10, 2010 meeting, the Board of Regents approved the recommendation of the Audit Committee for the appointment of Dean, Dorton & Ford, PSC to conduct the 2009-10 fiscal year audit. The Board also approved the Audit Committee's recommendation for the minimum scope of the audit work to be performed.

The Audit Committee met on November 18, 2010. Representatives from Dean, Dorton & Ford presented the University's audited financial statements to the Committee for acceptance. The audit report was issued with an unqualified opinion on the financial statements.

The information contained in the audited financial statements is reflective of all transactions for the fiscal year and serves as the University's fourth quarter financial report to the Board. Also presented as a part of the fourth quarter financial report are amendments to the operating budget and a capital outlay status report.

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period April 1, 2010 to June 30, 2010**

Description	Amended Budget As of 4/1/2010	Adjustments	Amended Budget As of 6/30/2010
<b>Revenues and Other Additions</b>			
Tuition and Fees	\$ 55,576,545	\$ 36,883	\$ 55,613,428
Government Appropriations	45,351,653	(2,699,421)	42,652,232
Indirect Cost Reimbursement	365,000	-	365,000
Sales and Services of Ed. Activities	2,407,130	272,232	2,679,362
Other Sources	2,717,305	145,449	2,862,754
Budgeted Fund Balance - E&G	8,785,623	418,962	9,204,585
Auxiliary Enterprises	13,402,447	143,042	13,545,489
Budgeted Fund Balance - AUX	1,087,552	89,675	1,177,227
<b>Total Revenues and Other Additions</b>	<b>\$ 129,693,255</b>	<b>\$ (1,593,178)</b>	<b>\$ 128,100,077</b>
<b>Expenditure Authorizations by Division</b>			
<b>Educational &amp; General</b>			
President & Administration	\$ 760,863	\$ 23,726	\$ 784,589
University Advancement	4,804,187	(1,756)	4,802,431
Planning, Budgets & Technology	7,018,097	87,821	7,105,918
Administration & Fiscal Services	13,775,877	(61,108)	13,714,769
Student Life	10,812,448	290,149	11,102,597
Academic Affairs	70,028,995	(2,240,474)	67,788,521
Debt Service & Mandatory Transfers	3,943,973	-	3,943,973
Other	3,469,880	(508,509)	2,961,371
<b>Total Educational &amp; General</b>	<b>\$ 114,614,320</b>	<b>\$ (2,410,151)</b>	<b>\$ 112,204,169</b>
<b>Auxiliary Enterprises</b>			
Planning, Budgets & Technology	\$ 2,341,200	\$ 45,712	\$ 2,386,912
Administration & Fiscal Services	9,368,020	774,237	10,142,257
Student Life	846,043	(2,976)	843,067
Debt Service	2,448,570	-	2,448,570
Other	75,102	-	75,102
<b>Total Auxiliary Enterprises</b>	<b>\$ 15,078,935</b>	<b>\$ 816,973</b>	<b>\$ 15,895,908</b>
<b>Total Expenditure Authorizations</b>	<b>\$ 129,693,255</b>	<b>\$ (1,593,178)</b>	<b>\$ 128,100,077</b>

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period April 1, 2010 to June 30, 2010**  
**Notes of Significant Adjustments to Revenue and Other Additions**

**Government Appropriations**

Budgeted revenue from government appropriations decreased by \$2,699,421

- Federally funded State Fiscal Stabilization Funds (SFSF) totaling \$3,053,200 were transferred to the restricted fund for reporting purposes
- Unbudgeted revenue totaling \$58,932 received from Kentucky Law Enforcement Foundation Program Fund (KLEFPF) was allocated to University Police for incentive pay to police officers
- Revenue reduction reserve totaling \$294,847 was allocated to Out-of-State Tuition Waiver

**Sales & Services of Educational Activities**

Unbudgeted revenue allocated during the fourth quarter totaled \$272,232

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$100,986
- Other athletic revenue totaled \$85,117
- Other miscellaneous revenue totaling \$86,129 was allocated primarily to Academic Affairs

**Other Sources**

Budget allocations from other sources increased by \$145,449

- Unbudgeted support from the MSU Foundation totaled \$42,798
  - \$ 7,775 President
  - \$20,569 Academic Affairs
  - \$13,454 University Advancement
  - \$ 1,000 Student Life
- Endowment Income allocations totaled \$57,624
- Miscellaneous other income totaling \$45,027 was received and allocated primarily to Academic Affairs

**Fund Balance – E&G**

Budget allocations from fund balance for educational and general purposes totaled \$418,962

- \$ 306,548 Instructional equipment for CHER building (to be reimbursed by construction project account in Frankfort)
- \$ 71,125 Touchnet (tuition payment plan management software)
- \$ 34,686 E&G facility remodeling projects in Baird Music Hall, Allie Young, and Wetherby Gym
- \$ 5,037 Minor infrastructure improvements at Space Science Center (to be reimbursed by construction project account in Frankfort)

**Auxiliary Enterprises**

Budget allocations from Auxiliary Enterprises increased by \$143,042

- \$ 139,600 Bookstore revenues to support University Bookstore purchases
- \$ 2,605 Vending-Soft Drinks revenue to support Snack Vending purchases

**MOREHEAD STATE UNIVERSITY**  
**Budget Amendments Greater Than \$200,000**  
**For the Period April 1, 2010 to June 30, 2010**

<b>From:</b>	<b>To:</b>		
<b>Revenue and Other Additions</b>	<b>Division/ Budget Unit</b>	<b>Amount</b>	<b>Description</b>
Government Appropriations State Appropriations Reduction Reserve	Academic Affairs Enrollment Services - Tuition Waiver	\$ 294,847	When the 2009-10 operating budget was approved last June, the state had not finalized the budget reduction to be imposed on July 1, 2009. In preparation of the reduction, we set aside funds in a reduction reserve account. Approximately \$1.3 million of the reserve was in excess of the amount needed to cover the final state appropriation reduction. In the third quarter, \$1 million of the reserve funds was allocated to the Department of Nursing for instructional equipment needed for the Center for Health, Education & Research (CHER) building. The remaining \$294,847 was allocated to out-of-state tuition waiver in the fourth quarter.
19 Government Appropriations State Appropriations	Academic Affairs Enrollment Services - Scholarships	\$ (3,053,200)	In 2009-10, the state implemented a general fund appropriation reduction of \$4,408,700 from the amount previously authorized in HB 406 enacted by the 2008 Regular Session of the General Assembly. The reduction was mitigated by the replacement of \$3,053,200 in federal funds from the State Fiscal Stabilization Fund (SFSF) Program under the American Recovery and Reinvestment Act (ARRA). The SFSF funds were transferred from state appropriation revenue in the unrestricted fund to the restricted fund where federal funds are recorded. Student financial aid was one of the allowable expenditures of SFSF funds. Therefore, institutional scholarship expenditures in the unrestricted fund were also transferred to the restricted fund and recorded as a use of SFSF funds.
Fund Balance - E&G	Other Non-Mandatory Transfers	\$ 306,548	Fund balance allocation for instructional equipment at CHER building to be reimbursed from construction project funds in Frankfort account.

**MOREHEAD STATE UNIVERSITY**  
**Capital Outlay Status Report**  
**Agency Funds**  
**For the Period of April 1, 2010 to June 30, 2010**

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
<b>I. Equipment Purchases \$200,000 or Greater</b>			
None			
<b>II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater</b>			
ERP Implementation Project	\$ 4,000,000		
Technical Setup and Training (June 2005)			Completed
Financial System (July 2006)			Completed
Human Resources (December 2006)			Completed
Student System (December 2007)			Completed
Auxiliary Modules			In Progress
Nunn Hall Renovation	\$ 5,000,000	Sept., 2009	Completed
Alumni Tower Renovation	\$ 4,600,000		In Progress
Student Recreation Center	\$ 30,000,000		In Progress



**ACCEPT FIRST QUARTER  
FINANCIAL REPORT AND  
AMEND OPERATING BUDGET**

**BOR (V-A-6)  
December 9, 2010**

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**Recommendation:**

That the Board accept the financial statements and amend the operating budget for the first quarter of the fiscal year that will end June 30, 2011, and amend the operating budget.

**Background:**

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of September 30, 2010, the first quarter of the fiscal year ending June 30, 2011. The statements, along with management's discussion and analysis and budget amendment information are attached.

**Morehead State University  
Management's Discussion and Analysis  
First Quarter Financial Statements  
September 30, 2010**

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the three months that ended on September 30, 2010. The statements and this discussion and analysis have been prepared by Accounting and Financial Services staff.

**Using These Financial Statements**

This report consists of two basic financial statements. The Statement of Net Assets includes information about the assets, liabilities and net assets, or fund balances, of the entire University. The Statement of Revenues, Expenditures and Changes in Fund Balance provides information about the unrestricted current funds revenues, expenditures and transfers of the University. The statements are prepared on an accrual basis and reflect the results of all transactions that affect the financial status of Morehead State University. These financial statements have not been prepared in full accordance with *Government Accounting Standards Board Statement 35 (GASB 35)*. Interim statements are prepared using a fund approach to facilitate budget comparisons and management decisions. Year-end statements are prepared in the GASB 35 format.

**Financial Highlights**

Morehead State University's financial picture remains stable through the first quarter of the 2010-2011 fiscal year. During the period July 1, 2010 through September 30, 2010 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$18,993,764. This level of operating surplus is expected at this time, since most of the billings for the Fall 2010 semester are reflected in the tuition and fees revenue and only expenditures through September 30, 2010 are reflected. As the fiscal year proceeds, the variance between revenues and expenditures will continue to decrease and should reflect a more appropriate operating surplus or deficit.

**Significant trends and variances for the three months are summarized as follows:**

- ▶ Total revenues increased \$0.3 million over last year to \$52.9 million. Tuition & fees increased \$1.8 million, primarily due to a 5.6% weighted average increase in the per credit hour tuition rate schedule. Government appropriations decreased by \$1.3 million from \$14.1 million at September 30, 2009 to \$12.8 million at September 30, 2010. Housing revenue decreased approximately \$164 thousand due to a decrease in students living in campus housing.
- ▶ Total expenses were approximately \$33.9 million at September 30, 2010 and \$33 million at September 30, 2009. This increase was primarily due to a \$1.6 million increase in other expenses and a \$1.2 million decrease in academic affairs, both related to timing differences. Information Technology accounts were moved from Planning, Budgets & Technology to Administration and Fiscal Services as part of a reorganization in Planning, Budgets & Technology.
- ▶ Net change in fund balance decreased \$0.5 million to \$19 million as compared to \$19.5 million at September 30, 2009.

**Morehead State University**  
**Unrestricted Current Funds**  
**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**For the Three Months Ended September 30, 2010 and 2009**

	2010-2011			2009-2010		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>REVENUES</b>						
<b>Educational and General</b>						
Tuition and Fees	\$58,817,141	\$30,725,076	52.24%	\$55,529,888	\$28,966,210	52.16%
Govt Appropriations	45,303,100	12,843,450	28.35%	44,351,653	14,116,324	31.83%
Indirect Cost Reimbursement	365,000	236,657	64.84%	365,000	167,190	45.81%
Sales & Services Ed Activities	2,009,860	889,242	44.24%	2,043,098	863,415	42.26%
Other Sources	2,140,159	1,350,765	63.12%	2,379,196	1,352,539	56.85%
Budgeted Fund Balance-E&G	9,931,370	0	0.00%	5,944,765	0	0.00%
<b>Total Educational and General</b>	<b>\$118,566,630</b>	<b>\$46,045,190</b>	<b>38.83%</b>	<b>\$110,613,600</b>	<b>\$45,465,678</b>	<b>41.10%</b>
<b>Auxiliary Enterprises</b>						
Housing	\$8,601,300	\$4,335,875	50.41%	\$8,190,319	\$4,499,851	54.94%
University Store	3,978,272	2,133,892	53.64%	3,976,690	2,256,024	56.73%
Food Services	780,000	128,184	16.43%	750,000	192,296	25.64%
Other	1,370,935	247,370	18.04%	1,475,052	180,083	12.21%
<b>Total Auxiliary Enterprises</b>	<b>\$14,730,507</b>	<b>\$6,845,321</b>	<b>46.47%</b>	<b>\$14,392,061</b>	<b>\$7,128,254</b>	<b>49.53%</b>
<b>TOTAL REVENUES</b>	<b>\$133,297,137</b>	<b>\$52,890,511</b>	<b>39.68%</b>	<b>\$125,005,661</b>	<b>\$52,593,932</b>	<b>42.07%</b>

**Morehead State University**  
**Unrestricted Current Funds**  
**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**For the Three Months Ended September 30, 2010 and 2009**

	2010-2011			2009-2010		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>EXPENDITURES AND TRANSFERS BY DIVISION</b>						
<b>Educational &amp; General</b>						
President & Administration	\$763,373	\$186,625	24.45%	\$735,215	\$172,438	23.45%
University Advancement	4,624,010	1,090,432	23.58%	4,330,397	1,112,793	25.70%
Administration & Fiscal Services	18,645,295	6,257,118	33.56%	13,383,888	3,915,267	29.25%
Planning & Budgets	489,836	117,138	23.91%	5,647,857	2,355,483	41.71%
Student Life	11,179,001	3,380,616	30.24%	10,656,431	3,170,445	29.75%
Academic Affairs	71,274,890	17,681,579	24.81%	66,610,827	18,917,137	28.40%
Other	10,983,685	2,059,003	18.75%	8,651,678	438,205	5.06%
<b>Total Educational &amp; General</b>	<b>\$117,960,090</b>	<b>\$30,772,511</b>	<b>26.09%</b>	<b>\$110,016,293</b>	<b>\$30,081,768</b>	<b>27.34%</b>
<b>24 Auxiliary Enterprises</b>						
Housing	\$10,322,265	\$838,094	8.12%	\$10,101,515	\$809,062	8.01%
University Store	3,768,392	1,916,461	50.86%	3,755,634	1,807,828	48.14%
Food Services	551,154	107,776	19.55%	455,517	92,100	20.22%
Other	695,236	261,905	37.67%	676,702	258,468	38.20%
<b>Total Auxiliary Enterprises</b>	<b>\$15,337,047</b>	<b>\$3,124,236</b>	<b>20.37%</b>	<b>\$14,989,368</b>	<b>\$2,967,458</b>	<b>19.80%</b>
<b>TOTAL EXPENDITURES AND TRANSFERS BY DIVISION</b>	<b>\$133,297,137</b>	<b>\$33,896,747</b>	<b>25.43%</b>	<b>\$125,005,661</b>	<b>\$33,049,226</b>	<b>26.44%</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$18,993,764</b>			<b>\$19,544,706</b>	

Morehead State University  
Statement of Net Assets  
September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$41,604,833	\$35,780,608
Accounts, grants and loans receivable, net	20,274,850	31,554,928
Prepaid interest	124,649	124,649
Inventories	1,404,776	1,352,497
Other current Assets	<u>28,471</u>	<u>0</u>
<b>Total current assets</b>	<u>63,437,579</u>	<u>68,812,682</u>
<b>Noncurrent Assets:</b>		
Accounts, grants and loans receivable, net	3,839,981	3,856,425
Prepaid interest	351,488	476,137
Investments	13,349,462	13,070,365
Capital assets, net	<u>177,824,243</u>	<u>155,373,541</u>
<b>Total noncurrent assets</b>	<u>195,365,174</u>	<u>172,776,468</u>
<b>TOTAL ASSETS</b>	<u>\$258,802,753</u>	<u>\$241,589,150</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$7,964,172	\$5,105,504
Deferred revenue	1,559,880	1,415,833
Bonds, notes and capital lease obligations, current portion	<u>4,224,982</u>	<u>3,259,128</u>
<b>Total current liabilities</b>	<u>13,749,034</u>	<u>9,780,465</u>
<b>Long-term liabilities:</b>		
Bonds, notes and capital lease obligations, noncurrent portion	53,443,146	51,973,086
Advances from federal government for student loans	3,813,100	3,848,297
Deferred revenue	<u>290,235</u>	<u>0</u>
<b>Total long-term liabilities</b>	<u>57,546,481</u>	<u>55,821,383</u>
<b>TOTAL LIABILITIES</b>	<u>71,295,515</u>	<u>65,601,848</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	120,632,250	100,742,113
Restricted:		
Expendable	18,226,264	29,190,722
Nonexpendable	12,009,089	11,726,941
Unrestricted	<u>36,639,635</u>	<u>34,327,526</u>
<b>TOTAL NET ASSETS</b>	<u>187,507,238</u>	<u>175,987,302</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$258,802,753</u>	<u>\$241,589,150</u>

See Attached Notes To Statement of Net Assets

**Morehead State University**  
**Notes to the Statement of Net Assets**  
**September 30, 2010 and 2009**

1. The Statement of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, loan funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts, grants, and loans receivable are shown net of allowance for uncollectible student accounts of \$1,123,885 at September 30, 2010 and \$515,161 at September 30, 2009. Accounts, grants, and loans receivable decreased approximately \$11.2 million to \$20.3 million at September 30, 2010 from \$31.5 million at September 30, 2009. This is primarily due to a decrease in Student A/R of \$3.4 million and a decrease in A/R from the Commonwealth of KY of \$8.8 million.
3. Noncurrent accounts, grants and loans receivable represent balances owed the University from borrowers who have participated in the Federal Perkins Loan Program. The balance is presented net of allowance for uncollectible accounts in the amount of \$83,960 at September 30, 2010 and \$90,991 at September 30, 2009.
4. Prepaid interest represents interest paid to advance refund the University's Housing and Dining System Revenue Bonds.
5. Capital Assets, net increased approximately \$22 million from the previous year; this increase was primarily due to the addition of the CHER Building. Accumulated depreciation on property, plant and equipment was \$128,012,921 at September 30, 2010 and \$120,563,488 at September 30, 2009.
6. Accounts payable and accrued liabilities include amounts due to vendors and amounts due for withheld and matching portions of payroll taxes and estimated claims payable, but not paid until after the Statement of Net Assets date. Accounts payable and accrued liabilities increased \$2.8 million from the prior year due to the timing of payments being submitted.
7. Deferred revenue from federal and state grants represent amounts received but not expended at the Statement of Net Assets date.
8. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets. The University issued 2009 Series A Build America Bonds in the amount of \$28.9 million on July 15, 2009 and 2010 Series A Build America Bonds in the amount of \$5.7 million on June 29, 2010.
9. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
10. Restricted net assets include the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period July 1, 2010 to September 30, 2010**

Description	Opening Budget As of 7/1/2010	Adjustments	Amended Budget As of 9/30/2010
<b>Revenues and Other Additions</b>			
Tuition and Fees	\$ 58,792,540	\$ 24,601	\$ 58,817,141
Government Appropriations	45,303,100	-	45,303,100
Indirect Cost Reimbursement	365,000	-	365,000
Sales and Services of Ed. Activities	1,907,558	102,302	2,009,860
Other Sources	1,959,008	181,151	2,140,159
Budgeted Fund Balance - E&G	6,460,544	3,470,826	9,931,370
Auxiliary Enterprises	13,772,500	79,057	13,851,557
Budgeted Fund Balance - AUX	644,750	234,200	878,950
<b>Total Revenues and Other Additions</b>	<b>\$ 129,205,000</b>	<b>\$ 4,092,137</b>	<b>\$ 133,297,137</b>
<b>Expenditure Authorizations by Division</b>			
<b>Educational &amp; General</b>			
President & Administration	\$ 708,796	\$ 54,577	\$ 763,373
University Advancement	4,358,575	265,435	4,624,010
Planning & Budgets	971,278	(481,442)	489,836
Administration & Fiscal Services	16,856,194	1,789,101	18,645,295
Student Life	10,943,671	235,330	11,179,001
Academic Affairs	67,721,743	3,553,147	71,274,890
Debt Service & Mandatory Transfers	3,832,263	52,013	3,884,276
Other	8,926,545	(1,827,136)	7,099,409
<b>Total Educational &amp; General</b>	<b>\$ 114,319,065</b>	<b>\$ 3,641,025</b>	<b>\$ 117,960,090</b>
<b>Auxiliary Enterprises</b>			
Administration & Fiscal Services	\$ 10,835,192	\$ 609,798	\$ 11,444,990
Student Life	781,060	63,576	844,636
Academic Affairs	-	-	-
Debt Service	2,639,933	-	2,639,933
Other	629,750	(222,262)	407,488
<b>Total Auxiliary Enterprises</b>	<b>\$ 14,885,935</b>	<b>\$ 451,112</b>	<b>\$ 15,337,047</b>
<b>Total Expenditure Authorizations</b>	<b>\$ 129,205,000</b>	<b>\$ 4,092,137</b>	<b>\$ 133,297,137</b>

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period July 1, 2010 to September 30, 2010**  
**Notes of Significant Adjustments to Revenue and Other Additions**

**Sales & Services of Educational Activities**

Unbudgeted revenue allocated during the first quarter totaled \$102,302

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$34,512
- Other athletic revenue totaled \$29,470
- Other miscellaneous revenue totaling \$38,320 was allocated to Academic Affairs

**Other Sources**

Budget allocations from other sources increased by \$181,151

- Unbudgeted support from the MSU Foundation totaled \$150,148
  - \$75,714 Academic Affairs
  - \$45,000 University Advancement
  - \$ 9,434 Student Life
  - \$20,000 Administration and Fiscal Services
- Miscellaneous other income totaling \$31,003 was received and allocated primarily to Academic Affairs

**Fund Balance – E&G**

Budget allocations from fund balance for educational and general purposes totaled \$3,470,826

- \$ 500,000 Land acquisition – property adjacent to Warehouse
- \$1,790,870 Carry forward to Nursing for equipment for CHER building
- \$ 890,349 Carry forward to Technology Projects for technology for CHER building
- \$ 46,388 President's Office, Special Assistant to President
- \$ 65,000 Reed Greenhouse demolition
- \$ 23,250 Accounting & Financial Services for Touchnet student billing software
- \$ 99,536 Minor renovation projects (i.e. AY Clinic-\$43,000; CY Gallery-\$18,000, etc.)
- \$ 33,000 Football locker room project
- \$ 13,557 Salary adjustments for two academic deans
- \$ 7,050 AACSB accreditation
- \$ 1,826 Supplemental pay to Athletic Director

**Fund Balance – Auxiliary**

Budget allocations from fund balance for auxiliary purposes totaled \$234,200

- \$234,200 Mignon Tower renovation; to be reimbursed by Bond Funds held in Frankfort



**MOREHEAD STATE UNIVERSITY**  
**Budget Amendments Greater Than \$200,000**  
**For the Period July 1, 2010 to September 30, 2010**

<u>From:</u> <u>Revenue and Other Additions</u>	<u>To:</u> <u>Division/ Budget Unit</u>	<u>Amount</u>	<u>Description</u>
Fund Balance - E&G	Academic Affairs		
	Department of Nursing	\$ 1,790,870	In the prior fiscal year, \$3,145,129 was allocated from fund balance and \$1,000,000 from revenue reserves for instructional and technology equipment at the Center for Health, Education and Research (CHER) building. The advance of fund balance made in 09/10 will be reimbursed from the construction project account in Frankfort. A fund balance allocation was necessary in 10/11 for carry forward of remaining 09/10 budget balances in Nursing and Technology Projects.
	Administration & Fiscal Services		
	IT - Technology Projects	890,347	
		<b>\$ 2,681,217</b>	
Fund Balance - E&G	Other		
29	Non-Mandatory Transfers	\$ 500,000	Fund balance allocation for land acquisition of property adjacent to Warehouse
Fund Balance - Auxiliary	Administration & Fiscal Services		
	Auxiliary Facility Remodeling	\$ 234,200	An advance of fund balance was made to purchase technology equipment and wiring as part of the Mignon Tower renovation project. These funds will be reimbursed from the sale of bond funds.

**MOREHEAD STATE UNIVERSITY**  
**Capital Outlay Status Report**  
**Agency Funds**  
**For the Period of July 1, 2010 to September 30, 2010**

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
<b>I. Equipment Purchases \$200,000 or Greater</b>			
None			
<b>II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater</b>			
ERP Implementation Project	\$ 4,000,000		
Technical Setup and Training (June 2005)			Completed
Financial System (July 2006)			Completed
Human Resources (December 2006)			Completed
Student System (December 2007)			Completed
Auxiliary Modules (September 2010)			Completed
Alumni Tower Renovation	\$ 4,600,000	July, 2010	Completed
Mignon Tower Renovation	\$ 5,682,000		In Progress
Student Recreation Center	\$ 30,000,000		In Progress

Morehead State University

FALL 2010 FINAL ENROLLMENT

November 23, 2010

HEADCOUNT ENROLLMENT

Year	Headcount	% Change
2006	9,025	-0.4%
2007	9,066	0.5%
2008	8,981	-0.9%
2009	9,046	0.7%
2010*	8,842	-2.3%

\*Note: Official data.

FULL-TIME EQUIVALENCY

Year	FTE	% Change
2006	7,088	6.4%
2007	6,988	N/A**
2008	6,866	-1.7%
2009	6,800	-1.0%
2010	6,641	-2.3%

\*\*Beginning in Fall 2007, the Council on Postsecondary Education revised the formula used to calculate full-time equivalency therefore the rate change between 2006 and 2007 are not comparable figures. The new formula is as follows: Undergraduate - total student credit hours divided by 15; Graduate - total student credit hours divided by 12.

CREDIT HOUR PRODUCTION

Year	Total Credit Hours	% Change
2006	102,938	-1.0%
2007	102,747	-0.2%
2008	100,143	-2.5%
2009	99,917	-0.2%
2010	97,492	-2.4%

FIRST-TIME FRESHMEN\*\*\*

Year	Headcount	% Change	Average ACT	% Change
2006	1,306	0.5%	20.7	1.5%
2007	1,409	7.9%	20.9	1.0%
2008	1,338	-5.0%	21.5	2.9%
2009	1,260	-5.8%	21.4	-0.5%
2010	1,180	-6.3%	21.6	0.7%

\*\*\*Admission criteria were changed starting in Fall 2008 to require an admissions index of 450. Prior to 2008, the admissions index was 400.

**REPORT ON HEALTH INSURANCE AND BENEFITS  
FOR PLAN YEAR 2011**

**BOR (V-B-2)  
December 9, 2010**

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Morehead State University remains committed to providing affordable health benefits to employees and their families and to also provide resources and tools to help and encourage employees to be actively involved in obtaining optimal health.

MSU will remain fully insured for 2010 and will be changing the health insurance provider from Humana to Anthem. The Office of Human Resources and the MSU Benefits Committee conducted a healthcare RFP to see if an effective partnership could be maintained while improving plan benefits, lowering costs, and continuing our consumer driven health philosophy. Anthem was selected for 2011 because it offered the best response to our needs. Anthem provides high quality health care coverage at affordable premiums as well as robust tools to assist employees in improving their health.

The five primary objectives of the 2011 health plan are:

- Continue to maintain high-quality, market-competitive and affordable health care coverage so that we can maintain our ability to recruit and retain superior faculty and staff who carry out the mission of this University.
- Continue the passive health incentives, health education programs, health diagnostic programs, and the active wellness incentive programs that are an integral part of our strategy to improve employee health and therefore reduce health claims cost.
- Leave existing plans structure essentially the same while adding enhancements to encourage healthy practices.
- Continue to manage the employee Health Reimbursement Account.
- Continue to incorporate employee suggestions into plan design/philosophy.

The University's overall health insurance increase for 2011 is 4.36%. This is well below the national average and reflects the positive trend brought about by improved employee health. In addition, as part of our strategy for 2011, the University will include covered employee spouses in participation for the wellness incentives. Both employee and the covered spouse can participate in two passive wellness incentives and a "well point" program (Live Well, Work Well @ MSU) that can further reduce employee premiums up to \$500 annually. The strategy engages our employees and their spouses to take a more active role in their health, encourages early detection and diagnosis of potentially serious health conditions such as hypertension and diabetes, empowers employees to choose a healthy lifestyle, provides ongoing education and resources to improve/maintain health, and provides incentives for participation.

In response to resolutions from both our Faculty Senate and Staff Congress, MSU will be adding health coverage options for Sponsored Dependents (same sex and opposite sex partners and their dependents) in 2011. This coverage option is offered at no additional premium cost to MSU.

The monthly employer/employee cost breakdown for each 2011 health insurance plan is reflected in the following table and does not reflect wellness incentives or HRA contribution:

2011 Monthly Premium	2011 Total Premium	2011 University Contribution	2011 Employee Cost	\$ UNIV INCREASE	\$ EMP INCREASE
<b>Blue Access \$500 (POS)</b>					
Single	\$574	\$402	\$172	\$12	\$12
2-person	\$861	\$525	\$336	\$8	\$28
Family	\$1,148	\$620	\$528	\$8	\$40
<b>Blue Access \$1,500 (CDHP)</b>					
Single	\$453	\$390	\$63	\$17	\$2
2-Person	\$679	\$489	\$190	\$18	\$10
Family	\$905	\$615	\$290	\$22	\$15
<b>Blue Access \$2,500 (HDHP)</b>					
Single	\$383	\$362	\$21	\$15	\$1
2-person	\$575	\$443	\$132	\$21	\$3
Family	\$766	\$559	\$207	\$23	\$9

Our benefit strategy for 2011 reached beyond healthcare and included a comprehensive review of the employee dental insurance program. The 2010 Plan design for the Delta Dental Premier plan did not include periodontal coverage and the plan maximums had not been reviewed for many years. 2011 dental plans will increase the yearly maximum benefit amount from \$1,500 to \$2,000 and the lifetime orthodontic maximum will be increased from \$1,500 to \$2,000. The Premier plan will include periodontal coverage at 50%. All dental plans will be improved for 2011 with no increase in premium.

**Summary:**

- Employee health care for 2011 represent enhancements in health benefits with a minimal increase in premiums while maintaining our philosophy of consumer driven healthy lifestyle choices.
- Dental plans are enhanced to increase plan maximums, increase coverage with no increase in premium.
- Employee life insurance rates were reduced by 26% last year and the rates remain unchanged for 2011.

**REPORT ON PERSONAL SERVICE CONTRACTS**

**BOR (V-B-3)  
December 9, 2010**

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between September 1, 2010 and December 1, 2010.

**PERSONAL SERVICE CONTRACTS**  
**September 1, 2010 through December 1, 2010**

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Amelia Confides	Sign language interpretation	11/1/10	6/30/11	\$35,520.00	Request for Proposal
Stamats Inc.	Design of Viewbook and Envelope	11/1/10	6/30/11	\$25,100.00	Request for Proposal

**MIDYEAR PAY SUPPLEMENT**

**BOR (VI-C)  
December 9, 2010**

**Recommendation:**

That the Board approve a midyear pay supplement in the amount of \$750 for each full-time faculty and staff member employed prior to July 1, 2010, in an authorized position funded in the University's unrestricted operating budget and serving in a non-probationary performance status.

**Background:**

Due to ongoing fiscal challenges, Morehead State University has been unable to include base salary increases for faculty and staff in the operating budget for the past two years. Employees have worked both individually and collectively to remain focused on initiatives to further advance the University toward achieving its strategic goals. Also, extensive effort on the part of faculty and staff to identify and implement multiple cost-saving initiatives has enabled the University to operate more effectively and efficiently. As a result, MSU has been able to generate an institutional fund balance capable of supporting a one-time gross supplemental pay of \$750 for each full-time faculty and staff member. Employees recommended to receive the supplemental pay include all full-time faculty and staff employed prior to the start of the current fiscal period in an authorized position funded in the University's unrestricted operating budget and serving in a non-probationary performance status.



**Board of Regents Meeting**  
Morehead State University  
Riggle Room, Adron Doran University Center  
9 a.m., Thursday, December 9, 2010

- I. CALL TO ORDER
- II. ROLL CALL
- III. SABBATICAL LEAVE REPORT – Gary Mesa-Gaido, Professor of Art
- IV. SPOTLIGHT PRESENTATION – *Space Science Center*  
Dr. Ben Malphrus, Chair of the Department of Earth and Space Sciences  
Robert Twiggs, Professor of Space Science
- V. PRESIDENT’S RECOMMENDATIONS AND REPORTS
  - A. Consent Agenda (Recommendations)
    - 1. Approve Minutes of September 16, 2010..... 1-6
    - 2. Approve Winter Graduates..... 7
    - 3. Approve Amended SGA Constitution ..... 8-10
    - 4. Ratify Personnel Actions..... 11-15
    - 5. Accept 2009-10 Audit Report and Amend Operating Budget ..... 16-20
    - 6. Accept First Quarter Financial Report and Amend Operating Budget ..... 21-30
  - B. Consent Agenda (Reports)
    - 1. Final Report on 2010 Fall Enrollment..... 31
    - 2. Report on Health Insurance for Plan Year 2011 ..... 32-33
    - 3. Report on Personal Service Contracts ..... 34-35
  - C. President’s Report
- VI. OTHER BUSINESS
  - A. Executive Session
  - B. BOR Meetings for Calendar Year 2011

Work Session	February 24
Quarterly Meeting	March 10
Work Session	May 5
Quarterly Meeting	June 9
Work Session	August 25
Quarterly Meeting	September 15
Work Session	November 17
Quarterly Meeting	December 8
  - C. Midyear Pay Supplement
- VII. ADJOURNMENT