

**BOARD OF REGENTS MEETING
MOREHEAD STATE UNIVERSITY**
Riggle Room, Adron Doran University Center
9:00 a.m., Thursday, June 4, 2015

Agenda

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ADOPT RESOLUTIONS OF COMMENDATION FOR JULIE A. BUTCHER, JOHN C. MERCHANT, TODD Q. THACKER AND BRADLEY FYFFE**
- IV. REPORT ON STUDENT GOVERNMENT ASSOCIATION – BRADLEY FYFFE**
- V. PRESIDENT’S RECOMMENDATIONS AND REPORTS**
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 - D. President’s Report**

VI. OTHER BUSINESS

A. Executive Session

B. President's Contract

C. President's Goals for 2015-16

D. Future Meetings

1. Work Session, Thursday, August 27, 2015, 9 a.m.
2. Quarterly Meeting, Thursday, September 24, 2015, 9 a.m.
3. Governor's Conference on Postsecondary Education Trusteeship,
Monday and Tuesday, September 28-29, Griffin Gate Marriott,
Lexington

VII. ADJOURNMENT

**RESOLUTION HONORING
JULIE A. BUTCHER**

**BOR (III)
June 4, 2015**

WHEREAS, Ms. Julie A. Butcher, a respected citizen of Lexington, Kentucky, has served with distinction as a member of the Board of Regents of Morehead State University since 2009; and

WHEREAS, Ms. Butcher's distinguished service on the Board of Regents consistently demonstrated her high ethical standards and strong personal commitment to institutional integrity; and

WHEREAS, Ms. Butcher's term as a board member reflected her professional collegiality and dedication to academic excellence, and her abiding concern for the welfare of the entire University community;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Ms. Julie A. Butcher be and hereby is commended for her years of honorable and outstanding service on the Board of Regents and that the University expresses its profound and sincere gratitude for her efforts.

Done this fourth day of June 2015.

Paul C. Goodpaster, Chair

ATTEST:

Sharon S. Reynolds, Secretary

Wayne D. Andrews, President

**RESOLUTION HONORING
JOHN C. MERCHANT**

**BOR (III)
June 4, 2015**

WHEREAS, Mr. John C. Merchant, a respected citizen of Cincinnati, Ohio, has served with distinction as a member of the Board of Regents of Morehead State University since 2003; and

WHEREAS, Mr. Merchant's tenure included service as chair of the Board of Regents from 2010-2014; and

WHEREAS, Mr. Merchant also served on the presidential search committee in 2004; and

WHEREAS, Mr. Merchant's distinguished service on the Board of Regents consistently demonstrated his high ethical standards and strong personal commitment to institutional integrity; and

WHEREAS, Mr. Merchant's terms as a board member reflected his professional collegiality and dedication to academic excellence, his abiding concern for the welfare of the entire University community, and his pride as an alumnus of the institution;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. John C. Merchant be and hereby is commended for his years of honorable and outstanding service on the Board of Regents and that the University expresses its profound and sincere gratitude for his efforts.

Done this fourth day of June 2015.

Paul C. Goodpaster, Chair

ATTEST:

Sharon S. Reynolds, Secretary

Wayne D. Andrews, President

**RESOLUTION HONORING
TODD Q. THACKER**

**BOR (III)
June 4, 2015**

WHEREAS, Mr. Todd Q. Thacker has served with distinction as the staff representative to the Board of Regents of Morehead State University for a period of three years; and

WHEREAS, Mr. Thacker has been an effective voice for employees of the University; and

WHEREAS, Mr. Thacker's dedicated service on the Board of Regents consistently demonstrated his high ethical standards and strong personal commitment to institutional integrity; and

WHEREAS, Mr. Thacker's three-year term as a board member has reflected his professional collegiality and dedication to academic excellence, his abiding concern for the welfare of the entire University community, and his pride as an alumnus of the institution;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. Todd Q. Thacker be and hereby is commended for his three years of honorable and outstanding service on the Board of Regents and that the University expresses its profound and sincere gratitude for his efforts.

Done this fourth day of June 2015.

Paul C. Goodpaster, Chair

ATTEST:

Sharon S. Reynolds, Secretary

Wayne D. Andrews, President

**RESOLUTION HONORING
BRADLEY FYFFE**

**BOR (III)
June 4, 2015**

WHEREAS, Mr. Bradley Fyffe of Greenup, Kentucky, has served with distinction as the student member of the Board of Regents of Morehead State University since July 1, 2014; and

WHEREAS, Mr. Fyffe also served in superior fashion during this period as president of the University's Student Government Association; and

WHEREAS, Mr. Fyffe's efforts resulted in the return of the Challenge for Change Trophy to Morehead State; and

WHEREAS, Mr. Fyffe's personal example inspired his fellow students to become more involved in the legislative budget process and in their communities; and

WHEREAS, Mr. Fyffe's active engagement with the Board of Regents and his stewardship of the Student Government Association consistently demonstrated his high ethical standards and his abiding commitment to student and institutional success;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. Bradley Fyffe be and hereby is commended for his year of honorable and outstanding service on the Board of Regents and for his leadership of the Student Government Association.

Done this fourth day of June 2015.

Paul C. Goodpaster, Chair

ATTEST:

Sharon S. Reynolds, Secretary

Wayne D. Andrews, President

**BOARD OF REGENTS MEETING
MOREHEAD STATE UNIVERSITY
March 19, 2015**

The Board of Regents of Morehead State University met at 9:00 a.m. on Thursday, March 19, 2015, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky.

CALL TO ORDER

Chair Goodpaster called the meeting to order.

ROLL CALL

The following Board members were present: Royal Berglee, Paul Goodpaster, Debbie Long, John Merchant, Craig Preece, Patrick Price, Kevin Pugh, Todd Thacker, and Kathy Walker. Julie Butcher and Bradley Fyffe were unable to attend the meeting.

MEDIA

Jason Blanton, Director of Media Relations, introduced Dan Conti, reporter for Morehead State Public Radio.

**NOMINATING
COMMITTEE REPORT**

Mr. Preece, chair of the Nominating Committee, moved that the Board re-elect Paul Goodpaster, Chair; Patrick Price, Vice Chair; and Sharon Reynolds, Secretary; and reappoint Beth Patrick, Treasurer. Ms. Walker seconded the motion. The motion carried unanimously.

Chair Goodpaster thanked Mr. Preece and the other members of the Nominating Committee for their report.

CONSENT AGENDA

Chair Goodpaster asked if the Board would like to discuss any item on the Consent Agenda as follows:

1. Minutes of December 4, 2014 (IV-A-1)
2. Personnel Actions (IV-A-2)
3. Approve Contracts for Banking Services (IV-A-3)

Mr. Preece moved that the items on the Consent Agenda be approved. Dr. Pugh seconded the motion. The motion carried unanimously.

**PRESIDENT'S
RECOMMENDATIONS**

The President recommended:

Tenure with Promotion

RECOMMENDATION: That the Board approve the granting of tenure and promotion to those who are assistant professors to the associate professor rank for the following faculty members with the issuance of their contracts for the 2015-16 year:

Dr. Jennifer McCain, assistant professor of education (ECESE)
Dr. John Curry, assistant professor of education (FGSE)
Dr. Sandra Riegle, assistant professor of education (MGSE)

Dr. Murray Bessette, assistant professor of government
Dr. Jeanne Petsch, assistant professor of art
Dr. Lisa Shannon, assistant professor of social work
Dr. James Masterson, assistant professor of government (IIS)
Dr. Hans Chapman, assistant professor of applied engineering and technology
Ms. Lisa McDavid, assistant professor of nursing (ADN)
Ms. Mary Suzanne White, assistant professor of nursing (ADN)

(Additional background information attached to these minutes and marked IV-B-1)

Dr. Andrews noted that the title listed in the agenda book for Dr. Bessette was incorrectly identified, and that he is an assistant professor of government.

MOTION: Dr. Pugh moved that the Board approve the President's recommendation with the correction. Dr. Berglee seconded the motion.

VOTE: The motion carried.

Sabbatical Leaves

RECOMMENDATION: That the Board of Regents approve the granting of sabbatical leaves for the following faculty:

Dr. Philip Krummrich, professor of literature and chair of international & interdisciplinary studies, Fall 2015 semester
Dr. Martha Decker, associate professor of education (ECESE), Fall 2015 semester
Dr. Shari Kidwell, associate professor of psychology, Fall 2015 semester
Dr. Cynthia Faulkner, professor of social work, Spring 2016 semester
Dr. Michael Hail, professor of government and assistant dean/director masters of public administration program, Spring & Summer 2016 semesters

(Additional background information attached to these minutes and marked IV-B-2)

MOTION: Ms. Walker moved that the Board approve the President's recommendation. Mr. Price seconded the motion.

VOTE: The motion carried.

Second Quarter Financial Statements

The President recommended:

That the Board accept the financial statements and amend the operating budget for the second quarter of the fiscal year that will end June 30, 2015.

(Financial Report and additional background information attached to these minutes and marked IV-B-3)

Beth Patrick, Chief Financial Officer and Vice President for Administration, introduced Kelli Owen, Director of Accounting and Financial Services, and Teresa Lindgren, Executive Director of Budgets and Financial Planning, who discussed the second quarter financial statements.

Ms. Owen reported that MSU's financial picture remained stable through the second quarter of the 2014-15 fiscal year. She said that the University operated with a surplus of revenues over expenditures and transfers of \$35.8M, which is common for this point in the year since spring semester billings are reflected in the revenue while only expenditures through December 2014 are reflected. She said that total revenues increased by \$1.7M due to an increase in tuition and housing rates, even though enrollment is down slightly. There was a total increase of \$2.4M in expenditures, which was budgeted and made up of increases in scholarships, health insurance, and salaries and wages due to the employee compensation model and the buyout program.

Ms. Owen noted that the revenues listed for food service is the University's portion, not the total sales. She also responded to a question stating the University Store has a history of being profitable. Second quarter financial statements for the University Store reflect purchases of spring semester books, but few sales of those books.

Ms. Owen reported that accounts receivables are high at this point in the year because spring semester has been billed but financial aid has not yet been applied to student accounts, and students have not begun to pay for spring semester. Bond obligations decreased as Con-Ed and several Build America bonds have been refunded to generate debt service savings.

Ms. Lindgren reported on budget amendments and significant adjustments to revenue and other additions for the second quarter. The total operating budget increased by \$367,322. These included unbudgeted revenue of \$98,704, primarily from Athletics and Academic Affairs. Additionally, unbudgeted support from the MSU Foundation totaled \$108,236 in support of Academic Affairs, primarily for the Craft Academy. Other miscellaneous revenue totaling \$195,867 was booked from meal plan revenue associated with the Governor's Scholars Program during the summer of 2014.

There were no budget amendments greater than \$200,000 and no changes to the capital outlay status.

MOTION: Mr. Preece moved that the Board approve the President's recommendation. Ms. Long seconded the motion.

VOTE: The motion carried unanimously.

Building Endowment

The President recommended:

RECOMMENDATION: That the Board approve a change of classification in the University's Building Endowment held by the Morehead State University Foundation to a quasi-endowment.

(Additional background information attached to these minutes and marked IV-B-4)

The University established an endowment with the Morehead State University Foundation on June 29, 1999 to be invested with earnings to be used by MSU for building projects and improvements, such as renovations and upgrades to classroom facilities and technology equipment. The principal amount invested by the University was \$1,587,632 and the current value of the endowment is \$1,769,421.

Changing the classification of the endowment to a quasi-endowment would allow the University to expend the principal in addition to the earnings from the endowment to support building projects and improvements. Using principal resources from the endowment, combined with other budgeted cash reserves generated from parking, auxiliary and tuition revenues, and a \$10 million contribution from ARAMARK, will enable the new Parking Garage/Dining Commons to be constructed without incurring debt.

MOTION: Ms. Walker moved that the Board approve the President's recommendation. Ms. Long seconded the motion.

VOTE: The motion carried unanimously.

REPORTS**Preliminary Spring 2014
Enrollment**

Jeffrey Liles, Assistant Vice President for Enrollment Services, presented a preliminary enrollment report for Spring 2015. Mr. Liles reported that total enrollment is 9,498, a decline of 230 when compared to Spring 2014.

(Preliminary Enrollment Report for Spring 2015 attached to these minutes and marked IV-C-1)

**Status Report on Current
Capital Projects**

Ms. Patrick reported on the status of capital projects that were identified as "high" or "highest" priority in the Campus Master Plan that was approved by the Board in March 2014.

(Report attached to these minutes and marked IV-C-2)

**Report on 2016-2022
Six-Year Capital Plan**

Ms. Patrick provided a preliminary report on the University's 2016-2022 Six-Year Capital Plan. She said that the University is required to submit the Six-Year Capital Plan to the Capital Planning Advisory Board (CPAB) and the Council on Postsecondary Education (CPE) by April 15, 2015. This plan will include proposed capital projects with an estimated scope of \$600,000 or more, and equipment purchases with an estimated scope of \$200,000 or more. Projects included in the first biennia of the plan will be used as the basis for the development of the 2016-2018 Executive Budget Capital Request which will be presented to the Board for approval in September 2015.

Since the Six-Year Capital Plan will be submitted between regular meetings of the Board, this preliminary project listing is presented for the Board's information and comments. The Plan as submitted in April will be presented for the Board's ratification at the June 2015 meeting.

(Report attached to these minutes and marked IV-C-3)

**Personal Service
Contracts**

Ms. Patrick reported on personal service contracts, which represent all such contracts issued with amounts greater than \$10,000 between November 16, 2014 and February 28, 2015. Ms. Patrick noted that the contract listed for adult education was paid for by a grant.

(Report attached to these minutes and marked IV-C-4)

RECESS

Chair Goodpaster declared a 10 minute break. The meeting resumed at 11:02 a.m.

**PRESIDENT'S
REPORT**

Dr. Andrews reported on the following:

- **Craft Academy** – Dr. Andrews stated that a ribbon-cutting is planned for the Craft Academy on August 27 after the Board's work session.
- **Higher Education Current Environment** – Dr. Andrews is the state representative to the American Association of State Colleges and Universities (AASCU). He attended a meeting last week where current issues facing universities was discussed, including the abandonment of higher education by states, the underfunding of retirement systems, sexual assaults and guns on campus, and the President's proposed rating system.
- **Academic Affairs Self-Study** – Dr. Andrews stated the final report will be submitted to him by Academic Affairs by the end of the spring semester. He will be conducting open forums with faculty and staff next week.

ANNOUNCEMENTS**Upcoming Meetings and
Events**

Chair Goodpaster reminded the Board that the groundbreaking for the new residence halls and the parking garage will be at 1 p.m. There will be an Audit Committee meeting followed by a work session on May 7. The next quarterly meeting will be June 4.

ADJOURNMENT

There being no further business to conduct, Ms. Walker moved that the meeting adjourn at 11:30 a.m. Ms. Long seconded the motion. The motion carried.

Respectfully submitted,



Sharon S. Reynolds, Secretary
Board of Regents

HONORARY DOCTORAL DEGREE

BOR (V-A-2)
June 4, 2015

Recommendation:

That the Board of Regents ratify the awarding of the honorary degree of Doctor of Humane Letters to Phillip M. Simms at the Spring Commencement ceremony on Saturday, May 9, 2015.

Background:

Since 1973, the Board of Regents has awarded honorary doctoral degrees to outstanding individuals to recognize personal achievement and/or exemplary public service. The Ad Hoc Honorary Degree Advisory Committee screens nominations for such recognition and makes appropriate recommendations to the President. The committee is composed of active and retired faculty and staff members and a representative of the MSU Alumni Association, Inc.

Phillip M. Simms of Franklin Lakes, New Jersey, may be the best known Eagle athletic alumnus. A four-year letterman, Mr. Simms was the Ohio Valley Conference's Offensive Player of the Year in 1977, and finished his MSU career with 5,545 passing yards and 32 touchdowns.

After his playing days at Morehead State, Mr. Simms was the New York Giants' first selection (seventh overall) in the 1979 NFL Draft. He enjoyed a 15-year NFL career and held 19 team records when he retired. As an All-Pro quarterback, he led the Giants to two Super Bowl titles. He completed 22 of 25 passes in Super Bowl 21, defeating the Denver Broncos, 39-20, to give the Giants their first Super Bowl title and earning him MVP honors.

The Louisville Southern High School graduate established team marks for most passes completed and attempted in one game, season and career. He also established marks for the most career touchdown passes and most 300-yard games in a career. He was a Pro Bowl selection in the 1985 and 1993 Pro Bowls and was the 1985 Pro Bowl MVP. He was named All-Pro in 1986.

Mr. Simms was inducted into the Morehead State Athletic Hall of Fame in October 1995 and Kentucky Pro Football Hall of Fame in 2011. His numbers are retired by both the Giants (#11) and MSU (#12).

Mr. Simms joined CBS Sports in January 1998 as lead analyst for the CBS Television Network's coverage of the NFL. He also was a studio analyst and co-host for ESPN and lead NFL analyst for NBC Sports.

Mr. Simms received a Bachelor of University Studies degree during the Spring 2015 Commencement.

Recommendation:

That the awarding of degrees to the candidates who successfully completed all degree requirements as approved by the faculty of the University at the 2015 Spring Commencement on May 9, 2015, be ratified.

Background:

At the May 9, 2015, Spring Commencement, students were awarded degrees from Morehead State University. This included 111 associate degrees, 778 bachelor degrees, 187 masters degrees, 13 education specialist degrees and 8 doctor of education degrees.

RATIFY PERSONNEL ACTIONS

BOR (V-A-4)
June 4, 2015

Recommendation:

That the Board ratify the Personnel Actions for the period February 26, 2015 through May 14, 2015.

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
 ROSTER POSITIONS SUMMARY
 05/15/15

	July 1 Authorized Positions	Current Authorized Positions	+/- Position Adjustments	Current Position Strength	% Current Strength
Office of the President	5.25	5.25	0.00	5.25	100.00
Division of University Advancement	48.00	44.00	-4.00	41.00	93.18
Division of Administration and Fiscal Services	116.58	129.75	13.17	121.75	93.83
Facilities Management	155.00	159.00	4.00	155.00	97.48
Division of Student Life	121.86	118.66	-3.20	111.66	94.10
Division of Academic Affairs	41.00	42.33	1.33	39.33	92.91
Caudill College of Arts, Humanities & Social Sciences	159.50	154.75	-4.75	137.75	89.01
College of Business and Public Affairs	58.50	57.50	-1.00	53.50	93.04
College of Education	88.02	82.86	-5.16	69.03	83.31
College of Science and Technology	179.66	180.91	1.25	165.91	91.71
Academic Programs and University Outreach	86.92	29.00	-57.92	26.00	89.66
Student Success	0.00	40.00	40.00	35.00	87.50
Camden-Carroll Library	37.00	33.00	-4.00	33.00	100.00
	<u>1097.29</u>	<u>1077.01</u>	<u>-20.28</u>	<u>994.18</u>	<u>92.31</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.

APPROVE REAPPOINTMENT OF AUDITING FIRM

**BOR (V-A-5)
June 4, 2015**

Recommendation:

That, based on the recommendation of the Audit Committee, the Board approve the extension of the auditing services contract with Dean Dorton Allen Ford, PLLC in Lexington to conduct the required annual audits for Morehead State University for the fiscal year that will end on June 30, 2015.

Background:

KRS 164A.570 requires an annual audit to be conducted for all universities in the state system. The bylaws of the Board of Regents provide that the Audit Committee will review, evaluate, and recommend to the full Board, an accounting firm to conduct the University's required annual audits. State statutes specify that the auditing firm must be selected through a request for proposal process, and that a personal services contract be issued to engage the firm.

On February 1, 2011, the University issued a request for proposals from qualified public accounting firms to perform the auditing services. As a result of that process, the Audit Committee recommended and the Board approved the appointment of Dean Dorton Allen Ford, PLLC to conduct the annual audits. The contract with the firm was for the fiscal year that ended on June 30, 2011 with the option to extend the contract for four additional one year periods. The audit fee adjustments for the extension periods will be based on the consumer price index.

The services rendered by Dean Dorton Allen Ford, PLLC for the 2013-2014 fiscal year were satisfactory and in compliance with the terms of the contract. The fee for the 2014-2015 fiscal year will not exceed \$83,700.

The Audit Committee met on May 7, 2015. The Committee approved the extension of the audit contract.

APPROVE MINIMUM SCOPE OF THE ANNUAL AUDIT

**BOR (V-A-6)
June 4, 2015**

Recommendation:

That, based on the recommendation of the Audit Committee, the Board approve the minimum scope of the University's audit for the year ending June 30, 2015.

Background:

The University is required to have an annual audit conducted of its financial activities. The bylaws of the Board of Regents specify that the Audit Committee will review, evaluate, advise and recommend to the full Board the minimum scope of the annual audit.

The Director of Accounting and Financial Services and the Director of Internal Audits have outlined the scope of the audit that will comply with all local, state, and federal audit requirements. A summary of the audit scope is attached.

The Audit Committee met on May 7, 2015. The Committee approved the minimum scope of the audit.

**MOREHEAD STATE UNIVERSITY
MINIMUM SCOPE OF THE ANNUAL AUDIT
FOR THE YEAR ENDING JUNE 30, 2015**

June 4, 2015

This document outlines the minimum scope of the annual audit of Morehead State University (MSU), and any applicable related entities, to be conducted by the University's auditors (the Firm) for the year ending June 30, 2015. Additional audit requirements and procedures may be added as situations warrant.

Internal Controls:

The audit will include a review and evaluation of the existing internal control structure. The evaluation will provide a basis for reliance thereon in determining the nature, timing and extent of selective audit tests to be applied to recorded transactions and data for certain periods of the year.

General Purpose Financial Statements:

The Firm will perform an audit of and issue its independent auditor's report on the financial statements of MSU as of June 30, 2015 and the results of its operations for the fiscal year then ended. The audit will be performed in accordance with auditing standards generally accepted in the United States of America; the standards for financial and compliance audits contained in *Government Auditing Standards* (GAGAS), issued by the United States General Accounting Office. The audit should include a determination as to whether Morehead State University's federal expenditures have met the Single Audit threshold established by the Single Audit Act and the provisions of Office of Management and Budgets (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations Receiving Federal Awards*, and the performance of a single audit in accordance with these standards, if required. The report will also include an independent auditor's report on supplemental information covering those supplemental schedules suggested to be reported on by the AICPA Audit Guide *Audits of Colleges and Universities*.

Federal Awards Programs:

The audit will include a Schedule of Expenditures of Federal Awards, which will be subjected to the auditing procedures applied in the audit of the financial statements. An opinion will be rendered on whether the Schedule is presented fairly in all material respects in relation to the financial statements taken as a whole.

The audit will report on the internal controls over financial reporting and on compliance with laws, regulations, and provisions of contracts or grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts in accordance with *Government Auditing Standards*. A report will also be issued on compliance with requirements applicable to each major program and internal control over compliance with requirements of laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Kentucky Lease Law Compliance Audit:

The Firm will issue a separate report on compliance with the Kentucky Lease Law. This report should include documentation of testing procedures performed, sample selection methods, and summary of the auditor's result in accordance with KRS 56.800 through 56.823, and KRS 48.190.

Intercollegiate Athletics Department:

The Firm will perform certain agreed-upon procedures and issue a separate report covering the limited examination of the Intercollegiate Athletics Department and its related booster organization, for the year ending June 30, 2015. These procedures will be performed in accordance with the latest version of the *NCAA Financial Audit Guidelines*.

Corporation for Public Broadcasting (CPB):

The Firm will issue its independent auditor's report on the financial statements of WMKY-FM for the year ending June 30, 2015. The audit will be performed in accordance with auditing standards generally accepted in the United States of America and the *Public Telecommunications Audit Guide and Requirements* as they relate to the CPB Annual Financial Report for the year ending June 30, 2015.

Compliance Report Under KRS 164A.555 to 164A.630 (House Bill 622):

The Firm will also issue a separate letter covering its study of MSU's internal accounting controls and administrative control procedures considered relevant to the criteria established by the Commonwealth of Kentucky Finance and Administration Cabinet as set forth in the latest version of the Cabinet's *Minimum Audit Scope for Compliance*.

Management Letter:

As required by generally accepted auditing standards (*Statement on Auditing Standards No. 60*), the Firm will prepare a letter of reportable conditions noted during the audit related to inherent weaknesses of controls, procedures, policies or noncompliance with governmental laws or regulations and suggest possible improvements. The Firm will comment and discuss those or other matters with the Director of Accounting and Financial Services, the Internal Auditor, the Vice President for Administration and Fiscal Services, and the President and the University Board of Regents. The Firm also will submit ideas or observations that will help achieve the University's objectives or improve efficiency in operations. As required by the Commonwealth of Kentucky Auditor of Public Accounts, all such matters conveyed to management will be documented in writing to be forwarded to the Auditor of Public Accounts.

Recommendations to management will be in the format prescribed by the Auditor of Public Accounts. The Firm will document the resolution status of prior year recommendations.

Closing Package:

In accordance with the directive from the Commonwealth of Kentucky Auditor of Public Accounts, the Firm will provide a copy of the comprehensive financial statements and management letter to the Auditor of Public Accounts. In addition, a report issued under *Codification of*

Statements on Auditing Standards AU 623.11 through 623.17 applicable to the “closing package” furnished by the University to the Finance and Administration Cabinet will be provided to the Auditor of Public Accounts by September 30, 2015 (or date specified by the Commonwealth). If requested by the Auditor of Public Accounts and approved by the University, all working papers prepared by the audit team will be made available for review.

Audit of Subsequent Events:

In accordance with the directive from the Auditor of Public Accounts, the Firm will update the audit procedures related to events subsequent to June 30, 2015 from the last day of field work (projected for late September 2015) to December 14, 2015. The Firm will report the results of these updated procedures in a separate letter, which shall be delivered to the Auditor of Public Accounts and to the University, no later than noon on December 15, 2015.

Other Reports:

The Firm will issue any other letter reports as may be required by the Finance and Administration Cabinet or the Auditor of Public Accounts of the Commonwealth of Kentucky.

Exit Conferences:

Separate exit conferences may be required to be held with the MSU Board of Regents, the Board of Regents Audit Committee, the MSU President and other members of the administration. Also, it is expected that exit conferences will be held with major unit heads as appropriate to the areas or functions audited.

Timing of Reports:

1. The audited financial statements and management letter shall be furnished to the Auditor of Public Accounts no later than October 5 (or other such date as specified by the Commonwealth). If final reports are not available as of October 5 (or other such date as specified by the Commonwealth), drafts will be submitted by that date. The reports will contain the following items:
 - (a) Audited financial statements and an opinion thereon.
 - (b) A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. Where applicable, this report must refer to a separate schedule of findings and questioned costs.
 - (c) A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133. Where applicable, this report must refer to a separate schedule of findings and questioned costs.
 - (d) A report on compliance in accordance with KRS 164A.555 through 164A.630 (House Bill 622) based on the audit of financial statements.

- (e) The closing package forms, in accordance with *Codification of Statements on Auditing Standards*, AU 623.11 through 623.17.
 - (f) If applicable, the Firm shall also obtain and submit management's summary schedule of prior audit findings and corrective action plan for current year audit findings.
 - (g) The reports described above should be presented in a manner prescribed by the AICPA Audit and Accounting Guide and OMB A-133. Notwithstanding the provisions of the AICPA Audit Guide, any "other matter" conveyed to management should be in writing, and a copy of that correspondence forwarded to the Auditor of Public Accounts.
- 2. The Firm will certify, on line, the CPB audit report by November 30 of each year.
- 4. The Firm will prepare the KFAC form 990 & 990-T by November 30 of each year.
- 5. The Firm will provide a representation letter by July 31 (or other such date as specified by the Commonwealth) to the Auditor of Public Accounts stating that the Firm is in compliance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards* concerning continuing education requirements, independence and internal quality control system and peer review requirements. The representation letter should be prepared in accordance with the provisions of the Auditor of Public Accounts related to independence.
- 6. The Firm shall notify the Auditor of Public Accounts of matters which come to its attention which may have a significant impact on the Commonwealth's financial statements. The Firm shall be available to the Auditor of Public Accounts to address questions about the University's financial statements.
- 7. The Firm will provide, by the date requested, a letter to the Auditor of Public Accounts reporting the results of the application of subsequent events audit procedures.
- 8. The Firm will provide a copy, in Adobe (pdf) format, each of the audited financial statements to the University (both including and excluding the report on Federal Awards Program (A-133), in electronic form to be used when required by outside agencies for reporting purposes.
- 9. The Firm will prepare the University's form 990-T by February 15 of each year and provide consulting services related to unrelated business income.

Recommendation:

That the Board of Regents approve the granting of promotions to the following faculty with the issuance of their contracts for the 2015-2016 year:

Professor

Christine Emrich Lange, geography (IRAPP)
Timothy Hare, anthropology (IRAPP)
Lola Aagaard-Boram, education (FGSE)
Katy Carlson, English
George Eklund, English
Shondrah Nash, sociology
Joy Gritton, art
Wendell O'Brien, philosophy
Ignacio Birriel, physics
Janelle Hare, biology

Librarian IV

Ophelia Chapman
Jennifer Little

Background:

In accordance with personnel policies, faculty members and librarians desiring promotion are responsible for developing their portfolios for submission to their peers and administrative supervisors for analysis and review. Recommendations from these peer groups and administrators are forwarded to the Provost. The President, based upon recommendations from the Provost, submits his recommendations to the Board of Regents.

Recommendation:

That the Board of Regents approve the granting of Emeritus Status to the following:

Karen Lafferty, associate professor of education (MGSE)
Robert Franzini, department chair and professor of art
Richard Miles, director of bands and professor of music
John Secor, associate professor of romance languages
Bob Bylund, professor of sociology
Judith Stafford, associate professor of social work
Herb Hedgecock, assistant professor of chemistry

Background:

In accordance with PAC-3 and UAR 116.04, the faculty members listed above were recommended for emeritus status by their peers and immediate supervisors to the Provost. The President, based upon recommendations from the Provost, submits his recommendations to the Board of Regents. The emeritus status will become effective upon the date of retirement.

Recommendation:

That the Board of Regents approve the recommendations of the Academic Affairs Self-Study.

Background:**Self-Study Charge**

President Andrews charged Academic Affairs with undertaking an inclusive and transparent self-study during the 2014-2015 academic year that would yield three outcomes:

1. Recommend structural alignments that move the institution forward and that also results in a 1.5 million net reduction to the Academic Affairs budget beginning with the 2015-2016 academic year.
2. Review and offer recommendations as necessary about our undergraduate and graduate degree programs to ensure that they are academically sound, produce positive enrollment, and meet student needs.
3. Recommend a process that generates new academically sound programs yielding positive enrollment and student success.

Self-Study Process

Provost Steve Ralston put together an Academic Affairs (AA) team to facilitate the self-study. The team included:

- Provost and VPAA
- AVPAA for Academic Affairs
- AVPAA for Institutional Effectiveness
- AVPAA for Research & Dean of the Graduate School
- AA Liaison
- Dean of College of Business and Public Affairs
- Dean of the Caudill College of Arts, Humanities & Social Sciences
- Dean of the College of Education
- Dean of the College of Science and Technology

To ensure the self-study was inclusive and transparent, key stakeholders were involved, including:

- Board of Regents
- President
- President's Leadership Council
- President's Cabinet

- Faculty Senate
- Faculty
- Students
- Student Government Association
- Staff Congress

To facilitate the process and to ensure key stakeholders' views were included, the self-study made use of multiple communication methods and modalities, including:

- Faculty and staff web-portal
 - Discussion board
 - Announcements
 - Calendar
 - APNA data
 - Detailed instructions
 - Self-study email address
 - Responses uploaded
- Student web portal
 - FAQ
 - Responses uploaded
 - SGA facilitated student responses
- Self-Study email secure address
- Provost Open Forums
 - Two in fall term
 - Two in spring term
- Provost met with Staff Congress
- Provost met with SGA
- President and Provost participated in student open forum

To ensure stakeholder responses to recommendations were encouraged and understood by the Academic Affairs team, the self-study process included:

- Invitation to upload written responses to recommendations on the portals
- Invitation to those not comfortable uploading comments to send response by email
- Invitation to request a meeting with the review team to discuss response
- Invitation to meet from review team to some stakeholders who did not request a meeting

To ensure stakeholders appreciate how the process informed the review team's recommendations and to make certain the recommendations reflected accurately suggestions that were adopted, the self-study included three iterations of draft recommendations. Each iteration included opportunity for feedback and input from stakeholders:

- Draft recommendations
- Revised draft recommendations

- Final draft recommendations

Recommendations:

I. Structural Alignment (by college)

Caudill College of Arts, Humanities and Social Sciences

Current Organization

The Caudill College of Arts, Humanities and Social Sciences academic departments occupy 7 buildings (Baird, Breckinridge, Button, Claypool-Young, Combs, Rader, Honors House). The college has approximately 1800 undergraduate majors and graduate students spread across about two-dozen academic programs, plus several minors. The college also provides the majority of service to BUS and undecided/undeclared/non-degree students, and the general education program. The current organizational structure is:

1. Art and Design
2. Communication, Media and Leadership Studies
3. English
4. History, Philosophy, Religion and Legal Studies
5. International and Interdisciplinary Studies
6. Military Science/ROTC
7. Music, Theatre and Dance (MUTD)
8. Sociology, and Social Work and Criminology

Organization – July 2015

The Caudill College of Arts, Humanities and Social Sciences would reduce the number of academic departments from 8 to 7, including the Department of Military Science (ROTC). This reorganization involves the consolidation and transfer of programs and faculty within and outside of the Caudill College, and fills department chair vacancies from within the faculty ranks, resulting in the reduction of administrative personnel expenditures. In addition, oversight for the Training Resource Center, located in Rader Hall is reassigned from the School of Public Affairs to the Department of Sociology, Social Work and Criminology where the affected programs and faculty is housed.

Recommended Organization

1. Art and Design
2. Communication, Media and Languages
3. English
4. History, Philosophy, International and Legal Studies
5. Music, Theatre and Dance
6. Sociology, Social Work and Criminology
7. Military Sciences

Focus and Vision for the Caudill College of Arts, Humanities and Social Sciences

The culmination of the Academic Affairs Self-Study process strengthened the already well-established spirit of collaboration within the Caudill College of Arts Humanities and Social Sciences and extended additional collaborative bridges to the other academic colleges. A key example is the college's participation in the development and implementation of the Craft Academy's STEM + X

curriculum, which integrates STEM with innovation and entrepreneurship, creativity and design, and civic and regional engagement and has the potential to become a foundational force for developing a similar integration across aspects of the MSU experience. In addition, the college is better poised to advance MSU's internationalization agenda, advance deep partnerships in teacher education, capitalize on traditional strengths in the humanities and social sciences to direct students toward career preparation and advancement opportunities, and to further enhance the position, impact, and influence of the creative arts within the region and beyond.

While the college remains focused on advancing opportunities for students to engage with our global society, the social sciences and services areas are better positioned to integrate curricula for addressing the broad range of interrelated social challenges of the region's population, namely chemical dependency, criminal and social justice issues, and the needed social services. For students who study in the traditional liberal arts programs, a focus has been defined to purposefully connect students with applicable career opportunities early in their academic careers. Additional collaborative engagements exploit the common intersections between the various creative, performing and media arts areas to prepare students for contemporary and future career opportunities and to ensure the efficient and effective use of human and capital resources.

College of Business and Public Affairs

Current Organization

The College of Business and Public Affairs was created in July 2009 through the combination of the College of Business, the Sport Management program from the College of Education, the Institute for Regional Analysis and Public Policy (IRAPP), and the Government program from the Caudill College of Humanities. During that reorganization, the College of Business eliminated three department chairs and three academic department specialists, creating a single associate dean with an administrative assistant to lead the newly formed School of Business Administration. The School of Business Administration (SBA) retained the three-department structure, without department chairs, to maintain department level faculty reviews and to maintain representation on college and university committees.

At the same time, the government program and IRAPP formed the basis for the new School of Public Affairs, which is also led by a single associate dean with an administrative assistant. The current organizational structure is:

- School of Business Administration
 - Accounting, Economics, and Finance
 - Management and Marketing
 - Computer Information Systems
 - MBA
 - Economics Education Center)
- School of Public Affairs
 - Government and Regional Analysis,
 - IRAPP

Organization – July 2015 (see org chart)

Under this set of recommendations, the College of Business and Public Affairs (CBPA) will be **reorganized and restructured as a College of Business and Technology**. The School of Public

Affairs (SPA) will be restructured as the Department of Public Management and Government. The College of Business and Technology would retain the School of Business Administration (SBA) and would add a new school – The School of Engineering and Information Systems. This new school would include two departments: the Department of Engineering and Technology Management and the Department of Computer Science and Information Systems. The current Department of Applied Engineering and Technology, along with its full cadre of programs and its faculty, would be moved from the College of Science and Technology. Joining the Department of Computer Science with Computer Information Systems will create the Department of Computer Science and Information Systems.

Recommended Organization

- School of Business Administration
 - Accounting and Finance
 - Management and Marketing
 - MBA
- School of Engineering and Information Systems
 - Engineering and Technology Management
 - Computer Science and Information Systems
- Department of Public Management and Government

Focus and Vision for the College of Business and Technology

Through the transformation of the existing College of Business and Public Affairs into the new College of Business and Technology, the university is making a strategic investment in the future of its technology, engineering, and business programs. Specifically, the new School of Engineering and Information Systems is designed to elevate the current programs in Applied Engineering Technology, Computer Science, and Computer Information Systems by strategically moving beyond the status quo. While synergistic opportunities among the programs in the new College of Business and Technology exist, the more important aspect of this reorganization lies in the potential for deeper integration of STEM across the university. Such integration will enhance opportunities for students in both the new School of Engineering and Information Systems and the current School of Business Administration. While there is no directive to modify the curricula of these existing successful programs, new program opportunities including those in Design Thinking, Robotics, Informatics, and Analytics will be strengthened through the creation of the College of Business and Technology. These new opportunities should not be viewed as limiting the ability of current and future students to follow more traditional programs of study such as double majors in Computer Science and Mathematics. This alignment of programs is also consistent with the approach the university has taken with the Craft Academy. The STEM + X concept, around which the Craft Academy curricula is built, has arisen out of the understanding that entrepreneurship and creativity can enhance the STEM curricula. With the School of Business Administration's and the University's commitments to strengthening entrepreneurship programs, opportunities abound for developing strong ties with STEM – through new program opportunities to business incubation opportunities in the newly opened Innovation Launchpad. The pairing of select engineering, technology, and computer science programs with business creates an environment in which students and faculty can explore commercial applications. The innovation Launchpad provides opportunities to accelerate innovation and commercialization in areas including software applications, gaming, 3D design, and engineering technology.

The Department of Public Management and Government will concentrate on two priority areas. First, economic development. Through collaboration with the School of Business Administration, the Department of Public Management and Government will be able to support the efforts of the Shaping our Appalachia Region (SOAR) workgroups through data analysis, facilitation of strategic planning processes for communities, providing interns to assist the region with applied research projects, offering grant-writing workshops in the local communities, and through the generation of new data through regional surveys designed to inform local initiatives. In addition, there are collaborative opportunities to develop a Certificate in Economic Development and Intergovernmental Management at both the undergraduate and graduate levels. This would support the capacity building efforts of SOAR while expanding the market for both MPA and MBA graduates. The second priority is educating the next generation of public leaders in eastern Kentucky. Both the Government and the MPA programs are focused on fostering public management, leadership, and administration. This focus has recently been broadened through the curricular focus on the STEM + X curriculum of the Craft Academy in which one of the tracks within the program is on Civic and Regional Engagement. The new STEM + X First Year Seminar course titled “STEM Inside Out” will show students how their STEM knowledge and skills can be used to invent, innovate, and impact their local and global communities with a focus on entrepreneurship, creativity and design, and civic engagement. This all folds into the broad vision for the College of Business and Technology which is to spread STEM across the university – not limiting it to just the science college.

In addition, greater emphasis will be placed on the entrepreneurship programs in the SBA with the planned hire of the Smith Endowed Chair of Entrepreneurship and the creation of the Booth Center for Entrepreneurship. These organizational changes are reflected in Program Realignment section below and in the Organizational Chart at the end of this section.

College of Education

Current Organization

The College of Education certifies teachers at the graduate and undergraduate levels, including MAT in areas consistent with the EPSB, and offers two non-certification programs. The college is NCATE and CPE Accredited. The college provides coursework leading to the bachelor, masters and doctoral degree, and provides specific professional endorsements programs. The college works closely with the other colleges in the certification of teachers across disciplines, including secondary education and the P12 programs of Art Education, Music Education, and Health Education. Degree programs are also offered at the Ashland and Prestonsburg Campus. The current organizational structure is:

1. Early Childhood, Elementary, and Special Education
2. Middle Grades and Secondary Education, contains the MAT Program
3. Foundational and Graduate Studies in Education
4. College Advising Center
5. Teacher Education Services Unit
6. 21st Century Educational Enterprises
7. Educational Unit, Child Care Services

Organization-- July 2015 (see org chart)

The College of Education will reorganize modestly creating better alignment with students' educational needs. New to the college is the Environmental Education Program. Environmental Education is an important outreach program that addresses teacher education, grant writing, and professional development. The college will also work closely with the other academic colleges to transition the secondary education programs so that the pedagogical core is housed in Education for purposes of oversight, reporting, and accreditation. Pedagogical Content Core/Secondary Certifications will move the college to provide more effective governance in administration, data collection and reporting

Recommended Organization

1. Early Childhood, Elementary, and Special Education
2. Middle Grades and Secondary Education, contains the MAT Program
3. Foundational and Graduate Studies in Education
4. College Advising Center
5. Teacher Education Services Unit
6. 21st Century Educational Enterprises
7. Educational Unit, Child Care Services
8. Environmental Education

Focus and Vision for College of Education Reorganization

As a result of the self-study, the college is better positioned to make necessary changes that favorably impact our ability to build on and develop innovative programs that are aligned with regional, state, national trends, and requirements. More specifically, the college is better prepared to meet the needs of our students, respond to regional needs, meet national accreditation standards, and collaborate with other academic colleges. Housing Environmental Education and the pedagogical core for the secondary programs move us toward realizing the vision of a STEM focus on areas of teacher education, which will position our graduates to be content specialists with strong pedagogical knowledge and skills. Additionally, the reorganization positions college to develop and build on collaborative partnerships in our service region.

College of Science and Technology

Current Organization

The college has three departments that occupy 6 different buildings (CHER, Lappin Hall, Lloyd Cassity, Reed Hall, Laughlin, and the Space Science Center. The college and its departments also manage separate research and educational facilities that include the Derrickson Agricultural Complex, Browning Orchard, Star Theater, and the Water Testing Laboratory. The College has approximate 3300 undergraduate majors and graduate students spread across about 3-dozen academic programs. The college also supports the UK Physician Assistant Program that has a cohort at the MSU Campus. The current organizational structure is:

1. Agricultural Sciences
2. Applied Engineering and Technology
3. Biology and Chemistry
4. Earth and Space Science
5. Health, Wellness and Human Performance
6. Imaging Sciences ;

7. Mathematics, Computer Science and Physics
8. Nursing
9. Psychology

Organization – July 2015 (see org chart)

Beginning July 2015, the College of Science and Technology would be **renamed the College of Science** and be comprised of 7 departments, with the reduction and consolidation of the HWHP department with another department in the college, and the movement of the AET Department and the Computer Science program to a new School of Engineering and Information Systems within the College of Business and Technology. A new Department of Mathematics and Physics would be formed. The HWHP Department would be combined with the Imaging Sciences Department to form the Department of HWHP and Imaging Sciences. Consolidating HWHP and Imaging Sciences allows for possible shared projects, as well as possible shared online courses.

Recommended Organization

1. Agricultural Sciences
2. Biology and Chemistry
3. Earth and Space Sciences
4. HWHP and Imagining Sciences
5. Mathematics and Physics
6. Nursing
7. Psychology

Focus and Vision for the College of Science

The College of Science emerges from the Academic Affairs Self-Study with a sharper focus. In addition, the new college will be sized more appropriately with the resources available. The College of Science is better positioned to develop and enhance its programs in the Sciences and Mathematics and support the success of undergraduate and graduate students. In particular, STEM is becoming a signature area for Morehead State University with areas of focus in STEM developing in all academic colleges. Following the STEM + X approach pioneered by the Craft Academy and further articulated in the new College of Business and Technology, the integration of STEM with innovation and entrepreneurship, creativity and design, and civic and regional engagement has the potential to become a signature educational experience at MSU. As such, the College of Science will strengthen collaborative efforts with other colleges to enhance opportunities for students and faculty. The future is bright for the College of Science and for MSU to continue its critical role in health and economic development in Eastern Kentucky.

II. Academic Program Review (by recommendation category)

Eliminate: Program demonstrates ongoing low productivity, based on headcount, degree production, credit hour production, graduation rates, and other key performance indicators. Program elimination will be conducted in accordance with relevant policies and coordinated by the relevant academic deans.

College of Business and Public Affairs
School of Business Administration

- BBA in Economics
- MS in Management Information Systems

School of Public Affairs

- BA in Public Policy
- MA in Government

College of Science and Technology

- AAS in Engineering Technology
- MS in Psychology – General

Caudill College of Arts, Humanities and Social Sciences

- BA in French
- MA in Interdisciplinary Social Sciences

Modify: Program demonstrates low productivity, based on headcount, degree production, credit hour production, graduation rates, and other key performance indicators. The program requires immediate and targeted action.

College of Business and Public Affairs

School of Business Administration

- MA in Sport Management

College of Science and Technology

- MS-CTE (Joint Program in AET and AS)
- MS in Biology
- BS in Earth Systems
- BS in Health and Physical Education

College of Education

- MA in Secondary Education and Teaching Programs

Monitor: Program demonstrates moderate to low productivity or is experiencing adverse trends based on headcount, degree production, credit hour production, graduation rates, and other key performance indicators. Specific challenges and opportunities associated with the program have been identified. In most cases, improvement plans must be presented to the relevant dean implemented by no later than fall 2016.

College of Business and Public Affairs

School of Business Administration

- BBA in Computer Information Systems
- BBA in Small Business Management/Entrepreneurship
- BBA in Business and Information technology Education
- Master of Business Administration

College of Science and Technology

- BS in Mathematics

- Nursing Bachelor Degree Program
- MA in Wellness Promotion

Caudill College of Arts, Humanities and Social Sciences

- MA in Art/Art Education
- MA in Communication
- BA in International Studies
- BA in Music/BM in Music Performance/B Music Education
- MM in Music/Music Education
- BA in Music (Traditional Music)
- MA in Sociology
- BA in Theatre/Theatre Education

College of Education

- BA in Interdisciplinary Early Childhood Education
- BA Elementary Education and Teaching
- BA in Junior High/Intermediate/Middle School Education & Teaching
- MA in Education, General (MAT Programs)
- MA in Special Education and Teaching, General
- MA/Spec. in Curriculum and Instruction
- MA/Spec. in Counselor Education/School Counseling and Guidance Services
- MA/Spec. in Adult and Continuing Education and Teaching
- MA in Secondary Education and Teaching (Teacher Leader Masters FGSE)

Retain: Program demonstrates high productivity based on headcount, degree production, credit hour production, graduation rates, and other key performance indicators. Although retained, program must continue to seek out opportunities for improving academic quality and enrollment.

College of Business and Public Affairs

School of Business Administration

- BBA in Accounting
- BBA in Finance
- BBA in Management
- BBA in Marketing
- BBA in General Business
- BBA in Business and Information Technology Educations
- BA in Sport Management

School of Public Affairs

- BA in Government
- Master in Public Administration

College of Science and Technology

- AAS in Veterinary Technology
- BS in Veterinary Technology

- BS in Agriculture
- BS in Veterinary Science
- BS in Engineering Management
- BS in Engineering Technology
- BS in Technology Management
- MS in Engineering Technology
- BS in Biology
- BS in Biomedical Sciences
- BS in Chemistry
- BS in Space Science/Astrophysics
- MS in Space Systems Engineering
- AAS in Respiratory Care
- BS in Health Promotion
- BS in Exercise Science
- AAS in Radiological Science
- BS in Imaging Sciences
- BS in Computer Science
- BS in Physics
- Associate Degree in Nursing
- BS in Psychology
- MS in Clinical Psychology

Caudill College of Arts, Humanities and Social Sciences

- BA in Art/Art Education
- BA in Convergent Media
- BA in Strategic Communication
- BFA in Creative Writing
- BA in English/English Education
- MA in English
- BA in History
- BA in Philosophy
- BA in Legal Studies/Paralegal
- BA in Social Studies Education
- BA in Spanish/Spanish Education
- BA Sociology/Criminology and Criminal Justice
- BA in Social Work

College of Education

- BA Special Education and Teaching, General (Community Supp. Ser., LBD & MSD)
- BA/MA Junior High/Intermediate/Middle School Education & Teaching
- Ed Leadership & Administration (EDD)
- Ed Tech/Instructional Media Design
- EDS Counselor Education/School Counseling and Guidance Services

- Teacher Ed & Professor Dev., Subjects – Foundations of Education
- Adult & Higher Education -- Teacher Ed* Professor Dev., Levels & Methods

Program Review Summary

- Eliminate 8
- Modify 6
- Monitor 19
- Retain 52

III. Generating New Academic Programs

Academic Affairs recommends establishing the New Program Proposal Initiative (NPPI) to foster and accelerate input from faculty regarding new degree ideas. Proposals selected for award consideration will advance accomplishment of the institution's strategic plan, ASPIRE.

The NPPI process begins with an annual RFP that provides faculty with an opportunity to submit a prospectus that identifies a potential new academic program. Faculty awarded the NPPI grant will produce a feasibility study on the viability of introducing new academic programs that meet current and predicted student need and market demand. An Academic Affairs selection committee will evaluate proposals. The selection committee will recommend to the Provost proposals for funding.

Selected feasibility studies may be advanced forward to a comprehensive marketing analysis. The marketing analysis will help determine the extent to which moving forward is warranted. Pending a favorable marketing study, a business model would be constructed to further examine degree viability and return on investment.

Award Funding Levels

\$4,000 single

\$6,000 team (divided among members)

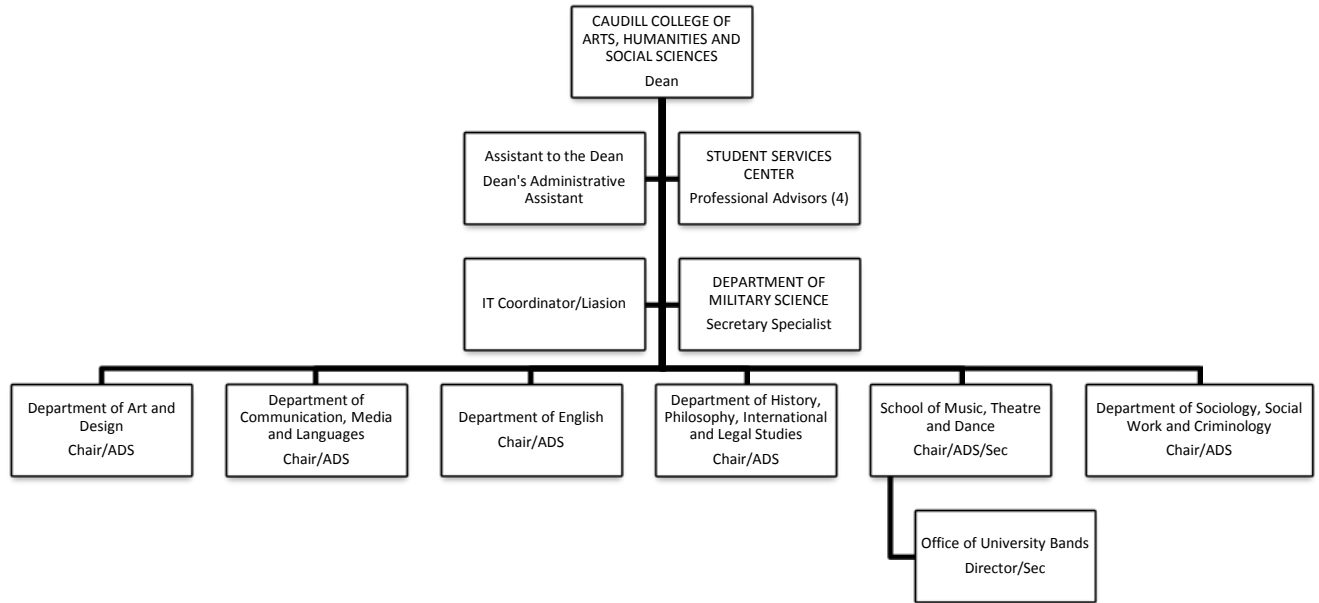
Annual Number of Awards and Cost

4 maximum

\$16,000-\$24,000

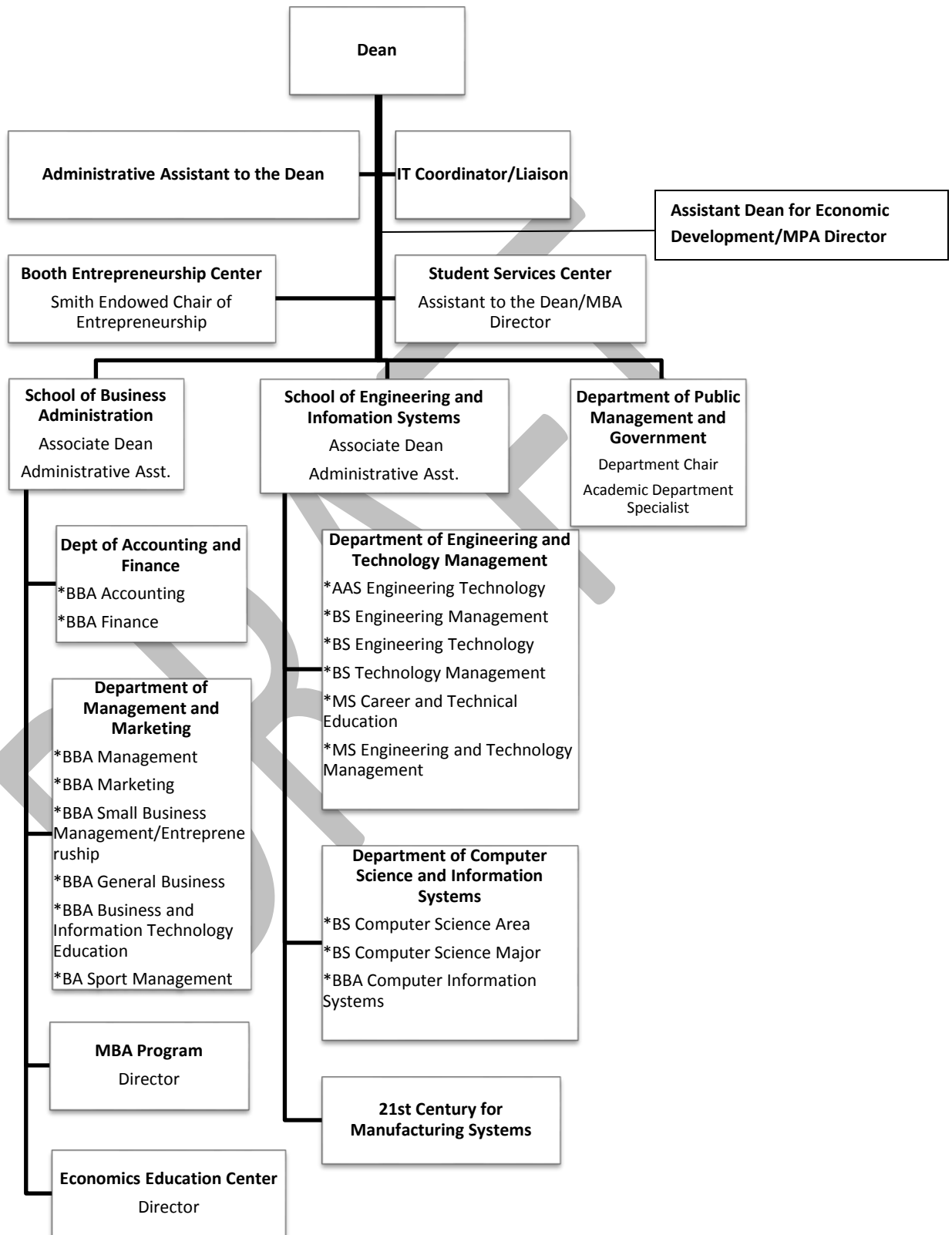
Caudill College of Arts, Humanities and Social Sciences

Organizational Chart – July 2015

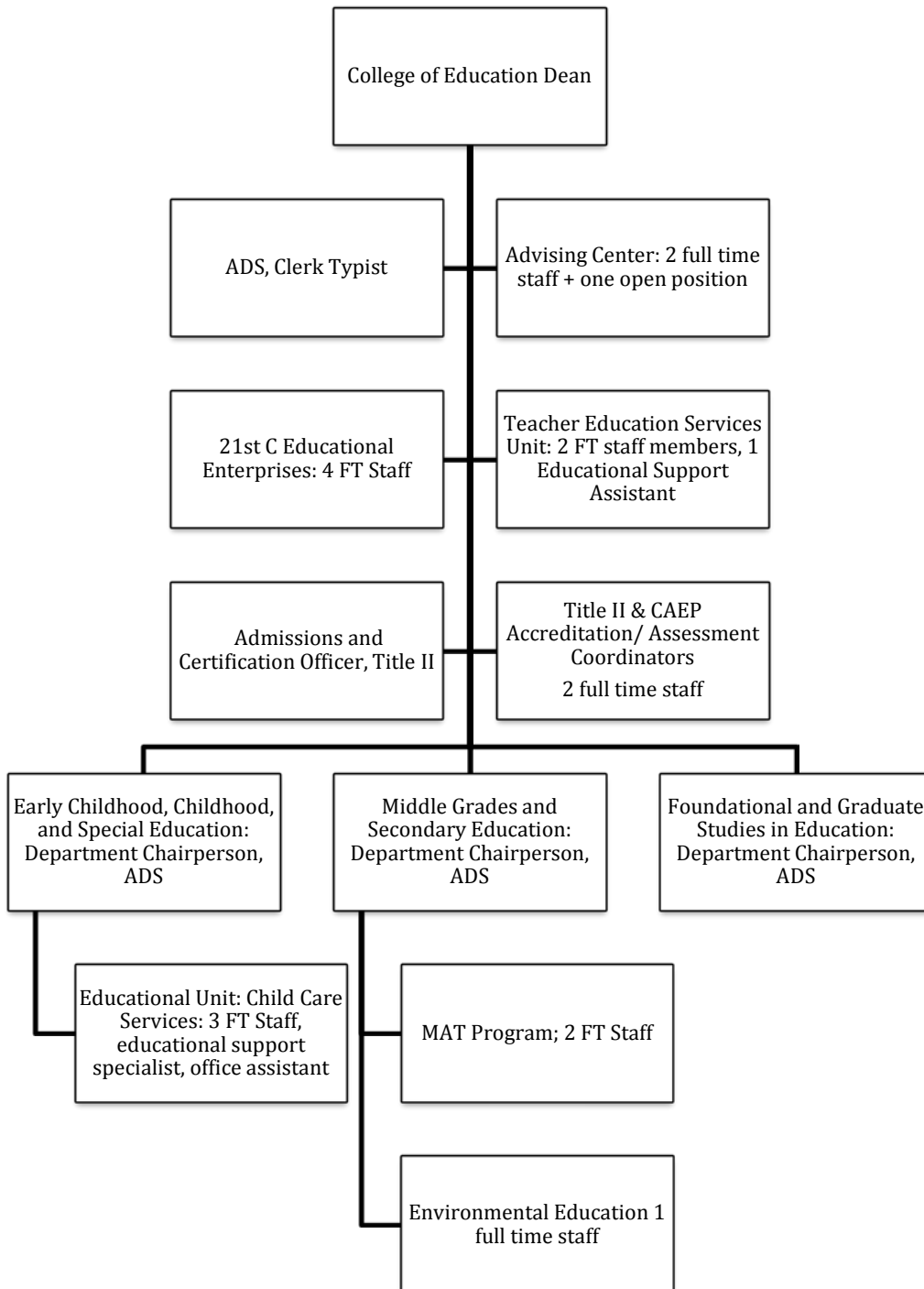


College of Business and Technology

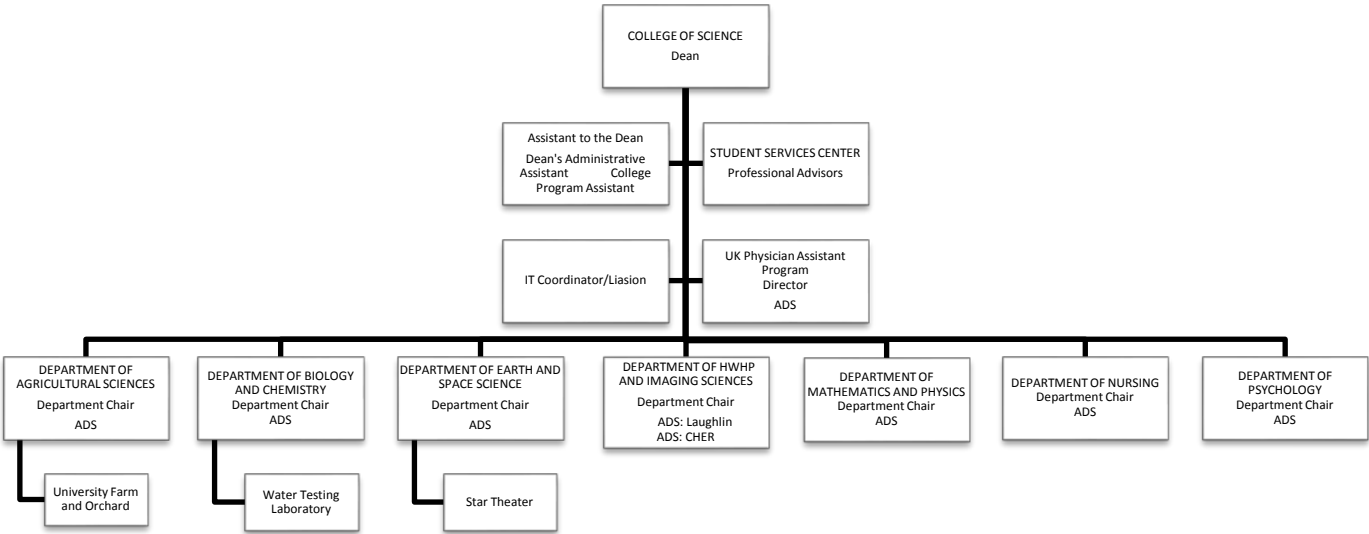
Organizational Chart – July 2015



College of Education
Organizational Chart- July 2015



Organizational Chart – July 2015



**APPROVE REVISION TO PERSONNEL POLICY
PG-44 EMPLOYEE COMPENSATION
AND CLASSIFICATION PLAN**

**BOR (V-B-4)
June 4, 2015**

Recommendation:

That the Board approve the revised personnel policy PG-44 related to the Employee Compensation and Classification Plan.

Background:

The Office of Human Resources maintains a manual of personnel policies approved by the Board that outline the rules and regulations associated with the employment of academic, administrative, staff exempt and staff non-exempt employees. These policies are revised as necessary to fulfill changes in employment needs, compliance with regulations and to codify all processes, rights and responsibilities related to employment at Morehead State University.

During a spotlight presentation on March 14, 2013, the Board reviewed and offered support for a revised Employee Compensation and Classification Plan that was developed to bring all faculty and staff salaries to market rates. Market rates are identified through review of national salary survey databases such as CUPA for positions with common job classifications or academic rank and discipline as well as the number of years of experience an employee has in their current rank/position. Implementation was spread over three fiscal periods beginning July 1, 2013 with completion on July 1, 2015.

Personnel Policy PG-44 relates to the Employee Compensation and Classification Plan and was initially approved by the Board on May 13, 1988. The revised policy presented today includes overarching guidelines for managing compensation goals for both faculty and staff that align with the new Employee Compensation and Classification Plan. Specific operational details and processes for maintaining the Employee Compensation and Classification Plan are further defined in separate University Administrative Regulations (UARs) for faculty and staff employees.

Policy: PG-44

Subject: Employee Compensation and Classification Plan

Approval Date: 05/13/88

Revision Date: 06/22/94; 09/15/2000; 06/4/2015

PURPOSE:

To outline the policy, philosophy, and strategy for administering the University's Compensation and Classification Plan.

PHILOSOPHY:

The University's compensation philosophy recognizes our employee's value and their contribution to successfully accomplishing the goals and objectives as outlined in the MSU Strategic Plan with its Vision, and Core Values. The compensation system will strive to pay at the current market value of a position based on the skills, knowledge and abilities required of a fully, competent incumbent while being grounded in the economic realities of the University budget. An individual's compensation within a pay range will be expected to vary based upon the individual's performance and experience in the position. The compensation system will be objective and non-discriminatory in theory, application, and practice. The University will reward its employees based on their merit and performance toward achieving the University's goals and objectives through annual personnel evaluation systems for faculty and for staff employees.

COMPENSATION STRATEGY:

- The University will recruit personnel from relevant labor markets, whether those are local, statewide, regional or national.
- The compensation system must be flexible enough to ensure that the University is able to recruit and retain a highly qualified faculty and staff workforce, while providing the structure necessary to effectively manage the overall compensation program.
- The University will compensate its employees in the most equitable and competitive manner possible within the confines of its budget based on the skills, knowledge and abilities required of a fully competent incumbent. The University will utilize annual salary surveys for the purpose of adjusting grade level position ranges per the identified relevant job markets.
- The compensation system will evaluate external equity to determine the relative marketplace value of every University position directly comparable to similar positions in comparable higher education institutions, factored for general economic variances and adjusted to reflect the local economic marketplace.
- The compensation system will evaluate internal equity to determine the relative worth of each position in the University when comparing the required level of position competencies, formal training and experience, responsibility and accountability of one position to another, and arranging all positions in a formal grading structure.
- The staff job titles are established to reflect the type of work performed while also having an appropriate linkage to common titling practices in the educational marketplace. Consistency of titling across the University is important to ensuring that

titles are not over- or understated. The use of a working title may be used to more accurately describe a job where it is externally necessary.

- Pay ranges will be established using survey data wherever possible with experienced market/median indicating the market value for the position. Pay ranges for faculty positions will be based on survey data from faculty holding a common academic rank within a common academic discipline.
- The experienced market of the pay range typically describes an individual having seven years of experience in that particular position for staff or eight years of experience in an academic rank for faculty.
- Progression through the pay range is based on performance. While experience and growth in the job may influence a person's movement in the first few years in the job, performance will be the key driver in dictating long-term salary growth.
- Annual employee evaluations shall be based on performance as measured by the accomplishments of stated University and professional goals and objectives. A common staff evaluation system is used for all exempt and non-exempt staff. Faculty Evaluation Plans are maintained within an academic department or college.
- Salaries of new employees will be established within the limits of the system and reflective of the incumbent's experience in the new position. Salaries should never be below the minimum of the grade level and should not be over the experienced market of the grade level/pay range, in order to properly apply the values of the system. Exceptions to the recommended starting salary can only be obtained with written justification and approval by the appropriate Vice President/Provost. Any starting salaries over the experienced market must be done with written justification and approved by the Vice President/Provost and the President.

ADMINISTRATION OF THE PLAN:

The Board of Regents authorizes the President to administer the Plan. All faculty and staff appointments shall be in accordance with the Employee Job Classification and Compensation Plan.

MANAGEMENT RIGHTS AND RESPONSIBILITIES:

The Board of Regents may amend the Employee Job Classification and Compensation Plan in response to budgetary constraints, changes in State and Federal law or regulations, and/or based upon any financial exigency which may affect the University's ability to appropriately respond to internally- or externally-imposed fiscal restraints. The Office of Human Resources is responsible for designing and maintaining the Staff Job Classification and Compensation Plan.

PROCEDURES:

Current information regarding the operating parameters of the compensation system, to include procedures, position ranges and other relevant information will be available through the Office of Human Resources.

RESTRICTED FUND EMPLOYMENT:

Restricted fund employees are those employees hired in positions for projects funded from external sources. Project directors shall use the University's pay schedules and compensation system when developing budgets for such projects. The University does not assume any obligation to supplement wages or salaries of externally funded employees who are not

compensated at levels established in this policy. In keeping with the University's compensation philosophy, the University encourages equity for all employees regardless of funding source.

TEMPORARY PART-TIME EMPLOYMENT:

Temporary and part-time appointments, as defined in Personnel Policy PG-3 shall receive a pay rate of at least the Federal minimum wage. Part-time appointments for retirees of Kentucky Teachers' Retirement System (KTRS) or the Kentucky Employees' Retirement System (KERS) will comply with any and all restrictions set forth by the KTRS, KERS, and any applicable Kentucky Revises Statutes.

DRAFT

Policy: PG-44 (Current Policy)

Subject: Staff Job Classification Wage and Salary Administration

Approval Date: 05/13/88

Revision Date: 06/22/94; 09/15/2000

PURPOSE:

To outline the policies and procedures for administering the University's Staff Job Classification and Compensation Plan.

It shall be the objective of the University to maintain a Staff Classification System based upon sound job evaluation techniques. It shall be the objective of the Board of Regents to compensate staff members in an equitable and competitive manner within the resources available to the institution for staff compensation.

ADMINISTRATION OF THE PLAN:

The Board of Regents authorizes the President to administer the Plan. All staff appointments shall be in accordance with the Staff Job Classification and Compensation Plan.

MANAGEMENT RIGHTS AND RESPONSIBILITIES:

The Board of Regents may amend the Staff Job Classification and Compensation Plan in response to budgetary constraints, changes in State and Federal law or regulations, and/or based upon any financial exigency which may affect the University's ability to appropriately respond to internally- or externally-imposed fiscal restraints. The Office of Human Resources shall maintain the Staff Job Classification and Compensation Plan. The Plan shall be available in the Office of Human Resources and in the Camden-Carroll Library for review by any employee. The Staff Job Classification and Compensation Plan shall be a part of the annual personnel roster and appointment approval process.

JOB RECLASSIFICATION REVIEW COMMITTEE:

A Job Reclassification Review Committee will be appointed by the Staff Congress to review all reclassification requests that are not approved or not approved to the level of initial request by the Office of Human Resources. The recommendation of the Committee will be by simple majority vote of the members present. In the event of conflicting conclusions, the Committee may, with the approval of two-thirds of the Committee members present, appeal the decision of the OHR to the President. The President shall make the final decision regarding reclassification requests.

Job Reclassification Review Committee members shall consist of one representative from each EEO category, one at-large member from an exempt category, one at-large member from a non-exempt category, one alternative member from an exempt category, and one alternative member from a non-exempt category. The alternatives will attend only those meetings when one or more Committee members must abstain from voting. Committee members will abstain from voting on reclassification decisions affecting employees within their departments/offices or for any other reason that might constitute a conflict of interest on their part. The Committee shall initially elect a Chairperson and a vice-Chairperson from its membership. The Chairperson shall serve a one-year term. The Vice-Chairperson shall serve a one-year term with automatic succession to the Office of Chairperson the following year. Each Committee member, including the Chairperson and the Vice-Chairperson will have one vote. Each Committee member will serve a four-year term.

The Office of Human Resources will provide training for the Committee members.

REQUEST PROCESS:

Requests for classification and grade assignments of new positions, or reclassifications of existing positions, shall be submitted to the Office of Human Resources by the appropriate Vice President. The Office of Human Resources shall determine the classification and grade based on the requirements of the position as defined on the job description and on factor comparisons with other like or similar positions.

JOB CLASSIFICATION SYSTEM:

The University shall maintain and administer a job classification system that is responsive to the management of staff employees and consistent with the classification techniques contained in the Plan. An ongoing review of all job classifications will be conducted by the Office of Human Resources. The review shall permit equitable and routine adjustments consistent with the staffing needs of the University and available resources.

STAFF COMPENSATION SCHEDULE:

The Administration shall maintain and administer a compensation schedule that is equitable in its administration and consistent with each job classification and grade as determined in the job classification system. The compensation schedule shall be reviewed annually and adjusted when appropriate within the resources available to the University for staff wages and salaries.

ADJUSTING THE COMPENSATION SCHEDULE:

To assist in determining if annual changes in the compensation schedule are necessary, the Office of Human Resources shall conduct compensation surveys as appropriate but, as a minimum, will conduct a comprehensive survey every three years. The Office of Human Resources, in conjunction with the Office of Planning and Budgets shall recommend to the President any adjustments to the schedule. The President shall recommend to the Board of

Regents for its approval any adjustments prior to implementation. The survey and review should coincide with the University's annual planning and budgeting process.

ANNUAL SALARY ADJUSTMENTS:

With the resources available annually for staff wage and salary increases, it shall be the objective of the University to increase the wages and salaries of employees who are meeting and or exceeding job expectations. Resources permitting, cost-of-living increases shall be considered when annual wage and salary adjustments are determined.

If additional funds are available following this initial distribution, such funds shall be allocated within guidelines developed by the administration.

EMPLOYEE EEO CATEGORIES:

The Equal Employment Opportunity (EEO) categories for all University positions are classified as exempt and nonexempt as indicated below:

01 Executive/Administrative/Managerial (Exempt)

02 Faculty (Exempt)

03 Professional, Nonfaculty (Exempt)

04 Secretarial/Clerical (Nonexempt)

05 Technical/Paraprofessional (Nonexempt)

06 Skilled Crafts (Nonexempt)

07 Service/Maintenance (Nonexempt)

PROCEDURES:

The Office of Human Resources and the Department Chair/Office Director shall operate under the following provisions:

A. New Hire: The normal entry rate of pay for a newly hired staff employee shall be the entry level for the grade. Under certain conditions, a staff employee may be started at a rate higher than the entry rate level but not greater than the salary permitted for that grade. The Director of Human Resources shall review and, if appropriate, recommend to the appropriate Vice President a salary greater than entry level. If the requested salary is greater than midpoint, the Director of Human Resources will make a recommendation, through the appropriate Vice President to the President. The President's decision will be final. Written justification for a starting rate higher than the entry rate shall accompany the request from the hiring administrative unit head to the appropriate Vice President and the Director of Human Resources. When requesting an exception,

sufficient lead-time shall be given to assess the justification, make a recommendation, and obtain a final decision from the President, if necessary. Justification may include but shall not be limited to substantiation that the person recommended to fill the position possesses skills, education, or experience beyond the minimum requirements that will be of substantive value to the unit.

B. Promotion and Reclassification: Upon promotion or reclassification to a higher graded position, an employee's new rate of pay will be the entry level of the new grade or 7.5 percent more than his/her current salary, whichever is greater.

For employees in positions that are reclassified the pay rate shall become effective on the first day of the month following final approval of the reclassification.

A pay increase upon promotion shall not jeopardize an employee's eligibility for an annual increase.

Retroactive pay adjustments shall be made on a case-by-case basis and based upon justification being provided by the employee's supervisor and approved by the appropriate Vice President.

C. Acting, Interim, or Temporary Appointments: If an employee serves in an acting, interim, or temporary capacity for at least one (1) month, the employee shall receive the entry level of pay for the position in which he or she is serving in an acting, interim, or temporary capacity. If the entry level is below the employee's current rate and with the approval of the Director of Human Resources and the hiring supervisors, the employee's current rate will be increased by 10 percent. Upon return to his/her regular position, the employee shall revert to his/her former rate of pay plus any annual percent increase that would have been awarded had the employee remained in his/her regular position.

D. Demotion: A demotion is the involuntary movement of a nonprobationary staff employee to a lower graded position. A demotion shall not jeopardize an employee's eligibility for an annual increase. The adjusted salary for a demoted staff member shall be determined as follows:

1. The salary of an individual who is involuntarily assigned to a position in a lower grade shall revert to the same relative position in the compensation scale as his/her previous assignment in the higher grade position. Annual increases shall be calculated based on the lower pay rate.

E. Lateral Transfer: A lateral transfer is the movement of an employee to another position in the same grade. In the case of a lateral transfer, the employee shall receive a 2 percent increase to his/her current pay rate. A lateral transfer shall not jeopardize an employee's eligibility for an annual increase.

F. Reinstatement or Recall to previous positions: The normal rate of pay for an employee who is reinstated or recalled within one year shall be his/her former rate of pay or the entry level for the position, whichever is greater.

G. Overtime or Compensatory Time: Overtime pay and/or compensatory time shall be granted under the provisions of Personnel Policy PSNE- 5, Overtime Pay for Employees Classified as Staff Nonexempt.

Reassignment: For the purposes of this policy, a reassignment is the transfer of an employee from one position to another. The transfer may be voluntary or involuntary. A reassignment may be to a position in a higher grade, lower grade or the same grade (lateral).

The salary for an employee reassigned to a higher graded position, a lower graded position or to a lateral position will be adjusted in accordance with sections B, D, or E above, respectively. A reassignment shall not jeopardize an employee's eligibility for an annual increase, except as may relate to the serving of a probationary period.

RESTRICTED FUND EMPLOYMENT:

Restricted fund employees are those employees hired in positions for projects funded from external sources. Project directors shall use the University's pay schedules when developing budgets for such projects. The University does not assume any obligation to supplement wages or salaries of externally funded employees who are not compensated at levels established in this policy. The University encourages equity for all employees regardless of funding source.

TEMPORARY PART-TIME EMPLOYMENT:

Temporary and part-time appointments, as defined in Personnel Policy PG-3 shall receive a pay rate of at least the Federal minimum wage but not more than the position's entry level. If a position is not classified with an established entry level, compensation will be approved by the Office of Human Resources. Exceptions to this policy apply only for part-time employment of retired members of the Kentucky Teachers' Retirement System (KTRS) or the Kentucky Employees' Retirement System (KERS). Part-time appointments for retirees of KTRS or KERS are bound by the restrictions set forth in KRS 161.220 - 161.716 and 61.510 - 61.705, respectively and be administered according to PG-57, Retired Faculty and Staff Retiree Re-Employment Program.

**APPROVE REVISION TO PERSONNEL POLICY PG-52
FAMILY AND MEDICAL LEAVE**

**BOR (V-B-5)
June 4, 2015**

Recommendation:

That the Board approve the revised personnel policy PG-52 related to Family and Medical Leave Act.

Background:

The Office of Human Resources maintains a manual of personnel policies approved by the Board that outline the rules and regulations associated with the employment of academic, administrative, staff exempt and staff non-exempt employees. These policies are revised as necessary to fulfill changes in employment needs, compliance with regulations and to codify all processes, rights and responsibilities related to employment at Morehead State University.

The Board approved PG-52 initially in September of 1993 in keeping with the provision of the Family Medical Leave Act of 1993 (FMLA) that requires covered employers to provide employees job-protected and unpaid leave for qualified medical and family reasons. The Act allows eligible employees to take up to 12 weeks of unpaid leave during any 12-month period to attend to the serious health condition of the employee, parent, spouse or child, or for other qualifying events.

Revisions:

There are two primary changes proposed in the recommended revised policy presented to the Board for consideration:

- The method of calculation of the FMLA year (12 months) changes from the current fiscal year method to a rolling 12-month period measured backward from the date an employee uses any leave.
- Language has been added to accommodate changes in the law covering military family leave as well as clearer language covering substitution of paid leave, definition of serious health condition and responsibilities for requesting and designating leave.

Policy: PG-52

Subject: Family and Medical Leave

Approval Date: 09/17/93

Revision Date: 06/01/02; 12/06/02; 6/30/2015

PURPOSE:

To provide faculty and staff members unpaid **job protected** leaves of absence in keeping with the provisions of the Family and Medical Leave Act (FMLA) of 1993 **and to guide employees in understanding their rights and responsibilities under the FMLA.**

REASONS FOR LEAVE:

Any University employee who has completed at least 12 months of service and who has worked at least 1,250 hours with the University in the previous 12 months is covered by this policy. The 1,250 hours do not include time spent on paid or unpaid leave. **Employees returning from Uniformed Services Employment and Reemployment Rights Act (USERRA)-covered service are credited with hours of service that would have been performed but for the USERRA-covered service.**

The University will measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy.

Eligible faculty and staff are able to use up to a total of 12 weeks of leave in any rolling 12 month year with proper medical or other documentation for the following types of absences:

An employee may take leave for a serious health condition that makes the employee unable to perform the functions of the employee's position

The serious health condition of an employee's immediate family member

Caring for a newborn or newly-placed adopted child or foster child

Qualifying exigency leave for families of members of the National Guard or Reserves or a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

Military Family Leave Entitlements: Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings. FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is

undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

Protections of FMLA Leave:

An employee returning to work following an FMLA leave will be able to return to the same job or an equivalent position. Any benefits in place immediately before the leave will be reinstated provided that the employee returns to work the first work day following the end date of the FMLA leave or any approved extended leave up to 30 days following the FMLA leave.

SUBSTITUTION OF PAID LEAVE:

An employee is required to use, concurrently with the FMLA leave, the following paid leaves in the order listed: (1) sick leave available for use, as defined by the policy governing the reason for the leave; (2) accrued compensatory time, if available; and (3) vacation leave to which the employee is entitled. Where the FMLA leave is paid as a workers' compensation absence, then the employee is not required to use other forms of paid leave. An eligible employee has a right to take FMLA leave even if unqualified to take paid leave.

DEFINITIONS:

Definition of Serious Health Condition: A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

The term "parent" means the biological parent of an employee or an individual who stood in "loco parentis" to an employee when the employee was a child, i.e., an individual who was charged with parental rights and responsibilities for the employee.

A "son" or "daughter" means a biological, adopted, foster child, stepchild, legal ward or a child of a person standing in loco parentis who is under 18 years of age, or 18 years of age or older and incapable of self-care because of a mental or physical disability.

MEDICAL CERTIFICATION:

The University requires health care provider certification of the need for a leave of absence because of a serious health condition of the employee, or of the son, daughter, spouse or parent of the employee. The certification is to state:

1. The date on which the serious health condition commenced;
2. The probable duration of the serious health condition;
3. The appropriate facts regarding the serious health condition;
4. A statement that the employee is needed to care for the son, daughter, spouse or parent (as applicable), and the estimated period of time such care will be needed;
5. A statement that the serious health condition makes the employee unable to perform the essential functions of his/her job.

The University may, at its expense, require the opinion of a second health care provider of its choosing. If a conflict occurs between the opinions of the first and second health care providers, the opinion of a third health care provider, jointly chosen by the University and the employee, at the University's expense, may be required. This person's opinion will be final and binding. Recertification on a reasonable basis, at the University's expense, is also permitted.

NOTICE REQUIREMENTS:

Employees are to give at least 30 days notice of all foreseeable leaves for an expected birth or adoption, or for planned medical treatment. However, if the date of birth, adoption or medical treatment requires the leave to begin in less than 30 days, the employee is to provide as much notice as is practicable under the circumstances. Employees are to make a reasonable effort to schedule planned medical treatments so as not to unduly disrupt the University's operations. Supervisors are responsible for insuring the Exception Approval Forms are completed for FMLA leaves.

BOTH SPOUSES EMPLOYED:

When both husband and wife are employed by the University, the aggregate number of work weeks of leave for both employees is limited to 12 weeks over a 12-month period if the leave is for a birth, placement for adoption or foster care, or to care for a sick parent. For other types of leaves under the Act (i.e., serious illness of the employee or the employee's spouse or child), each employee retains the right to take up to 12 work weeks of leave.

INTERMITTENT LEAVES AND REDUCED WORK SCHEDULES:

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not

exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill service member over a 12-month period).

The University may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule, in instances of when leave for the employee or employee's family member is foreseeable and for planned medical treatment, including recovery from a serious health condition or to care for a child after birth, or placement for adoption or foster care.

For the birth, adoption or foster care of a child, the University and the employee must mutually agree to the schedule before the employee may take the leave intermittently or work a reduced hour schedule. Leave for birth, adoption or foster care of a child must be taken within one year of the birth or placement of the child.

If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee should try to reach agreement with the University before taking intermittent leave or working a reduced hour schedule. If this is not possible, then the employee must prove that the use of the leave is medically necessary.

VACATION AND SICK LEAVE ACCUMULATION:

A faculty or staff member on a leave of absence will not accumulate vacation or sick leave unless he/she is paid for 11 or more days in that calendar month.

UNIVERSITY HOLIDAYS:

A faculty or staff member will not receive salary or compensatory time for any University holiday(s) that occurs while he/she is on an unpaid leave of absence. If employer's activity ceases for one or more weeks during an employee's leave, this time does not count toward the 12-week FMLA leave.

INSURANCE COVERAGE:

An employee may continue his/her group health, dental and life insurance coverages during a leave at the same level and under the same conditions he/she would have received had the leave not occurred. It is the employee's responsibility to make arrangements with the Office of Human Resources for payment of the required premiums if he/she is off the payroll during the leave of absence. Failure to do so may result in the termination of such insurance coverages. Notwithstanding the above, the University shall maintain its contributions to the group health, dental and life insurance coverages at the same level and under the same conditions the employee would have received had the leave not occurred.

JOB REINSTATEMENT:

An employee will be reinstated to the same or an equivalent position with the same pay and benefits that he/she received and under the same terms and conditions of employment as when the leave began.

In the event of a serious health condition, the University shall require the employee to provide certification from an appropriate health care provider indicating that he/she is able to resume work. Also, the University may require an employee on leave to report periodically on his/her status and intention of returning to work.

EARLY RETURN TO WORK:

If a faculty or staff member desires to return to work before his/her approved leave ends, he/she is to contact the appropriate administrative officer to determine an acceptable date for returning to work.

PROCEDURE FOR REQUESTING FMLA LEAVE:

All employees requesting FMLA leave must provide verbal or written notice of the need for the leave to the Employee Benefits Manager in the Office of Human Resources. Within five business days after the employee has provided this notice, the Employee Benefits Manager will complete and provide the employee with the DOL Notice of Eligibility and Rights.

When the need for the leave is foreseeable, the employee must provide the University with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the employee must comply with the University's usual and customary notice and procedural requirements for requesting leave, absent unusual circumstances.

DESIGNATION OF FMLA LEAVE:

Within five business days after the employee has submitted the appropriate certification form, the Employee Benefits manager will complete and provide the employee with a written response to the employee's request for FMLA leave using the DOL Designation Notice.

INTENT TO RETURN TO WORK FROM FMLA LEAVE:

On a basis that does not discriminate against employees on FMLA leave, the University may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

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

**BOR (V-B-6)
June 4, 2015**

Recommendation:

That the Board accept the financial statements and amend the operating budget for the third quarter of the fiscal year that will end June 30, 2015, 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 March 31, 2015, the third quarter of the fiscal year ending June 30, 2015. The statements, along with management's discussion and analysis and budget amendment information are attached.

**Morehead State University
Management's Discussion and Analysis
Third Quarter Financial Statements
March 31, 2015**

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the nine months that ended on March 31, 2015. 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 Statements of Net Position include information about the assets, liabilities, deferred inflows, and net position, of the entire University. The Statements of Revenues, Expenditures and Changes in Net Position provide 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 third quarter of the 2014-2015 fiscal year. During the period July 1, 2014 through March 31, 2015, the University operated with a surplus of revenues over expenditures and transfers in the amount of \$11,685,903. This level of operating surplus is expected at this time, since most of the billings for the Spring 2015 semester are reflected in the tuition and fees revenue and only expenditures through March 31, 2015 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 nine months are summarized as follows:

- Total revenues increased \$1.7 million over last year to \$127 million. The majority of this increase was due to a 4.9% increase in student tuition and fee rates and a 5.1% increase in residence hall rates.
- The percent of actual total revenue to budget was 80.93% at March 31, 2015 and 84.69% at March 31, 2014. This percentage would be expected at this time, since most of the billings for the Spring 2015 semester are reflected in revenue.
- Total expenses were approximately \$115.3 million at March 31, 2015 and \$111.2 million at March 31, 2014. The \$4.1 million increase in actual expenses is related to budgeted increases in fixed costs such as scholarship commitments, health insurance premiums, and employee retirement benefits. Expenses related to the implementation of the employee compensation model and campus renovation and construction projects also impacted the increase in actual expenses.
- Net change in net position decreased \$2.4 million to \$11.7 million as compared to \$14.1 million at March 31, 2014. This is primarily related to the increase in total expenses.

Morehead State University
Unrestricted Current Funds
Statements of Revenues, Expenditures & Changes in Net Position
For the Nine Months Ended March 31, 2015 and 2014

	2014-2015			2013-2014		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
Revenues						
Educational and General						
Tuition and Fees	\$74,940,972	\$68,893,938	91.93%	\$72,065,530	\$67,978,643	94.33%
Govt Appropriations	41,545,925	32,875,160	79.13%	41,560,200	33,546,142	80.72%
Indirect Cost Reimbursement	585,000	548,498	93.76%	585,000	584,846	99.97%
Sales & Services Ed Activities	2,131,461	2,068,723	97.06%	1,869,262	1,755,749	93.93%
Other Sources	3,462,932	3,494,627	100.92%	2,713,514	2,885,601	106.34%
Budgeted Fund Balance-E&G	13,672,597	-	0.00%	9,778,231	-	0.00%
Total Educational and General	\$136,338,887	\$107,880,946	79.13%	\$128,571,737	\$106,750,981	83.03%
Auxiliary Enterprises						
Housing	\$12,553,400	\$12,524,695	99.77%	\$11,391,300	\$12,021,195	105.53%
University Store	4,877,899	4,794,770	98.30%	4,883,179	4,762,561	97.53%
Food Services	1,018,343	1,151,309	113.06%	1,130,546	1,102,357	97.51%
Other	1,099,300	649,176	59.05%	1,035,500	637,760	61.59%
Budgeted Fund Balance - Auxiliary	1,033,171	-	0.00%	903,205	-	0.00%
Total Auxiliary Enterprises	\$20,582,113	\$19,119,950	92.90%	\$19,343,730	\$18,523,873	95.76%
Total Revenues	\$156,921,000	\$127,000,896	80.93%	\$147,915,467	\$125,274,854	84.69%

Morehead State University
Unrestricted Current Funds
Statements of Revenues, Expenditures & Changes in Net Position
For the Nine Months Ended March 31, 2015 and 2014

	2014-2015			2013-2014		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
Expenditures and Transfers by Division						
Educational & General						
President & Administration	\$1,122,788	\$763,245	67.98%	\$1,003,151	\$714,835	71.26%
University Advancement	5,117,724	3,746,679	73.21%	5,053,337	3,557,920	70.41%
Administration & Fiscal Services	22,632,659	19,147,333	84.60%	21,221,357	16,774,325	79.04%
Student Life	14,066,971	11,319,486	80.47%	13,237,645	10,829,007	81.80%
Academic Affairs	83,590,121	61,131,415	73.13%	80,603,297	61,053,308	75.75%
Other	11,702,381	7,576,429	64.74%	8,880,808	6,338,079	71.37%
Total Educational & General	\$138,232,644	\$103,684,587	75.01%	\$129,999,595	\$99,267,474	76.36%
Auxiliary Enterprises						
Housing	\$12,256,099	\$6,145,377	50.14%	\$11,476,492	\$6,584,417	57.37%
University Store	4,451,761	4,078,997	91.63%	4,381,306	3,940,569	89.94%
Food Services	536,446	364,761	68.00%	525,230	362,063	68.93%
Other	1,444,050	1,041,271	72.11%	1,532,844	1,006,793	65.68%
Total Auxiliary Enterprises	\$18,688,356	\$11,630,406	62.23%	\$17,915,872	\$11,893,842	66.39%
Total Expenditures and Transfers by Division	\$156,921,000	\$115,314,993	73.49%	\$147,915,467	\$111,161,316	75.15%
Net Change in Net Position		\$11,685,903			\$14,113,538	

Morehead State University
Statements of Net Position
March 31, 2015 and 2014

Assets	2015	2014
Current assets:		
Cash and cash equivalents	\$64,087,572	\$44,372,651
Accounts, grants and loans receivable, net	21,998,631	13,305,552
Prepaid interest	-	102,192
Inventories	1,673,466	1,624,643
Total current assets	<u>\$87,759,669</u>	<u>\$59,405,038</u>
Noncurrent assets:		
Accounts, grants and loans receivable, net	\$3,780,451	\$3,792,503
Investments	14,380,183	13,124,666
Capital assets, net	198,993,994	203,742,274
Total noncurrent assets	<u>\$217,154,628</u>	<u>\$220,659,443</u>
Total Assets	<u><u>\$304,914,297</u></u>	<u><u>\$280,064,481</u></u>
Liabilities, Deferred Inflows and Net Position		
Current liabilities:		
Accounts payable and accrued liabilities	\$4,278,085	\$5,170,595
Unearned revenue	2,003,990	2,047,320
Bonds, notes and capital lease obligations, current portion	4,850,549	4,826,040
Total current liabilities	<u>\$11,132,624</u>	<u>\$12,043,955</u>
Long-term liabilities:		
Bonds, notes and capital lease obligations, noncurrent portion	\$90,537,678	\$65,115,709
Advances from federal government for student loans	3,507,148	3,416,142
Unearned revenue	290,235	290,235
Total long-term liabilities	<u>\$94,335,061</u>	<u>\$68,822,086</u>
Total Liabilities	<u>\$105,467,685</u>	<u>\$80,866,041</u>
Deferred Inflows of Resources:		
Deferred bond reoffering premium	<u>\$2,526,389</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$2,526,389</u>	<u>-</u>
Net Position:		
Net investment in capital assets	\$101,079,377	\$133,902,714
Restricted:		
Expendable	44,894,742	10,081,382
Nonexpendable	12,914,208	12,850,878
Unrestricted	<u>38,031,896</u>	<u>42,363,466</u>
Total Net Position	<u>\$196,920,223</u>	<u>\$199,198,440</u>
Total Liabilities, Deferred Inflows and Net Position	<u><u>\$304,914,297</u></u>	<u><u>\$280,064,481</u></u>

See Attached Notes To Statements of Net Position

Morehead State University
Notes to the Statements of Net Position
March 31, 2015 and 2014

1. The Statements of Net Position 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 \$2,649,243 at March 31, 2015 and \$3,156,833 at March 31, 2014. Also, included in this category is \$13.1 million in receivables from federal and state grant agencies at March 31, 2015 and \$6.4 million at March 31, 2014. Of the \$13.1 million in receivables from federal and state grant agencies, \$5.1 million was received in April.
3. Noncurrent accounts, grants and loans receivable represent balances owed to 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 \$82,755 at March 31, 2015 and \$82,483 at March 31, 2014.
4. Prepaid interest represents interest paid to advance refund the University's Housing and Dining System Revenue Bonds.
5. Capital assets, net decreased approximately \$4.7 million from the previous year. This decrease is primarily related to increases in accumulated depreciation and to a change in estimate regarding the remaining useful life of some previously recorded assets. This was based on a change to our capitalization policy, which increased the capitalization threshold for building improvements to be more consistent with other regional universities. This decrease was offset by the completion of the Mignon Residence Hall renovation, guaranteed energy savings project, and the acquisition of the Caudill property. Accumulated depreciation on buildings and equipment was \$164,169,624 at March 31, 2015 and \$158,043,051 at March 31, 2014.
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 Statements of Net Position date.
7. Unearned revenue from federal and state grants represent amounts received but not expended at the Statements of Net Position date.
8. Bonds and notes payable include the current and long-term portions of amounts borrowed to finance the purchase of plant assets. The University issued 2014 Series A and 2014 Series B General Receipts Bonds in the amount of \$27.5 million on July 24, 2014. These bonds were issued to refund the University's outstanding Consolidated Educational Building Revenue Bonds and the University's outstanding Taxable Build America Bonds to achieve debt service savings. On March 25, 2015 the University issued 2015 Series A General Receipts Bonds in the amount of \$28.2 million. These bonds were issued to construct student residential facilities, which consist of a new 550 bed residence hall located on campus and a new 50 bed residence hall at the Derrickson Agricultural Complex. The University also made principal payments on outstanding debt in the amount of \$4.7 million and also reduced debt by an additional \$2.1 million through the issuance of the 2014 Series A and 2014 Series B General Receipts Refunding Bonds.
9. Deferred Inflows of Resources include the bond reoffering premium from the issuance of the 2014 Series A and B General Receipts Bonds. The premium will be amortized over the life of the refunded bond issuances.

10. The capital portion of the net position balance is the equity the University has in land, buildings, equipment, and library holdings.
11. Restricted net position includes 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 January 1, 2015 to March 31, 2015

Description	Opening Budget As of 1/1/2015	Adjustments	Amended Budget As of 3/31/2015
Revenues and Other Additions			
Tuition and Fees	\$ 74,796,350	\$ 144,622	\$ 74,940,972
Government Appropriations	41,545,925	-	41,545,925
Indirect Cost Reimbursement	585,000	-	585,000
Sales and Services of Ed. Activities	1,957,183	174,278	2,131,461
Other Sources	3,167,310	295,622	3,462,932
Budgeted Fund Balance - E&G	13,428,640	243,957	13,672,597
Auxiliary Enterprises	19,466,474	82,468	19,548,942
Budgeted Fund Balance - AUX	527,263	505,908	1,033,171
Total Revenues and Other Additions	\$ 155,474,145	\$ 1,446,855	\$ 156,921,000
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 1,122,331	\$ 457	\$ 1,122,788
University Advancement	5,060,791	56,933	5,117,724
Administration & Fiscal Services	21,985,619	647,040	22,632,659
Student Life	13,994,754	72,217	14,066,971
Academic Affairs	83,126,456	463,665	83,590,121
Debt Service & Mandatory Transfers	4,043,554	-	4,043,554
Other	8,094,769	(435,942)	7,658,827
Total Educational & General	\$ 137,428,274	\$ 804,370	\$ 138,232,644
Auxiliary Enterprises			
Administration & Fiscal Services	\$ 13,451,170	\$ 642,485	\$ 14,093,655
Student Life	931,075	-	931,075
Academic Affairs	13,296	-	13,296
Debt Service	3,650,330	-	3,650,330
Other	-	-	-
Total Auxiliary Enterprises	\$ 18,045,871	\$ 642,485	\$ 18,688,356
Total Expenditure Authorizations	\$ 155,474,145	\$ 1,446,855	\$ 156,921,000

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period January 1, 2015 to March 31, 2015
Notes of Significant Adjustments to Revenue and Other Additions

Tuition and Fees

Tuition and Fees revenue allocated during the third quarter totaled \$144,622

- Unbudgeted course fee revenue allocated to various academic departments totaled \$130,522
- UG Instate Fall tuition revenue totaling \$14,100 was allocated to pay KET invoice

Sales and Services of Educational Activities

Unbudgeted revenue allocated during the third quarter totaled \$174,278

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$39,120
- Men's Basketball Guarantees allocations were \$85,000
- Other athletic revenue allocations totaled \$2,200
- Other miscellaneous revenue totaling \$47,958 was allocated primarily to Academic Affairs

Other Sources

Unbudgeted revenue allocated during the third quarter totaled \$295,622

- Unbudgeted support from the MSU Foundation totaled \$125,896
 - \$105,896 Academic Affairs
 - \$ 20,000 University Advancement
- Endowment income allocations to Academic Affairs totaled \$127,719
- Other miscellaneous revenue totaled \$42,007
 - \$ 29,931 Academic Affairs
 - \$ 11,445 Student Life
 - \$ 631 Administration and Fiscal Services

Fund Balance E&G

Budgeted allocations from Fund Balance for educational and general purposes totaled \$243,957

- \$212,000 Replace sound system at AAC
(to be reimbursed from short-term financing for Technology Infrastructure & Security projects)
- \$ 30,750 E&G Utilities
- \$ 5,311 Fall 2014 and Spring 2015 allocation for Interactive College of Technology students
- \$ (4,104) Revert unused allocation for Derrickson Agricultural Complex arena kitchen renovation

Fund Balance Auxiliary

Budgeted allocations for auxiliary purposes totaled \$505,908

- \$500,000 Remodel Grote-Thompson Hall for Craft Academy
(to be reimbursed by private funds and dedicated state appropriations)
- \$5,908 Additional allocation for furniture as part of Mignon Hall renovation
(to be reimbursed from agency bond funds)

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period January 1, 2015 to March 31, 2015

From: Revenue and Other Additions	To: Division/ Budget Unit	Amount	Description
Fund Balance - E&G	Administration & Fiscal Services E&G Facility Remodeling	\$ 212,000	Allocation of Fund Balance for Educational & General (E&G) purposes to cover cost of replacing sound system in the Academic-Athletic Center (AAC). This advance of funds will be reimbursed from funds borrowed through short-term financing for Technology Infrastructure and Security projects.
Fund Balance - Auxiliary	Administration & Fiscal Services Auxiliary Facility Remodeling	\$ 500,000	Dual enrollment high school students accepted into the Craft Academy for Excellence in Science and Mathematics will reside in Grote-Thompson Hall beginning Fall 2015. To prepare the facility for this dedicated use, minor renovation and remodeling is necessary. This project will include increasing the capacity for occupancy from 114 to 126, new furniture purchase, and other minor remodeling of the facility. An allocation of \$500,000 from Fund Balance was made to cover the estimated project expense. This advance of funds will be reimbursed from a combination of private donation funds and dedicated state appropriations.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of January 1, 2015 to March 31, 2015

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I. Equipment Purchases \$200,000 or Greater			
None			
II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater			
Mignon Hall Renovation	\$ 9,268,000	August, 2014	Completed
East Parking Structure and Dining Commons	\$ 17,660,000		In Planning
McClure Pool Renovation/Volleyball Facility <i>(Decreased project scope from \$3,800,000 to \$1,400,000)</i>	\$ 1,400,000		Under Construction
Residence Hall - Derrickson Agricultural Complex	\$ 2,735,000		Under Construction
Residence Hall - On Campus	\$ 28,000,000		In Planning
West Campus Electrical Switchgear Replacement	\$ 970,000		Under Construction

**APPROVE 2015-16 OPERATING BUDGET,
FEE SCHEDULE AND PERSONNEL ROSTER**

**BOR (V-B-7)
June 4, 2015**

Recommendation:

That the Board approve the recommended 2015/2016 Operating Budget, which totals \$157,766,000, the 2015/2016 Personnel Roster, and the 2015/2016 Fee Schedule.

Summary:

The 2015/2016 Operating Budget totals \$157.8 million, an increase of \$4.6 million (3.0 percent) compared to the current fiscal year. The two primary fund sources in the operating budget are student tuition and fee revenue and state appropriations. New revenue from a combination of a 2.9 percent increase in student tuition and fees and a 7.0 percent increase in residence hall rates is included in the operating budget. State appropriations increased by \$2.3 million in 2015/2016 from the current fiscal year to support the new Craft Academy for Excellence in Science and Mathematics. This new dual credit high school program is scheduled to begin fall 2015. The recommended budget demonstrates the University's commitment to student success and fiscal responsibility by including support for strategic investments and covering fixed and unavoidable costs.

In addition to covering increases in fixed costs such as scholarship commitments, property insurance premiums, and employee retirement benefits, the proposed budget includes investment in employees with the third year of a three year implementation plan of an employee compensation model. The proposed budget also includes investment of one-time reserve funds to improve a number of instructional and student support facilities.

Background:

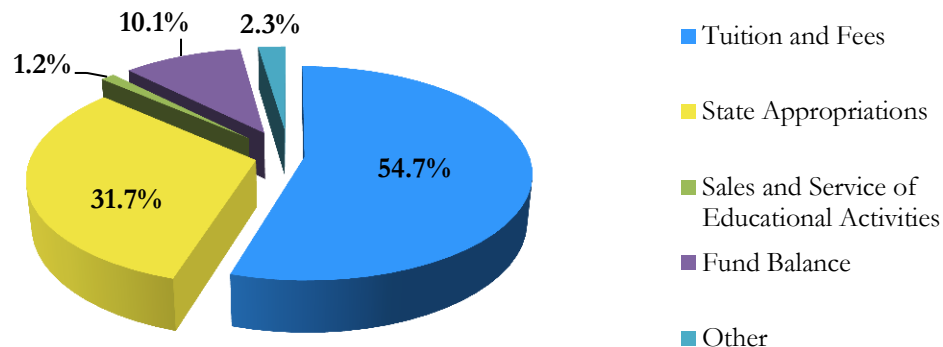
The budget reflects the continued commitment to advance the University's mission by focusing on the goals and objectives as defined in the *ASPIRE 2014-2018 Strategic Plan*. The budget preparation process was inclusive of campus input and representation and resulted in the proposed \$157.8 million budget.

The parameters outlining the administration's management responsibilities related to the 2015/2016 Operating Budget and periodic reporting requirements to the Board of Regents are specified in the Budget Adoption Resolution on pages A-11 and A-12 of the separately bound 2015/2016 Operating Budget.

Analysis – Operating Budget:

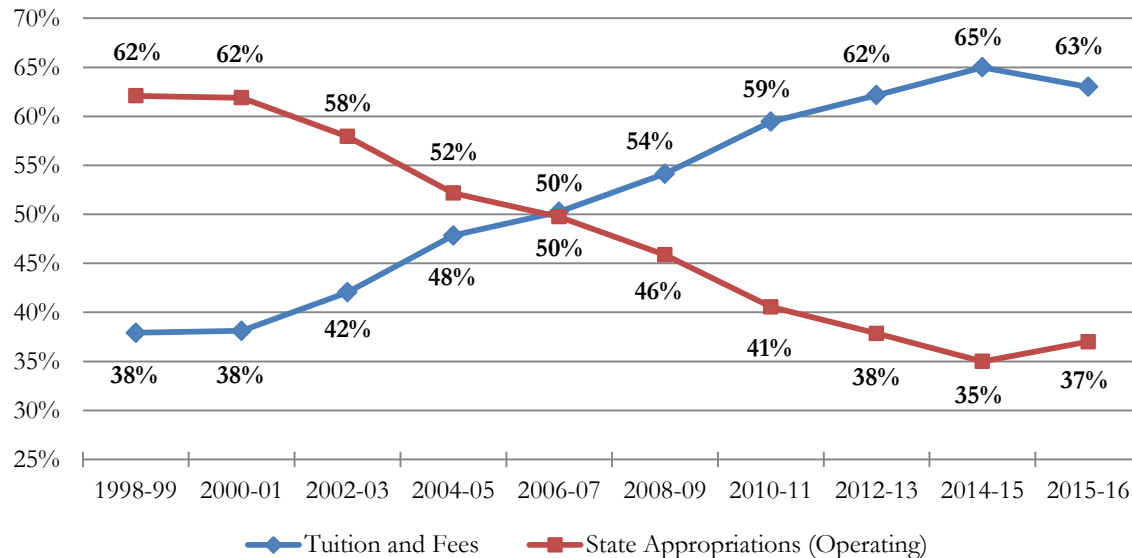
Educational and General Funds (E&G) represent 86.6 percent of the total unrestricted Operating Budget and are the primary source of funds for the instructional and engagement missions of the University. The primary sources of the E&G budget include tuition and fee revenue of \$74.7 million (54.7 percent) and state appropriations for operating of \$43.3 million (31.7 percent) as displayed on the following chart. The total reflects a decrease in tuition and fee revenue of \$105,950 (0.14 percent) and an increase of \$2.3 million (5.6 percent) in state operating appropriations over the current year budget. The net decrease in tuition and fee revenue is a result of offsetting factors. In 2014/2015, the budgeted tuition revenue was not met due to declines in both undergraduate and graduate enrollment. The resulting tuition budget shortfall was \$3.7 million (5.0 percent). The enrollment projection for 2015/2016 includes a slight increase of 88 (0.9 percent) returning undergraduate students due to improved retention efforts, 60 new Craft Academy students, stable graduate enrollment, and modest growth in summer enrollment. New tuition revenue based on the projected enrollment with a 2.9 percent rate increase is \$3.5 million (4.7 percent).

Educational & General Revenues 2015-2016 Operating Budget



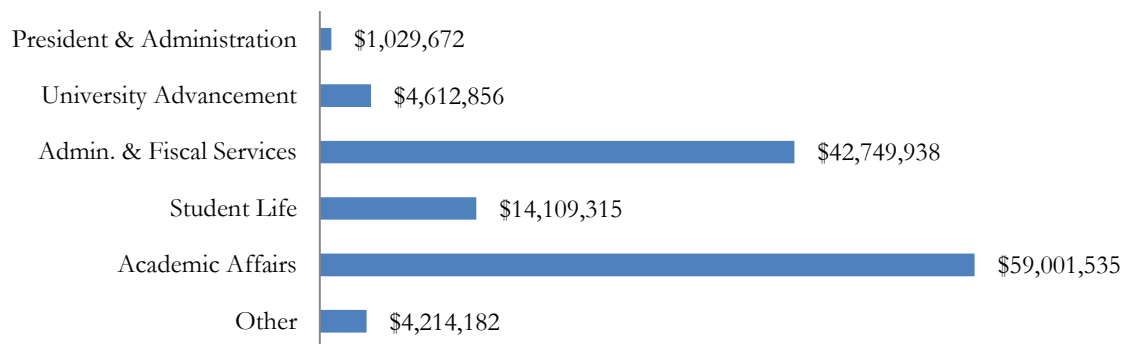
The 2015/2016 E&G Operating Budget reflects a continuation of the multi-year trend of the institution's dependency on tuition and fee revenue as state support continued to decline through 2014/2015 as illustrated below.

Student Share vs. State Share



The following chart summarizes the 2015/2016 budgeted unrestricted E&G expenditures by organizational area.

2015-2016 E&G Operating Budget by Division



Note: President and Administration includes President's Office, Board of Regents and Chief Diversity Officer

There is a slight increase in the percentage of the E&G budget supported from **Fund Balance** included in the budget. Fund balance reserves are generally budgeted within the unrestricted operating budget to address strategic needs of a non-recurring nature such as renovation projects or investments in property and equipment. The \$827,800 (6.4 percent) increase in E&G fund balance support is primarily needed for capital construction and capital renewal

projects planned for 2015/2016. Since implementation of reserved parking registration in 2008/2009, the additional unallocated revenue has been collected to contribute toward the cost of constructing a new parking structure. Accumulated parking revenue of \$1.4 million is being allocated from fund balance to partially fund the scheduled construction of a new parking structure in the student residential area of campus. An additional \$3.2 million of fund balance reserves is allocated to contribute toward the cost for this project in 2015/2016.

Auxiliary Funds are generated by enterprises that are generally self-supporting through charging fees to students and others external to the institution. Auxiliary enterprises generate approximately 13.5 percent of the University's operating revenues and include services for student housing, dining, concessions and vending, document services, the University's bookstore operation and the Eagle Trace Golf Course. The budget includes an increase of \$1.8 million (9.0 percent) in revenue over the current year budget for auxiliary enterprises. This is primarily attributed to an increase in student housing rates effective in the fall 2015 semester, implementation of student housing application/reservation fee, and increase in University Bookstore revenue.

The following chart aligns the various sources of funds with the University's use of funds to illustrate where University resources originate and what they support.

Funds	Source of Funds	Use of Funds
Recurring E&G Revenues	<ul style="list-style-type: none"> ▪ State Appropriations ▪ Tuition and Mandatory Fees ▪ Investment Income ▪ Course and Program Fees ▪ Athletic Revenues ▪ Transfers ▪ Student Service Fees 	<ul style="list-style-type: none"> ▪ Instruction ▪ Public Service ▪ Administrative Support ▪ Student Financial Aid ▪ Instructional Support ▪ Student Services ▪ Operations & Maintenance of E&G Facilities ▪ Research
Fund Balance	Savings and reserves from prior years	<ul style="list-style-type: none"> ▪ Capital Projects ▪ Non-recurring Strategic Investments
Auxiliary Enterprise Revenues	<ul style="list-style-type: none"> ▪ Rental of Housing Facilities ▪ Dining Revenue ▪ University Bookstore ▪ Eagle Trace Golf Course ▪ Concessions and Vending ▪ Document Printing Services 	<i>Self-supporting auxiliary units pay all their expenses and receive no taxpayer or tuition support</i>

Analysis – Fee Schedule:

A comprehensive review of the University's fee schedule is conducted annually and recommended changes are presented to the Board for approval. The recommended 2015/2016 Fee Schedule is presented on pages C-1 through C-24 of the Operating Budget. A summary of the recommended rate changes for tuition and residence hall occupancy follows:

	Fall 2014	Fall 2015	Increase
TUITION and FEES			
Resident Undergraduate Base Tuition (12-18 hours)	\$3,867	\$3,983	\$116
Special Use Fee (Student Recreation Fee)	\$66	\$66	\$0
Total Tuition & Fees (Resident Undergraduate 12-18 hours)	\$3,933	\$4,049	\$116
HOUSING			
Average Residence Hall Rate per Semester	\$2,164	\$2,317	\$153

Tuition and Mandatory Fees:

On April 29, 2014, the Council on Postsecondary Education (CPE) approved resident, undergraduate tuition and mandatory fee ceiling for academic years 2014/2015 and 2015/2016 that do not allow base rate increases to exceed 5 percent in any one year or to exceed 8 percent over two years for all public universities. The base rate excludes CPE approved Special Use Fees. On June 10, 2011, CPE approved a Special Use Fee for MSU to assess a \$5 per credit hour (equivalent of \$66 for 15 credit hours under current rate structure) student-endorsed fee dedicated to pay construction costs of the new Student Recreation Center. The 2014/2015 tuition rate schedule included a 5 percent increase in the undergraduate resident full-time base rate. The 2015/2016 tuition rate schedule includes a 3 percent increase in the undergraduate resident full-time base rate. Non-resident undergraduate rates are recommended at 2.5 times the resident rate.

The proposed rate schedule listed below is within the tuition increase parameters set by the Council on Postsecondary Education for Kentucky Comprehensive Universities for 2015/2016.

<p style="text-align: center;">Morehead State University Tuition and Mandatory Fee Schedule Effective Fall Semester 2015</p>		
Tuition & Mandatory Fees	Undergraduate Full-Time Rate (12-18 Credit Hours)	Per Credit Hour Rate
Undergraduate		
Resident	\$4,049	\$338
Non-Resident	\$10,123	\$844
Graduate		\$579
<p>Notes:</p> <ol style="list-style-type: none"> <i>1. Full-time status is achieved for undergraduate students when enrolled in at least 12 credit hours per semester.</i> <i>2. Undergraduate students enrolled in more than 18 credit hours will be charged the Full-Time Rate plus the additional Per Credit Hour Rate for each credit hour above 18.</i> <i>3. The Full-Time Rate does not apply to graduate students. All graduate students are charged on a per credit hour basis.</i> <i>4. Resident and Non-resident graduate students will be charged at the same per credit hour rate.</i> <i>5. Per credit hour rates also apply to students enrolled in a summer term.</i> <i>6. Non-resident undergraduate students enrolled exclusively in internet courses and/or enrolled exclusively at a regional campus center will be assessed tuition and fees at the undergraduate resident rate. Academic courses delivered with at least 50% of the instruction online are categorized as internet courses.</i> 		

Housing:

Recommendations made by Brailsford & Dunlavey in the Comprehensive Housing Master Plan completed for Morehead State University in April 2006 included a 5 percent increase for residence halls and apartment housing for the 2015/2016 academic year. However, to remain competitive with local housing rental rates, the base rate increase recommended in the 2015/2016 Operating Budget is \$100 per semester (approximately 4.5 – 4.7 percent) for most residence halls. Additionally, a \$50 per semester technology surcharge is included in the 2015/2016 housing rental rates beginning fall 2015 to cover the expense of outsourcing expanded and enhanced internet service in the residence halls. The average weighted cost of a residence hall in 2015/2016 is \$2,317 per semester—an increase of 7.0 percent. Revenue generated from the increase in housing rates will be used to cover debt service associated with the ongoing renovation of the housing facilities as identified in the Comprehensive Housing Master Plan.

Analysis – Personnel Roster:

Salary and Benefit Increase:

In response to a charge from the MSU Board of Regents, a new employee compensation model has been developed to ensure salary competitiveness. Implementation of the model is planned over a three year period with Phase I in 2013/2014, Phase II in 2014/2015, and Phase III to begin in 2015/2016. In Phase I, base salary adjustments for faculty and non-exempt staff were included in the 2013/2014 operating budget to bring salaries up to entry market salary of their position's pay range and halfway to the experienced market salary of their pay range based on time in rank (faculty) or time in position (non-exempt staff). Likewise, in Phase II, base salary adjustments for exempt staff were included in the 2014/2015 operating budget to bring salaries up to entry market salary of their position's pay range and halfway to the experienced market salary of their pay range based on time in position. Phase II also included base adjustments for faculty and non-exempt staff to bring salaries up to the full experienced market salaries of their positions pay range based on time in rank (faculty) or time in position (non-exempt staff). Phase III provides base salary adjustments for exempt staff to bring salaries up to experienced market salaries of their positions pay range based on time in position as of July 1, 2014. Phase III also includes a 3.6 percent increase in the salary ranges for classified staff positions with base salary adjustments to bring salaries up to the revised entry market salary and 50 percent implementation of the adjustment for time in position. A Faculty Salary Plan was approved for 2015/2016 based on performance during the 2014 calendar year. Faculty base salary adjustments are provided at 50 percent implementation in 2015/2016. The cost of base salary adjustments for Phase III and implementation of the Faculty Salary Plan is \$1,833,411. Contractual obligations for salary increases associated with faculty promotion and tenure policies, education attainment policies, career ladders or other policy or employment agreements have been honored and are included in the 2015/2016 Operating Budget recommendation at a cost of \$115,013.

An increase of \$201,228 is included in the employee benefit accounts in the 2015/2016 Operating Budget to cover a mandatory increase of 0.505 percent in the employer contribution rate for the Kentucky Teacher's Retirement System (KTRS).

A significant expense in the University's budget is the cost of the employee insurance programs. The 2015/2016 Operating Budget includes \$6,991,058 for the cost of the health insurance program, \$334,932 for the dental insurance program, and \$103,606 for the life insurance program. The University's health insurance program is fully insured with Anthem Blue Cross/Blue Shield. Premiums increased by 8.6% in calendar year 2015 based on claim activity in calendar year 2014. Premiums for the 2016 calendar year will be established in fall 2015 and will be based primarily on claims experience in calendar year 2015. Based on current premium rates and an estimated rate increase of 6 percent in 2016, the total cost of the health insurance program is projected to increase by \$626,700. To offset this projected cost increase, we will evaluate our existing health insurance program in fall 2015 with a plan to reduce the overall expense by \$750,000.

The 2015/2016 Personnel Roster contains a listing of the recommended authorized positions as of July 1, 2015. Funding for each position listed in the roster has been included in the proposed 2015/2016 Operating Budget. A total of 1,083 positions are recommended for 2015/2016 with an estimated 1,002 positions contracted to be filled as of July 1, 2015. Total personnel expenditures represent 53.1 percent of the total expenditure budget.

The personnel roster is organized by division, with exempt (salary) and non-exempt (hourly) positions listed separately. The following information is shown for each position:

- Position ID number
- Employee currently holding the position
- Position title
- Appointment status if not a regular, full-time appointment
- Recommended salary at the start of the 2015/2016 contract period
- Contract months for exempt employees

Not included in the 2015/2016 Personnel Roster are recommendations from the Academic Affairs Self-Study conducted in 2014/2015. The final recommendations from the study were presented to President Andrews for consideration on May 4, 2015. Several positions in the 2015/2016 have been identified for revision or elimination in the study. Upon final approval, the recommended position revisions and/or eliminations will be implemented.

Analysis – Student Financial Aid:

The 2015/2016 Operating Budget demonstrates the University's continued commitment to student financial aid with an increase of \$247,887 (1.2 percent) in scholarship expense budgets. The increases are attributed to the cost of increasing existing scholarships to cover the recommended tuition rate increase and enhanced awards for Resident Advisors. The increases are offset by reductions in scholarship participation levels and changes in enrollment mix. Additionally, athletic scholarship budgets were increased by \$166,261 to support changes in enrollment mix and rate increases for tuition, housing, and meals.

2015/2016 Operating Budget Highlights

Development of the 2015/2016 Operating Budget to include funding fixed cost increases and support strategic needs with minimal increase in state appropriation has required significant analysis and prioritization from all divisions. The primary fixed cost increases/decreases and strategic investment categories are summarized below:

Primary Fixed Cost Increases/Decreases and Strategic Investments	
Employee Compensation Model - Phase III and Faculty Salary Plan implementation	1,833,411
Facility Maintenance & Property Insurance	519,567
Health Insurance Premium Increase	626,700
Housing Debt Service offset with savings from refinancing of Build America Bonds & Con-Ed Series M	1,301,426
KTRS Retirement Contributions	201,228
Personnel Commitments (contractual)	115,013
Resident Advisors Awards	393,601
ResNet contract (outsourced internet – residence halls)	275,271
Scholarships (participation level reductions)	-278,213
Scholarships (proportionate to tuition/housing rate increase)	392,761
State Mandated Tuition Waivers	-96,800
Utilities Expenses (savings)	-109,400
Other Strategic Investments & Changes in Fixed Costs	-346,576
Total Fixed Cost Increases and Strategic Investments	4,827,989

The recommended revenue sources to address the fixed cost increases and strategic investments planned for 2015/2016 are included in the listing below:

Revenue Sources	
Tuition	
Rate Increase (2.9%) & Slight Growth in Undergraduate Enrollment	2,658,500
Enrollment Decline in 2014/2015	-3,701,500
Craft Academy Enrollment	485,800
Summer School Growth	<u>400,000</u>
<i>Tuition Revenue Decrease</i>	-157,200
Housing	
Rate Increase (7.0%)	625,600
Housing Application/Reservation Fee Revenue	200,000
Other Housing Revenue	<u>10,000</u>
<i>Housing Revenue Increase</i>	835,600
Bookstore (Net Revenue)	250,000
Parking Revenue	221,760
Other Sources	<u>107,829</u>
Total New Revenue Sources	1,257,989

The additional \$3.57 million needed to balance the budget is being funded from a combination of cost savings initiatives and future revenue strategies. The Academic Affairs Self-Study conducted in the current year includes recommendations to reduce budgeted expenditures by \$1.4 million. Modification to the current health insurance program is planned to result in a cost savings of \$750,000. In anticipation of approval and implementation of a student fee in 2016/2017 dedicated to cover expenses related to technology and security, an additional \$1.42 million is allocated from fund balance in 2015/2016.

The 2015/2016 Operating Budget development process maintained focus on the commitment to preserve the core values of the University and to align our resources with our preferred future.

RATIFY THE 2016-2022 SIX-YEAR CAPITAL PLAN

BOR (V-B-8)

June 4, 2015

Recommendation:

That the Board ratify the 2016-2022 Six-Year Capital Plan that was submitted to the Capital Planning and Advisory Board on April 15, 2015.

Background:

The University submitted the 2016-2022 Six-Year Capital Plan to the Capital Planning and Advisory Board and the Council on Postsecondary Education by the statutory deadline of April 15, 2015. The Plan included a list of capital projects with an estimated scope of \$600,000 or more and equipment purchases with an estimated scope of \$200,000 or more. A preliminary list of the projects in the 2016-2022 Six-Year Capital Plan was presented to the Board at the March 19, 2015 meeting.

The projects included in the first biennia of the Plan will be used as the basis of the development of the 2016-2018 Executive Budget Capital Request which will be presented to the Board for approval at its September meeting. The projects are identified by the anticipated fund source including:

- State Bonds – Bonded indebtedness issued by the State for which the debt service payments will be managed by the State.
- State General Funds – Direct state appropriations designated in the Budget of the Commonwealth for a specific line item.
- Agency Bonds – Bonded indebtedness issued by the University for which debt service payments will be made by the University from institutional revenues.
- Agency Funds – University funds generated from institutional revenue sources.
- Other Funds – External funds granted to the University for a specific capital project.

Following is the final list of projects included in the 2016-2022 Six-Year Capital Plan as submitted to the Capital Planning Advisory Board and the Council on Postsecondary Education:

Six Year Capital Plan 2016-2022

<u>2016-2018</u>	<u>Project Title</u>	<u>Estimated Scope</u>
	<u>Projects Funded with State Bonds or State General Funds</u>	
	Construct Center for Excellence in Education for Performing Arts	\$ 65,502,000.00
	Renovate Combs Classroom Building	\$ 45,050,000.00
	Construct Vet Tech Clinical Sciences Center	\$ 13,809,000.00
	Reconstruct Central Campus	\$ 3,000,000.00
	Water Plant Sediment Basin	\$ 1,500,000.00
	Upgrade Campus Fire & Security Systems	\$ 2,670,000.00
	Enhance Network/Infrastructure Resources - Additional	\$ 3,000,000.00
	Upgrade and Expand Distance Learning	\$ 1,700,000.00
	Replace Electrical Switchgear B	\$ 1,800,000.00
	Acquire Land Related to Master Plan	\$ 9,000,000.00
	Purchase Equipment for Biochemistry Lab	\$ 548,000.00
	Enhance Library Automation Resources	\$ 1,539,000.00
	Comply with ADA - E&G	\$ 3,767,000.00
	Capital Renewal & Maintenance Pool - E&G	\$ 6,259,000.00
	Purchase Instructional Tech Initiatives	\$ 3,021,000.00
	Upgrade Administrative Office Systems	\$ 4,864,000.00
	Upgrade Instructional PCs/LANS/Peripherals	\$ 6,080,000.00
	Capital Renewal & Maintenance Pool - Univ. Farm	\$ 1,209,000.00
	Construct Classroom/Lab Building at Browning Orchard	\$ 1,942,000.00
	Renovate Button Auditorium	\$ 15,999,000.00
	Renovate Howell-McDowell	\$ 1,296,000.00
	Renovate Jayne Stadium	\$ 39,761,000.00
	<i>Subtotal State Bonds/Funds</i>	<i>\$ 233,316,000.00</i>
	<u>Projects Funded with Agency Bonds or Agency Funds</u>	
	Capital Renewal & Maintenance Pool - Auxillary	\$ 3,961,000.00
	Comply with ADA - Auxillary	\$ 2,153,000.00
	Construct Food Service/Retail & Parking - Additional	\$ 6,600,000.00
	Construct New Volleyball Facility - Phase 2	\$ 3,300,000.00
	Construct University Welcome Center/Alumni House	\$ 7,920,000.00
	Renovate Cartmell Residence Hall	\$ 15,200,000.00
	Replace Exterior Precast Panels - Nunn Hall	\$ 3,250,000.00
	<i>Subtotal Agency Bonds/Funds</i>	<i>\$ 42,384,000.00</i>
	TOTAL 2016-2018 CAPITAL PROJECTS	<u><u>\$ 275,700,000.00</u></u>
<u>2018-2020</u>	<u>Projects Funded with State Bonds or State General Funds</u>	
	Acquire Land Related to Master Plan	\$ 4,000,000.00
	Campus Drainage Project	\$ 15,792,000.00
	Capital Renewal & Maintenance Pool - E&G	\$ 1,317,000.00
	Comply with ADA - E&G	\$ 4,884,000.00
	Construct MCTC/MSU Postsecondary Center of Excellence Phase II	\$ 15,100,000.00
	Construct General Office Building	\$ 11,911,000.00
	Plan & Design Library Facility	\$ 2,158,000.00
	Renovate Lloyd Cassity Building	\$ 29,051,000.00
	<i>Subtotal State Bonds/Funds</i>	<i>\$ 84,213,000.00</i>
	<u>Projects Funded with Agency Bonds or Agency Funds</u>	
	Comply with ADA - Auxillary	\$ 2,020,000.00
	Construct New Parking Garage - West Campus	\$ 8,000,000.00
	<i>Subtotal Agency Bonds/Funds</i>	<i>\$ 10,020,000.00</i>
	TOTAL 2018-2020 CAPITAL PROJECTS	<u><u>\$ 94,233,000.00</u></u>

Six Year Capital Plan 2016-2022

2020-2022

Projects Funded with State Bonds or State General Funds

Acquire Land Related to Master Plan	\$ 4,000,000.00
Capital Renewal & Maintenance Pool - E&G	\$ 2,207,000.00
Comply with ADA - E&G	\$ 4,293,000.00
Construct Facilities Management Office Complex	\$ 11,065,000.00
Construct Indoor Practice Facility	\$ 20,055,000.00
Construct New Baseball/Softball Complex	\$ 15,393,000.00
Construct New Library Facility	\$ 77,846,000.00
Expand Claypool-Young Building	\$ 4,580,000.00
Expand Life Safety: E&G Facilities	\$ 986,000.00
Renovate Academic Athletic Center	\$ 38,271,000.00
Renovate Allie Young Hall	\$ 26,620,000.00
Renovate Ginger Hall Classroom Building	\$ 61,610,000.00
Renovate Reed Hall	\$ 33,168,000.00

<i>Subtotal State Bonds/Funds</i>	<i>\$ 300,094,000.00</i>
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Projects Funded with Agency Bonds or Agency Funds

Comply with ADA - Auxillary	\$ 1,783,000.00
Construct New Parking Garage - East Campus	\$ 8,400,000.00

<i>Subtotal Agency Bonds/Funds</i>	<i>\$ 10,183,000.00</i>
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TOTAL 2020-2022 CAPITAL PROJECTS	<u><u>\$ 310,277,000.00</u></u>
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APPROVE NAMING OF RESIDENCE HALLS AT DERRICKSON AGRICULTURAL COMPLEX

**BOR (V-B-9)
June 4, 2015**

Recommendation:

That the Board of Regents approve naming of the two new residence halls at the Derrickson Agricultural Complex. If approved, the buildings will be named Lundergan Hall and Padula Hall.

Background:

The naming of facilities or components of the University requires a recommendation from the President and approval of the Board of Regents. Traditionally, naming of components or facilities is a permanent means of recognizing those who have provided outstanding support to the institution or given exemplary personal service over a sustained period.

Mr. Edward T. (Eddie) Lundergan began his service at the Derrickson Agricultural Complex in 1979, shortly after graduating with his Bachelor of Science degree in Animal Science. His initial appointment was as the Manager of the Horse Barn and Coordinator of the Equine Breeding Program. In 1982, he became Farm Manager and served continuously in that position until his retirement in 2006. From 1992 through 1994, his title changed to Coordinator of University Farms when he assumed responsibility for the Martiki Mountaintop Farm Project in Martin County, KY.

Eddie consistently provided quality service and leadership as the Farm Manager for 24 years. Additionally, he willingly and effectively demonstrated an exceptional level of institutional, community and regional service for MSU. To a great extent, Eddie Lundergan was the face of MSU's agriculture programs for many years.

Mr. Michael (Uncle Mike) Padula was the Farm Maintenance Supervisor at DAC from 1989 until his untimely death in 2012. For 23 years, Mike was responsible for all maintenance at the farm including electrical, plumbing, carpentry, sewage treatment, etc. Mike took complete ownership of these facilities. His pride in his work was obvious and infectious. If something needed to be fixed or replaced, he got it done. He believed in preventive maintenance and addressed situations before they became problems. In all, his day-to-day responsibilities were spread across 32 facilities and he kept them all in outstanding condition.

Mike was always there to help. If a tractor was down, he helped get it back in operation. If hay was down and the farm crew needed help, he was on the wagon throwing hay. He thoroughly enjoyed giving farm tours to school groups and even provided a petting zoo for elementary school students. MSU students called him Uncle Mike because he always took time to listen to their problems and provide good advice. They were his family if they lived on the farm!

Eddie and Mike had distinguished records in service to the Agricultural Program at MSU and to our students. Their dedication, commitment, quality of work and positive attitude

about MSU support consideration for the naming of the two new DAC residence halls in their honor.

Morehead State University
Official Enrollment Report, Spring 2015

Table 1: Spring Enrollment, Credit Hours, and FTE as a Percentage of Fall Numbers

Term	Headcount	Spring as a % of Fall	Credit Hours Generated	Spring as a % of Fall	FTE	Spring as a % of Fall
Fall 2010	8,842		97,492		6,641	
Spring 2011	8,167	92.4%	90,151	92.5%	6,150	92.6%
Fall 2011	10,971		106,315		7,241	
Spring 2012	9,424	85.9%	95,232	89.6%	6,498	89.7%
Fall 2012	11,172		110,859		7,537	
Spring 2013	9,516	85.2%	96,994	87.5%	6,603	87.6%
Fall 2013	11,358		114,224		7,741	
Spring 2014	9,728	85.6%	101,387	88.8%	6,876	88.8%
Fall 2014	11,053		113,494		7,678	
Spring 2015	9,519	86.1%	99,912	88.0%	6,766	88.1%

Table 2: Enrollment by Classification

Classification	Fall 2014	Spring 2015	Spring as a % of Fall
High School	2,508	1,792	71.5%
Freshman	2,046	1,262	61.7%
Sophomore	1,593	1,521	95.5%
Junior	1,506	1,551	103.0%
Senior	1,971	2,049	104.0%
UnderGrad-Nondegree	231	180	77.9%
PostBacc UG Degree Seeking	96	82	85.4%
Auditor	1	3	N/A
Undergraduate Total	9,952	8,440	84.8%
Masters	830	817	98.4%
Specialist	75	88	117.3%
Doctor's Degree Prof. Practice	73	68	93.2%
Graduate Certificate	0	3	N/A
Graduate-Nondegree	123	103	83.7%
Graduate Total	1,101	1,079	98.0%
Grand Total	11,053	9,519	86.1%

REPORT ON PERSONAL SERVICE CONTRACTS

BOR (V-C-2)
June 4, 2015

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between March 1, 2015 and May 15, 2015.

PERSONAL SERVICE CONTRACTS March 1, 2015 through May 15, 2015					
Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Performance Resource Partners	Phase II of the Facilities Management Operational Assessment	3/26/15	6/30/15	39,700.00	Request for Proposal
Corbin Design Inc.	Wayfinding consultant	5/1/15	6/30/15	155,050.00	Request for Proposal