

AGENDA BOOK
Board of Regents



**Board of Regents Meeting
Morehead State University**

Thursday, March 10, 2005

Schedule

9 a.m.	BOR Meeting	Riggle Room
Noon	Lunch	Heritage Room
1 p.m.	Tour of Residence Halls	

Members, Morehead State University Board of Regents

James H. Booth (*Chair*)

Helen C. Pennington (*Vice Chair*)

Gene Caudill (*Staff Member*)

Jean Dorton

Sylvia L. Lovely

Jason Marion (*Student Member*)

John C. Merchant

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

Dr. John D. O'Cull

Jill Hall-Rose

Jerry W. Umberger

**Board of Regents Meeting
Morehead State University
Riggle Room – Adron Doran University Center
9 a.m., Thursday, March 10, 2005**

Agenda

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ELECTION OF OFFICERS: CHAIR, VICE CHAIR, AND SECRETARY; APPOINT TREASURER**
- IV. APPROVE MINUTES OF NOVEMBER 18, 2004, AND DECEMBER 16, 2004**
- V. APPROVE AWARDING OF FOUNDERS DAY AWARD FOR UNIVERSITY SERVICE TO CHARLES M. DERRICKSON**
- VI. SPOTLIGHT— *Space Science Center***
- VII. RECOMMENDATIONS AND REPORTS**
 - A. Recommendations**
 - 1. Approve Tenure for Academic Administrators..... 14
 - 2. Approve Tenure, 2005..... 15
 - 3. Approve Tenure with Promotion, 2005..... 16
 - 4. Approve Revision of PAC-18—Faculty Rights and Responsibilities 17-21
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 - 6. Accept Second Quarter Financial Report and Amend Operating Budget 47-58
 - 7. Approve Contracts for Banking Services..... 59
 - 8. Approve 2005-06 Tuition and Mandatory Student Fees..... 60-61
 - 9. Authorize Financing for Campus ERP (Datatel Software System) 62-64
 - B. Reports**
 - 1. Preliminary Report on Spring 2005 Enrollment (To be presented at meeting)
 - 2. Report on Personal Service Contracts..... 65-66
 - 3. Gift Income Report Year-to-Date Comparison 67
 - 4. Report of Major Gifts Since December 1, 2004..... 68
 - 5. Legislative Briefing (To be presented at meeting)

VIII. OTHER BUSINESS

A. Student Disciplinary Appeals

B. Second Quarter Meetings

1. Work Session, Thursday, May 12
2. BOR Meeting, Thursday, June 16

IX. ADJOURNMENT

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
December 16, 2004**

The Board of Regents of Morehead State University met at 9:15 a.m. on Thursday, December 16, 2004, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair James H. Booth presided.

ROLL CALL

The following members were present: James H. Booth, Gene Caudill, Jean Dorton, Sylvia Lovely, Jason Marion, John Merchant, Dr. Charles H. Morgan Jr., Dr. John D. O'Cull, Helen Pennington, Jill Hall Rose, and Jerry W. Umberger.

The Board recessed briefly to have a group photo taken.

PRESS

Pauline Young, Director of University Communications, introduced Charles Compton from Morehead State Public Radio.

**MINUTES OF
SPECIAL &
REGULAR
MEETINGS**

Ms. Dorton moved that the minutes of the September 3, 2004, quarterly meeting and the October 14-15, 2004, November 8, 10, 12 and 18, 2004, special meetings be approved. Dr. Morgan seconded the motion. The motion carried.

Ms. Dorton moved that the Board approve:

**RECOGNITION
OF EAGLINS**

- Awarding of the honorary degree of Doctor of Public Service to Dr. Ronald G. Eaglin and to Bonnie M. Eaglin at the Winter Commencement ceremony on December 18, 2004.
- Naming of the Ronald G. Eaglin Space Science Center in the College of Science and Technology.
- Granting of sabbatical leave to President Ronald G. Eaglin for the period of January 1 through June 30, 2005.
- Granting of emeritus status to President Ronald G. Eaglin upon his retirement on December 31, 2004, as the 12th president of Morehead State University.

(Recommendations and additional background information attached to these minutes and marked IV)

Mr. Umberger seconded the motion. The motion carried.

**FACULTY
TENURE FOR
DR. ANDREWS**

Dr. Morgan moved that the Board grant faculty tenure to Dr. Wayne D. Andrews, who has been named MSU's 13th president, as Professor of Technology in the College of Science and Technology. Ms. Pennington seconded the motion. The motion unanimously carried.

**CRAIG UNGER
& CHERELLE
LAMPKINS**

Mr. Marion moved that the Board adopt resolutions of commendation honoring Craig Unger, a standout player on the University's football team, as the first student-athlete to be named a National Scholar-Athlete by The National Football Foundation and College Hall

of Fame; and to Cherelle Lampkins, a former standout player on the Lady Eagles basketball team, as the second MSU student-athlete to be selected as a state winner in the 13-year history of the highly coveted NCAA Woman of the Year Award. Dr. Morgan seconded the motion. The motion carried.

(Resolutions of commendation attached to these minutes and marked V)

Chair Booth read the resolution honoring Craig Unger, who was present to accept the framed resolution. Ms. Lampkins was unable to attend the Board meeting.

REPORT ON STRATEGIC PROJECTS

Beth Patrick, Vice President for Planning, Budgets and Technology, presented a report on two major strategic projects launched earlier this year, which will have strong support ties to each of the five major goals in the University's Strategic Plan 2001-06. Multi-year resource commitments and multi-million dollar investments in technology will be required to implement both projects.

RI²SE Project

The first project is the RI²SE project, which uses an Enterprise Resource Planning (ERP) approach to reengineer institutional processes in conjunction with implementing a new Management Information System (MIS). Full implementation of an ERP system is expected to provide better service to faculty, staff and students, lower business risk, and potentially, increase revenue and reduce costs through greater efficiency. The Office of Institutional Research and Computer Applications will oversee the RI²SE project.

A request for proposals yielded five vendors. After evaluation, two vendors were invited to participate in on-site visits. After four days of presentations, Datatel was selected. Datatel has 36 years of corporate experience including 26 years devoted exclusively to higher education.

The total project cost is estimated at \$3.8 million including costs for hardware, application software, database software, web-interface software, output resources and professional services to support system implementation, training and data conversion.

The timetable for project implementation calls for internal preparations and training to begin in spring 2005 along with final contract negotiations. Actual system implementation would begin in July 2005 with anticipated online dates for the financial system in January 2006, Human Resources in January 2007, student systems in July 2007, and remaining auxiliary support modules in fall 2007.

MSUnplugged

The second project is MSUnplugged, which is based on the premise that all MSU students must be competent in the basic use of technology and considered a requirement for graduation from all academic disciplines. Access to and on-going use of a computer is required for students to successfully complete degree programs and prepare to enter a technology-dependent work environment. Currently, more than 2,000 computers are

maintained in student labs, classrooms and offices. Each computer is replaced every three years at an estimated cost of \$700,000 annually.

In the fall 2004 semester, network access logs documented more than 80 percent of students living in residence halls had a personal computer attached to the campus network. Students must leave campus for computer support and repair services. Currently, students eligible for financial aid do not receive credit for their computer investment in the aid need calculation, something that could become a possibility under the new plan.

In keeping with the University's strategic goals, MSUnplugged will facilitate implementation of a wireless technology environment on the main campus and provide faculty with adequate resources to gain expertise using portable technology to improve delivery of academic programs. The long-term objective of the project is to ensure that all students have personal access to a portable computing device suitable for the student's academic program of study. Savings generated from the reduction in the number of labs will be used to fund specialized academic technology hardware and software needs.

(Report on Strategic Projects attached to these minutes and marked VII-B-3)

Following extensive discussion, Dr. Eaglin stated that we cannot teach by standing in front of a class and delivering a session. We don't want to educate students in a way that does not fit their educational needs. We don't think about spending \$100,000 to keep a library, but a lot of people don't use the library now.

PRESIDENT'S RECOMMENDA- TIONS

Winter Graduates

The President 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 2004 Winter Commencement on December 18, 2004, be approved.

Michael Moore, Provost and Executive Vice President, reported that 524 students had applied for graduation. This includes 29 associate degrees, 393 bachelor's degrees, and 102 master's degrees.

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

VOTE: The motion carried.

Sabbatical Leaves

The President recommended:

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

- Dr. Janet Gross, Professor of Nursing, for Spring 2006
- Dr. Gerd Fricke, Professor of Mathematics, for 2005-06 Academic Year
- Dr. Steve Hunt, Professor of Information Systems, for Fall 2005

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

In response to a question by Ms. Rose on what the leave recipients will be doing during their sabbaticals, Dr. Moore reported that:

- Janet Gross will be doing research related to the health and well-being of rural Costa Ricans and establishing a community-based, service-learning program for Morehead State BSN students in rural Costa Rica.
- Gerd Fricke will be doing research in Discrete Mathematics with the main emphasis being placed on Graph Theory with Mathematics and Computer Science faculty in South Africa, France, Germany, and the United States.
- Steve Hunt will be engaging in a faculty internship with a major company, visiting at least one university with a newly implemented School of Information Technology, and finalizing three manuscripts for submission to refereed journals.

Ms. Pennington suggested that the Board continue the tradition of having sabbatical leave recipients report on their research to the Board.

MOTION: Ms. Dorton moved that the President's recommendation be approved. Mr. Merchant seconded the motion.

VOTE: The motion carried.

The President recommended:

Educational Leave

RECOMMENDATION: That the Board approve the granting of an educational leave for the 2005 spring semester to Ms. Brenda Wilburn, associate professor of nursing, contingent upon funding being available within academic affairs.

(Additional background information attached to these minutes and marked VII-A-3)

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

Personnel Actions

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board ratify the Personnel Actions for the period August 16, 2004, through November 26, 2004.

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

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

VOTE: The motion carried.

The President recommended:

President's Home

RECOMMENDATION: That the Board authorize necessary capital projects for the official residence identified as the President's Home and that the project budget and scope of work be coordinated with the Chair of the Board of Regents.

Board members indicated that it was imperative that we maintain this historic structure.

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

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

VOTE: The motion carried.

The Audit Committee recommended:

**Audit Report for
FY 03-04 & Fourth
Quarter Financial
Report**

RECOMMENDATION: That the Board accept the audit report for the fiscal year ended June 30, 2004 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 2003-04 fiscal year.

(Audit Report for Year Ended June 30, 2004, Fourth Quarter Financial Report, and additional background information attached to these minutes and marked VII-A-6)

MOTION: Mr. Caudill moved that the Board accept the Audit Committee's recommendation. Mr. Umberger seconded the motion.

VOTE: The motion carried.

**Financial
Statements**

The President recommended:

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, 2005, and amend the operating budget.

(First Quarter Financial Report and additional background information attached to these minutes and marked VII-A-7)

James Fluty, Director of Accounting and Budgetary Control, noted that the first column on pages 43-44 should read 2004-2005.

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

VOTE: The motion carried.

The President recommended:

**Personnel Policies
PG-59, PG-27,
PSNE-5**

RECOMMENDATION: That the Board approve the adoption of new Personnel Policy PG-59, Return to Work Program for Occupational Illness or Injury and the revision of PG-27, Workers' Compensation, and PSNE-5, Overtime Pay for Employees Classified as Staff Nonexempt.

(Personnel Policies and additional background information attached to these minutes and marked VII-A-8)

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

VOTE: The motion carried.

The President recommended:

**Regional
University
Excellence Trust
Fund**

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

(List of Gifts for Submission and additional background information attached to these minutes and marked VII-A-9)

Barbara Ender, Vice President for Development, noted that since the preparation of the report, the total gifts for submission to the Council on Postsecondary Education in the "Buck for Brains" program was now \$930,053. President Eaglin congratulated Ms. Ender and her staff on reaching the \$2.851 million goal set by the Council on Postsecondary

**Non-Resident
Tuition Policy**

Education for MSU. Also, President Eaglin noted that total endowments had reached his personal goal of more than \$25 million by his retirement (December 31, 2005).

The President recommended:

RECOMMENDATION: That the Board adopt the Non-Resident Tuition Policy, effective with the opening of the 2005 fall semester.

(Non-Resident Tuition Policy and additional background information attached to these minutes and marked VII-A-10)

Keith Kappes, Vice President for University Relations, discussed the proposed non-resident tuition policy. He stated that for 20 years, MSU has discounted tuition for selected students to achieve various institutional objectives, including ethnic and geographic diversity of the student body, increased enrollment of academically superior students, and the building and improving of relationships with alumni through the matriculation of their children and/or grandchildren. To compete more effectively in the rapidly-changing marketplace for non-resident students, the University's undergraduate admissions and marketing professionals have identified the need for a separate policy document for addressing non-resident tuition.

Further, Mr. Kappes advised that a student benefiting from a non-resident tuition rate adjustment is required to live in University housing if enrolled full time on the main campus. If the student chooses to leave campus housing before completing a degree, this will void the non-resident tuition adjustment. Tuition rates may be adjusted at the discretion of the President or under specific programs: Kentucky-Ohio Tuition Reciprocity Program, Bordering States Tuition Program, Alumni Tuition Program, Regional Campus Tuition Program, Graduate Assistant Tuition Program, Major Scholarship Tuition Program, Expanded Area Tuition Program (new), and High Potential Tuition Program (new).

Discussion followed on whether the non-resident tuition policy would negatively impact tuition from out-of-state enrollment. Mr. Kappes indicated that any decrease in out-of-state tuition revenue eventually would be recovered through additional students paying the reduced tuition rates. This program is for new students only who enroll for the 2005 fall semester.

Ms. Pennington initiated discussion on what the University is currently doing or could do to target high achievers from the University's service region. Mr. Kappes noted that the Financial Aid and Admission offices were currently revising the University's scholarship program to target the top students.

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

***Friends of
Kentucky Center
for Traditional
Music***

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board confirm the appointment of four new and ten returning members of the Board of Directors of Friends of the Kentucky Center for Traditional Music, Inc. (FKCTM), as identified herein. Further, that the Board of Regents approve the operating agreement between the University and the corporation.

(Additional background information attached to these minutes and marked VII-A-11)

Mr. Kappes stated that at its June 2002 meeting, the Board of Regents declared Friends of Kentucky Center for Traditional Music, Inc., formerly known as Kentucky Center for Traditional Music, Inc., as an affiliated corporation of MSU. As such, the Board of Regents must confirm the appointment of members of the FKCTM Board of Directors. In addition, the relationship between the University and FKCTM is governed by a Memorandum of Understanding approved by both boards.

The FKCTM Board of Director, at its meeting on November 10, 2004, approved an operating agreement, appointed four new board members – J. D. Crowe of Nicholasville, and Georgia Grigsby, Ann Laurence and Matt Collinsworth of Morehead, and reappointed ten members – Ronnie Reno and Larry Cordle of Hendersonville, Tenn., Wayne Bledsoe of Rolla, Mo., Don Rigsby of Isonville, Melvin Goins of Catlettsburg, Neil Kendrick of Frenchburg, and Bradley Collins, Sandy Knipp, Sheree Greer and Keith Kappes of Morehead.

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

VOTE: The motion carried.

***Fall 2004 Final
Enrollment Report***

Michael Moore, Provost and Executive Vice President, presented the final report on 2004 Fall Enrollment. Enrollment for the 2004 fall semester was 9,294, a decrease of 2.3 percent over last year. Full-time equivalency was 7,028, a 3 percent decrease; and credit-hour production was 109,501, a decrease of 3.1 percent. Dr. Moore noted that in a report prepared by the Retention Task Force, it was noted that the main reason that first-time freshmen withdrew was personal reasons, followed by illness (personal and family), financial, family problems and academics. The Retention Task Force report will be discussed at a future BOR meeting.

(2004 Final Report on Fall Enrollment attached to these minutes and marked VII-B-1)

***OVC Honors for
2004-05***

Brian Hutchinson, Interim Director of Athletics, reported that nearly 110 students and coaches had earned Ohio Valley Conference honors for 2004-05. In addition, Mr. Hutchinson reported that the athletic grant-in-aid program is another academic program that has the highest graduation and retention rates of any single discipline in the institution. Dr. Morgan commended the athletes on their success.

President Eaglin reported that the University's decision in 2004 to shift from the traditional PPO and HMO plans to a Consumer Driven Health Plan has been the primary factor in the University's 2004 health care costs increasing only 6.5 percent over 2003 costs while the industry is experiencing between 12 to 20 percent increases. As a result of this performance, premiums for CDHP will be held at 2004 levels.

(Report on Health Insurance for Plan Year 2005 attached to these minutes and marked VII-B-2)

***Personal Service
Contracts & Gift
Income Report***

Two additional reports are included in the agenda book:

- Personal Service Contracts – Pages 79-80
- Gift Income Report – Pages 81-82

Executive Session

Chair Booth stated that the Board needed to go into executive session to consider a student disciplinary appeal. He stated that no action would be taken during this time. Dr. Morgan moved that the Board go into executive session following a five-minute break. Mr. Umberger seconded the motion. The motion carried.

***Student
Disciplinary Case***

Following the closed session, the Board reconvened into public session. Ms. Pennington moved that the Board uphold the action of the President regarding the disciplinary case effective at the end of the 2004 fall semester. Dr. Morgan seconded the motion. The motion carried with Mr. Marion abstaining.

Dr. Morgan recommended that in the future, the Board should move more quickly and have a special called meeting to consider disciplinary cases so that it is not at the end of the semester and at the end of a regular Board meeting.

***2005 Meeting
Dates***

Chair Booth announced the meeting dates for 2005:

First Quarter

February 17 (Work Session)

March 10 (BOR Mtg.)

Second Quarter

May 12 (Work Session)

June 9 (BOR Mtg.) (Subsequent to the BOR mtg., the date was changed to June 16)

Third Quarter

August 25 (Work Session)

September 15 (BOR Mtg.)

Fourth Quarter

November 17 (Work Session)

December 15 (BOR Mtg.)

Buckner Hinkle Jr.

Chair Booth read and presented a framed resolution, which the Board adopted at its September 2004 meeting, to former board chair Buckner Hinkle Jr. of Lexington in recognition of his outstanding service during his term on the Board. The resolution follows:

WHEREAS, Mr. Buckner Hinkle Jr. a respected citizen of Lexington, Ky., served with distinction as a member of the Board of Regents of Morehead State University from 1992 to 2004; and

WHEREAS, Mr. Hinkle's tenure included service as chairman of the Board of Regents from 2001 to 2004; and

WHEREAS, Mr. Hinkle provided strong and effective leadership to the Board on several major issues of critical importance to the University; and

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

WHEREAS, Mr. Hinkle's two full terms as a board member reflected his professional collegiality and dedication to academic excellence and his abiding concern for the welfare of the entire University community;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. Buckner Hinkle Jr. be and hereby is commended for his 12 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 third day of September 2004.

ATTEST:

James H. Booth, Chair

Carol Johnson, Secretary

Ronald G. Eaglin, President

Mr. Hinkle thanked President and Mrs. Eaglin for their friendship and dedication to Morehead State University; Bill Seaton and Sonny Jones for being such good mentors; Jim Booth for being such a strong vice chair; and numerous other individuals for their assistance and help during his tenure on the Board.

President Eaglin thanked Mr. Hinkle for being the voice of calm, reason, and encouragement – “It’s been a great ride.”

**SPACE SCIENCE
CENTER**

The Spotlight on the Space Science Center will be presented at a future Board meeting. Following lunch, the Board members moved to the ridge top for the “First Light” ceremony to commission the new space tracking station.

ADJOURNMENT

There being no further business to conduct, Mr. Umberger moved that the meeting adjourn at 12:30 p.m. Ms. Dorton seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary

**SPECIAL MEETING
BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
November 18, 2004**

The Board of Regents of Morehead State University met in a special called session at 10 a.m. on Thursday, November 18, 2004, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. The purpose of the special meeting was to evaluate the qualifications of the presidential finalists who visited the campus the previous week. Chair James H. Booth presided.

Call to Order

Chair Booth called the meeting to order.

Roll Call

Upon request of the Chair, the Secretary called the roll. The following members were present:

Mr. James H. Booth, Chair
Mr. Gene Caudill
Ms. Jean Dorton
Mr. Jason Marion
Mr. John Merchant
Dr. Charles H. Morgan, Jr.
Dr. John D. O'Cull
Ms. Helen Pennington
Ms. Jill Hall Rose
Mr. Jerry Umberger

A quorum was present. Ms. Sylvia Lovely were unable to attend.

Executive Session

Chair Booth asked for a motion to go into closed session to consider the finalists for the presidency of Morehead State University pursuant to KRS 61.810. He stated that no action would be taken in closed session. Mr. Merchant moved that the Board go into executive session. Ms. Pennington seconded the motion. The motion carried.

The Board returned to open session at 11:50 a.m.

Adjournment

There being no further business to conduct, Mr. Umberger moved that the meeting adjourn. Ms. Rose seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

**2005 FOUNDERS DAY AWARD
FOR UNIVERSITY SERVICE**

**BOR (V)
March 10, 2005**

Recommendation:

That the Board of Regents approve the selection of Dr. Charles M. Derrickson of Morehead, Ky., as the recipient of the 2005 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 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; Merl F. Allen, 2003; and Dr. John C. Philley, 2004.

The Founders Day Committee has recommended that the 2005 award be presented to Dr. Charles M. Derrickson, former president of Lees College and retired dean of the University's College of Applied Sciences and Technology. The ceremony is scheduled as part of the Founders Day Luncheon at 11:30 a.m. on Tuesday, March 15.

A Breathitt County native, Dr. Derrickson came to Morehead State University in 1965 as an associate professor of agriculture. He also served as department chair. The University's Derrickson Agricultural Complex was named in his honor. Dr. Derrickson earned his bachelor's and master's degrees from the University of Kentucky and his doctorate from Michigan State University.

Dr. Derrickson was instrumental in the development of a mountaintop reclamation project in Martin County which brought MSU national attention in the 1980's by converting land that had been surface mined into a viable agricultural enterprise. He and his wife, Myrtle, a retired MSU staff member, remain active in the life of the University.

Prepared by: Keith Kappes

TENURE FOR ACADEMIC ADMINISTRATORS

**BOR (VII-A-1)
March 10, 2005**

Recommendation:

That the Board of Regents approve the granting of tenure to Dr. Erla Mowbray, professor of nursing and Dr. Donald Nielsen, professor of sociology.

Background:

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The coordinators of the associate and baccalaureate programs in nursing have recommended Dr. Erla Mowbray for employment with tenure. The search committee for the chair of the Department of Sociology, Social Work and Criminology has recommended Dr. Donald Nielsen for employment with tenure. The College Deans, the Provost, and the President support these recommendations.

Recommendation:

That the Board of Regents approve the granting of tenure for the following faculty members with the issuance of their contracts for the 2005-2006 year:

Dr. Ilson White, associate professor of psychology
Dr. Wesley White, associate professor of psychology

Background:

Faculty members hired at the rank of associate professor or above 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.

TENURE WITH PROMOTION, 2005

**BOR (VII-A-3)
March 10, 2005**

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 2005-2006 year:

Dr. Mark Blankenbuehler, Chemistry
Dr. Eric Jerde, Geology
Dr. Kathryn Lewis, Mathematics
Dr. Ann MacIntosh, Chemistry
Dr. John Newsome, Physical Education
Dr. David Oyen, Music
Dr. Clarenda Phillips, Sociology
Dr. Ron Skidmore, Educational Psychology
Dr. James Turner, Management

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.

PAC-18 – FACULTY RIGHTS AND RESPONSIBILITIES

BOR (VII-A-4)

March 10, 2005

Background:

All University employees may file claims of discrimination under the provisions of PG-5, Affirmative Action/Equal Opportunity for Employment. PG-5 applies to all employees of the University whether they are faculty, staff or administrators. The current PAC-18, Faculty Rights and Responsibilities policy, creates a redundant situation whereby faculty members may also file a claim of discrimination under that policy. Under PG-5, formal complaints not resolved earlier in the process will be heard by a Grievance Review Board selected from members of the Affirmative Action Committee. Under PAC-18, complaints are heard by a Hearing Board made up of members of the Committee on Faculty Rights and Responsibilities. There is no mandated ethnic or gender diversity in the membership of the Committee on Faculty Rights and Responsibilities while there is such diversity on the Affirmative Action Committee.

The current policies could result in a situation where a faculty member may file claims of discrimination under both policies and have his/her case heard by separate boards, conceivably resulting in opposing findings and recommendations by the two boards.

Thus, the revisions to PAC-18 are recommended to eliminate the redundancy between the two policies which could result in opposing findings and recommendations by the respective boards, and to have all complaints of discrimination responded to through the same process and, where applicable, heard by a board that is diverse in its ethnicity and gender.

The proposed revisions to PAC-18 have been reviewed and endorsed by the University Attorney and the University Affirmative Action Officer.

Recommendation:

That the Board approve the revised personnel policy PAC-18.

Policy Pac-18

Faculty Rights and Responsibilities

Approval Date: 07/01/85

Revision Date: 03/07/94

Revision Date:

PURPOSE:

To define the procedures to be followed when issues involving faculty rights and responsibilities have not been resolved successfully through the normal channels of administrative responsibility and procedure.

ELIGIBILITY:

All individuals in the academic classification category (including librarians) plus those individuals in the administrative category who have tenure-eligible academic rank and who have grievances of an academic nature are eligible to submit a petition.

SCOPE:

The Committee on Faculty Rights and Responsibilities established by these procedures may review petitions from all faculty members and librarians (described under Eligibility above) in any situation in which a faculty member or librarian asserts that he/she has suffered a substantial injustice resulting from a violation of academic freedom, professional ethics, procedural fairness, or due process.

Formal claims of alleged discrimination are to be filed in accordance with PG-5 Affirmative Action/Equal Opportunity for Employment.

Disputes about the dismissal of a probationary tenure eligible faculty member or a fixed-term appointee before the end of the term of appointment or of a tenured faculty member are covered under Kentucky Revised Statutes (KRS 164.360 and KRS 164.365).

Any issue to be reviewed under these procedures must be presented by the particular faculty member or librarian who filed the grievance.

COMMITTEE ON FACULTY RIGHTS AND RESPONSIBILITIES:

The Committee on Faculty Rights and Responsibilities should consist of ~~one~~ two tenured professors from each college, ~~five~~ one tenured professors at large and ~~one~~ two Librarian ~~3 or 4~~ IV. It is preferred that committee members have prior service on the

University Promotion or Tenure Committees or the Library
Promotion Committee.

Nominees for faculty representatives for each college or the library shall be made by the Faculty Senate and voted on by the members of the faculty in that college or library. The Faculty Senate shall elect the faculty member at-large. The term of this member shall be for two years.

Terms for faculty members from each college and librarian shall be for two years with one-half being replaced each year. No member may serve for more than two consecutive terms. No member shall serve on the Library Promotion Committee, University Tenure, Promotion or Faculty Rights and Responsibilities Committees simultaneously.

**OPERATION OF
THE COMMITTEE:**

A quorum of the Committee will be a majority of those remaining after any member is disqualified because of blood or marriage relationship to the aggrieved party or because of conflict of interest.

Upon receiving a petition, the Committee will make a preliminary determination as to the extent of its review of the matter. The Committee will reserve the right to dismiss without prejudice a complaint that it judges without merit or where it appears that other remedies should be sought before coming to the Committee.

The Committee may decide to have an information review or to establish a Hearing Board, in order to bring about a satisfactory settlement.

A Hearing Board will be established only on the vote of a majority of membership of the Committee upon a determination that a prima facie basis for the complaint has been shown and may not reasonably be dealt with through an informal resolution process.

The burden of proof in establishing a prima facie case will be on the complaining party.

The Committee on Faculty Rights and Responsibilities should attempt to settle matters brought to it as quickly as possible without sacrificing fairness to all parties. Only in extraordinary

circumstances or by mutual agreement should there be a time span longer than 30 days between the receipt of a complaint by the Committee and a decision as to whether there will be a formal hearing.

The Committee shall not consider the substantive academic judgment aspects of such matters as promotion, tenure, compensation, and evaluation of performance. In such matters as these, academic freedom, professional ethics, procedural fairness, or due process may be reviewed.

THE HEARING BOARD

For a particular case, a Hearing Board, consisting of all eligible members of the Committee will be established to hear the case. Members will remove themselves from a case if they deem themselves disqualified by reason of bias or conflict of interest.

If a specific hearing is scheduled, notice will be served with a specific statement of the complaint at least 20 days prior to the hearing. The party complained against may waive a hearing or may respond to the complaint in writing at any time before the hearing.

Hearings before a Hearing Board will not be public. Publicity and public statements about the case by either the complaining party or the Hearing Board will be avoided until the proceedings have been completed. The Hearing Board and both parties may have present at the hearing such assistance as each deems necessary. If such assistance is desired, the party will give notice of that intention to the other party and/or the Hearing Board not less than six (6) working days prior to the hearing date.

During the proceedings the parties will be entitled to have an advisor and counsel of their own choice. The Hearing Board will not be bound by strict rules of legal evidence and may admit any evidence of probative value in determining the issues involved.

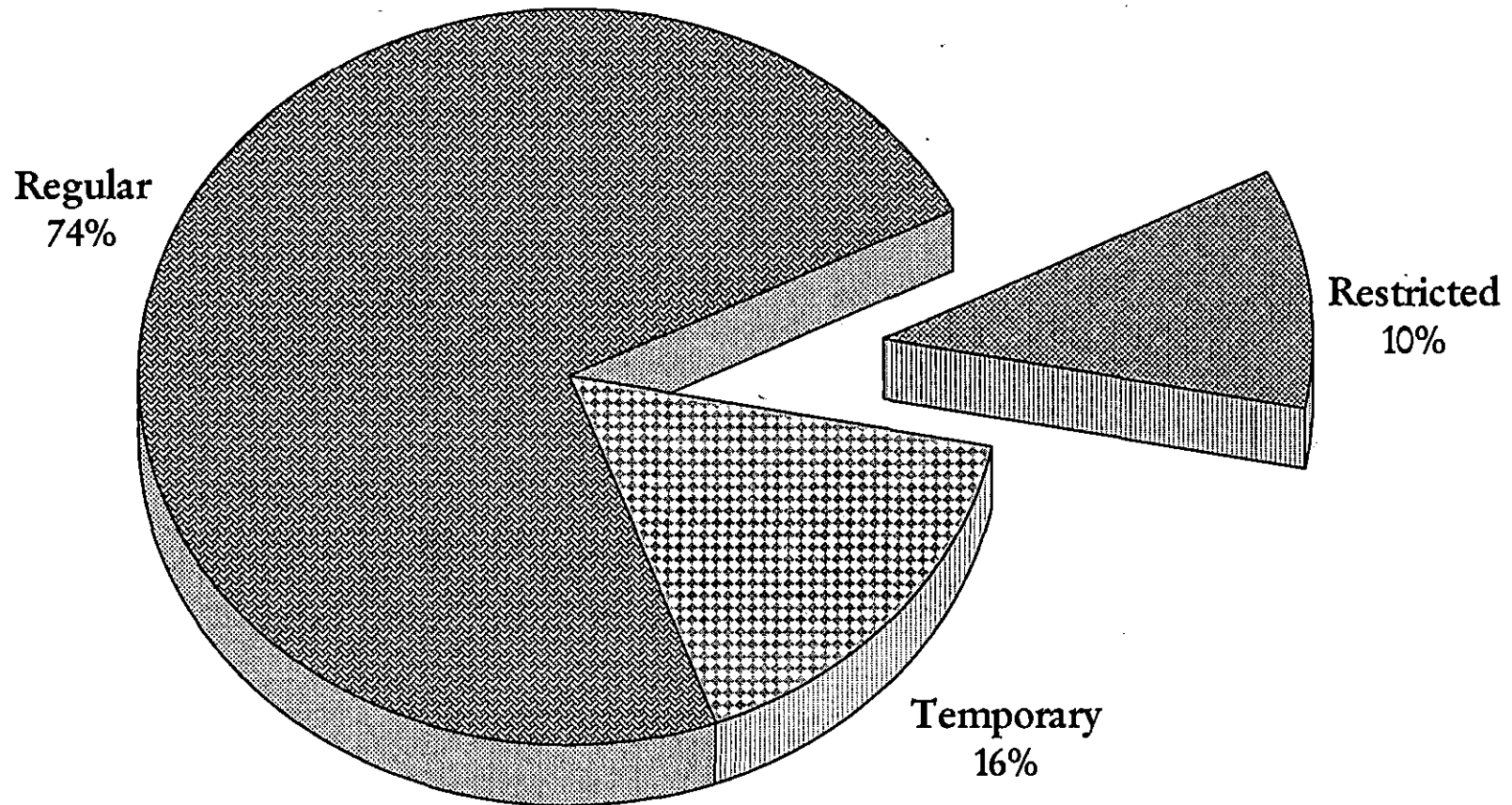
Every possible effort will be made to obtain the most reliable evidence available and to avoid excessively legalistic procedures.

A tape recording of the hearings will be made and will be available to both parties.

The parties will be afforded an opportunity to obtain necessary

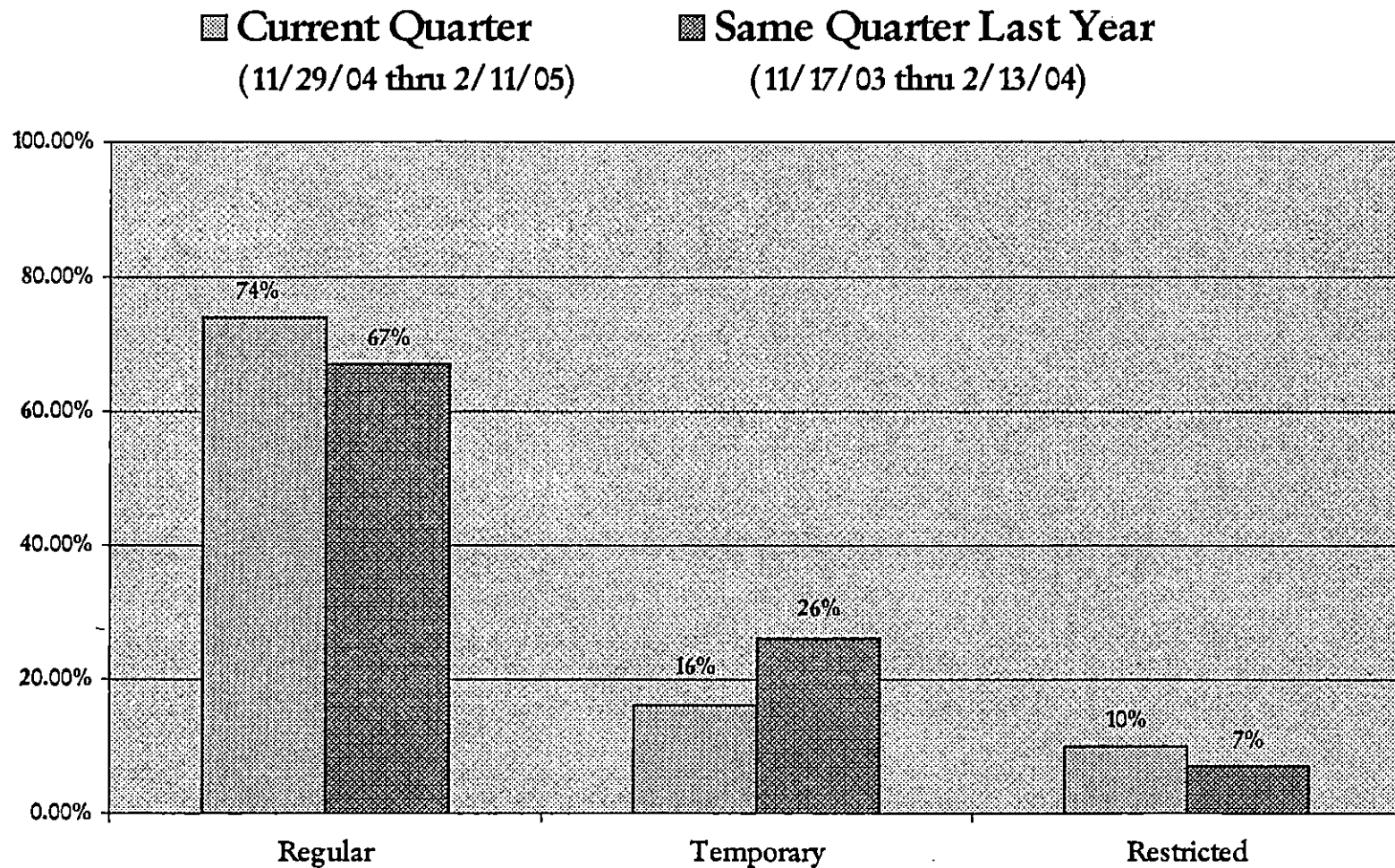
PERSONNEL ACTION REQUEST

11/29/04 thru 2/11/05



Total Number of PARs = 67

COMPARISON CHART FOR PERSONNEL ACTION REQUEST

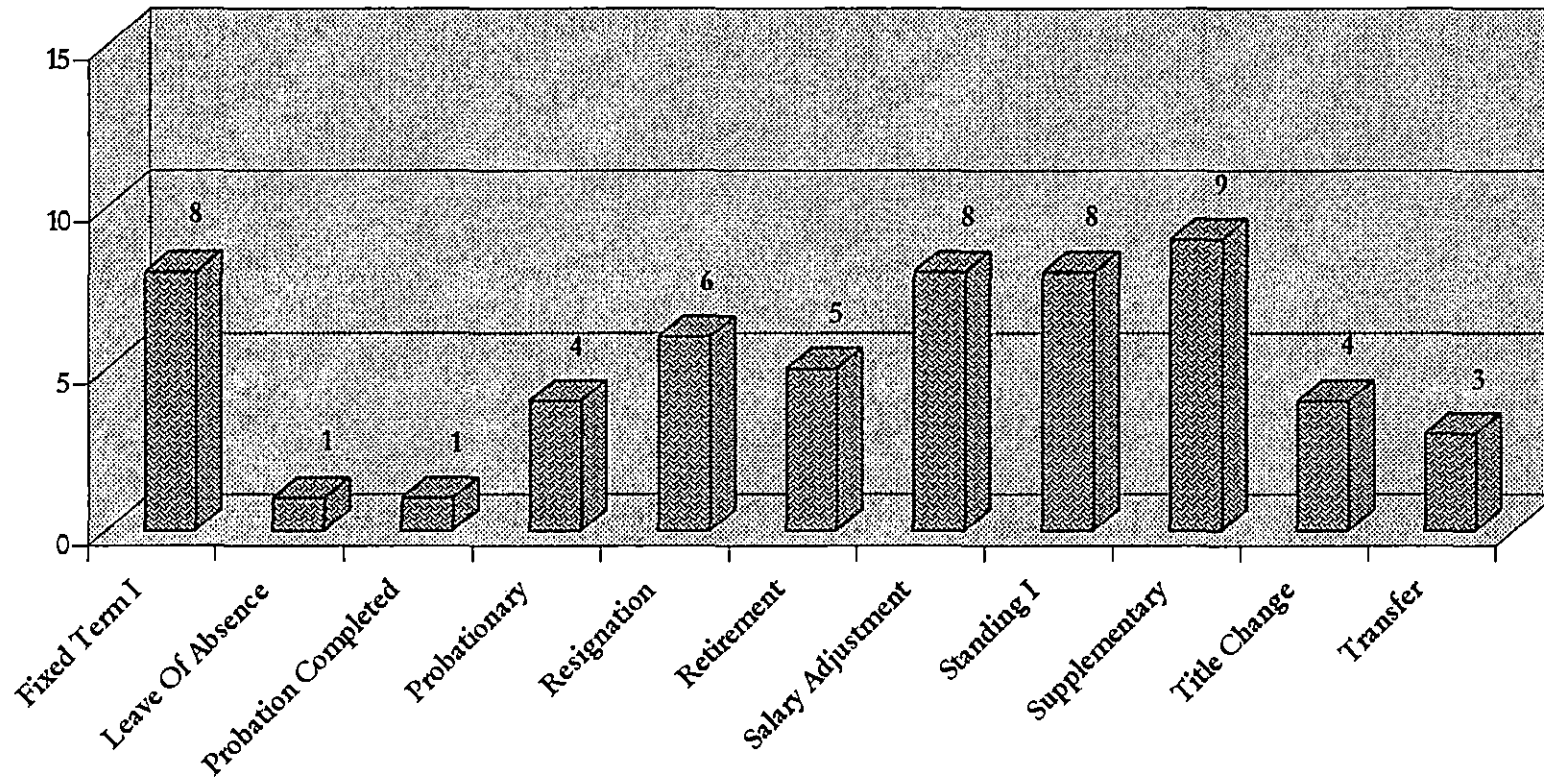


Total Number of PARs

Current Quarter = 67

Same Quarter Last Year = 46


PERSONNEL ACTIONS FOR COVERED ROSTER APPOINTMENTS
11/29/04 thru 2/11/05




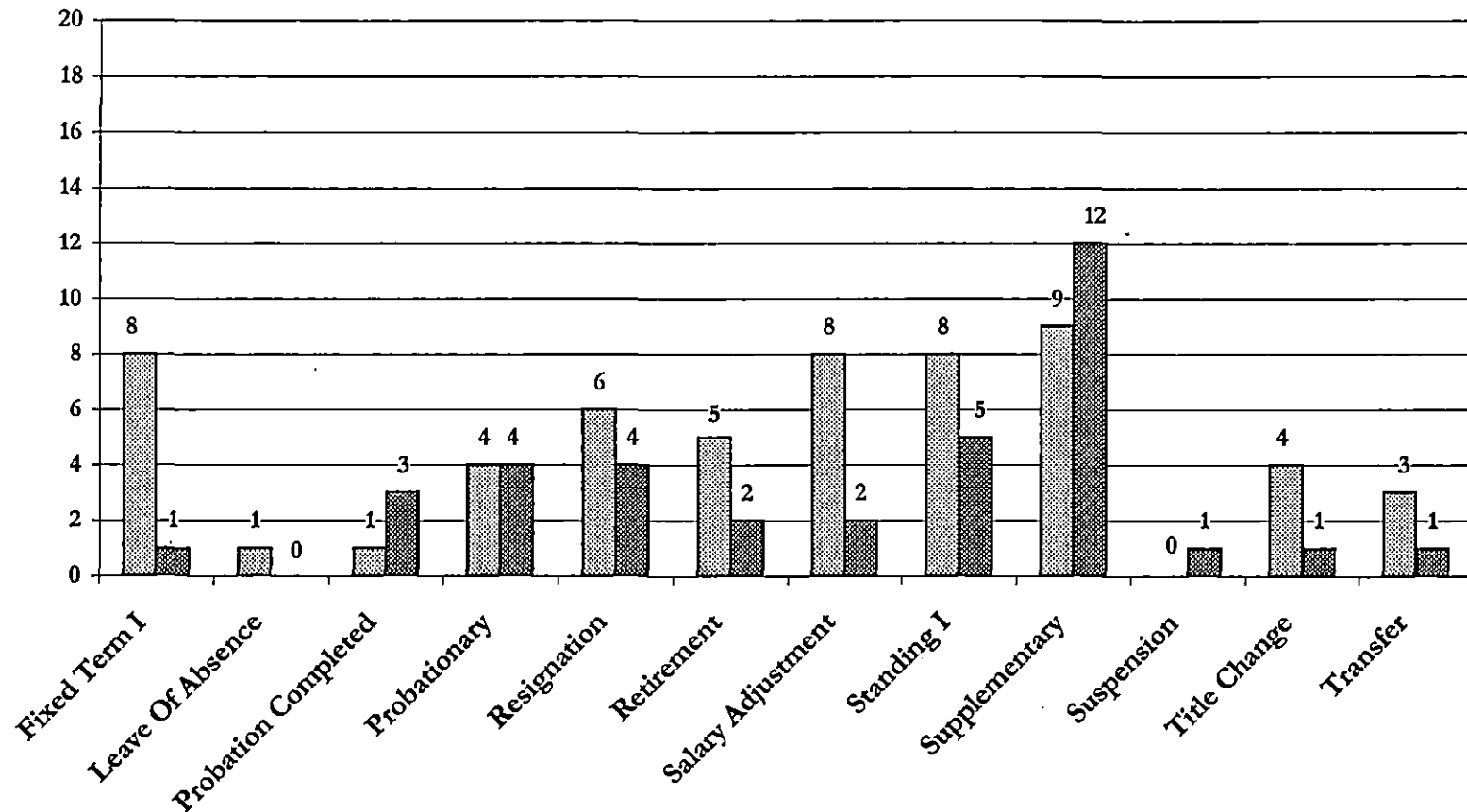
Total Number of PARs = 49

Total Number of Actions = 57

COMPARISON CHART FOR COVERED ROSTER APPOINTMENTS

 **Current Quarter**
 (11/29/04 thru 2/11/05)

 **Same Quarter Last Year**
 (11/17/03 thru 2/13/04)



Total Number of PARs

Current Quarter = 49

Same Quarter Last Year = 31

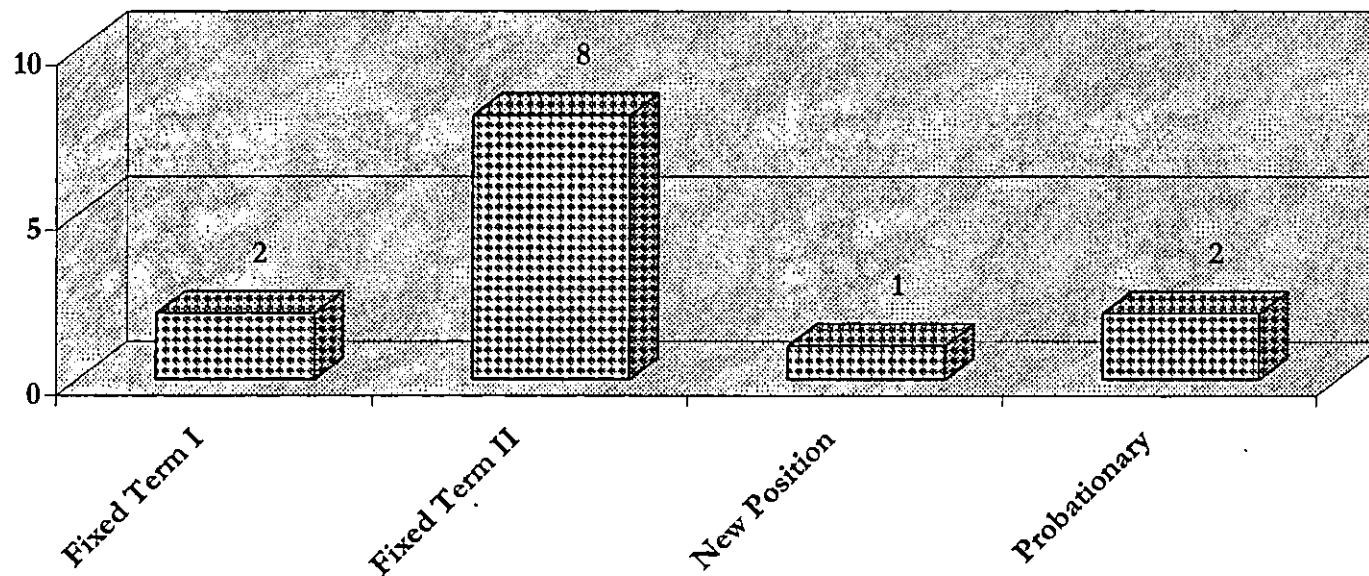
Total Number of Actions

Current Quarter = 57

Same Quarter Last Year = 36

PERSONNEL ACTIONS FOR NON-ROSTERED TEMPORARY APPOINTMENTS

11/29/04 thru 2/11/05

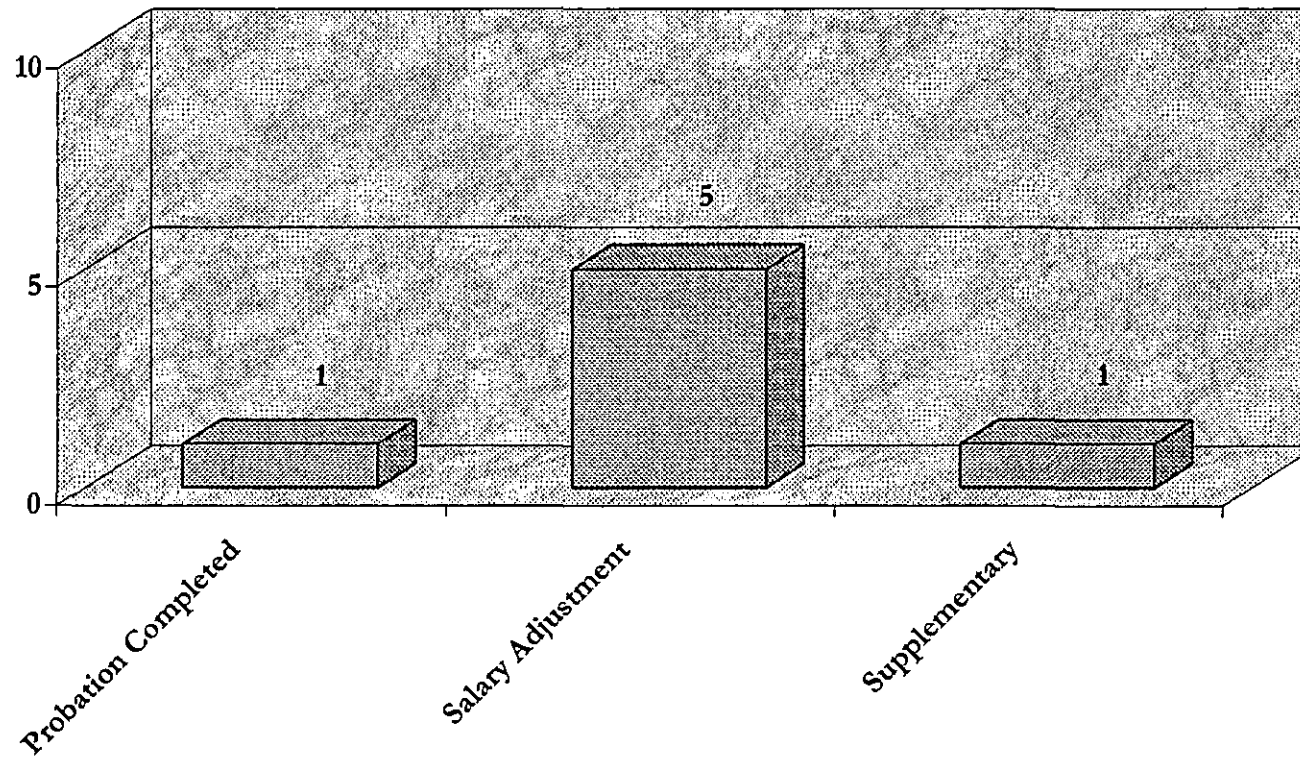


Total Number of PARs = 11

Total Number of Actions = 13

PERSONNEL ACTIONS FOR RESTRICTED APPOINTMENTS

11/29/04 thru 2/11/05



Total Number of PARs = 7

Total Number of Actions = 7

MOREHEAD STATE UNIVERSITY
STANDING I AND STANDING II POSITIONS SUMMARY
02/11/05

<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	5.00	83.33
DIVISION OF UNIVERSITY RELATIONS	34.00	34.00	0.00	34.00	100.00
DIVISION OF DEVELOPMENT	14.00	14.00	0.00	14.00	100.00
DIVISION OF PLANNING, BUDGETS AND TECHNOLOGY	42.00	42.00	0.00	39.00	92.86
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	68.00	68.00	0.00	66.00	97.06
PHYSICAL PLANT	153.70	154.70	1.00	145.70	94.18
DIVISION OF STUDENT LIFE	133.80	138.80	5.00	130.80	94.24
DIVISION OF ACADEMIC AFFAIRS	27.50	27.50	0.00	27.50	100.00
CAUDILL COLLEGE OF HUMANITIES	143.61	144.61	1.00	141.61	97.25
29 COLLEGE OF BUSINESS	53.50	53.50	0.00	49.50	92.52
COLLEGE OF EDUCATION & BEHAVIORAL SCIENCE	97.00	97.50	0.50	91.00	94.79
COLLEGE OF SCIENCE AND TECHNOLOGY	152.60	151.60	-1.00	144.60	96.02
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	19.00	20.00	1.00	18.00	90.00
GRADUATE AND UNDERGRADUATE PROGRAMS	47.64	47.64	0.00	44.64	93.70
CAMDEN-CARROLL LIBRARY	39.00	39.00	0.00	39.00	100.00
	1031.35	1038.85	7.50	990.35	95.47

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.
- 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

RESIGNATION

FIXED TERM II

RETIREMENT

LEAVE OF ABSENCE

SALARY ADJUSTMENT

NEW POSITION

STANDING I

PROBATION COMPLETED

TITLE CHANGE

PROBATIONARY

TRANSFER

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
 Title
 Department
 Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
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BALLARD, D. MATT Head Football Coach Football 1135 \$89,123.00	\$89,123.00	Fixed Term I	01/01/2005 - 12/31/2005	
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BARCUS, HOLLY REBEKAH Asst. Professor of Demography IRAPP 3320 \$45,260.00	\$45,260.00	Resignation	5/14/2005	
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BELL, LINDA K. External Degree Prog. Eval. CDPCRC	\$37,465.00/annual	Salary Adjustment (1% increment per state salary guidelines that CDPCRC employees follow. From \$37,094 to \$37,465)	01/03/2005 - 06/30/2005	Restricted
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BENTLEY, SCOTTIE RUBEN Residential Adjust. Counselor CDPCRC	\$24,745.00/annual	Salary Adjustment (1% increment per state salary guidelines that CDPCRC employees follow. From \$24,500 to \$24,745)	01/04/2005 - 06/30/2005	Restricted
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BISHOP, ERIN SHIRL Asst. Professor of Theatre Communication and Theatre 475 \$65,637.00	\$43,000.00	Standing I	8/11/2005	
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Appointment Status Actions
11/29/2004 - 02/11/2005

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
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BISSONNETTE, DAVID J.
 Asst. Prof. Human Sciences
 Agricultural & Human Sciences
 280
 \$47,441.00

\$47,441.00

Resignation

5/13/2005

BRUCE, MINDY
 Marketing & Development Dir.
 Morehead State Public Radio

\$26,000.00

Probation
 (Extension of
 probationary period)

01/03/2005 - 04/05/2005

Restricted

CLEVENGER, KIMBERLY MICHELLE
 Instructor of Nursing
 Nursing & All. Health-BSN Prog.

\$42,000.00/9 mo.

Fixed Term I

01/11/2005 - 05/13/2005

Lecturer Acct.

CRAIG, VERDIE ANNE
 Asst. Professor of Geography
 Geog., Government & History
 3396
 \$40,179.00

\$41,179.00
 (\$1,000.00 incr.)

Salary Adjustment
 (Received doctoral
 degree)

1/17/2005

Roster ID # 002996

DUNN, GARY W.
 Asst. Football Coach/Off. Coord.
 Football
 1141
 \$40,441.00

\$40,441.00

Fixed Term I

01/01/2005 - 12/31/2005

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
EAGLIN, RONALD G. President Emeritus Office of the President 1159 \$100,000.00	\$100,000.00	Title Change (From President to President Emeritus)	01/01/2005 - 06/30/2005	
EDGENS, JEFFERSON GORDON Director, MSU @ Jackson MSU at Jackson 3285 \$64,132.00	\$64,132.00	Resignation	1/7/2005	
EVANS, KAREN RATLIFF Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	01/18/2005 - 05/13/2005	Lecturer Acct.
FANNING, BARBARA SUE Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	01/18/2005 - 05/13/2005	Lecturer Acct.
FARWELL, TRICIA M. Asst. Prof. Public Relation/Ad Communication and Theatre 462 \$42,320.00	\$45,500.00	Standing I	8/11/2005	Roster ID # 002996

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
 Title
 Department
 Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
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FLORA, DAVID LEDFORD
 Laboratory Technician
 Industrial & Engineering Tech.
 3404
 \$15.06/hr.

\$15.06/hr.

Probation
 (Extension of
 probationary period)

01/09/2005 - 05/31/2005

FOX, AMY JO
 Medical Dept. Psychologist
 CDPCRC

\$55,177.00/annual

Salary Adjustment
 (1% increment per state
 salary guidelines that
 CDPCRC employees follow.
 From \$54,631 to \$55,177)

01/03/2005 - 06/30/2005

Restricted

FULTZ, MICHAEL EARL
 Instructor of Biology
 Biological & Environmental Sci,
 567
 \$40,412.00

\$45,000.00
 (\$4,588.00 incr.)

Standing I
 Transfer
 Salary Adjustment
 Title Change
 (From Instructor of
 Biology to Assistant
 Professor of Biology)

8/11/2005

Roster ID # 002996

GARNER, CHRISTOPHER L.
 Assistant Football Coach
 Football
 3392
 \$45,618.00

\$33,000.00

Fixed Term I

01/01/2005 - 12/31/2005

GILLEY, PEGGY ROBINSON
 Instructor of Education
 Elem. Read. & Spec. Education

\$14,000.00

Fixed Term II

01/18/2005 - 05/13/2005

Lecturer Acct.

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
 Title
 Department
 Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
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GILLIAM, JOHN WILLIAM
 Assistant Head Football Coach
 Football
 2532
 \$51,188.00

\$51,188.00

Fixed Term I

01/01/2005 - 12/31/2005

GORDON, JAMES D.
 Women's Head Volleyball Coach
 Women's Volleyball
 1779
 \$40,511.00

\$40,511.00

Fixed Term I

01/01/2005 - 12/31/2005

GREEN, DAVID THOMAS
 Assistant Professor of CIS
 Information Systems
 1393
 \$74,000.00

\$90,000.00

Standing I

8/11/2005

Roster ID # 002996

GRIGSBY, MELISSIA LYNN
 Behavioral Neuro. Lab. Manager
 Psychology

\$27,300.00/annual

Fixed Term I
 Probation
 New Position

01/24/2005 - 06/30/2005

Restricted

GRUENINGER, ROBERT W.
 Professor of HPER
 Health, P.E. & Sport Science
 421
 \$68,622.00

\$68,622.00

Retirement

6/30/2005

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
 Title
 Department
 Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
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HAMMONS, CHARLES RODGER
 Dept. Chair, Mathematics
 Mathematics & Computer Science
 575
 \$110,262.00

\$110,262.00

Retirement

6/30/2005

HENDERSON, GREGORY ALAN
 HVAC Technician I
 Building Maintenance
 716
 \$12.50/hr.

\$12.50/hr.

Probation
 (Extension of
 probationary period)

01/02/2005 - 04/01/2005

HENSLEY, CHRISTOPHER LEE
 Professor of Sociology
 IRAPP
 2986
 \$61,582.00

\$48,019.00
 (\$13,563.00 decr.)

Salary Adjustment
 Transfer
 Title Change
 (From Dir., Inst.
 Correct. Train., Correct.
 Res. & Train. to Prof.
 of Sociology, IRAPP)

11/16/2004

HENSLEY, CHRISTY LEANN
 Mental Health Counselor/CDPCRC
 CDPCRC

\$32,500.00

Probation Completed

11/20/2004

Restricted

HENSLEY, CHRISTY LEANN
 Mental Health Counselor/CDPCRC
 CDPCRC

\$32,825.00/annual

Salary Adjustment
 (1% increment per state
 salary guidelines that
 CDPCRC employees follow.
 From \$32,500 to \$32,825)

01/03/2005 - 06/30/2005

Restricted

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
HUNSUCKER, SHARON C. Asst. Professor of Nursing Nursing & All. Health-BSN Prog. 2864 \$42,000.00	\$43,500.00	Standing I (Supersedes PAR #45481 for \$42,000)	1/11/2005	Roster ID # 000292
HYPES, JULIA ANN Asst. Professor of HPER Health, P.E. & Sport Science 430 \$43,910.00	\$44,910.00 (\$1,000.00 incr.)	Salary Adjustment (Receive doctoral degree)	1/17/2004	Roster ID # 002996
JACKSON, PAULA LYNETTE Asst. Director Athletics/SWA Office of Athletics 3425 \$43,000.00	\$43,000.00	Probation (Extension of probationary period)	11/27/2004 - 02/28/2005	
KMETZ, THOMAS P. Librarian III Camden Carroll Library 677 \$41,592.00	\$44,092.00 (\$2,500.00 incr.)	Salary Adjustment (Annual increase for additional duties with CCL's reorganization)	1/3/2005	Roster ID # 000673
LAUX, BRADLEY REID Athletic Media Asst. Director Office of Sports Information 3195 \$11.97/hr.	\$11.97/hr.	Resignation	1/22/2005	

Appointment Status Actions
11/29/2004 - 02/11/2005

39

Name				
Title				
Department				
Roster ID				
Position Base Salary	Salary	Description	Effective Date	Fund Source
LYONS, BARBARA MARY Asst. Professor of Marketing Manag., Market. & Real Estate 3277 \$71,809.00	\$72,809.00 (\$1,000.00 incr.)	Salary Adjustment (Received doctoral degree)	1/12/2005	Roster ID # 002996
MCCOY, JANET RICE Asst. Prof. Public Relation/Ad Communication and Theatre 2988 \$47,429.00	\$46,500.00	Standing I	8/11/2005	
MOORE, MARILYN DEA Instructor of CIS Information Systems	\$20,500.00	Fixed Term II	01/12/2005 - 05/13/2005	Roster ID # 001393
MOORE, ZACHARY ALAN Asst. Football Coach/Rec. Coord Football 2284 \$32,565.00	\$32,565.00	Fixed Term I	01/01/2005 - 12/31/2005	
MOWBRAY, ERLA J. Dept. Chair, Nursing Nursing & All. Health-BSN Prog 3063 \$74,751.00	\$100,000.00	Standing I	7/1/2005	Summer School

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
 Title
 Department
 Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
NAPIER, ERVIN JUNIOR Director, MSU @ Jackson MSU at Jackson	\$12,375.00	Fixed Term II	01/10/2005 - 04/30/2005	Roster ID # 003285
POLLOCK, MARY ANNE Dept. Chair, Elem. Read. & Spec. Elem. Read. & Spec. Education 3056 \$92,510.00	\$92,510.00	Retirement	6/30/2005	
POWELL, MADELINE Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	01/18/2005 - 05/13/2005	Lecturer Acct.
RAMACCI, GINA Assistant Softball Coach Women's Softball 3427 \$23,660.00	\$23,660.00	Probation Completed	1/31/2005	
RECKTENWALD, JAMES F. Substance Abuse Counselor CDPCRC	\$32,825.00/annual	Salary Adjustment (1% increment per state salary guidelines that CDPCRC employees follow. From \$32,500 to \$32,825)	01/03/2005 - 06/30/2005	Restricted

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
 Title
 Department
 Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
SHEEN, GREGORY LYNN Women's Head Soccer Coach Women's Soccer 3194 \$39,780.00	\$39,780.00	Fixed Term I	01/01/2005 - 12/31/2005	
SHEEN, GREGORY LYNN Women's Head Soccer Coach Women's Soccer 3194 \$39,780.00	\$39,780.00	Resignation	2/2/2005	
SNYDER, SHONNA LYNN Instructor of HPER Health, P.E. & Sport Science 421 \$68,622.00	\$43,000.00	Standing I Title Change Transfer Salary Adjustment (From Instr. of HPER to Asst. Prof. of Health Ed. From \$33,000 to \$43,000. \$10,000 incr.)	8/11/2005	
SPANGLER, RONALD DALE Assoc. Prof. Industrial Educ. Industrial & Engineering Tech. 1249 \$56,824.00	\$56,824.00	Retirement	5/14/2005	
TEEGARDEN, MAUDE BOGGS Instructor of Education Elem. Read. & Spec. Education	\$14,000.00	Fixed Term II	01/18/2005 - 05/13/2005	Lecturer Acct.

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
TENYER, ROBERT J. Asst. Football Coach/Strength Football 1137 \$38,569.00		\$38,569.00	Fixed Term I	01/01/2005 - 12/31/2005	
TERRY, WILLIAM CHARLES Police Telecommunicator Police Department 2649 \$8.77/hr.		\$8.77/hr.	Probation (Extension of probationary period)	02/28/2005 - 05/28/2005	
THOMPSON, SHEREE WHITAKER Instructor of Education Elem. Read. & Spec. Education		\$14,000.00	Fixed Term II	01/18/2005 - 05/13/2005	Lecturer Acct.
VAN METER, GARY L Sr. Dir., Information Tech. Off. of Information Technology 1346 \$83,098.00		\$83,098.00	Retirement	12/31/2004	
VEST, DAVID ASHLEY Head Tennis Coach Tennis 1207 \$29,502.00		\$34,502.00/annual (\$5,000.00 incr.)	Salary Adjustment (A pay equity adjustment to comply with other OVC Men's Tennis Coaches)	01/03/2005 - 06/30/2005	Unbudgeted Revenues

Appointment Status Actions
11/29/2004 - 02/11/2005

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
WANGSAPUTRA, RACHMAWATI Asst. Prof. Ind. Educ. & Tech. Industrial & Engineering Tech. 3400 \$49,207.00	\$49,207.00	Resignation	5/14/2005	
WILBURN, BRENDA KAYE Assoc. Professor of Nursing Nursing & All. Health-BSN Prog. 3030 \$52,340.00	\$52,340.00	Leave of Absence (Educational leave with pay)	01/18/2005 - 05/13/2005	

**THE FOLLOWING IS THE TYPE OF PERSONNEL ACTION REPORT
IN THE SUPPLEMENTAL ACTIONS SECTION:**

SUPPLEMENTARY

Total for this report = \$30,543.00

Managerial Duties	\$15,000.00
Teaching	\$7,000.00
Other	\$8,543.00

Supplemental Actions
11/29/2004 - 02/11/2005

Name Title Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Football</u>				
BALLARD, D. MATT Head Football Coach \$89,123.00	\$1,274.00	PFL Coach of the Year	01/15/2005 - 01/15/2005	Operating Expenses
<u>Women's Soccer</u>				
SHEEN, GREGORY LYNN Women's Head Soccer Coach \$39,780.00	\$1,080.00	OVC Coach of the Year	01/15/2005 - 01/15/2005	Operating Expenses
<u>Office of the Provost</u>				
45 CHAPMAN, MARSHALL Assoc. Professor of Geology \$47,572.00	\$10,000.00	Dir., Honors Program	08/17/2004 - 05/14/2005	Roster ID # 000656
<u>College of Education</u>				
MORIARTY, ADELE F. Assoc. Professor of Education \$50,508.00	\$5,000.00	Assistant to the Dean	01/03/2005 - 05/14/2005	Roster ID # 000656
<u>Coun. Leadership Adult Educ.</u>				
DUVALL, ARDITH DALE Assoc. Dean, Univ.&Comm. Part. \$56,397.00	\$2,462.00 \$2,298.00 \$1,210.00	TMP Grant Consulting Supervise Curr. Corps	07/01/2004 - 07/31/2004 11/01/2003 - 06/30/2004 01/01/2005 - 06/30/2005	Restricted Restricted Restricted
<u>Health, P.E. & Sport Science</u>				
BREEDEN, WAYNE T. Associate Basketball Coach \$51,590.00	\$2,100.00	Teach 3 hrs.	01/18/2005 - 05/13/2005	Lecturer Acct.

Supplemental Actions
11/29/2004 - 02/11/2005

Name					
Title					
Current Salary	Supplement	Description	Effective Date	Fund Source	
<u>Academic Support & Retention</u>					
BOWLING, LULA NICHOLSON	\$2,100.00	Teach MSU 101	08/23/2004 - 12/17/2004	Lecturer Acct.	
Director, MSU @ Prestonburg	\$2,400.00	Teach 3 hrs.	08/23/2004 - 12/17/2004	Roster ID # 002996	
\$71,400.00	\$2,800.00	Teach 4 hrs.	01/18/2005 - 05/13/2005	Lecturer Acct.	
<u>Office of Continuing Education</u>					
MCCORMICK, BEVERLY JOYCE	\$1,400.00	Teach MSU 101	08/23/2004 - 11/17/2004	Lecturer Acct.	
Asst. VP for Academic Affairs	\$2,100.00	Teach 3 hrs.	01/18/2005 - 05/13/2005	Lecturer Acct.	
\$85,348.00	\$1,295.00	Real Estate Course	11/17/2004 - 11/17/2004	Unbudgeted Revenues	
<u>Adult Basic Educ./Morgan Co.</u>					
TOBIN, JONELL	\$3,684.00	Adult Education Program	07/01/2004 - 06/30/2005	Restricted	
Director, MSU @ West Liberty	\$1,500.00	Vice Chair Staff Congress	07/12/2004 - 06/30/2005	Other Wages	
\$79,723.00	\$700.00	Teach MSU 101	08/23/2004 - 11/17/2004	Lecturer Acct.	
	\$3,684.00	Adult Education Program	12/13/2004 - 06/30/2005	Restricted	

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

**BOR (VII-A-6)
March 10, 2005**

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, 2005, 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 December 31, 2004, the second quarter of the fiscal year ending June 30, 2005. 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, 2004

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, 2004. The statements and this discussion and analysis have been prepared by Administration and Fiscal Services staff.

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.

Last fiscal year the University also adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14*. This Statement requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Pertinent information regarding the MSU Foundation was reviewed and found to qualify as a GASB 39 Component Unit, and its Financial Statements were discreetly presented within the University's Financial Statements. For simplicity they are not included in the quarterly presentations.

Financial Highlights

Morehead State University's financial picture remains consistent through the second quarter of the 2004-2005 fiscal year. During the six months ending December 31, 2004, the University operated with a surplus of revenues over expenditures and transfers in the amount of \$19,944,169. This level of operating surplus is expected at this time, since most of the billings for the Spring 2005 semester are reflected in the tuition and fees revenue and only expenditures through December 31, 2004 are reflected. Expenditures will increase through the next two quarters with revenues trailing off, which will lessen the level of surplus we are currently experiencing. As the year concludes, the variance between revenues and expenditures will decrease and should reflect a more moderate operating surplus or deficit.

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

- As can be seen from the Statements of Net Assets, investments in U.S. Government obligations increased approximately \$7.5 million from the second quarter of the previous

year. Major components of the increase include a 5.5 million increase in plant fund investments, (\$4.6 million increase in bond escrow funds primarily for refunding the University's Consolidated Education Building Revenue Series "K" Bonds in May 2005, and a \$.9 million in escrow and sinking funds), a \$4.8 million increase in endowment funds, and a decrease of \$2.8 in state cash balances.

- Accounts receivable have increased \$4.9 million compared to December 31, 2003. This was due to an increase in unbilled grants receivables of \$2.3 million. A \$2.6 million increase in unrestricted receivables was due to timing issues.
- Accounts payable has increased \$.5 million, due to the timing of making vendor payments.
- Accrued vacation and contingent liabilities have increased \$1.1 million compared to December 31, 2003 and \$.7 million year to date. This increase is due to accrued health and dental claim accounts.
- The investment in capital assets, net of depreciation has increased approximately \$2.8 million since December 31, 2003, primarily due to Phase I construction on the Adron Doran University Center and the Satellite Tracking Station. For this fiscal year, the increase in investment in capital assets net of depreciation has been approximately \$1.5 million. This fiscal year increase relates mainly to the Student Center project \$.67 million, the antenna project \$.67 million, Library Additions, \$.5 million, Baird Roof \$.4 million, various internal projects \$1.6 million, less estimated depreciation of approximately \$2.3 million for a net increase of about \$1.5 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, 2004.
- Expenditure trends also appear to be proceeding according to the revised budget plan, considering normal cyclical and timing differences.
- At June 30, 2004 the Commonwealth of Kentucky had not passed and adopted a budget and still had not as of December 31, 2004. Based on information known at the time of these reports, it appears there will be no further cuts to line items affecting higher education, including appropriations expected to be received by Morehead State University. Still, because of the political discourse that exists in the Commonwealth today, a moderate amount of uncertainty exists until the budget is passed and adopted.

MOREHEAD STATE UNIVERSITY

Statements of Net Assets December 31, 2004 and 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash	\$22,314,396	\$23,674,014
Investments in US government obligations-at cost	27,830,542	20,326,566
Accounts Receivable	26,671,771	21,710,739
Inventories	1,630,488	1,675,081
Notes Receivable	3,679,959	3,515,821
Land, Buildings, Equipment and Library Collection- net of depreciation	<u>117,636,379</u>	<u>114,763,577</u>
TOTAL ASSETS	<u>\$199,763,533</u>	<u>\$185,665,797</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$1,092,429	\$512,430
Accrued salaries and other liabilities	2,540,452	778,583
Unearned revenues-state and federal grants	1,751,096	1,832,911
Deposits	1,727,930	1,548,284
Accrued vacation pay and contingent liabilities	2,781,356	1,646,942
Bonds and notes payable	<u>36,028,935</u>	<u>33,570,643</u>
Total Liabilities	<u>\$45,922,198</u>	<u>\$39,889,793</u>
 Net Assets		
Capital, Net of Related Debt	\$81,607,443	\$81,192,934
Non-capital		
Restricted	35,623,361	28,046,539
Non-restricted	<u>36,610,530</u>	<u>36,536,532</u>
Total Net Assets	<u>\$153,841,335</u>	<u>\$145,776,004</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$199,763,533</u>	<u>\$185,665,797</u>

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

**NOTES TO STATEMENTS OF NET ASSETS
MOREHEAD STATE UNIVERSITY
DECEMBER 31, 2004 AND 2003**

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 \$1,182,573 at December 31, 2004, and \$852,257 at December 31, 2003. Also included in this category is the sum of \$4,837,164 receivable from federal and state grant agencies at December 31, 2004 and \$3,345,052 at December 31, 2003.
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 \$125,444 at December 31, 2004 and \$142,274 at December 31, 2003.
4. Accumulated depreciation on buildings and equipment was \$113,420,374 at December 31, 2004 and \$108,428,916 at December 31, 2003.
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, 2004 and 2003

	2004-2005			2003-2004		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$ 35,976,247	\$33,440,444	92.95%	\$ 31,896,965	\$ 30,339,230	95.12%
Gov't Appropriations	42,040,385	23,721,055	56.42%	42,647,100	23,528,452	55.17%
City Grants	30,000	0	0.00%	50,000	12,500	25.00%
Unrestricted Gifts	0	0	0.00%	0	0	0.00%
Indirect Cost Reimbursement	361,000	241,587	66.92%	403,348	277,093	68.70%
Sales & Services of Ed. Activities	1,181,327	919,187	77.81%	1,096,415	903,074	82.37%
Other Sources	1,689,070	1,164,011	68.91%	1,869,400	915,357	48.97%
Budgeted Fund Balance - E & G	7,442,890	0	0.00%	7,388,186	0	0.00%
Total Educational and General	<u>\$ 88,720,919</u>	<u>\$59,486,284</u>	<u>67.05%</u>	<u>\$ 85,351,414</u>	<u>\$ 55,975,706</u>	<u>65.58%</u>
Auxiliary Enterprises						
Housing	\$ 7,463,200	\$ 6,190,379	82.95%	\$ 8,162,068	\$ 6,485,563	79.46%
University Store	3,444,489	2,133,044	61.93%	3,378,779	1,958,820	57.97%
Food Services	712,500	385,067	54.04%	678,750	405,681	59.77%
Other	350,993	82,700	23.56%	200,500	99,885	49.82%
Total Auxiliary Enterprises	<u>\$ 11,971,182</u>	<u>\$ 8,791,190</u>	<u>73.44%</u>	<u>\$ 12,420,097</u>	<u>\$ 8,949,949</u>	<u>72.06%</u>
TOTAL REVENUES	<u>\$ 100,692,101</u>	<u>\$68,277,474</u>	<u>67.81%</u>	<u>\$ 97,771,511</u>	<u>\$ 64,925,655</u>	<u>66.41%</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Six Months Ended December 31, 2004 and 2003

	<u>2004-2005</u>			<u>2003-2004</u>		
	<u>Amended Budget</u>	<u>Actual</u>	<u>Percent of Actual to Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Percent of Actual to Budget</u>
EXPENDITURES AND TRANSFERS BY DIVISION						
Educational & General						
President & Administration	\$ 720,848	\$ 340,074	47.18%	\$ 657,466	\$ 342,164	52.04%
University Relations	2,422,584	1,278,726	52.78%	2,268,198	1,151,576	50.77%
Development	922,720	446,101	48.35%	893,561	432,447	48.40%
Administration & Fiscal Services	9,962,784	5,402,170	54.22%	10,438,085	5,759,310	55.18%
Planning & Technology	3,848,436	2,242,339	58.27%	2,917,477	1,416,955	48.57%
Student Life	14,850,028	7,418,768	49.96%	13,850,752	7,234,527	52.23%
Academic Affairs	46,258,721	20,632,488	44.60%	45,332,551	20,250,297	44.67%
Other	9,598,764	4,261,988	44.40%	9,094,460	2,551,253	28.05%
Total Educational & General	<u>\$ 88,584,885</u>	<u>\$42,022,654</u>	<u>47.44%</u>	<u>\$ 85,452,550</u>	<u>\$ 39,138,529</u>	<u>45.80%</u>
Auxiliary Enterprises						
Housing	\$ 8,158,719	\$ 3,631,648	44.51%	\$ 8,325,740	\$ 3,964,352	47.62%
University Store	3,061,489	2,265,248	73.99%	3,135,599	1,772,422	56.53%
Food Services	407,989	187,669	46.00%	419,487	238,473	56.85%
Other	479,019	226,086	47.20%	438,135	212,702	48.55%
Total Auxiliary Enterprises	<u>\$ 12,107,216</u>	<u>\$ 6,310,651</u>	<u>52.12%</u>	<u>\$ 12,318,961</u>	<u>\$ 6,187,949</u>	<u>50.23%</u>
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	<u>\$ 100,692,101</u>	<u>\$48,333,305</u>	<u>48.00%</u>	<u>\$ 97,771,511</u>	<u>\$ 45,326,478</u>	<u>46.36%</u>
NET CHANGE IN FUND BALANCE		<u>\$19,944,169</u>			<u>\$ 19,599,177</u>	

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period October 1, 2004 to December 31, 2004

<u>Description</u>	<u>Amended Budget As Of 10/1/2004</u>	<u>Adjustments</u>	<u>Amended Budget As Of 12/31/2004</u>
Revenues and Other Additions			
Tuition and Fees	\$ 35,975,200	\$ 1,047	\$ 35,976,247
Government Appropriations	41,579,700	460,685	42,040,385
Government Grants & Contracts	30,000	-	30,000
Indirect Cost Reimbursement	361,000	-	361,000
Sales and Services of Ed. Activities	1,100,543	80,784	1,181,327
Other Sources	1,638,511	50,559	1,689,070
Budgeted Fund Balance - E&G	7,447,249	(4,359)	7,442,890
Auxiliary Enterprises	11,818,885	2,104	11,820,989
Budgeted Fund Balance - AUX	141,034	9,159	150,193
Total Revenues and Other Additions	<u>\$ 100,092,122</u>	<u>\$ 599,979</u>	<u>\$ 100,692,101</u>
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 709,972	\$ 10,876	\$ 720,848
University Relations	2,258,948	163,636	2,422,584
Development	922,489	231	922,720
Planning & Technology	3,758,553	89,883	3,848,436
Administration & Fiscal Services	9,866,919	95,865	9,962,784
Student Life	14,755,462	94,566	14,850,028
Academic Affairs	46,041,883	216,838	46,258,721
Debt Service & Mandatory Transfers	2,246,577	460,685	2,707,262
Other	7,435,478	(543,977)	6,891,501
Total Educational & General	<u>\$ 87,996,281</u>	<u>\$ 588,603</u>	<u>\$ 88,584,884</u>
Auxiliary Enterprises			
Planning & Technology	\$ 282,757	\$ -	\$ 282,757
Administration & Fiscal Services	7,867,298	21,057	7,888,355
Student Life	1,067,939	319	1,068,258
Debt Service	2,674,966	-	2,674,966
Other	202,881	(10,000)	192,881
Total Auxiliary Enterprises	<u>\$ 12,095,841</u>	<u>\$ 11,376</u>	<u>\$ 12,107,217</u>
Total Expenditure Authorizations	<u>\$ 100,092,122</u>	<u>\$ 599,979</u>	<u>\$ 100,692,101</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period October 1, 2004 to December 31, 2004
Notes of Significant Adjustments to Revenue and Other Additions

Government Appropriations

Unbudgeted revenue totaling \$460,685 was received from the CPE Regional University Excellence Trust Fund Endowment Program during the second quarter and subsequently transferred to the MSU Foundation.

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the second quarter totaled \$80,784.

- Eagle Athletic Fund (EAF) support from the MSU Foundation totaled \$61,978. The funds were budgeted in various athletic programs.
- Other athletic revenue totaled \$16,654

Other Sources

Budget allocations from other sources increased by \$50,559 in the second quarter.

- Unbudgeted support from the MSU Foundation totaled \$7,492
 - \$5,361 Academic Affairs (Art Department, College of Business, Physical Sciences)
 - \$2,131 University Relations (MSU Radio)
- Unbudgeted endowment income received from the MSU Foundation totaled \$30,200 and was allocated to the division of Academic Affairs
 - \$ 2,500 Caudill College of Humanities
 - \$ 1,000 Honors Leadership Residential College
 - \$ 500 International Education
 - \$26,200 Communication & Theatre
- Miscellaneous other income totaling \$12,867 was received and allocated primarily to the division of Academic Affairs

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period October 1, 2004 to December 31, 2004

From: Revenue and Other Additions	To: Division/ Budget Unit	Amount	Description
Government Appropriations Endowment Trust Fund	Non-Mandatory Transfers Transfer to Endowment	\$ 460,685	State funds were received from the CPE Regional University Excellence Trust Fund Endowment Program during the second quarter and subsequently transferred to the MSU Foundation where endowment funds are managed.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of October 1, 2004 to December 31, 2004

	<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	September, 2004	Completed
	<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
Bond Issue			
Button Auditorium Renovation	\$ 750,000		Planning

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of October 1, 2004 to December 31, 2004

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
ERP Implementation Project	\$ 4,000,000		Bid
Technical Setup and Training (June 2005)			
Financial System (June 2006)			
Human Resources (December 2006)			
Student System (June 2007)			
Auxiliary Modules (December 2007)			

**APPROVE CONTRACTS FOR
BANKING SERVICES**

**BOR (VII-A-7)
March 10, 2005**

Recommendation:

That the Board exercise the option to renew the banking services contracts for the period July 1, 2005 to June 30, 2006, 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.

2005-2006 TUITION AND MANDATORY STUDENT FEES

BOR (VII-A-8)
March 10, 2005

Recommendation:

That the Board approve a 14 percent tuition and fee rate increase (\$270 per semester for a full-time undergraduate resident student) for the 2005-2006 fiscal year.

Background:

In accordance with 13 KAR 2:050, the Council on Postsecondary Education determines tuition for all students enrolled in Kentucky public postsecondary institutions. On April 12, 1999, the Council delegated this authority to the governing boards of each institution. Tuition increases implemented by the Morehead State University Board of Regents under this authority have ranged from 3 percent to 15 percent with an average annual increase of 10 percent.

On September 19, 2003, the Morehead State University Board of Regents approved the 2004-2006 Biennial Budget Request which included an increase in student tuition and fees to be set by the President within a range of 6 to 9 percent. That increase range was based on an estimated reduction in state appropriations necessary for the state to offset continued revenue shortfalls in the state budget and an estimated \$1 million in fixed and unavoidable operating increases. This recommendation to exceed that range and increase the tuition and fee rate starting in fall 2005 by 14 percent is based on a multi-year budget trend that has left the institution without flexibility to maintain and grow quality academic programs, improve student services and maintain existing campus facilities. A 14 percent increase in student tuition and fees would generate \$3.9 million in new revenue based on a projected headcount enrollment of 9,100 students.

MSU has taken a total reduction in base recurring state appropriations of 7.27 percent (\$2.9 million) since 2001-2002. A portion of those funds were returned to the institution through a distribution of benchmark funding and through distribution of Action Agenda funds to support targeted initiatives that would advance the goals and objectives identified in the Council on Postsecondary Education's Action 2020 Strategic Plan. However, during the same time period, institutional fixed operating costs have exceeded \$7.4 million and the number of students served by the institution has increased by 1,182 students.

The Board has continued to be sensitive to maintaining affordability for the students within our service region recognizing that this area includes the largest percentage of high financial need populations within the state. In fall 2004, 52.1 percent of Morehead State University students qualified to receive a federal Pell grant. Morehead State University tuition and fee rates remain nearly the lowest in the state.

The Kentucky General Assembly's 2004 session adjourned on April 13, 2004 without the adoption of a state budget for the 2004-2006 biennium. Based on the versions of the budget bill last approved by the House and Senate during the 2005 Regular Session, Morehead State University would receive between \$2.5 million and \$2.7 million in base operating appropriations in 2005-2006. Should the recommended funds for higher education be

Prepared by: Beth Patrick

maintained in the enacted version of the budget bill, the additional funds would restore reductions in state appropriations implemented in the 2002-2004 biennium and provide funding to address past enrollment growth, increases in maintenance and operating support for new facilities, and benchmark equity adjustments as defined by the Council on Postsecondary Education.

The following table identifies estimated increases in fixed operating expenditures and projected reductions in operating revenues for 2005-2006.

Fixed Costs & Funding Priorities	Projected Increase
Utilities	\$130,420
Service Contracts	\$163,937
Liability Insurances	\$103,400
Tuition Waivers	\$416,725
Debt Service – ERP System	\$250,000
Debt Service – GESPC	\$165,019
Space Science Center Operating	\$182,456
BSW Program in Prestonsburg and Ashland	\$186,064
3% Salary Increase Pool	\$1,496,100
Employee Health Insurance	\$399,360
Promotions / Career Ladders	\$225,481
Projected Reductions in Revenue	Projected Decrease
Tuition & Fee Revenue	\$1,022,009
Housing Revenue	\$1,021,700
Total NYR Budget Needs	\$5,762,671

Analysis:

If enacted, increases in state operating funds recommended by the House and Senate versions of the 2004-2006 budget bill would restore the reductions in state support implemented in the 2002-2004 biennium but fall short of the total funding need identified for 2005-2006. A 14 percent increase in tuition and mandatory fees is recommended to address the balance of total funding needs for 2005-2006 and provide the University operating flexibility to support quality enhancements within current academic programs, student services and campus facilities and infrastructure.

The proposed increase in tuition and fees would result in an increase for a full-time undergraduate, resident student of \$270 per semester or \$540 each academic year.

**Morehead State University
Recommended Fee Schedule
Effective Fall 2005**

Tuition & Mandatory Fees	FY 2004-2005		FY 2005-2006	
	Full-Time Fall & Spring Semester	Per Credit Hour	Full-Time Fall & Spring Semester	Per Credit Hour
Undergraduate				
Resident	\$1,920	\$160	\$2,190	\$185
Non-resident Tier Counties	\$2,020	\$169	\$2,440	\$205
Non-resident	\$5,100	\$425	\$5,815	\$485
Graduate				
Resident	\$2,080	\$232	\$2,370	\$265
Non-Resident	\$5,570	\$619	\$6,350	\$710
MBA Program				
Students admitted prior to July 1, 2002				
Resident or Non-resident	\$2,514	\$280	\$2,865	\$320
Students admitted after July 1, 2002				
Resident	\$2,514	\$280	\$2,865	\$320
Non-resident	\$3,694	\$411	\$4,210	\$470

**AUTHORIZE FINANCING FOR THE ACQUISITION AND
IMPLEMENTATION OF AN ENTERPRISE RESOURCE
PLANNING SOFTWARE SYSTEM AND ADOPT
REIMBURSEMENT
RESOLUTION**

**BOR (VII-A-9)
March 10, 2005**

Recommendation:

That the Board authorize the University 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 \$4,000,000 to finance the acquisition and implementation of an Enterprise Resource Planning (ERP) system.

Background:

On December 16, 2004, the Board received a report about a University strategic project entitled RI²SE – Reengineering Institutional Information Systems Environment. The RI²SE project will use an Enterprise Resource Planning (ERP) approach to reengineer institutional processes in conjunction with implementing a new software application system appropriate for higher education clients. Full implementation of an ERP system is expected to provide better service to faculty, students, and staff; lower business risk; and, potentially, increase revenue and reduce costs through greater efficiency. Datatel's Colleague application was selected as the preferred solution for MSU based on assessment of vendor responses to a formal Request for Proposal for ERP systems released in August 2004.

Total project cost will include acquisition and implementation of the hardware, application software, database software, web-interface software, output resources and professional services to support system implementation, training and data conversion. Existing technology budget resources that are currently allocated to cover debt service and are scheduled to be retired in 2005-06 from prior technology projects will be redirected to cover a portion of the debt service on the ERP system.

Financing:

Under state guidelines, the project will need to be financed either through the Commonwealth of Kentucky Master Lease Program or a third party lender. With Board authorization, the University will conduct a proposal process to obtain third party rates. Those rates will be compared with the Master Lease rates, and the lowest and best cost proposal will be 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.

The total amount to be financed shall not exceed \$4,000,000 and is dependent upon the outcome of a federal Title III Part A grant, which was submitted to help fund implementation of a campus ERP system. Morehead State University's grant proposal scored a 95 which was just under the funding cutoff score of 96 in 2004. The

Department of Education has recently announced it will award Title III Part A funds in 2005 from the existing slate of unfunded proposals received and scored in 2004. This will put the MSU proposal in a favorable position for a potential award. Final notification of Title III awards is scheduled to be announced in March 2005.

The funds for acquisition of the ERP system are estimated to be available from the lender within 30 days of execution of a proposal process. However, a required down payment for the ERP system may become due prior to the time funds are available. If that occurs, the funds paid to the vendor will be reimbursed from the loan proceeds. Arbitrage rebate regulations require that the Board declare its intent to obtain a reimbursement from loan proceeds by adoption of a reimbursement resolution.

Reimbursement Resolution

Section 1. Recitals

- (a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the Regulations) dealing with the issuance of obligations, all or a portion of the proceeds of which are to be used to reimburse Morehead State University (the University) for project expenditures made by the University prior to the date of the issuance of the obligations.
- (b) The Regulations generally require that the University make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of subsequent borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within 18 months of the payment of the expenditure or, if longer, within 18 months of the date the project is placed in service or abandoned, but in no event more than three years after the expenditure is paid, and that the expenditure be a capital expenditure.
- (c) The University has determined that it is necessary and in the best interests of the University to acquire certain hardware, software and related implementation services described on Schedule A hereto (the System). The University intends to finance all or a portion of such System costs through the entering into a lease-purchase agreement (the Lease). The interest on which is intended to be excludable from the gross income of the recipient for federal income tax purposes. The University expects to make expenditure for costs relating to the System after the date of this resolution (or has made such expenditure no longer than 60 days prior to the date of this resolution) and prior to entering into such a Lease.

Section 2. Official Intent Declaration

The University reasonably expects to reimburse the expenditures it will make, or has made in the last 60 days, for costs of the acquisition of the System out of the proceeds of the Lease to be incurred by the University in a maximum principal amount of \$750,000. All reimbursements shall be for capital expenditures as defined in Section 1.150-1 of the Regulations.

Section 3. Reimbursement Allocations

The Vice President for Administration and Fiscal Services shall be responsible for making a written reimbursement allocation described in the Regulations. Generally, the reimbursement allocation will be the transfer of the appropriate amount of proceeds of the Lease to the source of temporary financing used by the University to make payment of the prior costs of the System. Each allocation shall be evidenced by an entry on the official books of the University maintained for the Lease, shall specifically identify the actual prior expenditure being reimbursed, or in the case of reimbursement of a fund or account, in accordance with Section 1.150-2, and the fund or account from which the expenditure was paid. Such reimbursement allocations shall be made within 30 days of the issuance of the Lease.

PERSONAL SERVICE CONTRACTS

**BOR (VII-B-2)
March 10, 2005**

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between December 1, 2004 and February 22, 2005.

PERSONAL SERVICE CONTRACTS
December 1, 2004 through February 22, 2005

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Sturgill, Turner, Barker & Moloney, PLLC	Legal Services	July 1, 2004	June 30, 2005	\$30,000.00 <i>Amendment Amount</i>	Request for Proposal – Amendment #1
John Issacson, Inc.	Consultant/Presidential Search	July 1, 2004	March 31, 2005	\$17,840.00 <i>Amendment Amount</i>	Request for Proposal – Amendment #1

March 10, 2005

Morehead State University**Year-to-Date Gift Income***As of December 31, 2003 and 2004*

Description	Fiscal Year 2003-04	Fiscal Year 2004-05	Variance
Degreed Alumni	\$364,682.44	\$345,860.64	(\$18,821.80)
Non-degreed Alumni	6,035.00	4,962.50	(1,072.50)
Faculty/Staff	41,995.25	39,414.72	(2,580.53)
Retiree	12,855.00	11,755.00	(1,100.00)
Parent	19,768.32	21,977.49	2,209.17
Student	690.00	407.48	(282.52)
Leadership Board Members	5,100.00	4,330.00	(770.00)
Corporate Contributors	773,304.32	225,556.41	(547,747.91)
Foundations	3,494.42	6,184.89	2,690.47
Non-Profit Organizations	965.00	12,225.00	11,260.00
MSU and Student Organizations	5,726.53	4,415.00	(1,311.53)
Friend of MSU	67,083.82	102,792.84	35,709.02
GRAND TOTALS	\$1,301,700.10	\$779,881.97	(\$521,818.13)

Matching Gifts Received*	\$11,675.00	\$10,660.00
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Gift-in-Kind*	\$706,558.59	\$52,983.60
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Stocks*	\$20,452.76	\$2,237.10
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*Included in totals above

**REPORT OF MAJOR GIFTS
SINCE DECEMBER 1, 2004**

**BOR (VII-B-4)
March 10, 2005**

The following is a list of gifts of \$10,000 or more that have been received and/or recorded since December 1, 2004, 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>Gift Date</u>	<u>Type or Purpose</u>	<u>Gift Amount</u>
Billy B. Martin Trust	12/14/2004	General	\$50,233.42
E.L. and Ruth Boggs Shannon Family Fund	1/19/2005	Endowment	\$50,000.00
Gregory D. Palmer	12/21/2004	Endowment	\$13,000.00
William G. McGowan Charitable Fund	2/22/05	Scholarship	\$10,500.00
Richard A. Walls	12/1/04	Endowment	\$10,000.00
Total Gifts			<u>\$133,733.42</u>

**Board of Regents Meeting
Morehead State University
Riggle Room – Adron Doran University Center
9 a.m., Thursday, March 10, 2005**

Agenda

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **ELECTION OF OFFICERS: CHAIR, VICE CHAIR, AND
SECRETARY; APPOINT TREASURER**
- IV. **APPROVE MINUTES OF NOVEMBER 18, 2004, AND
DECEMBER 16, 2004**
- V. **APPROVE AWARDING OF FOUNDERS DAY AWARD FOR
UNIVERSITY SERVICE TO CHARLES M. DERRICKSON**
- VI. **SPOTLIGHT – *Space Science Center***
- VII. **RECOMMENDATIONS AND REPORTS**
 - A. **Recommendations**
 - 1. Approve Tenure for Academic Administrators 14
 - 2. Approve Tenure, 2005..... 15
 - 3. Approve Tenure with Promotion, 2005..... 16
 - 4. Approve Revision of PAc-18—Faculty Rights
 and Responsibilities 17-21
 - 5. Ratify Personnel Actions 22-46
 - 6. Accept Second Quarter Financial Report and
 Amend Operating Budget 47-58
 - 7. Approve Contracts for Banking Services..... 59
 - 8. Approve 2005-06 Tuition and Mandatory Student Fees..... 60-61
 - 9. Authorize Financing for Campus ERP
 (Datatel Software System) 62-64
 - B. **Reports**
 - 1. Preliminary Report on Spring 2005 Enrollment (To be
 presented at meeting)
 - 2. Report on Personal Service Contracts..... 65-66
 - 3. Gift Income Report Year-to-Date Comparison 67
 - 4. Report of Major Gifts Since December 1, 2004..... 68
 - 5. Legislative Briefing (To be presented at meeting)

VIII. OTHER BUSINESS

A. Student Disciplinary Appeals

B. Second Quarter Meetings

1. Work Session, Thursday, May 12
2. BOR Meeting, Thursday, June 16

IX. ADJOURNMENT