

AGENDA BOOK

Board of Regents



MEETING SCHEDULE

Friday, March 5, 2004

8:30 a.m.	Board of Regents Meeting	Riggle Room ADUC
10:30 a.m.	Presentations by Presidential Consultants	Riggle Room
12:30 p.m.	Buffet Luncheon	Heritage Room
1 p.m.	Resume Presentations	Riggle Room

Members, Morehead State University Board of Regents

Buckner Hinkle Jr. (*Chair*)

James H. Booth (*Vice Chair*)

Gene Caudill (*Staff Member*)

Jean Dorton

Joshua R. Gruenke (*Student Member*)

Sylvia L. Lovely

John C. Merchant

Dr. Charles H. Morgan Jr. (*Faculty Member*)

Helen C. Pennington

Jerry W. Umberger

**Board of Regents Meeting
Morehead State University
Riggle Room, Adron Doran University Center
8:30 a.m., Friday, March 5, 2004.**

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MARCH 5, 2004

Agenda

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ELECTION OF OFFICERS: CHAIR, VICE CHAIR, AND SECRETARY; APPOINTMENT OF TREASURER**
- IV. APPROVE MINUTES OF DECEMBER 12, 2003**
- V. APPROVE AWARDING OF HONORARY DOCTOR OF PUBLIC SERVICE DEGREE TO GARY S. COX**
- VI. APPROVE AWARDING OF FOUNDERS DAY AWARD FOR UNIVERSITY SERVICE TO JOHN C. PHILLEY**
- VII. RECOMMENDATIONS AND REPORTS**
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 2. Report on Sale of Consolidated Educational Buildings Revenue Bonds, Series M 46
 3. Gift Income Report Year-to-Date Comparison 47
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 5. Preliminary Report on Spring 2004 Enrollment (To be presented at meeting)

VIII. OTHER BUSINESS

A. Second Quarter Meetings

1. Work Session, Monday, May 17
2. BOR Meeting, Friday, June 11

**B. Presentations by Presidential Search Consultant Finalists and
Selection of Presidential Consultant**

IX. ADJOURNMENT

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
December 12, 2003**

The Board of Regents of Morehead State University met at 2 p.m. on Friday, December 12, 2003, in the Riggle Room of the Adron Doran University Center. Chairman Buckner Hinkle Jr. presided.

ROLL CALL

The following members were present: James H. Booth, Gene Caudill, Jean Dorton, Joshua Gruenke, Buckner Hinkle Jr., Sylvia Lovely, John Merchant, Dr. Charles H. Morgan Jr., Helen Pennington, and Jerry W. Umberger.

Also, Joyce LeMaster, President of the MSU Alumni Association, attended the meeting.

PRESS

Pauline Young, Director of University Communications, introduced Kim Hamilton, *The Morehead News*, and Charles Compton, Morehead State Public Radio.

**SEPTEMBER 19,
2003, MINUTES**

Mr. Caudill moved that the minutes of the September 19, 2003, meeting be approved as distributed. Dr. Morgan seconded the motion. The motion passed.

**RESOLUTION
HONORING
TRAVECE
TURNER**

Chairman Hinkle read into the record and presented the following resolution to Travece Turner, who was selected as a state winner of the NCAA Woman of the Year Award:

RESOLUTION HONORING TRAVECE TURNER

WHEREAS, Travece Turner, a former standout player on the University's women's basketball team, is the first MSU student-athlete to be selected as a state winner in the 12-year history of the highly coveted NCAA Woman of the Year Award.

WHEREAS, Ms. Turner played three years for the Lady Eagles before graduation last May and currently is pursuing her master's degree in sports administration at the University while serving as the women's basketball administrative assistant;

WHEREAS, the NCAA award recognizes "outstanding female student-athletes, who have excelled in academics, athletics and community leadership, and have completed their collegiate athletics eligibility" and Ms. Turner was chosen from among 340 student-athletes;

WHEREAS, Ms Turner earned First-Team All-Ohio Valley Conference honors last year, after being named to the Second Team in 2001-02 and honorable mention in 2000-01 and completed her career at MSU ranking among the all-time school leaders in points, assists, steals and three-pointers while earning three varsity letters;

WHEREAS, Ms. Turner earned her bachelor's degree in advertising/public relations with a 3.71 GPA, was honored as 2002-03 Outstanding Student in the Department of Communication and Theatre, and was named to the OVC Commissioner's Honor Roll all three years;

WHEREAS, Ms. Turner is the daughter of Ken and Jennifer Turner, both of whom are graduates of the University, and has been involved in community service and leadership activities throughout her three years at MSU;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Ms. Travece Turner be and hereby is commended for her exemplary achievements as a student-athlete and a citizen while at the University. Be it further resolved that the University expresses its sincere appreciation of her academic, athletic and personal standards.

Done this twelfth day of December 2003.

Buckner Hinkle Jr., Chair

Carol Johnson, Secretary

Ronald G. Eaglin, President

Joseph "Chip" Smith, Director of Athletics, noted that Ms. Turner was in the top .3 percent (99.7 percentile) of all women athletes in the country.

Ms. Turner thanked everyone and said that she had had tremendous support throughout her career at Morehead State.

Mr. Umberger moved that the Board adopt the resolution honoring Ms. Turner. The motion was seconded by Mr. Caudill. The motion carried.

**PRESIDENT'S
RECOMMENDA-
TIONS*****Honorary Doctoral
Degree to
Hal Rogers***

President Eaglin recommended:

RECOMMENDATION: That the Board approve the awarding of the honorary degree of Doctor of Public Service to U. S. Representative Harold D. (Hal) Rogers at the Winter Commencement ceremony on December 13, 2003.

(Additional background information attached to these minutes and marked IV.)

MOTION: Ms. Dorton moved that the Board approve the President's recommendation. Dr. Morgan seconded the motion.

President Eaglin stated that Morehead State University was fortunate to become part of Congressman Rogers' congressional district a year ago. However, prior to that, he has shown keen interest in the area and Morehead State University. He has started many programs and brought many federal dollars to help the people of Kentucky. And, as head of the U. S. Homeland Security budget, Congressman Rogers will be able to accomplish much more.

VOTE: The motion carried.

***Spotlight
Presentation***

Michael Moore, Provost, introduced Bruce Mattingly, Chair of the Department of Psychology, located in the College of Science and Technology, who made the "Spotlight" presentation on the Department of Psychology.

Dr. Mattingly stated that his department was a community of teachers, scholars, staff, and students dedicated to improving the quality of life of the citizens of the region, the state, the nation, and the world. We strive to provide state-of-the-art learning opportunities for students through traditional classroom- and laboratory-based instruction, as well as through directed research, mentoring, and practicum experiences. Since this decade (2000-2010) has been officially designated as the "Decade of Behavior" by the United States Congress, he said it is important to recognize the significance of behavioral science research in solving many of society's most pervasive problems. Dr. Mattingly introduced the Department's current faculty and noted the contributions of previous faculty members. Also, he shared information on the Department's research, grants, and contracts, as well as the accomplishments of students and alumni.

**RESOLUTION
HONORING
VIRGINIA FOX**

President Eaglin stated that the Governor had named Virginia Fox as Secretary of Education and, as a result, she will have to resign from membership on the Board. Chairman Hinkle asked the Board to adopt the following resolution in her honor:

RESOLUTION HONORING VIRGINIA G. FOX

WHEREAS, Ms. Virginia G. Fox, a respected citizen of Frankfort, has served with distinction as a member of the Board of Regents of Morehead State University since 2001; and

WHEREAS, Ms. Fox has accepted a new call to public service with her appointment by Governor Ernie Fletcher as Secretary of Education for the Commonwealth of Kentucky, and

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

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

WHEREAS, as an alumnus of the University, Ms. Fox has brought great credit to the institution through her outstanding career in public television;

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

BE IT FURTHER RESOLVED, that the Board of Regents extends best wishes to Ms. Fox for continued success in her service to the citizens of Kentucky as a member of Governor Fletcher's executive cabinet.

Done this twelfth day of December 2003.

Buckner Hinkle Jr., Chair

Carol Johnson, Secretary

Ronald G. Eaglin, President

MOTION: Dr. Morgan moved that the Board adopt the Resolution Honoring Virginia Fox. Mr. Booth seconded the motion.

VOTE: The motion carried.

Winter Graduates

President Eaglin recommended:

RECOMMENDATION: That the awarding of degrees to all candidates who successfully complete all degree requirements as approved by the faculty of the University at the 2003 Winter Commencement on December 13, 2003, be approved.

Dr. Moore noted that 459 students have applied for graduation. This includes 21 associate degrees, 345 bachelor's degrees, 92 master's degrees, and one specialist degree.

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

VOTE: The motion carried.

President Eaglin recommended:

Personnel Actions

RECOMMENDATION: That the Board ratify the Personnel Actions for the period September 1, 2003, through November 14, 2003.

(Personnel Actions and additional background information attached to these minutes and marked VII-A-2)

Roger Barker, Director of Human Resources, stated that the Personnel Actions for the period September 1, 2003, through November 14, 2003, were routine.

President Eaglin stated that he had reviewed supplemental pay for 12-month employees as the Board requested at its last meeting. Dr. Moore has prepared a report that will be ready to discuss at the Board's work session on February 13, 2004.

MOTION: Dr. Morgan moved that the Board approve the President's recommendation. Mr. Booth seconded the motion.

VOTE: The motion carried.

***Audit Report for
2002-03***

President Eaglin recommended:

RECOMMENDATION: That the Board accept the audit report for the fiscal year ended June 30, 2003, as presented by Crowe, Chizek and Company, accept the reports related to the fourth quarter financial information and capital outlay, and amend the operating budget for the 2002-03 fiscal year.

(2002-03 Audit Report and additional background information attached to these minutes and marked VII-A-3)

Michael Walters, Vice President for Administration and Fiscal Services, stated that at the Audit Committee meeting on November 14, 2003, Ms. Laurie Haun, a CPA with Crowe, Chizek and Company, presented an overview of the University's 2002-03 fiscal year audit. The audit report, which includes all transactions for the fiscal year and serves as the University's fourth quarter financial report, was issued with an unqualified opinion on the financial statements. The statements in the report were presented in the new format as required by *Government Accounting Standards Board Statement 35*.

Teresa Johnson, Director of Budgets, presented amendments to the budget and a capital outlay status report for the fourth quarter.

Chairman Hinkle asked if the University had other funds reserved for budget cuts for the rest of the year. President Eaglin said that he had imposed through the vice presidents a 2.6 percent holdback of funds and asked that all divisions come up with a plan on how that was to be accomplished. Also, he said that he had not authorized the distribution of excess tuition funds. With those two managerial decisions, Dr. Eaglin said that we hope to be within the parameters of any cuts that might come. Currently, we have no idea what is going to happen, but we have prepared for the worst.

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

VOTE: The motion carried.

President Eaglin recommended:

***First Quarter
Financial
Statements***

RECOMMENDATION: That the Board accept the financial statements and amend the operating budget for the first quarter of the fiscal year that will end June 30, 2004, and amend the operating budget.

(First Quarter Financial Report attached to these minutes and marked VII-A-4)

James Fluty, Director of Accounting and Budgetary Control, discussed the Management's Analysis of the First Quarter Financial Statements. He noted that under Financial Highlights, the first sentence should read "Morehead State University's financial picture remains stable through the first quarter of the 2003-2004 fiscal year." Mr. Fluty also discussed Statements of Revenues, Expenditures and Changes in Fund Balance.

President Eaglin explained that the fund balance is confusing since it appears that the University has \$13.5 million in "unallocated" funds. However, we frontload a great deal of our income, and during the course of the year we spend it. Thus, when you see the words "unallocated funds" in our financial reports, that simply means the funds have not been spent. It doesn't mean they have not been allocated.

Ms. Johnson discussed budget amendments (notes of significant adjustments to revenue and other additions) for the first quarter.

MOTION: Mr. Booth moved that the Board approve the President's recommendation. Mr. Umberger seconded the motion.

VOTE: The motion carried.

President Eaglin recommended:

RECOMMENDATION: That the Board adopt:

***Series M & N
Bonds***

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF CONSOLIDATED EDUCATIONAL BUILDINGS REFUNDING REVENUE BONDS, SERIES M, IN THE APPROXIMATE AMOUNT OF \$5,240,000 (WHICH AMOUNT MAY BE INCREASED OR DECREASED BY \$520,000).

AND

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES N, IN THE APPROXIMATE AMOUNT OF \$860,000 (WHICH MAY BE INCREASED OR DECREASED BY \$85,000).

AND THAT:

- (A) The forms of Official Terms and Conditions of the Sale of Bonds and Bid Form be approved and a copy of each be placed by the Secretary in the official record of the Board; and
- (B) The Board authorize the publication of the Notice of Bond Sale in accordance with Chapter 424 of the Kentucky Revised Statutes and the Financial Advisor be authorized to disseminate copies of the Official Statement; and
- (C) Sealed bids for the purchase of the Series M and N bonds be opened on such date and time as designated by the Vice President for Administration and Fiscal Services, and
- (D) The Board appoint the Vice President for Administration and Fiscal Services who shall by written declaration, accept on such date the lowest and best bids as recommended by First Kentucky Securities, Inc., the Financial Advisor to the Board.

(Additional background information attached to these minutes and marked VII-A-5)

Mr. Walters stated that the University is seeking Board approval to sell two bond issues. Both are part of the Consolidated Educational Buildings Revenue Bonds Series referred to as ConEd. The first larger issue, Series M, is about \$5.2 million to refund Series K bonds, which were issued in 1995 on the second phase of the Lappin Hall Renovation project. A net present value savings of approximately \$265,000 can be realized from refunding the Series K bonds. The second issue, Series N, in the approximate amount of \$860,000 will be used to fund repairs to Button Auditorium.

MOTION: Mr. Caudill moved that the President's recommendation be approved. Dr. Morgan seconded the motion.

VOTE: The motion carried with Mr. Merchant abstaining from voting.

President Eaglin recommended:

Order to Dispose of Property

RECOMMENDATION: That the Board of Regents approve the *Order to Dispose of Property* in regard to the below referenced real property.

(Order to Dispose of Property and additional background information attached to these minutes and marked VII-A-6)

Mr. Walters stated that the University acquired property in 1989, which is located at the intersection of Second Street and University Boulevard (now Battson-Oates Drive). A small frame building approximately 18' by 33.2' is located on this property that was the law office of Judge Allie Young, who was at one time a state senator and an influential figure in the history of Morehead, Rowan County, and Morehead State University. The Rowan County Fiscal

**2004-06 Executive
Branch Budget
Request**

Court currently has a project to restore and preserve the historic Rowan County Old Courthouse square located across the street from the Young Law Office building. The Fiscal Court will incorporate this building into the preservation project. However, in order to incorporate the building into the project, the Fiscal Court must have title to the building and land on which it is located. With Board approval, the University will transfer the land to the Rowan County Fiscal Court with the stipulation that should the building be relocated from its present site, the land will revert back to Morehead State University.

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

VOTE: The motion carried.

President Eaglin recommended:

RECOMMENDATION: That the Board of Regents ratify the University's 2004-06 Executive Branch Budget Request.

(2004-06 Executive Branch Budget Request and additional background information attached to these minutes and marked VII-A-7)

Beth Patrick, Vice President for Planning and Technology, discussed Morehead State University's 2004-06 Operating and Capital Budget recommendation, which was submitted to the Governor's Office for Policy and Management, the Legislative Research Commission, and the Council on Postsecondary Education on November 15, 2003.

MOTION: Mr. Caudill moved that the Board approve the President's recommendation. Mr. Merchant seconded the motion.

VOTE: The motion carried.

President Eaglin recommended:

**Renaming of
Kibbey Theatre**

RECOMMENDATION: That the Board of Regents approve renaming of the former Kibbey Theatre in the Combs Classroom Building as the Kibbey Seminar Room.

Keith Kappes, Vice President for University Relations, stated that the Kibbey Theatre located in the Combs Classroom Building was named in 1976 in honor of the late Sam Fred Kibbey, who served two terms as a member of the Board of Regents. This facility has served the University well for more than 25 years; however, the theatre program has now relocated to new facilities at Breckinridge Hall. As a result, that space is in the final stages of being renovated for the

College of Business, Institute for Regional Analysis and Public Policy, and the Department of English, Foreign Languages and Philosophy. Since the function of this space has changed, it is appropriate to change its name. Therefore, it is recommended that the former Kibbey Theatre in the Combs Classroom Building be renamed the Kibbey Seminar Room.

MOTION: Ms. Dorton moved that the Board approve the President's recommendation. Dr. Morgan seconded the motion.

VOTE: The motion carried.

PRESIDENT'S REPORTS

Fall 2003 Enrollment Report

Dr. Moore reported on Fall 2003 Enrollment. He stated that head count enrollment increased 1.3 percent over the Fall 2002 semester. Most of the increase occurred at the University's extended campus centers. All centers had an increase with the exception of MSU at Prestonsburg where the center experienced a turnover in the directorship. Also, Dr. Moore reported that Spring 2004 headcount enrollment was up about 600 at the extended campus centers.

(Fall 2003 Enrollment Report attached to these minutes and marked VII-B-1)

In addition, Dr. Moore informed the Board of the following:

NCATE Accreditation

- ☐ That the University had met all of the NCATE standards for reaccreditation of its teacher education program.

Percussion Ensemble

- ☐ That the University's percussion ensemble came in first place at the recent Percussive Arts International Conference in Louisville.

ROTC

- ☐ That the ROTC program is now ranked 21st out of 271 programs nationally.

Mr. Kappes noted that the Army had made the decision a few years ago to remove the University's ROTC program. As a result, President Eaglin made a trip to Washington and appealed to Senators Ford and McConnell to save the program. Now it's the best in Kentucky.

Fire Safety Projects

Mr. Walters reported that the five-year, state-mandated residence hall fire safety program was completed in the fall of 2003 and noted that \$8.5 million in bonds were issued to finance these projects. In addition, the University withdrew \$400,000 from an equipment reserve bringing the total to \$8.9 million.

(Final Report on Residence Hall Fire Safety Projects attached to these minutes and marked VII-B-2)

**Health Insurance
Program 2004**

Dr. Eaglin reported on the University's Health Insurance Plan for 2004. He said that the University involved as many people as possible in the effort to help save the University self-insurance program. Meetings were held with the Faculty Senate and Staff Congress, and open meetings were conducted by the Employee Benefits Committee. As a result of these efforts, the University will offer two different healthcare plans for 2004. Each of these plans will include higher deductibles and higher out-of-pocket maximums than previous plans. Basically, we took the PPO and HMO programs and created a Consumer Driven Health Plan (CHDP) and a Point of Service (POS). We tried to combine the features of what we were doing in the previous year into these two packages. Sixty (60) percent of our employees went into the CDHP and 40 percent went into POS.

(Report on Health Insurance for Plan Year 2004 attached to these minutes and marked VII-B-3)

Dr. Morgan stated that a couple of resolutions came out of the Faculty Senate that he was directed to bring to the Board. They were included in the agenda materials for the November work session; however, the Board didn't get a chance to discuss the resolutions at that time. Those resolutions were not in support of the CDHP because it is such an experimental program.

Gift Reports

Barbara Ender, Vice President for Development, reported on the Year-to-Date Comparison Gift Income Report. Ms. Ender noted that for the twelve-month period ending October 2003, gifts totaled \$993,314 compared to \$1,180,396.80 the previous year. She attributed the decline to a couple of significant property gifts in 2002. Also, in a Report of Major Gifts Since October 1, 2003, gifts totaled \$226,930.

(Year-to-Date Comparison Gift Income Report and Report of Major Gifts Since October 1, 2003, attached to these minutes and marked VII-B-4 and B-5)

Ms. Ender also reported:

**Foundation's
Assets**

- ❑ That the Morehead State University Foundation's total assets are now at \$19.7 million, which represents 85 percent recovery from the stock market downturn.

Bucks for Brains

- ❑ That MSU's share of this biennium's "Bucks for Brains" program is \$2.85 million, and we are to have secured pledges of one half of that amount by December 2004.

CASE Conference

- ❑ That at today's Council for Advancement and Support of Education (CASE) conference in Kentucky, our gifts income representative is there doing a presentation with UK and Berea College representatives on the Raiser's Edge Acknowledgement and Reporting Process. CASE is the

professional organization for University Relations, Development, and Alumni professionals.

Don Rigsby

Mr. Kappes shared an article that recently appeared in *The Wall Street Journal* concerning a review of Don Rigsby's work. Mr. Rigsby is the Director of MSU's Kentucky Center for Traditional Music.

**EXECUTIVE
SESSION**

Chairman Hinkle stated that the Board needed to go into Executive Session to discuss personnel matters. No action will be taken during that time, and the Board will come back into open session at the end of the closed session. Mr. Booth moved that the Board go into Executive Session. Mr. Merchant seconded the motion. The motion carried.

ADJOURNMENT

Following an hour in closed session, the Board reconvened in open session. There being no further business to conduct, the meeting adjourned at 5 p.m.

Respectfully submitted,



Carol Johnson, Secretary

**SPECIAL MEETING
BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
Monday, January 19, 2004**

The Board of Regents of Morehead State University met in special session via conference call at 5 p.m. on Monday, January 19, 2004. Chairman Buckner Hinkle Jr. presided.

ROLL CALL

Carol Johnson, Board Secretary, called the roll. All members were present: James H. Booth, Gene Caudill, Jean Dorton, Joshua Gruenke, Buckner Hinkle Jr., Sylvia Lovely, John Merchant, Dr. Charles H. Morgan Jr, Helen Pennington, and Jerry W. Umberger.

**OTHERS IN
ATTENDANCE**

Others present for the special meeting were: Ronald G. Eaglin, President; Michael Walters, Vice President for Administration and Fiscal Services; Keith Kappes, Vice President for University Relations; Pauline Young, Director of University Communications; and Carol Johnson, Board Secretary.

**PRESIDENT
EAGLIN'S
RETIREMENT**

Chairman Hinkle asked that the Board acknowledge and accept President Eaglin's letter of retirement as follows:

December 12, 2003

Mr. Buckner Hinkle Jr., Chairman
Board of Regents
Morehead State University
Morehead, KY 40351

Dear Buck:

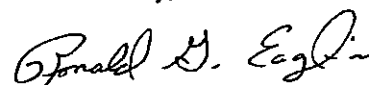
In the past 40 plus years, I have written an untold number of letters and have made thousands of decisions; however, this has been the most difficult letter to write and one of the most difficult decisions to make. It is Bonnie's and my decision to retire upon the Board's selection of a new president. I hope this process will be completed by no later than the end of the 2004 Fall Semester. If it takes longer, I am willing to negotiate working until the end of the 2005 Spring Semester.

Bonnie and I want to thank the Board for its support over the past 12 years. It is our belief that the institution is the strongest academically it has ever been. The faculty and staff have worked hard to continually improve

the university. We have consistently met CPE goals while keeping our historical mission of serving the easternmost counties of Kentucky.

On a personal note, Bonnie and I feel we have been blessed to have worked for what we consider the best Board in Kentucky. During these past 12 years, the Board has acted as one in its decisions and guidance. We have felt the Board was always there for us in the good and not so good times. In these years at Morehead, we have lost three parents and had four weddings and six grandchildren. We will miss working with each of you and pledge our support to the new leadership. It is difficult to say goodbye to such a wonderful institution, but all of us eventually must face the day of retirement.

Most sincerely,



Ronald G. Eaglin
President

Mr. Caudill moved that the Board accept President Eaglin's letter of retirement and incorporate it as a part of the official minutes. Ms. Lovely seconded the motion. The motion carried.

DRAFT RFP FOR CONSULTING FIRM

Chairman Hinkle initiated discussion on the Draft Request for Proposals for a Consulting Firm to assist the Board with the presidential search. *(A copy of the Draft RFP is attached to these minutes).* Following discussion, Dr. Morgan moved that the Board approve the Request for Proposals and authorize Michael Walters to issue the RFP. Mr. Merchant seconded the motion. The motion carried.

Ms. Lovely moved that the Board approve the process for the selection of a consulting firm and authorize the chairman to appoint a subcommittee consisting of three Board members to review the proposals and select the top three or four consulting firms to invite to campus to make presentations to the full Board. Dr. Morgan seconded the motion. The motion carried.

APPOINTMENT OF SUBCOMMITTEE

Following discussion on the availability of Board members to serve on the subcommittee, Chairman Hinkle advised that he would appoint the subcommittee later that week. *(Subsequently, Chairman Hinkle appointed Jean Dorton, Charles Morgan, and Helen Pennington to serve on the subcommittee.)*

ADJOURNMENT

There being no further business to conduct, the meeting adjourned at 5:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Johnson".

Carol Johnson, Secretary

HONORARY DOCTORAL DEGREE

BOR (V)
March 5, 2004

Recommendation:

That the Board of Regents approve the awarding of the honorary degree of DOCTOR OF PUBLIC SERVICE to Dr. Gary S. Cox at the Spring Commencement ceremony on May 8, 2004.

Background:

Since 1988 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 and Board of Regents. The committee is composed of active and retired faculty and staff members and a representative of the MSU Alumni Association, Inc.

Dr. Gary S. Cox of Lawrenceburg was nominated for an honorary doctoral degree in conjunction with Spring Commencement. The Honorary Degree Advisory Committee reviewed the qualifications of Dr. Cox and unanimously recommended that he receive the honorary degree of DOCTOR OF PUBLIC SERVICE at the Spring Commencement ceremony on May 8, 2004.

A native of Louisville, Dr. Cox is an alumnus of the University where he later served as a faculty member in political science. While a student, he was president of the Student Government Association. He earned master's and doctoral degrees in political science at the University of Kentucky. After leaving MSU, he was deputy director of the Legislative Research Commission before becoming dean of the School of Public Affairs at Kentucky State University.

Dr. Cox joined the staff of what was known then as the Kentucky Council on Higher Education in 1978 where he served as a staff member for 19 years, including a 10-year stint as executive director. He worked in support of higher education reform legislation in 1997 which reorganized the CHE into the Council on Postsecondary Education.

Dr. Cox was named president of the Association of Independent Kentucky Colleges and Universities in November 1997. He continues to serve in that capacity as chief spokesman and lobbyist for Kentucky's 19 independent, non-profit colleges.

He is a former board chair of the Governor's Scholars Program and currently serves on the boards of the Kentucky Science and Technology Council and Cardinal Hill Rehabilitation Hospital.

Prepared by: Keith Kappes

**2004 FOUNDERS DAY AWARD
FOR UNIVERSITY SERVICE**

**BOR (VI)
March 5, 2004**

Recommendation:

That the Board of Regents approve the selection of Dr. John C. Philley of Morehead, Ky., as the recipient of the 2004 Founders Day Award for University Service.

Background:

The Founders Day Award for University Service was established by the Board of Regents in 1978 and has been presented each year to individuals with records of outstanding service to the University over a sustained period. The presentation is part of the annual Founders Day observance.

Previous recipients have included W. E. Crutcher, 1978; Linus A. Fair, 1979; Carl D. Perkins, 1980; Dr. Warren C. Lappin, 1981; Dr. Ted L. Crosthwait, 1982; Monroe Wicker, 1983; Lloyd Cassity, 1984; Grace Crosthwaite, 1985; Boone Logan, 1986; Dr. Rondal D. Hart, 1987; George T. Young, 1988; John E. Collis, 1989; Dr. Wilhelm Exelbirt, 1990; Dr. R. H. Playforth, 1991; Dr. Mary Northcutt Powell, 1992; Sen. Woody May, 1993; Dr. J. E. Duncan, 1994; Sherman R. Arnett and Harlen L. Hamm, 1995; Dr. Adron Doran, 1996; Robert S. Bishop and K. Martin Huffman, 1997; and Dr. Charles J. Pelfrey, 1998; Carolyn S. Flatt, 1999; Dr. Earl J. Bentley, 2000; Mrs. Mignon Doran, 2001; Dr. C. Nelson Grote, 2002; and Merl F. Allen, 2003.

The Founders Day Committee has recommended that the 2004 award be presented to Dr. John C. Philley, professor emeritus of geoscience and former executive vice president for academic affairs at the University. The ceremony is scheduled as part of the Founders Day Luncheon at 11:30 a.m. on Thursday, March 18.

Dr. Philley came to MSU as an instructor in 1960 and advanced through the ranks to become chair of the Department of Physical Sciences in 1974, dean of College of Arts and Sciences in 1986 and to his last post as chief academic officer in 1990. He retired in 1997 with 37 years of full-time service to the University. Since retiring, he has raised funds for endowments in geology and received the Volunteer Fund Raiser of the Year Award from the MSU Foundation. He was the first president of the MSU Retirees Association.

A certified professional geologist, Dr. Philley is the author of 35 articles and guidebooks in his field and was named Kentucky's outstanding college science teacher. He and his wife, Betty, a retired MSU staff member, remain active in the life of the University.

Prepared by: Keith Kappes

TENURE

**BOR (VII-A-1)
March 5, 2004**

Recommendation:

That the Board of Regents approve the granting of tenure to Dr. Gregory R. Russell, associate professor of Management.

Background:

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The search committee for the chair of the Department of Management, Marketing and Real Estate has recommended Dr. Gregory R. Russell for employment with tenure. The departmental tenure committee, the college dean, the University Tenure Committee and the Provost have supported this recommendation.

TENURE WITH PROMOTION, 2004

**BOR (VII-A-2)
March 5, 2004**

Recommendation:

That the Board of Regents approve the granting of tenure and promotion to the associate professor rank for the following faculty members with the issuance of their contracts for the 2004-2005 year:

Dr. Ann Adams, English
Dr. Victor Ballester, educational administration
Dr. Greg Detweiler, music
Dr. Sylvia Henneberg, English
Dr. Teresa Howell, nursing
Dr. Thomas Kiffmeyer, history
Dr. Carol Wymer, biology

Background:

Assistant professors who successfully gain tenure are automatically promoted to the rank of associate professor without further review by the University Promotion Committee. Faculty members are responsible for developing their own tenure portfolios for submission to their peers and administrative supervisors for analysis and review during the first semester of the last year of their probationary period. These portfolios are reviewed by departmental committees, as well as by the candidate's department chair and college dean. The University Tenure Committee receives and reviews the recommendations from these peer groups and administrators and forwards its recommendations to the Provost. The President, based upon recommendations from the Provost, submits his recommendations to the Board of Regents.

SABBATICAL LEAVES, 2004-05

**BOR (VII-A-3)
March 5, 2004**

Recommendation:

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

Dr. Vecente Cano, Fall 2004

Background:

Faculty members desiring sabbatical leaves submit their application to be evaluated by their departmental committee, department chair, college dean, and the Professional Development Committee. These committee evaluations are forwarded to the Provost who recommends to the President for his recommendation to the Board of Regents.

Dr. Vecente Cano, professor of romance languages, has been recommended for a sabbatical leave for the Fall 2004 semester.

RATIFY PERSONNEL ACTIONS

**BOR (VII-A-4)
March 5, 2004**

Recommendation:

That the Board ratify the Personnel Actions for the period November 17, 2003, through February 13, 2004.

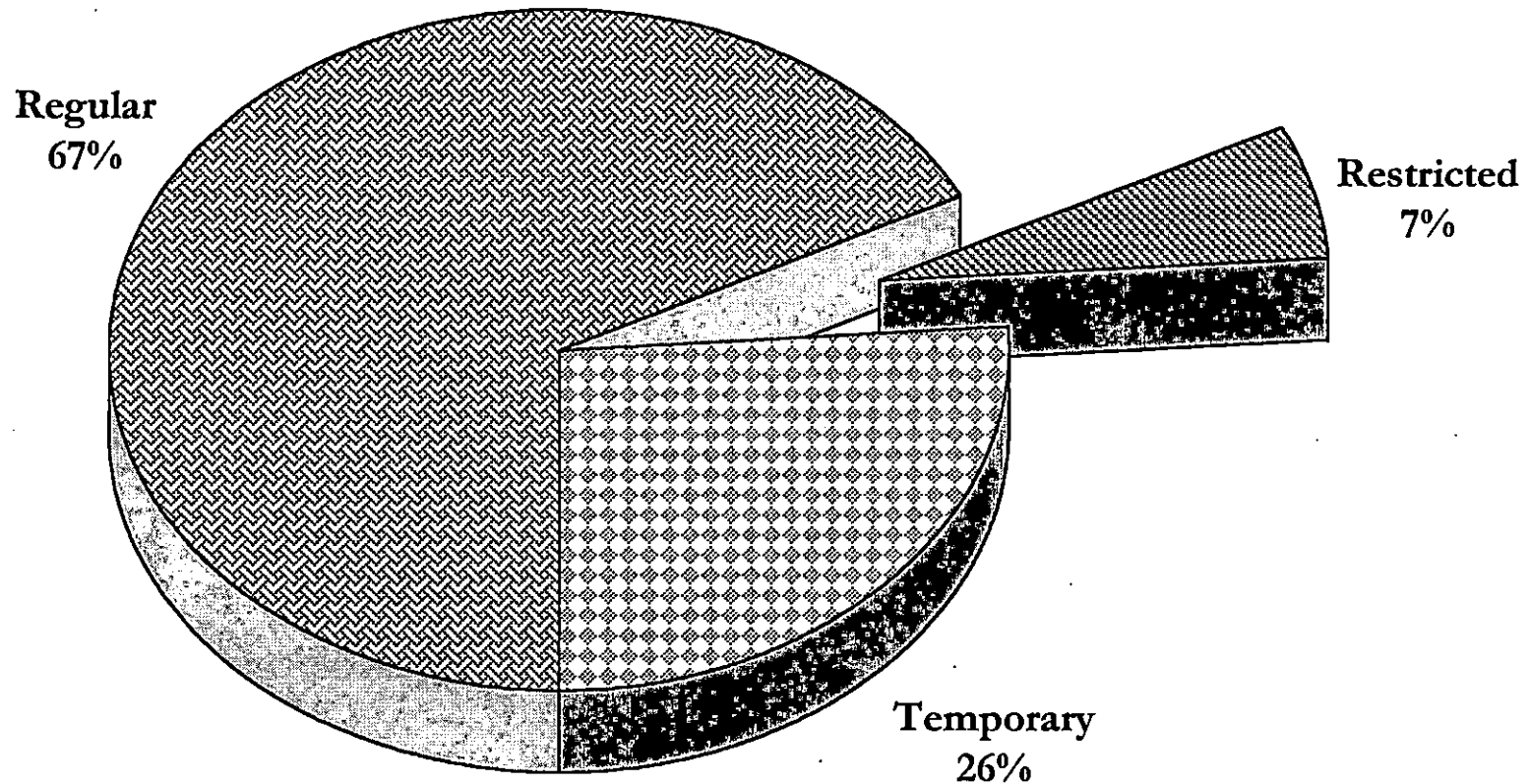
Background:

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.

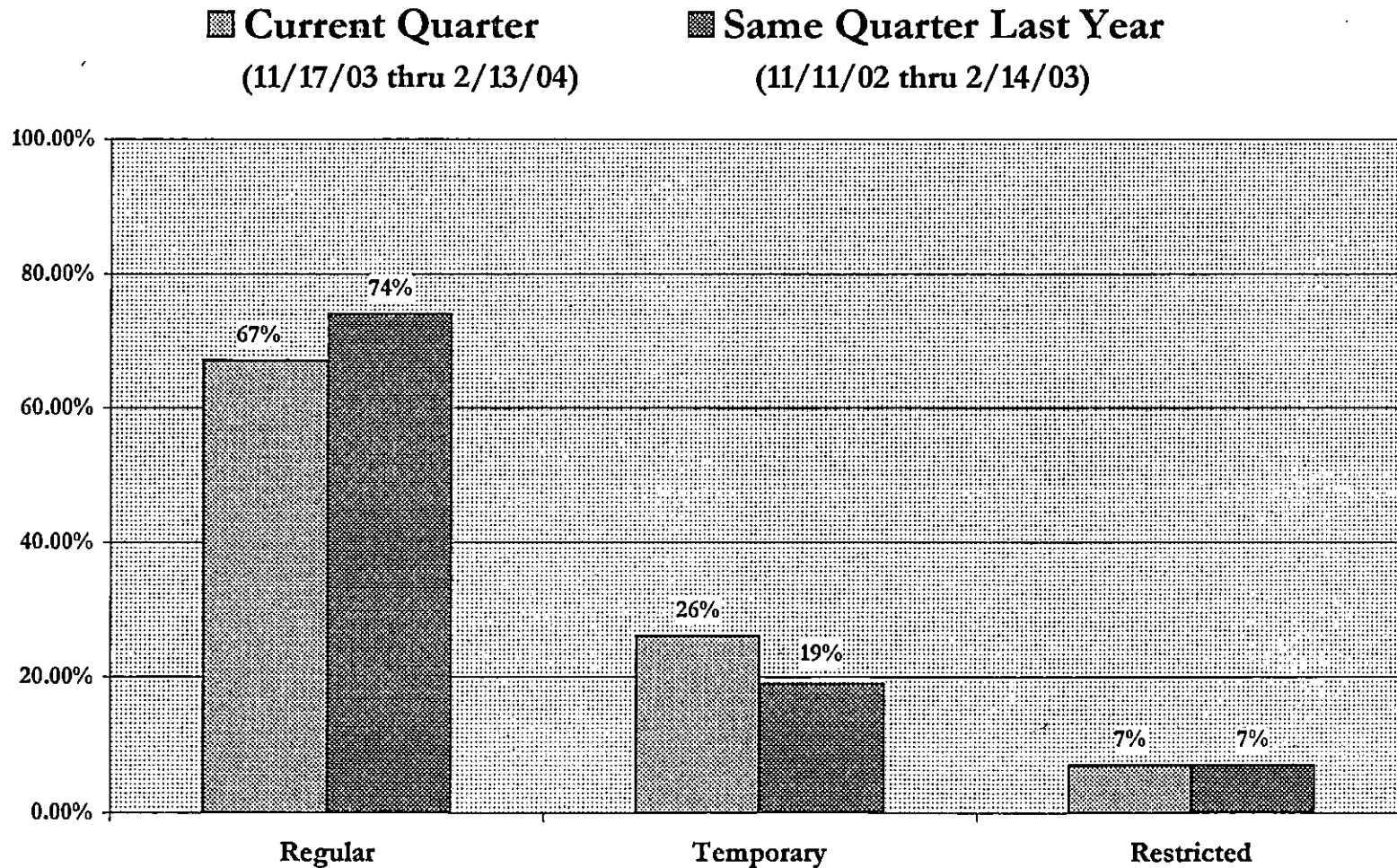
PERSONNEL ACTION REQUEST

11/17/03 thru 2/13/04



Total Number of PARs = 46

COMPARISON CHART FOR PERSONNEL ACTION REQUEST

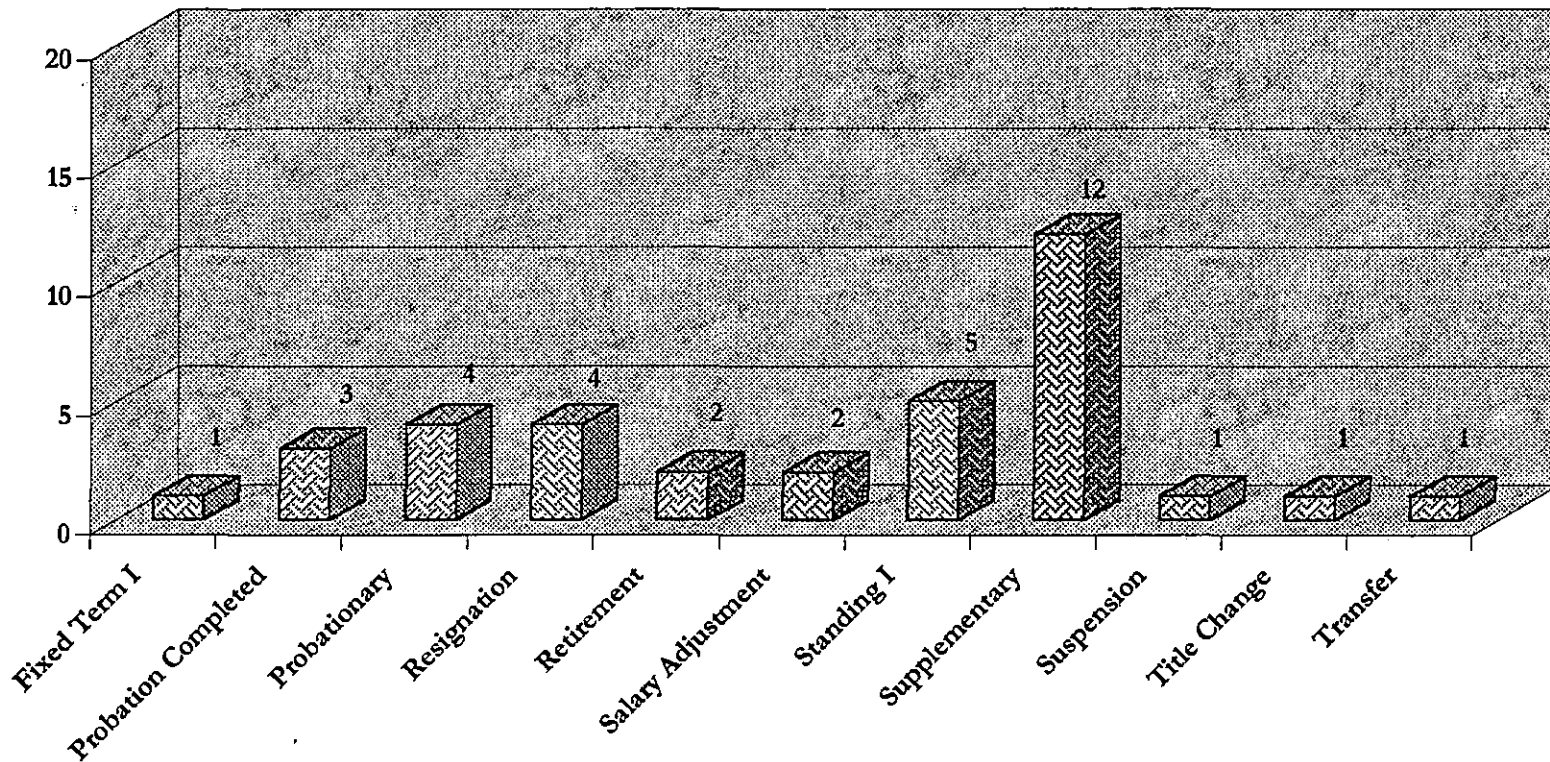


Total Number of PARs

Current Quarter = 46

Same Quarter Last Year = 74


PERSONNEL ACTIONS FOR COVERED ROSTER APPOINTMENTS
11/17/03 thru 2/13/04




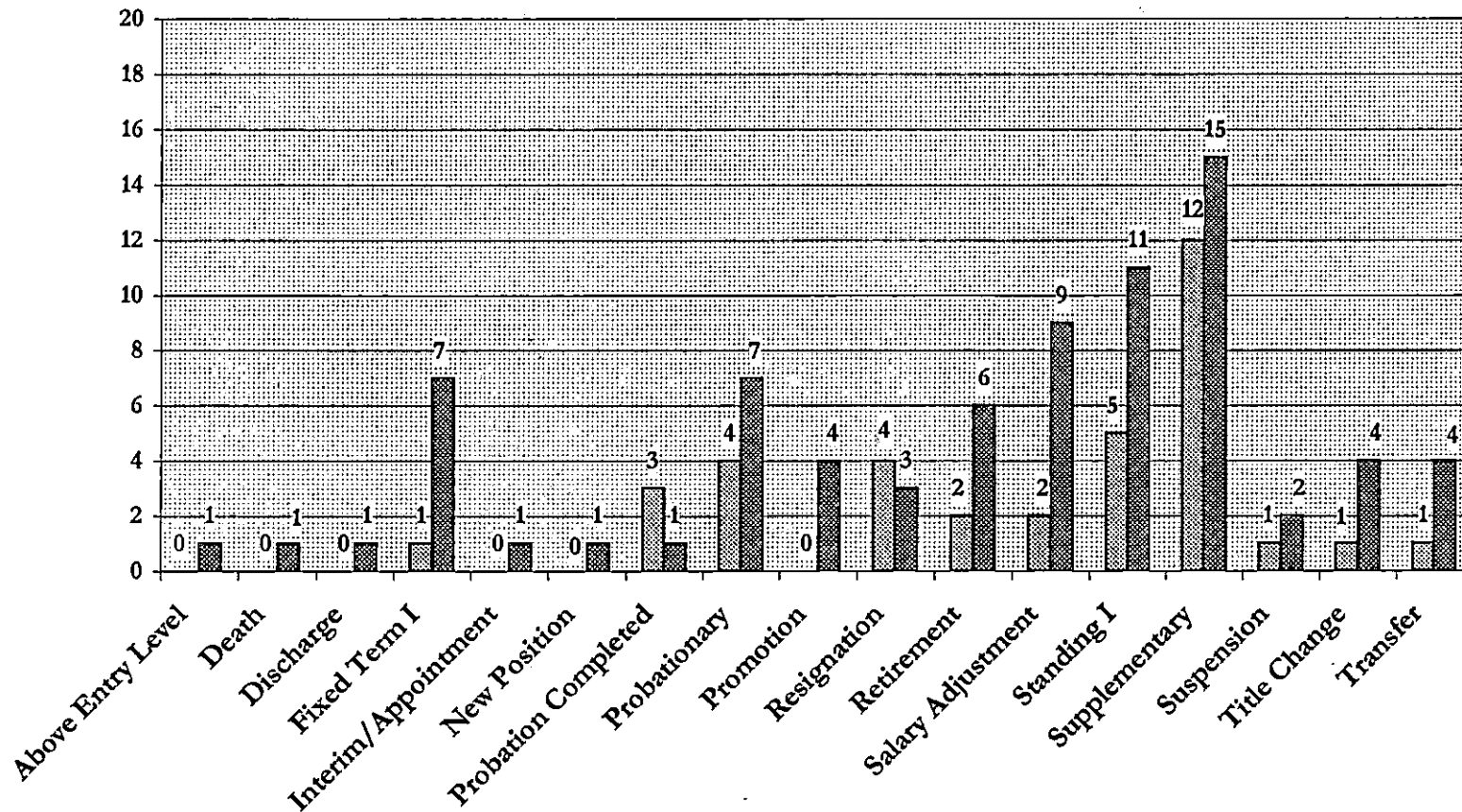
Total Number of PARs = 31

Total Number of Actions = 36

COMPARISON CHART FOR COVERED ROSTER APPOINTMENTS

 **Current Quarter**
 (11/17/03 thru 2/13/04)

 **Same Quarter Last Year**
 (11/11/02 thru 2/14/03)



Total Number of PARs

Current Quarter = 31

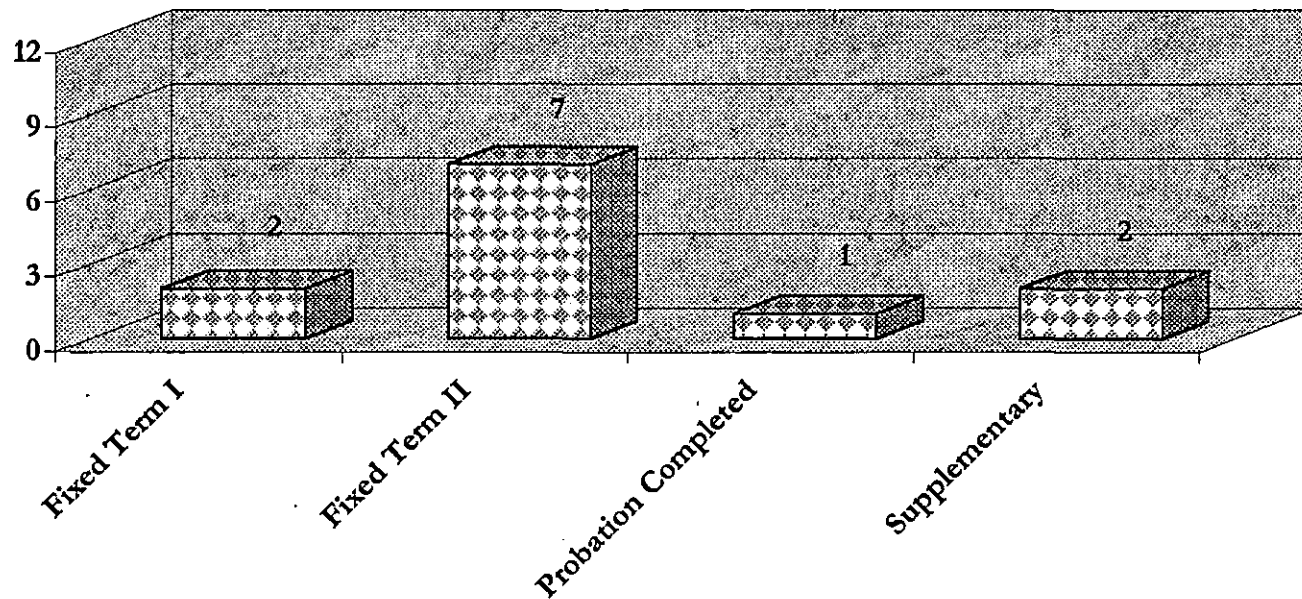
Same Quarter Last Year = 55

Total Number of Actions

Current Quarter = 36

Same Quarter Last Year = 78

**PERSONNEL ACTIONS FOR NON-ROSTERED
TEMPORARY APPOINTMENTS**
11/17/03 thru 2/13/04

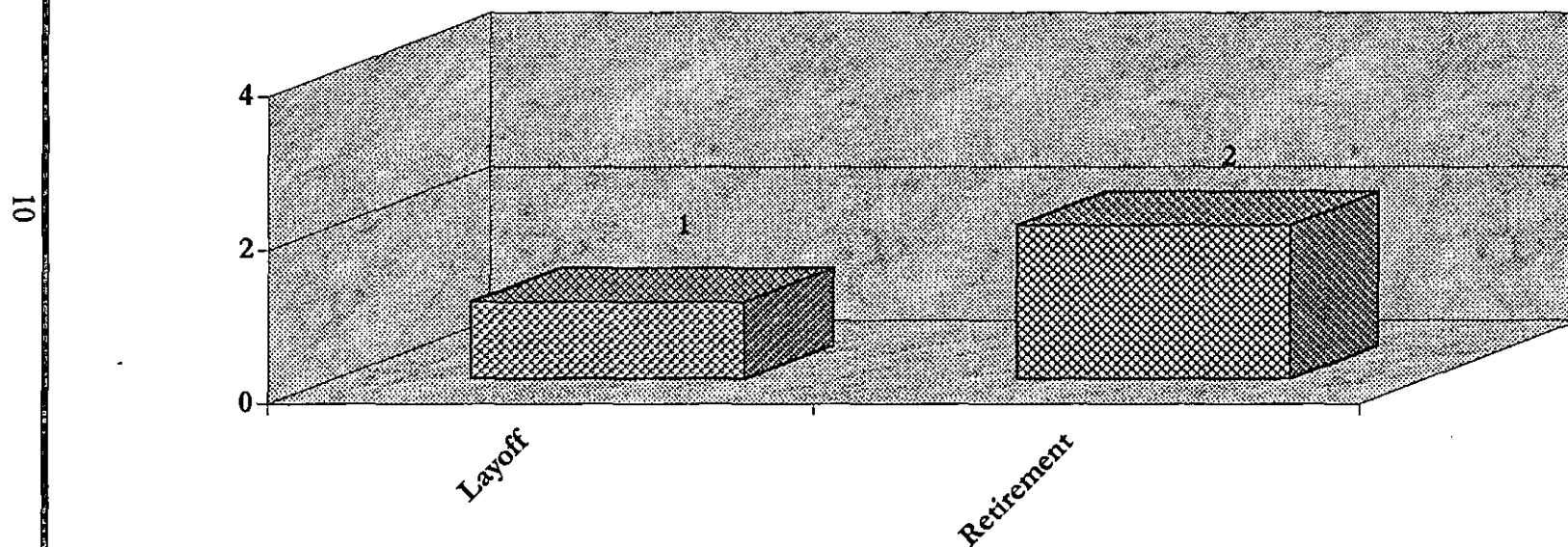


Total Number of PARs = 12

Total Number of Actions = 12

PERSONNEL ACTIONS FOR RESTRICTED APPOINTMENTS

11/17/03 thru 2/13/04



Total Number of PARs = 3

Total Number of Actions = 3

MOREHEAD STATE UNIVERSITY
STANDING I AND STANDING II POSITIONS SUMMARY
02/13/04

<u>DEPARTMENT NAME</u>	<u>July 1 Authorized Positions</u>	<u>Current Authorized Positions</u>	<u>+/- Position Adjustments</u>	<u>Current Position Strength</u>	<u>% Current Strength</u>
OFFICE OF THE PRESIDENT	6.00	6.00	0.00	6.00	100.00
DIVISION OF UNIVERSITY RELATIONS	32.50	33.50	1.00	32.50	97.01
DIVISION OF DEVELOPMENT	14.00	14.00	0.00	14.00	100.00
DIVISION OF PLANNING AND TECHNOLOGY	44.00	42.00	-2.00	41.00	97.62
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	67.00	68.00	1.00	67.00	98.53
PHYSICAL PLANT	155.70	155.70	0.00	148.70	95.50
DIVISION OF STUDENT LIFE	128.80	128.80	0.00	126.80	98.45
DIVISION OF ACADEMIC AFFAIRS	27.50	27.50	0.00	27.50	100.00
CAUDILL COLLEGE OF HUMANITIES	145.61	145.61	0.00	138.61	95.19
COLLEGE OF BUSINESS	54.50	54.50	0.00	50.50	92.66
COLLEGE OF EDUCATION	94.00	96.00	2.00	89.00	92.71
COLLEGE OF SCIENCE AND TECHNOLOGY	152.10	152.10	0.00	136.10	89.48
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	19.00	19.00	0.00	18.00	94.74
GRADUATE AND UNDERGRADUATE PROGRAMS	44.64	47.64	3.00	44.64	93.70
CAMDEN-CARROLL LIBRARY	39.00	39.00	0.00	36.00	92.31
	1024.35	1029.35	5.00	976.35	94.85

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

DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

- Standing I:** Appointment to a continuing full-time faculty, administrative or staff (exempt or non-exempt) position with benefits fully covered. No ending date. Appointment may be terminated, if for cause.
- Standing II:** Appointment to a continuing part-time faculty, administrative or staff (exempt or non-exempt) position with prorated sick and vacation leave. No ending date. Appointment may be terminated, if for cause.
- Fixed Term I:** Appointment to a full-time faculty, administrative or staff (exempt or non-exempt) position for at least six calendar months but not to exceed one year and with benefits fully covered. Non-faculty appointments may be renewed from year to year. Faculty appointments may be renewed from year to year but cannot exceed five academic years. Terminable on specified ending date of appointment, or earlier, if for cause.
- Fixed Term II:** Appointment to a full-time (up to six calendar months) or part-time (up to one year) faculty, administrative or staff exempt position with only mandated benefits. Terminable on specified ending date of appointment, or earlier, if for cause.
- Supplementary:** Supplementary appointment to original employment agreement. For example, Summer I & II faculty appointments or 9 month appointment extended to 10, 11, or 12 month appointment. Also used for additional responsibilities as supplement to Standing or Fixed Term appointments. For example, an administrator teaching a class or compensation for over-the-road pay. Not to be used for regular overtime pay. A supplemental appointment does not change an employee's base pay or employment status.

**THE FOLLOWING ARE TYPES OF APPOINTMENTS & PERSONNEL ACTIONS
REPORTED IN THE APPOINTMENT STATUS ACTIONS SECTION:**

FIXED TERM I

RETIREMENT

FIXED TERM II

SALARY ADJUSTMENT

LAYOFF

STANDING I

PROBATION COMPLETED

SUSPENSION

PROBATIONARY

TITLE CHANGE

RESIGNATION

TRANSFER

Appointment Status Actions
11/17/2003 - 02/13/2004

Name
 Title
 Department
 Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
BAILEY, RAY Librarian II Camden Carroll Library 681 \$33,588.00		\$36,500.00	Standing I Probation	02/09/2004	Temporary Wages
BOWLING, LULA NICHOLSON Director, MSU @ Prestonburg MSU at Prestonsburg 2908 \$70,000.00		\$70,000.00	Probation Completed	02/01/2004	
BROWN, DINZLE ROY Assistant Professor Education Leadership & Secondary Educ. 395 \$48,605.00		\$48,605.00	Resignation	02/03/2004	
BURTON, MATTIE ELIZABETH Assoc. Professor of Nursing Nursing & All. Health-BSN Prog. 1263 \$49,067.00		\$49,067.00	Resignation	12/13/2003	

Appointment Status Actions

11/17/2003 - 02/13/2004

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

DOYLE, MAUREEN

Asst. Prof. Computer Science
Mathematics & Computer Science
3379

\$62,000.00

\$63,000.00
(\$1,000.00 incr.)

Salary Adjustment
(Received doctoral
degree)

01/06/2004

Roster ID # 002996

FREITAGER, HEIDI CATHERINE

Assistant Softball Coach
Women's Softball

\$18,000.00

Probation Completed

12/28/2003

Roster ID # 000654
Operating Expenses

GONDOKARYONO, YUDI SATRIA

Asst. Prof. Industrial Tech.
Ind. Educ. & Technology
1282

\$57,356.00

\$47,000.00

Standing I

01/06/2004

HAMILTON, CAROLYN S.

Academic Technology Coord.
Student Support Services

\$35,161.00

Retirement

01/30/2004

HAMM, ANTHONY MICHAEL

Groundskeeper
Landscaping & Grounds Maint.
742

\$8.67/hr.

\$8.67/hr.

Suspension
(Without pay)

01/21/2004 - 01/23/2004

Appointment Status Actions
11/17/2003 - 02/13/2004

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
HORN, CONSTANCE M. Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	01/12/2004 - 05/07/2004	Lecturer Acct.
HUDSON, WILLIAM EDDIE Assoc. Dean, Acad. Supp. & Ret. Academic Support & Retention 3334 \$76,263.00	\$76,263.00	Resignation	12/12/2003	
JOHNSON, SHANNON MARIE Residence Hall Director Office of Student Housing 60 \$21,364.00	\$21,364.00	Probation (Extension of probationary period)	01/04/2004 - 04/02/2004	
JOHNSON, STEPHANIE JO Asst. Professor of Nursing Nursing & All. Health-BSN Prog. 1263 \$49,067.00	\$43,000.00	Standing I	01/05/2004	
KARRICK, BETTY LILLIAN Area Coord., MSUCorps MSUCorps	\$31,229.00	Layoff	01/02/2004	

Appointment Status Actions
11/17/2003 - 02/13/2004

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
KARWOSKI, JILL SUZANNE Women's Softball Coach Women's Softball 654 \$28,500.00		\$28,500.00	Probation Completed	12/28/2003	
LITTLE, DAVID L. Instructor of Mathematics Mathematics & Computer Science		\$15,000.00	Fixed Term II	01/12/2004 - 05/07/2004	Roster ID # 002889
MABRY, EMIL Building Services Technician Building Services 803 \$10.20/hr.		\$10.20/hr.	Retirement	01/31/2004	
MCCLURG, ZACHARY FELIX Maintenance Supervisor/Elec. Building Maintenance 723 \$16.56/hr.		\$16.56/hr.	Retirement	01/31/2004	
OLDFIELD, MARY ALICE Instructor of Education Elem. Read. & Spec. Education		\$14,000.00	Fixed Term II	01/12/2004 - 05/07/2004	Lecturer Acct.

Appointment Status Actions
11/17/2003 - 02/13/2004

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
POWELL, MADELINE Instructor of Education Elem. Read. & Spec. Education		\$14,000.00	Fixed Term II	01/12/2004 - 05/07/2004	Lecturer Acct.
RATLIFF, JILL COREY Dir., Educational Service Unit Educational Services Unit 362 \$64,000.00		\$64,000.00	Probation Completed	12/28/2003	
ROGERS, DONNA VEE Instructor of Education Elem. Read. & Spec. Education		\$14,000.00	Fixed Term II	01/12/2004 - 05/07/2004	Lecturer Acct.
RUSSELL, GREGORY R. Dept. Chair, Mgt., Mark. & RE Manag., Market. & Real Estate 3134 \$97,946.00		\$103,000.00	Standing I	07/01/2004	Roster ID # 002996
SHEEN, GREG LYNN Women's Head Soccer Coach Women's Soccer 3194 \$33,010.00		\$39,000.00/annual	Fixed Term I Probation	02/02/2004 - 12/31/2004	Operating Expenses

Appointment Status Actions
11/17/2003 - 02/13/2004

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
SHOEMAKER, MARY THERESE Instructor of Nursing Nursing & All. Health-BSN Prog.	\$21,000.00	Fixed Term I	01/05/2004 - 05/07/2004	Roster ID # 001057
SHOEMAKER, MARY THERESE Asst. Professor of Nursing Nursing & All. Health-BSN Prog. 1057 \$41,000.00	\$42,000.00	Standing I Transfer Salary Adjustment Title Change (From Instructor of Nursing to Asst. Prof. of Nursing. From \$21,000 to \$42,000)	01/12/2004	Roster ID # 000292
SMOTHERS, ALAN KEITH Instructor of CIS Information Systems	\$17,510.00	Fixed Term I	01/05/2004 - 05/08/2004	Roster ID # 003147
TEEGARDEN, MAUDE BOGGS Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	01/12/2004 - 05/07/2004	Lecturer Acct.
THIRION, PEGGY LEE Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	01/12/2004 - 05/07/2004	Lecturer Acct.

Appointment Status Actions
11/17/2003 - 02/13/2004

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
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THOMAS, JAMES WILLIAM Residence Hall Director Office of Student Housing 1099 \$21,364.00	\$21,364.00	Probation (Extension of probationary period)	02/06/2004 - 05/06/2004	
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WALTER, DOROTHY JEAN Proj. Director, Job Training Today's Youth	\$38,161.00	Retirement	12/31/2003	
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WHITE, MARSHIA CLAY Asst. Professor of Nursing Nursing & All. Health-BSN Prog. 2864 \$42,246.00	\$42,246.00	Resignation	01/12/2004	
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**THE FOLLOWING IS THE TYPE OF PERSONNEL ACTION REPORT
IN THE SUPPLEMENTAL ACTIONS SECTION:**

SUPPLEMENTARY

Total for this report = \$25,482.00

Teaching	\$15,800.00
Managerial Duties	\$5,000.00
Over The Road	\$187.00
Other	\$4,495.00

Supplemental Actions
11/17/2003 - 02/13/2004

Name				
Title				
Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Football</u>				
BALLARD, D. MATT	\$1,274.00	PFL Coach of the Year	12/08/2003 - 12/31/2003	Operating Expenses
Head Football Coach				
\$86,527.00				
<u>Women's Volleyball</u>				
GORDON, JAMES D.	\$2,241.00	OVC Coach of Year/Champ.	12/08/2003 - 12/31/2003	Operating Expenses
Women's Head Volleyball Coach				
\$39,140.00				
<u>Geog., Government & History</u>				
EDGENS, JEFFERSON GORDON	\$2,100.00	Teach 3 hrs.	08/18/2003 - 12/12/2003	Roster ID # 002996
Director at MSU-Jackson	\$2,100.00	Teach 3 hrs.	01/12/2004 - 05/07/2004	Lecturer Acct.
\$62,286.00	\$1,500.00	Distance Learning	08/18/2003 - 12/12/2003	Lecturer Acct.
	\$187.00	Over the Road	08/18/2003 - 12/12/2003	Over The Road Acct.
<u>Elem. Read. & Spec. Education</u>				
WILLIS, WAYNE	\$5,000.00	Assistant to the Dean	08/01/2003 - 12/31/2003	Lecturer Acct.
Professor of Education	\$5,000.00	Assistant to the Dean	01/01/2004 - 05/31/2004	Lecturer Acct.
\$62,143.00				
<u>Health, P.E. & Sport Science</u>				
BREEDEN, WAYNE T.	\$2,100.00	Teach 3 hrs.	01/12/2004 - 05/07/2004	Lecturer Acct.
Assistant Basketball Coach				
\$50,088.00				

Supplemental Actions
11/17/2003 - 02/13/2004

Name	Title	Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Health, P.E. & Sport Science</u>						
DUNN, GARY W.			\$700.00	Teach 1 hr.	08/18/2003 - 12/12/2003	Lecturer Acct.
Offensive Coordinator			\$700.00	Teach 1 hr.	01/12/2004 - 05/07/2004	Lecturer Acct.
\$36,834.00						
TENYER, ROBERT J.			\$2,100.00	Teach 3 hrs.	08/18/2003 - 12/12/2003	Lecturer Acct.
Coord., Recruiting			\$2,100.00	Teach 3 hrs.	01/12/2004 - 05/07/2004	Lecturer Acct.
\$34,929.00						
<u>Psychology</u>						
FOX, AMY JO			\$2,100.00	Teach 3 hrs.	08/18/2003 - 12/12/2003	Roster ID # 003216
Medical Dept. Psychologist			\$2,100.00	Teach 3 hrs.	01/12/2004 - 05/07/2004	Lecturer Acct.
\$53,560.00						
<u>Academic Support & Retention</u>						
BOWLING, LULA NICHOLSON			\$2,400.00	Teach 3 hrs.	01/12/2004 - 05/07/2004	Lecturer Acct.
Director, MSU @ Prestonburg			\$2,100.00	Teach MSU 499C	01/12/2004 - 05/07/2004	Lecturer Acct.
\$70,000.00						
TOBIN, JONELL			\$700.00	Teach MSU 101	08/18/2003 - 11/30/2003	Roster ID # 002996
Director, MSU @ West Liberty			\$700.00	Teach MSU 101	01/12/2004 - 04/12/2004	Lecturer Acct.
\$77,375.00						
<u>Office of Continuing Education</u>						
MCCORMICK, BEVERLY JOYCE			\$1,400.00	Teach MSU 101	08/18/2003 - 11/30/2003	Roster ID # 002996
Asst. VP for Academic Affairs			\$700.00	Teach 1 hr.	08/18/2003 - 12/15/2003	Lecturer Acct.
\$83,282.00			\$980.00	KY Real Estate Course	11/18/2003 - 11/18/2003	Unbudgeted Revenues

AUTHORIZE GUARANTEED ENERGY SAVINGS CONTRACT

**BOR (VII-A-5)
March 5, 2004**

Recommendation:

That the Board authorize the President and/or the Vice President for Administration and Fiscal Services to execute a loan agreement either through the Commonwealth of Kentucky Master Lease Program or a separate third party lender in an amount not to exceed \$1,900,000 to finance the guaranteed energy savings contract with Energy Savings Group.

Background:

The guaranteed energy savings performance contract is a relatively new concept in Kentucky that was approved by the 2002 General Assembly. The goal of energy savings performance contracts is to reduce energy consumption and related costs through capital improvements. Under the terms of a guaranteed energy savings performance contract, the capital improvements will be provided and financed through a contract under which the agency:

- Incurs no initial capital costs
- Achieves significant long-term savings
- Receives a guarantee for energy savings
- Amortizes the debt service for the capital improvements with energy cost savings
- Obtains consistent levels of occupant comfort and building functionality

On December 6, 2002, the Board received a report about the University's intent to select an Energy Service Company (ESCO) to conduct a campus wide energy conservation audit, consult regarding projects related to energy conservation and cost savings, and perform and fund the capital improvements related to the projects, if economically feasible. The selection process was completed and Energy Savings Group (ESG) was selected as the ESCO.

ESG completed the energy conservation audit and submitted a list of proposed projects to the University. However, the proposed project list was somewhat limited. The costs of energy in this area, although significant, are nevertheless low as compared to other geographic areas and did not present opportunities to amortize some capital improvements in an economically feasible manner.

The one project that represents significant savings with an acceptable pay back period is a campus wide lighting retrofit in administrative, classroom, and residence hall buildings. That project has an initial capital cost of approximately \$1.8 million and is estimated to generate energy cost savings of just over \$157,000 annually. In addition to the cost savings, the quality of lighting in the facilities will be improved. The project has a simple payback period of 10.61 years and will be financed over a 15 year period. At current electrical utility rates, the project is estimated to generate a net cash flow after debt service amortization of about \$23,620 during the seven month

construction period and approximately \$7,000 per year thereafter. Future rate increases in the cost of electricity will of course increase the annual savings.

Under state guidelines, the project will need to be financed either through the Commonwealth of Kentucky Master Lease Program or a third party lender. The University will conduct a proposal process through the ESCO to obtain third party lending rates. Those rates will be compared with the Master Lease rates and the lowest and best cost proposal accepted. A lender will require that the Board authorize the issuance of the debt and delegate authority to execute the debt instruments to specific individuals.

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

**BOR (VII-A-6)
March 5, 2004**

Recommendation:

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, 2004.

Background:

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of December 31, 2003, the second quarter of the fiscal year ending June 30, 2004. The statements, along with management's discussion and analysis and budget amendment information are attached.

Management's Discussion and Analysis
Second Quarter Financial Statements
Morehead State University
December 31, 2003

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the six months that ended on December 31, 2003. The statements and this discussion and analysis have been prepared by Administration and Fiscal Services staff. Budget information has been prepared by the Office of Planning, Budgets, and Technology.

Using These Financial Statements

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

Financial Highlights

Morehead State University's financial picture remains stable through the second quarter of the 2003-2004 fiscal year. During the six months ending December 31, 2003 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$19,599,177. This level of operating surplus is expected at this time, since most of the billings for the Spring 2004 semester are reflected in the tuition and fees revenue and only expenditures through December 31, 2003 are reflected. Expenditures will increase through the next two quarters with revenues trailing off, which will lessen the level of surplus we are currently showing. As the year concludes, the variance between revenues and expenditures will decrease and should reflect a more moderate operating surplus or deficit.

The 2003-2004 budget reflects anticipated budget cuts enacted by the Commonwealth of Kentucky from the University's share of state appropriations that must be returned for this fiscal year. Higher Education as a whole was required to cut 2.5% of general fund appropriations or \$23,403,799 this year. Morehead State University's share of that amount was \$1,138,900 or 2.8%. The University's share was determined by a benchmarking process calculated by the Council on Postsecondary Education. The Administration anticipated a cut within this magnitude and was prepared in its cost cutting plan for a reduction like this on a non-recurring basis. The effect on operations due to the recurring nature of this reduction is under review.

In addition, the Commonwealth of Kentucky has imposed an additional non-recurring reduction of 2.5% of restricted funds (i.e. revenue from tuition and fees, sales and services of educational activities, and auxiliary services) or \$41,000,000 for all of Higher Education, of which Morehead State University's share is \$1,501,300. This brings the total budget

appropriation reduction for this year to \$2,640,200 or 6.4% of the University's budgeted state appropriations for operating purposes.

Recently the Kentucky General Assembly introduced House Bill 488 that would freeze tuition rates at current levels for two years at Morehead State and the state's other public postsecondary institutions. The bill requires that tuition rates in effect for the spring 2004 semester remain unchanged through spring 2006 and that summer tuition in 2004 and 2005 be locked in at 2003 rates.

Should this Bill pass the legislature and become law, the effect on the University's operations and programs will become extremely uncertain. Reductions of staff, elimination of programs, increasing class sizes, reduction of services, and reduction of financial aid to students are all probable outcomes.

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

- As can be seen from the Statements of Net Assets, investments decreased approximately \$6.5 million from the second quarter of the previous year. This was due to short-term investments of \$7.3 million being liquidated and transferred into construction in process on the Student Center Project, Life Safety Project, and Combs Theater Project. An additional \$.8 million was transferred into short-term investments to cover future ongoing construction in process costs, for a net decrease in investments of \$6.5 million.
- Accounts receivable have decreased \$1.4 million compared to December 31, 2002. We believe this decrease is due to a policy change that would not allow students to register for the spring semester in November if they had a hold on their account. This policy change has caused our repayment levels to increase significantly and reduced our receivables.
- The investment in capital assets, net of depreciation has increased approximately \$8.7 million since December 31, 2002, primarily due to Phase I construction on the Adron Doran Student center, the Life safety project, and the Combs Theater construction. For this fiscal year, the increase in investment in capital assets net of depreciation has been approximately \$4.9 million. This fiscal year increase relates mainly to the Clean Air Project \$ 2.3 million, Student Center project \$1.1 million, Life Safety \$1.0 million, Combs Theater \$.5 million, and various internally managed projects \$1.4 million; Library additions \$.7 million, equipment and land additions of \$.4 million for a total of \$7.4 million, less estimated depreciation of approximately \$2.5 million for a net increase of about \$4.9 million.
- The percentage of revenue assessments compared to budget projections appears to be in line with expectations through the second quarter of a fiscal year, considering that most tuition, fee and housing revenues had been billed as of December 31, 2003. Budgets for the major revenue categories of tuition and housing were based on projections of enrollment and residence hall occupancy. Fall semester projections for both these categories were exceeded.
- Expenditure trends also appear to be proceeding according to the revised budget plan, considering normal cyclical and timing differences.

MOREHEAD STATE UNIVERSITY
Statements of Net Assets
December 31, 2003 and 2002

ASSETS	2003	2002
Cash	\$23,674,014	\$21,231,357
Investments in US government obligations-at cost	20,326,566	26,787,632
Accounts Receivable	21,710,739	23,068,524
Inventories	1,675,081	1,841,093
Notes Receivable	3,515,821	3,383,338
Land, Buildings, Equipment and Library Collection- net of depreciation	<u>114,763,577</u>	<u>106,037,050</u>
TOTAL ASSETS	<u>\$185,665,797</u>	<u>\$182,348,995</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$512,430	\$223,201
Accrued salaries and other liabilities	778,583	718,505
Unearned revenues-state and federal grants	1,832,911	1,493,433
Deposits	1,548,284	1,639,507
Accrued vacation pay	1,646,942	2,466,736
Bonds and notes payable	<u>33,570,643</u>	<u>35,706,413</u>
Total Liabilities	<u>\$39,889,793</u>	<u>\$42,247,794</u>
 Net Assets		
Capital, Net of Related Debt	\$81,192,934	\$70,330,638
Non-capital		
Restricted	28,046,539	34,234,466
Non-restricted	<u>36,536,532</u>	<u>35,536,097</u>
Total Net Assets	<u>\$145,776,004</u>	<u>\$140,101,200</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$185,665,797</u>	<u>\$182,348,995</u>

See Attached Notes To Statements of Net Assets - Entity Wide Perspective

**NOTES TO STATEMENTS OF NET ASSETS
MOREHEAD STATE UNIVERSITY
DECEMBER 31, 2003 AND 2002**

1. These Statements of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts receivable are shown net of allowance for uncollectible student accounts of \$852,257 at December 31, 2003, and \$919,309 at December 31, 2002. Also included in this category is the sum of \$3,345,052 receivable from federal and state grant agencies at December 31, 2003 and \$2,597,278 at December 31, 2002.
3. Notes receivable represent balances owed the University from borrowers who have participated in the National Direct Student Loan Program and the Nursing Student Loan Program. The balances are presented net of allowances for uncollectible accounts in the amount of \$142,274 at December 31, 2003 and \$151,885 at December 31, 2002.
4. Accumulated depreciation on buildings and equipment was \$108,428,916 at December 31, 2003 and \$103,273,400 at December 31, 2002.
5. Accrued salaries and other liabilities include amounts due for withheld and matching portions of payroll taxes and estimated claims payable but unsubmitted to the University's health insurance program.
6. Unearned revenues from federal and state grants represent amounts received but not expended at the balance sheet dates.
7. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets.
8. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
9. Restricted net assets include the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Six Months Ended December 31, 2003 and 2002

	2003-2004			2002-2003		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$ 31,896,965	\$30,339,230	95.12%	\$ 27,094,061	\$ 26,845,297	99.08%
Gov't Appropriations	42,647,100	23,528,452	55.17%	43,821,523	24,878,712	56.77%
City Grants	50,000	12,500	25.00%	50,000	0	0.00%
Unrestricted Gifts	0	0	0.00%	0	0	0.00%
Indirect Cost Reimbursement	403,348	277,093	68.70%	345,486	259,638	75.15%
Sales & Services of Ed. Activities	1,096,415	903,074	82.37%	1,148,949	616,119	53.62%
Other Sources	1,869,400	915,357	48.97%	1,756,281	1,219,335	69.43%
Budgeted Fund Balance - E & G	7,388,186	0	0.00%	7,429,311	0	0.00%
Total Educational and General	\$ 85,351,414	\$55,975,706	65.58%	\$ 81,645,611	\$ 53,819,101	65.92%
Auxiliary Enterprises						
Housing	\$ 8,162,068	\$ 6,485,563	79.46%	\$ 7,776,590	\$ 6,820,627	87.71%
University Store	3,378,779	1,958,820	57.97%	3,384,000	1,693,730	50.05%
Food Services	678,750	405,681	59.77%	651,500	430,665	66.10%
Other	200,500	99,885	49.82%	207,400	99,674	48.06%
Total Auxiliary Enterprises	\$ 12,420,097	\$ 8,949,949	72.06%	\$ 12,019,490	\$ 9,044,696	75.25%
TOTAL REVENUES	\$ 97,771,511	\$64,925,655	66.41%	\$ 93,665,101	\$ 62,863,797	67.12%

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Six Months Ended December 31, 2003 and 2002

	2003-2004			2002-2003		
	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	\$ 657,466	\$ 342,164	52.04%	\$ 615,663	\$ 338,697	55.01%
University Relations	2,268,198	1,151,576	50.77%	2,010,176	1,029,083	51.19%
Development	893,561	432,447	48.40%	864,916	366,986	42.43%
Administration & Fiscal Services	10,438,085	5,759,310	55.18%	9,664,782	4,984,977	51.58%
Planning & Technology	2,917,477	1,416,955	48.57%	3,035,357	1,448,225	47.71%
Student Life	13,850,752	7,234,527	52.23%	12,727,346	6,515,249	51.19%
Academic Affairs	45,332,551	20,250,297	44.67%	42,469,565	18,671,035	43.96%
Other	9,094,460	2,551,253	28.05%	10,140,891	5,135,394	50.64%
Total Educational & General	\$ 85,452,550	\$ 39,138,529	45.80%	\$ 81,528,696	\$ 38,489,646	47.21%
Auxiliary Enterprises						
Housing	\$ 8,325,740	\$ 3,964,352	47.62%	\$ 8,132,312	\$ 3,167,716	38.95%
University Store	3,135,599	1,772,422	56.53%	3,139,259	1,800,249	57.35%
Food Services	419,487	238,473	56.85%	443,537	268,263	60.48%
Other	438,135	212,702	48.55%	421,297	213,266	50.62%
Total Auxiliary Enterprises	\$ 12,318,961	\$ 6,187,949	50.23%	\$ 12,136,405	\$ 5,449,494	44.90%
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	\$ 97,771,511	\$ 45,326,478	46.36%	\$ 93,665,101	\$ 43,939,140	46.91%
NET CHANGE IN FUND BALANCE		\$ 19,599,177			\$ 18,924,657	

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period October 1, 2003 to December 31, 2003

Description	Opening Budget	Amended Budget As of 10/01/2003	Adjustments	Amended Budget As of 12/31/2003
Revenues and Other Additions				
Tuition and Fees	\$31,880,800	\$31,885,800	\$ 11,165	\$31,896,965
Government Appropriations	42,647,100	42,647,100	-	42,647,100
Government Grants & Contracts	50,000	50,000	-	50,000
Indirect Cost Reimbursement	356,000	356,000	47,348	403,348
Sales and Services of Ed. Activities	847,550	1,060,704	35,711	1,096,415
Other Sources	1,562,748	1,773,854	95,546	1,869,400
Budgeted Fund Balance - E&G	6,599,952	7,388,186	-	7,388,186
Auxiliary Enterprises	12,022,650	12,022,650	9,779	12,032,429
Budgeted Fund Balance - AUX	320,000	387,668	-	387,668
Total Revenues and Other Additions	\$96,286,800	\$97,571,962	\$ 199,549	\$97,771,511
Expenditure Authorizations by Division				
Educational & General				
President & Administration	\$ 618,547	\$ 643,766	\$ 13,700	\$ 657,466
University Relations	2,058,709	2,257,899	10,300	2,268,199
Development	846,373	883,259	10,302	893,561
Planning & Technology	2,993,731	2,945,389	(27,912)	2,917,477
Administration & Fiscal Services	9,558,339	10,397,025	41,060	10,438,085
Student Life	13,727,801	13,746,133	104,619	13,850,752
Academic Affairs	43,712,816	44,894,776	437,774	45,332,550
Debt Service & Mandatory Transfers	2,871,821	2,606,947	602	2,607,549
Other	7,731,334	6,875,509	(388,598)	6,486,911
Total Educational & General	\$84,119,471	\$85,250,703	\$ 201,847	\$85,452,550
Auxiliary Enterprises				
Planning & Technology	\$ 282,684	\$ 282,684	\$ -	\$ 282,684
Administration & Fiscal Services	8,131,968	8,491,890	8,344	8,500,234
Student Life	921,389	989,729	(10,827)	978,902
Debt Service	2,721,288	2,721,288	-	2,721,288
Other	110,000	(164,332)	185	(164,147)
Total Auxiliary Enterprises	\$12,167,329	\$12,321,259	\$ (2,298)	\$12,318,961
Total Expenditure Authorizations	\$96,286,800	\$97,571,962	\$ 199,549	\$97,771,511

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period October 1, 2003 to December 31, 2003
Notes of Significant Adjustments to Revenue and Other Additions

Indirect Cost Reimbursement

Unbudgeted revenue allocated from indirect cost reimbursement from grants managed by IRAPP totaled \$47,348.

- \$17,355 allocated to IRAPP for COPC grant match requirement for personnel costs.
- \$31,745 allocated to IRAPP as part of the indirect cost rebate program.

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the second quarter totaled \$35,711.

- Eagle Athletic Fund (EAF) support from the MSU Foundation totaled \$31,222. The funds were budgeted in various athletic programs within Student Life.
- Theatre Ensemble revenue totaled \$4,231 and was transferred to the Communication & Theatre department within Academic Affairs.

Other Sources

Budget allocations from other sources increased by \$95,546 in the second quarter.

- Unbudgeted support from the MSU Foundation totaled \$51,707
 - \$12,765 University Relations (\$9,886 for *Morehead State Public Radio*)
 - \$ 9,457 Development
 - \$ 3,593 Student Life
 - \$25,757 Academic Affairs
- Program council revenue totaling \$6,835 was received in the second quarter and allocated to Student Activities in the Division of Student Life. These funds were ticket sales generated from an SGA sponsored concert held during the Fall semester.
- Unbudgeted endowment income totaling \$21,800 was received and allocated to academic programs.
- Miscellaneous other income totaling \$15,205 was received and allocated primarily to the divisions of Academic Affairs and Administration and Fiscal Services.

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period October 1, 2003 to December 31, 2003

From:	To:		
Revenue and Other Additions	Division/ Budget Unit	Amount	Description

None.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of October 1, 2003 to December 31, 2003

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$100,000			
None			
II Capital Construction Projects/ Land Acquisitions Greater than \$400,000			
1998-00 Deferred Maintenance and Government Mandates Pool			
(Commonwealth of Kentucky is funding 50 percent of the total cost of the projects)			
Elevator Upgrades/Installation (RH, LC, CY)	\$ 350,000	March, 2001	Completed
Fire Alarm Upgrades/Replacement	150,000	October, 2000	Completed
Mechanical System Replacements (AA, ADUC)	250,000	January, 2001	Completed
Window Replacement (BM)	150,000	August, 2001	Completed
Window Replacement (CB)	300,000	July, 2000	Completed
Window Replacement (LC)	150,000	August, 2000	Completed
Dam Restoration	800,000		In Progress
	<u>\$ 2,150,000</u>		
Residence Halls - Sprinkler Installation & Other Fire Safety Projects			
Project I - 1999	\$ 1,490,000	November, 1999	Completed
Project II - 2000	1,580,000	September, 2000	Completed
Project III - 2001	980,000	August, 2001	Completed
Project IV - 2002	800,000	August, 2002	Completed
Project V - 2003	3,000,000	August, 2003	Completed
	<u>\$ 7,850,000</u>		
Wellness Center - Phase III	\$ 450,000		Bid

**APPROVE CONTRACTS FOR
BANKING SERVICES**

**BOR.(VII-A-7)
March 5, 2003**

Recommendation:

That the Board exercise the option to renew the banking services contracts for the period July 1, 2004 to June 30, 2005, with USbank of Morehead for the main campus banking, and with Heritage Bank in Ashland, Commercial Bank in West Liberty, Citizens National Bank in Prestonsburg, Citizens Bank in Jackson, and Traditional Bank in Mt. Sterling to continue to serve as depositories for funds collected at the extended campus centers.

Background:

The University is required by KRS Chapters 41 and 164A to designate depository banks for all funds collected. The method for selecting the banks is set forth in the Kentucky Model Procurement Code, KRS Chapter 45A.

Using the guidelines for competitive bidding of contracts in KRS Chapter 45A, bids for banking services were requested. As a result of that process, contracts were issued to USbank (formerly Firststar Bank) in Morehead for the main campus banking services, Heritage Bank in Ashland, Commercial Bank in West Liberty, Citizens National Bank in Prestonsburg, Citizens Bank in Jackson, and Traditional Bank in Mt. Sterling.

The original contracts (with the exception of Traditional Bank) covered the period from July 1, 2002 to June 30, 2003 with options to renew the contracts for four additional one-year periods. The original contract for Traditional Bank covered the period August 11, 2003 to June 30, 2004 with option to renew for four additional one-year periods. The services rendered have been in compliance with the terms of the contracts.

**UNIVERSITY POLICE STANDARD OPERATING
PROCEDURES MANUAL REVISIONS**

**BOR (VII-A-8)
March 5, 2004**

Recommendation:

That the Board of Regents approve the revisions to the Morehead State University Police Department Standard Operating Procedures Manual.

Background:

KRS 16.4950 establishes the authority for the creation of the Office of Public Safety/Police Department. It delegates virtually all policy decisions to the "governing board," which in this case is the University Board of Regents.

The Public Safety Policy Manual was first approved and published in 1980 and amended in 1987. Revisions were approved in 1992, 1993, and 1996. The newest version, entitled Morehead State University Police Department Standard Operating Procedures Manual, was approved by the Board on June 6, 2003.

Analysis:

Two items were omitted from the Morehead State University Police Department Standard Operating Procedures Manual that was approved in June 2003:

1. Regulations regarding unauthorized use of a firearm from Chapter 5
2. Regulations regarding the promotion process from Chapter 28

Prepared by: Joe Cline

**MOREHEAD STATE UNIVERSITY POLICE DEPARTMENT
STANDARD OPERATING PROCEDURE MANUAL**

CHAPTER 5

UNAUTHORIZED USE OF A FIREARM

- (A) Officers are prohibited from firing warning shots.
- (B) Officers shall not fire at any person for the purpose of effecting a misdemeanor arrest unless circumstances of protection against imminent serious physical injury or death develop.
- (C) Officers shall not fire a deadly weapon at individuals merely for the purpose of preventing the destruction or theft of property.
- (D) Officers shall not fire at any person who simply runs away in an attempt to avoid an arrest.
- (E) Officers shall not fire at moving vehicles except in self-defense or the defense of another person.
- (F) Officers shall not fire from any moving vehicle.
- (G) No department issued-firearm shall be used for any purpose not described in policy (e.g., shotguns shall not be used for hunting).

**MOREHEAD STATE UNIVERSITY POLICE DEPARTMENT
STANDARD OPERATING PROCEDURE MANUAL**

CHAPTER 28

Subject: Performance Evaluation and Promotion

Promotion

Promotion Process

1. Performance evaluation.
2. Oral interview.
3. Written assessment.

Administration

- A. The initiation and direction of the promotional process is the responsibility of the Chief of Police (or other assigned person).
- B. Performance evaluations are the responsibility of each candidate's immediate supervisor.
- C. The oral board is made up of individuals from outside the agency and a representative from the testing authority.
- D. The promotional process is evaluated annually by the Chief of Police.

Purpose of Promotional Procedures

- A. The promotional procedures have been established to provide a fair means of promoting qualified employees from within the department. The procedures are job related and nondiscriminatory.
- B. Procedures apply to all sworn, hazardous-duty positions in the department.

Elements

- A. The following are elements of the promotional process:
 1. A promotional performance evaluation is performed for each candidate, which supplements the on-the-job annual performance evaluation. The candidate must be rated by his immediate supervisor as at least satisfactory in order to be eligible to take the written test.

2. Written examinations are administered for each classification.
3. Oral interviews are conducted using uniform questions, a uniform rating scale, and a standardized test.

Appointment Review

- A. As a safeguard against the promotion of employees beyond their capability, the department included a probationary period as the final step in the promotion process. Upon appointment to the probational vacancies, officers are on a probationary status for six months from date of promotion.
- B. Officers on probation should be closely observed and evaluated. An incumbent's probationary status may be extended or he/she may be returned by the Chief of Police to his/her former rank, depending upon an evaluation at the end of the probationary period. Unsatisfactory incumbents should be alerted about their need for improvement and told that lack of improvement would be cause for return to their former rank.

Review and Appeal

The promotional procedures provide for the review and appeal by employees of adverse decisions concerning their eligibility for or appointment to promotional vacancies, in accordance with Policy PSE-8.

**APPROVE ENDOWMENT MATCH
PROGRAM SUBMISSION**

**BOR (VII-A-9)
MARCH 5, 2004**

Recommendation:

That the Board of Regents approve the submission of new gifts eligible to be matched in the Regional University Excellence Trust Fund program.

Background:

The 1997 Higher Education Improvement Act created the Regional University Excellence Trust Fund for the purpose of providing state matching funds in response to private support of endowed chairs and professorships, graduate fellowships, and other academic purposes including scholarships.

In order to comply with guidelines outlined by the Council on Postsecondary Education, governing boards must approve each submission for matching dollars. A copy of the proposed next submission for matching funds is included for review and approval.

**Gifts for Submission to the
Council on Postsecondary Education
in the "Bucks For Brains" Program**

<u>Donor</u>	<u>Purpose</u>	<u>Amount</u>
W. Paul and Lucille Caudill Little Foundation	W. Paul and Lucille Caudill Little Chair in Theatre	\$1,000,000
	Total:	\$1,000,000

**APPROVE NAMING OF DR. FRANCIS
OSBORNE RESEARCH LABORATORY**

**BOR (VII-A-10)
MARCH 5, 2004**

Recommendation:

That the Board of Regents approve the naming of the Dr. Francis H. (Frank) Osborne Research Laboratory.

Background:

Dr. Francis H. (Frank) Osborne was a founding member of the psychology department and served on the faculty from 1967 to 2001. After his death last year, a group of colleagues and former students started a campaign to raise \$15,000 in order to name a research lab in his memory to honor his dedication and devotion to experimental psychology research and students.

Funding has been secured to name the Dr. Francis H. (Frank) Osborne Research Laboratory and will be matched through the Bucks for Brains program as a part of the Psychology Enrichment Fund.

PERSONAL SERVICE CONTRACTS

BOR (VII-B-1)
March 5, 2004

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between December 1, 2003 and February 25, 2004.

PERSONAL SERVICE CONTRACTS
December 1, 2003 through February 25, 2004

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Sturgill, Turner, Barker & Moloney, PLLC	Legal Services (Amendment)	July 1, 2003	June 30, 2004	Additional \$30,000	Reference
MGT of America	Academic Technology Plan Development	February 1, 2004	May 31, 2004	\$75,000	Solicitation of Proposal

**REPORT ON SALE OF CONSOLIDATED
EDUCATIONAL BUILDINGS REVENUE BONDS,
SERIES M**

**BOR (VII-B-2)
March 5, 2004**

On December 12, 2003, the Board of Regents authorized the sale of Consolidated Educational Buildings Revenue Bonds, Series M. The Board also authorized the Vice President for Administration and Fiscal Services to open and consider the bids, and award the sale to the lowest and best bidder. The proceeds of the Series M bonds were to be used to refinance the previously issued Series K bonds and to provide \$750,000 in new funds to be used for repairs and improvements to Button Auditorium.

The bonds were sold on January 29, 2004 in a principal amount of \$5,620,000. Bids were received from three financial entities. The bid from NatCity Investments, Inc. was considered to be the most advantageous with the lowest net interest cost for the bonds. The net interest cost for the Series M bonds was 3.521889%. A net present value savings of just over \$321,000 will be realized by the state from the refunding portion of the bond issue.

Morehead State University

Gift Income Report

Year-to-Date Comparison

December 31, 2002 and 2003

Source	Fiscal Year 2002-03	Fiscal Year 2003-04	Variance
Degreed Alumni	\$341,521.12	\$364,707.44	\$23,186.32
Non-degreed Alumni	591,403.00	6,035.00	(585,368.00)
Faculty/Staff	66,865.17	41,995.25	(24,869.92)
Retirees	68,845.00	12,855.00	(55,990.00)
Parents	29,488.33	19,768.32	(9,720.01)
Corporate Contributors	201,462.29	772,954.32	571,492.03
Foundations	3,634.35	3,494.42	(139.93)
MSU Organizations	2,164.78	5,726.53	3,561.75
Other Organizations	4,855.75	965.00	(3,890.75)
Students	430.00	690.00	260.00
Leadership Board Members	5,645.08	5,100.00	(545.08)
Sponsors	5,760.00	0.00	(5,760.00)
Friends of MSU	181,427.09	66,071.06	(115,356.03)
GRAND TOTALS	\$1,503,501.96	\$1,300,362.34	(\$203,139.62)

Matching Gifts Received*	\$15,750.00	\$11,675.00
Gifts-in-Kind*	\$767,121.49	\$683,258.59
Gifts of Stock*	\$10,655.56	\$19,440.00

**Included in totals above*

**REPORT OF MAJOR GIFTS
SINCE DECEMBER 1, 2003**

**BOR (VII-B-4)
MARCH 5, 2004**

The following is a list of gifts of \$10,000 or more that have been received and/or recorded since December 1, 2003, on behalf of the University in accordance with terms of the operating agreement between Morehead State University and the MSU Foundation, Inc.

<u>Donor Name</u>	<u>Type or Purpose</u>	<u>Gift Amount</u>
Zoe Ann Brewer	General	\$ 10,000
Gregory D. Palmer	Endowment	\$10,000
K-MEC	Gift-in-Kind (Equipment)	\$20,000
Coalburg Enterprises	Endowment	\$ 25,000
Anonymous Donor	Endowment	\$ 25,000
Industrial Rehab Works, PSC	Gift-in-Kind (Equipment)	\$ 25,500
Ashland Inc. Foundation	Endowment	\$ 30,000
Estate of C. V. Snapp	Scholarship	\$ 45,000
Mountain Telephone Corporation	Scholarship	\$ 45,545
	Total Gifts	\$236,045

VIII. OTHER BUSINESS

A. Second Quarter Meetings

1. Work Session, Monday, May 17
2. BOR Meeting, Friday, June 11

**B. Presentations by Presidential Search Consultant Finalists and
Selection of Presidential Consultant**

IX. ADJOURNMENT

**Board of Regents Meeting
Morehead State University
Riggle Room, Adron Doran University Center
8:30 a.m., Friday, March 5, 2004**

Agenda

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ELECTION OF OFFICERS: CHAIR, VICE CHAIR, AND SECRETARY; APPOINTMENT OF TREASURER**
- IV. APPROVE MINUTES OF DECEMBER 12, 2003**
- V. APPROVE AWARDING OF HONORARY DOCTOR OF PUBLIC SERVICE DEGREE TO GARY S. COX**
- VI. APPROVE AWARDING OF FOUNDERS DAY AWARD FOR UNIVERSITY SERVICE TO JOHN C. PHILLEY**
- VII. RECOMMENDATIONS AND REPORTS**
 - A. Recommendations**
 - 1. Approve Tenure, 2004 1
 - 2. Approve Tenure with Promotion, 2004 2
 - 3. Approve Sabbatical Leaves, 2004-05 3
 - 4. Ratify Personnel Actions 4-23
 - 5. Authorize Guaranteed Energy Savings Contract 24-25
 - 6. Accept Second Quarter Financial Report and Amend Operating Budget 26-35
 - 7. Approve Contracts for Banking Services 36
 - 8. Approve University Police Standard Operating Procedures Manual Revisions 37-40
 - 9. Approve Endowment Match Program Submission ... 41-42
 - 10. Approve Naming of Dr. Francis Osborne Research Laboratory 43
 - B. Reports**
 - 1. Report on Personal Service Contracts 44-45
 - 2. Report on Sale of Consolidated Educational Buildings Revenue Bonds, Series M 46
 - 3. Gift Income Report Year-to-Date Comparison 47
 - 4. Report of Major Gifts Since December 1, 2003 48
 - 5. Preliminary Report on Spring 2004 Enrollment
(To be presented at meeting)