

# AGENDA BOOK

## Board of Regents



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**Board of Regents Meeting  
Morehead State University  
Thursday, March 8, 2007**

**Schedule**

<b>9 a.m.</b>	<b>BOR Meeting</b>	<b>Riggle Room</b>
<b>Noon</b>	<b>Lunch</b>	<b>Heritage Room</b>

**Members, Morehead State University Board of Regents**

**James H. Booth (*Chair*)**  
**Helen C. Pennington (*Vice Chair*)**  
**Jean M. Dorton**  
**Brian N. Gay (*Student Member*)**  
**Paul C. Goodpaster**  
**Dr. Terry L. Irons (*Faculty Member*)**  
**Sylvia L. Lovely**  
**John C. Merchant**  
**Dr. John D. O'Cull**  
**Lora L. Pace (*Staff Member*)**  
**Jill Hall Rose**

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2007

**Board of Regents Meeting  
Morehead State University**  
Riggle Room – Adron Doran University Center  
9 a.m., Thursday, March 8, 2007

Agenda

- I. CALL TO ORDER/ROLL CALL
- II. ELECT OFFICERS: CHAIR, VICE CHAIR, AND SECRETARY; APPOINT TREASURER
- III. APPROVE MINUTES OF DECEMBER 7, 2006
- IV. SPOTLIGHT – *Dr. Ronald E. Carrier, President Emeritus  
James Madison University*
- V. APPROVE AWARDING OF FOUNDERS DAY AWARD FOR UNIVERSITY SERVICE POSTHUMOUSLY TO STEVE HAMILTON
- VI. APPROVE AWARDING OF HONORARY DEGREE OF DOCTOR OF PUBLIC SERVICE TO PAUL E. PATTON
- VII. RECOMMENDATIONS AND REPORTS
  - A. Recommendations
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    6. Accept Second Quarter Financial Report and Amend Operating Budget ..... 27-35
    7. Approve Contracts for Banking Services ..... 36
    8. Approve Financing Agreement and Adopt Resolution for Interim Financing of Residence Hall Renovation Project ..... 37-66
    9. Approve 2008-2014 Six-Year Capital Plan ..... 67-70
    10. Approve Revision to the University Police Department Standard Operating Procedure Manual ..... 71-79
    11. Confirm Appointment of Board Members, Friends of Kentucky Center for Traditional Music, Inc. .... 80
    12. Confirm Appointment of Board Members, Friends of Kentucky Folk Art Center, Inc. .... 81

**B. Reports**

1. Preliminary Report on Spring 2007 Enrollment (To be presented at meeting)
2. Report on Personal Service Contracts ..... 82-83
3. Gift Income Reports ..... 84-85

**C. President's Report****VIII. OTHER BUSINESS****A. Second Quarter Meetings**

1. Work Session, Thursday, May 10
2. BOR Meeting, Thursday, June 14

**B. Executive Session****IX. ADJOURNMENT**

**BOARD OF REGENTS  
MOREHEAD STATE UNIVERSITY  
December 7, 2006**

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, December 7, 2006, 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, Jean Dorton, Brian Gay, Paul Goodpaster, Dr. Terry Irons, Dr. John D. O'Cull, Lora Pace, and Helen Pennington. Sylvia Lovely, John Merchant, and Jill Hall Rose were unable to be present.

Others present: President Wayne Andrews, Provost Michael Moore, Vice Presidents Michael Walters, Keith Kappes, Beth Patrick, Madonna Weathers and Barbara Ender, and other members of the administrative staff.

**NEWS MEDIA**

Pauline Young, Director of University Communications, introduced Dan Conti from Morehead State Public Radio, who was present for the meeting.

**SEPTEMBER 14,  
2006, MINUTES**

Ms. Dorton moved that the minutes of the quarterly meeting held on September 14, 2006, be approved as distributed. Ms. Pennington seconded the motion. The motion carried.

**SABBATICAL  
LEAVE REPORT**

Michael Moore, Provost, introduced Steven Hunt, Professor of Information Systems, who reported on his sabbatical leave during the 2005 Fall Semester.

Dr. Hunt thanked the Board for the opportunity to take the sabbatical leave. He said that it was a great learning experience. Dr. Hunt discussed the goals/objectives for his sabbatical: (1) To intern at organizations involved in the planning and implementation of Enterprise Applications – Eastman Chemical at Kingsport, TN and the University of Kentucky IRIS Project in Lexington; (2) To visit at least one new College or School of Information Technology; and (3) To finalize at least three information systems related manuscripts for submission to refereed journal editors. As a result of visits to various organizations, Dr. Hunt has set direction to foster best possible learning and research opportunities in ERP; assisted in the development of the SAP Curriculum Proposal; communicated the curriculum plans and status to all stakeholders; prioritized activities and new course designs to integrate enterprise-wide applications using the SAP Educational Alliance Model; and facilitated industry/university financial input and corporate networking.

**SPOTLIGHT ON  
PRESIDENT'S  
LEADERSHIP  
ACADEMY**

President Andrews introduced the Spotlight on the President's Leadership Academy, which was launched a year ago. The Academy's goal is to create additional leadership capacity from among the University's faculty and staff. Dr. Andrews thanked Michael Seelig, Dean of the Caudill College of Humanities; Beth Patrick, Vice President for Planning, Budgets and Technology; Jeffrey Liles, Assistant Vice President for University Relations; and Al Baldwin, Assistant to the Provost, who served as the leadership team to

develop the program. Sixteen individuals were selected for the first class through an objective process using external reviewers, primarily business leaders in the community.

Dean Seelig highlighted some of the important aspects of the President's Leadership Academy noting that the Academy:

- Gives individuals a more global understanding of postsecondary education and the enterprise
- Links people back to Morehead State University, i.e., former MSU employees and current and former leaders within the state of Kentucky (President Emeritus C. Nelson Grote and Former Governor Paul E. Patton have presented leadership sessions for the Academy.)
- Provides an opportunity for first hand experience -- In the spring all 16 members of the Academy class will do an internship in some area of the University or externally.
- Breaks down silos -- Part of the expectation is that everybody that completes the Academy has to be integrally involved in the training with the next group of individuals who go through the program. It is building an identity with the Academy and the experiences of each group.

Further, Dean Seelig said that they are now in the process of developing the training modules for the spring and identifying the next class. Thirteen members of the class were present and responded to questions from the Board.

Chair Booth said that he was very impressed with the entire project -- it is such a win-win program. Academy members are so enthusiastic about what they are learning and are adding value to this university because they will serve us better by having had training. He also thanked the leadership team that is working with the program.

## **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 Winter Commencement on December 2006 be approved.

Dr. Moore said that approximately 560 students have applied for graduation for the December 16 commencement.

**MOTION:** Ms. Dorton moved that the President's recommendation be approved. Dr. Irons seconded the motion.

**VOTE:** The motion carried.

**Personnel Actions**

The President recommended:

RECOMMENDATION: That the Board ratify the Personnel Actions for the period August 28, 2006, through November 10, 2006.

*(List of Personnel Actions and additional background information attached to these minutes and marked V-A-2)*

Michelle Hardin, Associate Director of Human Resources, reported that there were 47 reportable actions, nearly the same number reported during this quarter last year. Of these actions, 89 percent were regular, full-time employees, 9 percent were part-time/temporary employees, and 2 percent were employees whose salaries are funded through restricted funds.

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

VOTE: The motion carried.

The President recommended:

**Audit Report for  
Year Ended June  
30, 2007**

RECOMMENDATION: That the Board accept the audit report for the fiscal year ended June 30, 2006, as presented by Dean, Dorton & Ford, PSC; accept the reports related to the fourth quarter financial information and capital outlay; and amend the operating budget for the 2005-06 fiscal year.

*(Audit Report, Fourth Quarter Financial Information, and additional background information attached to these minutes and marked V-A-3)*

Michael Walters, Vice President for Administration and Fiscal Services, said that the fourth quarter financial report is always represented by the audit report, which summarizes the transactions that affect the University during the fiscal year. The report was submitted to the Audit Committee which met on November 16, 2006. Crissy Fiscus, Chad Criswell, and David Richard, CPAs from Dean, Dorton & Ford presented the University's audited financial statements to the Committee for acceptance. The audit report was issued with an unqualified opinion on the financial statements.

Teresa Johnson, Director of Budgets, discussed the budget amendments for the fourth quarter of the 2005-06 fiscal year. In the major categories of revenues and expenditures, the total operating budget was increased by \$1.3 million. Significant adjustments occurred in auxiliary enterprises with a total increase of \$700,222 which includes \$340,222 unbudgeted bookstore revenue allocated primarily for bookstore purchases and \$360,000 advanced from residence hall revenue for projects funded from the 2006-07 housing

**First Quarter  
Financial  
Statements**

depreciation fund. Ms. Johnson also discussed budget amendments greater than \$200,000 and capital outlays that impacted the budget during the period of April 1 to June 30, 2006.

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

VOTE: The motion carried.

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, 2007, and amend the operating budget.

*(First Quarter Financial Report and additional background information attached to these minutes and marked V-A4)*

James Fluty, Director of Accounting and Budgetary Control, said that the Statements of Revenues, Expenditures and Changes in Fund Balance were prepared on an accrual basis and not under the GASB 35 statement as is the case with year-end financial statements. The total actual revenue percent to budget decreased .3 percent to 38.5 percent compared with 38.8 percent on September 30, 2005. During the period July 1, 2006 through September 30, 2006, the University operated with a surplus of revenues over expenditures and transfers in the amount of \$16,023,710. This level of operating surplus is expected at this time since most of the billings for the Fall 2006 semester are reflected in the tuition and fees revenue and only expenditures through September 30, 2006, are reflected. As the fiscal year proceeds, the variance between revenues and expenditures will decrease and should reflect a more appropriate operating surplus or deficit.

In response to a question from Dr. Irons that the report contained no estimation of revenue for the new recreation fee, Ms. Patrick said that the University received \$250,000 from the \$35 recreation fee. Those funds have been used to renovate and improve some of the existing student recreation facilities, e.g. the bowling lanes, student weight room, and work around Eagle Lake. The remainder has been earmarked to pay for an architectural or engineering firm to complete Phase A planning for the Recreation Center. Once the legislature has approved bonding for the project, the University can begin construction.

Ms. Johnson discussed budget amendments and noted that the budget increased by \$577,705 during the first quarter with the majority of the increase the result of an allocation of budgeted E&G fund balance of \$484,468. Details of the allocation are provided on page 34 of the agenda book.



**2007-08 Tuition and  
Mandatory Student  
Fees**

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

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve tuition and mandatory fees as proposed for 2007-08.

Ms. Patrick stated that to ensure that a level of affordability is maintained for all students enrolled in Kentucky public postsecondary institutions, the Council on Postsecondary Education approved a tuition policy in January 2006 to become effective in the 2006-08 biennium. This policy sets a maximum tuition increase for each institution based on enacted state appropriation compared to affordability data which considers median family income within the Commonwealth and actual net price paid after application of student financial aid. In June 2006, the Board approved a 12.8 percent tuition and fee increase for 2006-07 with a projected increase of 8.3 percent for 2007-08. The projected increase was based on the CPE tuition policy, anticipated increases in state appropriations for the biennium, and projected increases in fixed costs and strategic investment needs for the biennium. Following a comprehensive review of the University's tuition model and a preliminary review of estimates for increases in fixed costs and strategic investment needs, it was determined that the projected increase of 8.3 percent for 2007-08 for the undergraduate full-time resident was appropriate to meet the needs of the University while at the same time maintaining a level of affordability for students. In addition, in the 2007-08 tuition and fee recommendation, nonresident students enrolled exclusively in courses delivered at an MSU regional campus or online via the Internet will be assessed at the appropriate undergraduate or graduate instate rate.

MOTION: Mr. Gay moved that number two in the proposal be removed that relates to students who take a mix of undergraduate and graduate courses being assessed at the appropriate per credit hour rate for each course. Dr. Irons seconded the motion.

VOTE: The motion carried.

MOTION: Ms. Pace moved that the Board approve the tuition and mandatory fees as proposed for 2007-08 as amended. Ms. Pennington seconded the motion.

VOTE: The motion carried.

Chair Booth declared a ten-minute break.

At 11:10 a.m., Chair Booth called the meeting to order.

**PG-18, Intellectual  
Property Policy**

The President recommended:

**RECOMMENDATION:** That the Board approve the revisions to and the renaming of PG-18, Intellectual Property Policy.

*(PG-18, Intellectual Property Policy and additional background information attached to these minutes and marked VI-A-6)*

Dr. Moore stated that with the establishment of the Space Science Center and other programs that will develop, there is a need to protect intellectual property with patents or copyrights. In 1985, the Board approved PG-18, Ownership of Inventions, Discoveries and Copyright Materials, and in 1990 approved a revision of the policy. This policy, which is very general in nature, does not address the issues of ownership, responsibility, and legal protection of intellectual property and the associated commercialization opportunities, particularly for intellectual property protected by patents.

Bruce Mattingly, Associate Provost for Research and Sponsored Programs, said that the Committee looked at federal guidelines and policies at other institutions and drafted a policy to address these issues. The policy was placed online for faculty and staff to review and provide input, and open forums were held for faculty and staff by the Faculty Senate and Staff Congress. About 60 comments were received. A new draft was developed incorporating these comments, which was again presented to the Faculty Senate and Staff Congress. The revised policy identifies the ownership and describes the process for disclosure to be in compliance with federal guidelines. The main purpose of the proposal is to promote a culture or climate that will enhance the generation of knowledge and procedures and products that will ultimately lead to translation into services and products for the public good.

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

**VOTE:** The motion carried.

The President recommended:

**Naming Policy**

**RECOMMENDATION:** That the Board approve the Naming Policy to become effective upon approval.

*(Naming Policy and additional background information attached to these minutes and marked VI-A-7)*

Barbara Ender, Vice President for Development, stated that the University has had no official naming policy. In anticipation of new thresholds of private support, including major gifts made in response to naming opportunities, the proposed Naming Policy outlines procedures to be followed. Also, the policy allows for and acknowledges that

there still will be opportunities to have naming recognition for outstanding and commendable service.

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

VOTE: The motion carried.

The President recommended:

**Doan Cheerleading  
Room**

RECOMMENDATION: That the Board ratify naming of the cheerleading practice room in the Academic-Athletic Center in recognition of Myron L. Doan, retired dean of students and national champion cheerleading coach.

*(Additional background information attached to these minutes and marked VI-A-8)*

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

VOTE: The motion carried.

The President recommended:

**Tirone Sculpture  
Concourse**

RECOMMENDATION: That the Board ratify naming of the sculpture concourse in recognition of Stephen J. Tirone, professor of art.

*(Additional background information attached to these minutes and marked VI-A-9)*

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

Regents O'Cull and Pennington complimented Mr. Tirone on his work

VOTE: The motion carried.

**REPORTS**

**Report on 2006 Fall  
Enrollment**

Dr. Moore reported on the Fall 2006 Final Enrollment figures and noted that there was a slight decline of .4 percent with 9,025 students enrolled compared to 9,062 the previous fall semester. *(Fall 2006 Final Enrollment Report attached to these minutes and marked VI-B-1)*

**Report on 2007  
Health Insurance  
Plan**

Suzanne Hogge, Associate Director of Human Resources, reported on Health Insurance for Plan Year 2007. She indicated that the University will continue to offer in 2007 the plans currently being offered – Consumer-Driver Health Plan (CDHP) with a health reimbursement arrangement account that is established for the employee and funded by the University; and a Point of Service (POS) plan which is primarily a PPO plan. For the past three years, the University has absorbed much of the increased cost of the insurance plan. Going into the 2007 year, there will be some increases in premiums. However, the University will absorb these increases through June 30, 2007, and hold the employee premiums at the current rate until July 1, 2007. *(Report on Health Insurance for Plan Year 2007 attached to these minutes and marked VI-B-2)*

**Gift Income Report**

Ms. Ender presented the gift income report and noted that the variance from the 2005-06 year to the 2006-07 fiscal year reflected a ten percent increase in giving. *(Gift Income Report attached to these minutes and marked VI-B-3)*

**President's Report**

President Andrews reported:

- That MSU, Shawnee, Ohio University, Marshall University, Marshall Community and Technical College, Rio Grande Community College, and Ashland Community and Technical College have established a Multiversity Partnership. On Monday, December 5, the partners signed a memorandum of agreement and unveiled a joint Web site to share and extend higher education opportunities to students in the Tri-State area.
- That Dr. Andrews participated in a Five-State Regional Economic Development Conference in Asheville, North Carolina, on November 17 where Morehead was at the table with presidents from Clemson University, Western Carolina University, East Tennessee State University and others universities to talk about ways to encourage and help faculty participate in economic development activities.
- That MSU applied for and was granted new status from the Carnegie Foundation for the Advancement of Teaching. The University is among only three regional universities in Kentucky to be awarded the new "community engagement" classification and only 62 schools were selected nationally in this category.
- That the President's Diversity Council has been expanded and is working on a new, three-year diversity plan to enhance the possibility of bringing a more diverse population to the campus and making the experience more enjoyable for the students who are here.

- That the Datatel conversion is going well with the financials going live in July 2006, OHR/Payroll in January 2007, active alumni in December 2006, and Admissions in January 2007.
- That he and the development staff have been very active in meeting with major donors on special projects and cultivating relationships for the University's long-term benefit and in preparation for the capital campaign. During the past several months, donor/alumni events have been hosted in Lexington, Louisville and Cincinnati and, more recently, community leaders (and donors) have been guests at the President's Home. In regard to the capital campaign, five proposals have been received from national firms in response to the University's RFP to conduct a feasibility study for the University.
- That an RFP for MSU's first professional market research in student recruitment in nearly 20 years has been posted and the University expects to hire a consulting firm in January. The University will be challenged to continue to grow enrollment. CPE's preliminary estimate for Morehead State University is to grow enrollment to 14,000 by 2020. There is a whole set of questions on whether this is a realistic number. The University is not interested in growth for growth's sake but because it is the right thing to do for the citizens of the Commonwealth. Many people in the University's service region still don't have access to higher education for a variety of reasons. In conjunction with the marketing study, the President's Cabinet is working on a comprehensive business plan for Morehead State University. The marketing study will be a component of the business plan which will take several months to develop. The goal will be to determine the University's capacity to grow to a significant number -- Where will the students come from? What kind of faculty/staffing levels do we need? Are MSU's facilities adequate?
- That some key searches are underway: Provost and Vice President for Academic Affairs, Chair of the Department of Psychology, Assistant Vice President for Enrollment Services, Director of Human Resources, and Director of Institutional Effectiveness.
- That two MSU students were selected as 2006-07 Ohio Valley Conference Scholar-Athletes: Lindy Nettleton, a senior and captain of the rifle team; and Steven Thieme, a senior on cross country and track and field squads. The OVC selects only six students annually for this award.
- That the MSU coed and all-girl cheerleading squads will compete in the College National Cheerleading Championships, January 12-14 in Orlando, FL. The Universal Cheerleaders Association-sponsored competition will be held at Walt Disney's Wide World of Sports.

- That MSU's Erin Aubry received the OVC Soccer Coach of the Year Award.
- That all ten MSU alumni in the state legislature running for new terms won their races and one newly elected House member, Carl P. Rollins, is an alumnus, bringing the total to 11 for the 2007 session.
- That the master plan for residential living on campus is being implemented. The first renovation project, Nunn Hall, is scheduled to commence at the close of the spring semester of 2007. The hall will be back online for occupancy by the start of the fall semester of 2008.
- That Phase A planning and programming has started for the Center for Health, Education and Research. Programming teams from the University, St. Claire Regional Medical Center, and the University of Kentucky have been meeting with the architects, Ross Tarrant Architects from Lexington, on a regular basis to formulate the function and space needs for the facility. Nursing and Imaging Sciences are the two main programs that will move into that facility.
- That design for the Space Science Center and the construction bid specifications are nearly complete. The project will be bid early in 2007, with a target groundbreaking date no later than April.
- That the Division of Engineering in Frankfort is finishing the request for proposal documents to select a design team for the programming and Phase A design for the student recreation center. It is anticipated that a contract for these services will be in place early in February. A campus team, which will include student representation, is being assembled to work with the architectural consultants in programming and designing the facility. Approval to sell the bonds needed to finance the facility and approval to construct the facility will be sought from the General Assembly during its next two sessions.
- That the staff compensation and classification review report has been received from the consultants. Strategies for implementation of the report recommendations are being formulated and will be included in the budget development for the 2007-08 fiscal year.
- That three service projects are planned for spring break. Approximately 60 students, faculty and staff will be going back to Gulf Port, Mississippi; 30 to 40 people will be going to Louisville to help create a community center in a warehouse near the Ohio River; and 30 to 40 people will be going to Wolfe County to work on housing projects.

- That Winter Commencement is scheduled Saturday, December 16, at 10:30 a.m. in the Academic-Athletic Center -- 560 students have applied for graduation.

Chair Booth asked Keith Kappes, Vice President for University Relations, to tell the Board about the downtown conference center. Mr. Kappes said that his community service included serving as chair of the Morehead Tourism Commission. He reported that the Commission recently opened a \$9 million conference center in downtown Morehead. The Morehead Conference Center has been very well received, with over 200 events being held there since June and another 100 scheduled into the next year. He said that it was conceived and developed as a tool to bring people into the community and this area. Tourism promotion is the primary function of the Tourism Commission. The University is an attraction that people come to see, in addition to Cave Run Lake; the University's work in cultural heritage, Folk Art, Traditional Music; and other things. Morehead State University is a major generator of tourism spending in this community.

#### **BOR MEETING DATES FOR 2007**

Chair Booth announced the meeting dates for the 2007 calendar year:

Thursday, February 8 – Work Session  
Thursday, March 8 – Quarterly Meeting

Thursday, May 10 – Work Session  
Thursday, June 14 – Quarterly Meeting

Thursday, August 30 – Work Session  
Thursday, September 20 – Quarterly Meeting

Thursday, November 8 – Work Session  
Thursday, December 6 – Quarterly Meeting

#### **ADJOURNMENT**

There being no further business to conduct, Ms. Pennington moved that the meeting adjourn. Dr. Irons seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary  
Board of Regents

## 2007 FOUNDERS DAY AWARD FOR UNIVERSITY SERVICE

BOR (V)  
March 8, 2007

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### Recommendation:

That the Board of Regents approve the selection of the late Steve A. Hamilton of Morehead, Ky., as the posthumous recipient of the 2007 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; Dr. Charles Derrickson, 2005; and Dr. John R. Duncan, 2006.

The Founders Day Committee has recommended that the 2007 award be presented to the late Steve A. Hamilton, former baseball coach and director of athletics at the University. The ceremony is scheduled as part of the Founders Day Luncheon at 11:30 a.m. on Tuesday, March 13.

A standout athlete in baseball, basketball and track during his playing days at MSU, he became the University's director of athletics in 1987 and served until his death in 1997. He spent 14 seasons as the Eagle baseball coach and is MSU's all-time winningest coach with 305 career victories. His teams won five divisional championships and two OVC championships. His 1977 and 1983 teams participated in the NCAA tournament. He earned basketball All-American honors in 1957.



Hamilton was the second person in history and the only MSU alumnus to play both major league baseball and professional basketball, appearing in the World Series with the New York Yankees and in the NBA championship with the Lakers. He is best known for his 11 years as a pitcher in major league baseball. During his lifetime, he was inducted into the Morehead State University Athletic Hall of Fame, the Ohio Valley Conference Hall of Fame and the Kentucky Athletic Hall of Fame.

Prepared by: Keith Kappes

**AWARDING OF HONORARY DEGREE OF  
DOCTOR OF PUBLIC SERVICE  
TO PAUL E. PATTON**

**BOR (VI)  
March 8, 2007**

**Recommendation:**

That the Board of Regents approve the awarding of the honorary degree of DOCTOR OF PUBLIC SERVICE to Paul E. Patton of Pikeville, Ky., former governor of Kentucky, at the Spring Commencement ceremony on May 12, 2007.

**Background:**

Since 1988 the Board of Regents has awarded honorary doctoral degrees to outstanding individuals to recognize personal achievement and/or exemplary public service. The ad hoc Honorary Degree Advisory Committee screens nominations for such recognition and makes appropriate recommendations to the President and Board of Regents. The committee is composed of active and retired faculty and staff members and a representative of the MSU Alumni Association, Inc.

Governor Patton was nominated for an honorary doctoral degree in conjunction with Spring Commencement. The Honorary Degree Advisory Committee reviewed the qualifications of Governor Patton and unanimously recommended that he receive the honorary degree of DOCTOR OF PUBLIC SERVICE at the Spring Commencement ceremony on May 12, 2007.

Paul E. Patton served as the 59th governor of the Commonwealth of Kentucky from 1995 to 2003. He was the first governor to serve consecutive, four-year terms as a result of a constitutional amendment. Patton was reelected in 1999.

He is considered the father of higher education reform as a result of his involvement in a special legislative session in 1997 which created the Kentucky Community and Technical College System and reorganized what is known today as the Council on Postsecondary Education.

A native of Lawrence County, Patton was a successful coal operator before entering public service in 1979 as deputy secretary of transportation by Gov. John Y. Brown Jr. He was elected Pike County judge-executive in 1981, 1985 and 1989 before being elected lieutenant governor in 1991 under Gov. Brereton C. Jones. Patton also served as secretary of the Economic Development Cabinet. He is an engineering graduate of the University of Kentucky.

Now retired from public life, Governor Patton continues his service to higher education as a member of the Board of Trustees of Pikeville College.

Prepared by: Keith Kappes

**APPOINTMENT OF PROVOST AND  
VICE PRESIDENT FOR ACADEMIC AFFAIRS**

**BOR (VII-A-1)  
March 8, 2007**

**Recommendation:**

That the Board of Regents approve the appointment of Dr. Karla Hughes as Provost and Vice President for Academic Affairs at an annual salary of \$170,000 beginning July 16, 2007; and further that Dr. Hughes be granted tenure as Professor of Human Sciences with this appointment.

**Background:**

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The Search Committee, the Department Tenure Committee, the Department Chair and the University Tenure Committee have recommended Dr. Karla Hughes for employment with tenure. The College Dean, the Provost, and the President support this recommendation.

## **TENURE WITH PROMOTION, 2007**

**BOR (VII-A-2)  
March 8, 2007**

### **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 2007-2008 year:

Dr. David Barnett, education  
Dr. Bernadette Barton, sociology  
Dr. Ignacio Birrell, physics  
Dr. Jennifer Birrell, physics  
Dr. Doug Chatman, mathematics  
Mr. Jeffrey Fannin, imaging sciences  
Dr. Cynthia Faulkner, social work  
Dr. Samuel Faulkner, social work  
Dr. Teame Ghirmay, economics  
Dr. Michael Hail, government  
Dr. Michael Hypes, HPES  
Dr. Shari Kidwell, psychology  
Dr. Euijin Kim, CIS  
Dr. Beverly Klecker, education  
Dr. Barbara Lyon, business  
Dr. Russell May, mathematics  
Dr. Gary O'Dell, geography  
Dr. Sean O'Keefe, biology  
Dr. Chien-Chih Peng, finance  
Dr. David Peyton, biology  
Dr. Kent Price, physics  
Dr. Mee-Ryoung Shon, education  
Dr. Steven Snyder, music  
Ms. Michele Walters, nursing  
Dr. Scott Wymer, CIS

### **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.

## TENURE, ACADEMIC ADMINISTRATORS

BOR (VII-A-3)

March 8, 2007

### Recommendation:

That the Board of Regents approve the granting of tenure and the rank of Professor of Agriculture to Dr. J. Michael Phillips, Chair of Agriculture and Human Sciences.

### Background:

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The search committee, Agriculture and Human Sciences faculty, and Dean recommended that Dr. Phillips be employed with tenure. The Provost and the President support these recommendations.

## SABBATICAL LEAVES, 2007-2008

BOR (VII-A-4)  
March 8, 2007

### Recommendation:

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

Debbie Abell, Fall 2008  
Annie Adams, Spring 2008  
Glenn Colburn, Fall 2007  
Diana Haleman, Spring 2008  
John Hennen, Spring 2008  
Donna Kizzier, Fall 2007  
Michael Moore, Fall 2007  
Ron Morrison, Fall 2007  
Layne Neeper, Spring 2008  
Ilsun White, Fall 2007

### Background:

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

Per policy, the application of Michael Moore was submitted by the Professional Development Committee directly to the President and is being included for approval by the Board of Regents.



## **PERSONNEL ACTIONS**

**BOR (VII-A-5)  
March 8, 2007**

### **Recommendation:**

That the Board ratify the Personnel Actions for the period November 12, 2006, through February 9, 2007.

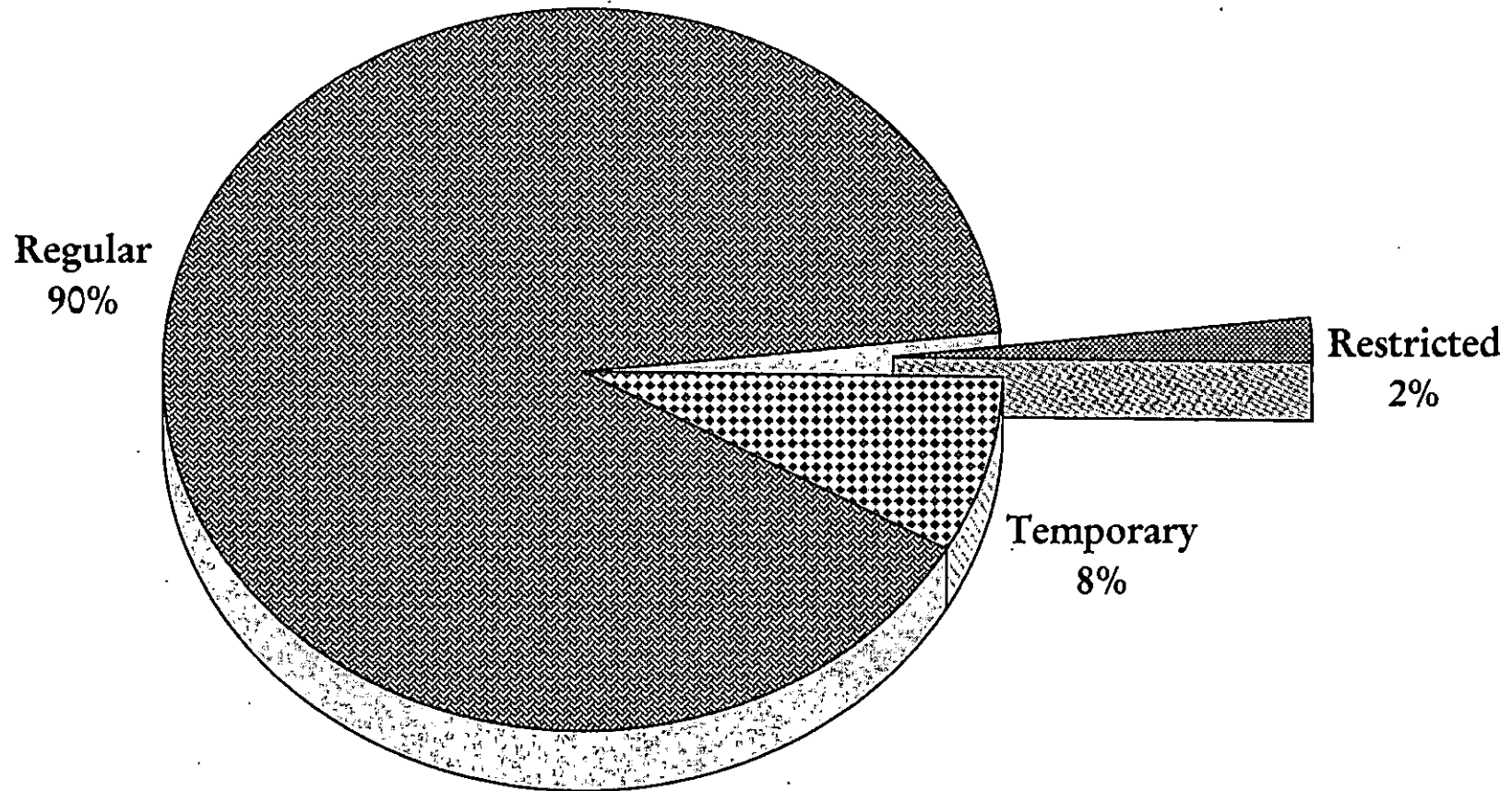
### **Background:**

The Personnel Action Request Report includes actions related to:

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

# PERSONNEL ACTION REQUEST

11/13/06 thru 2/9/07

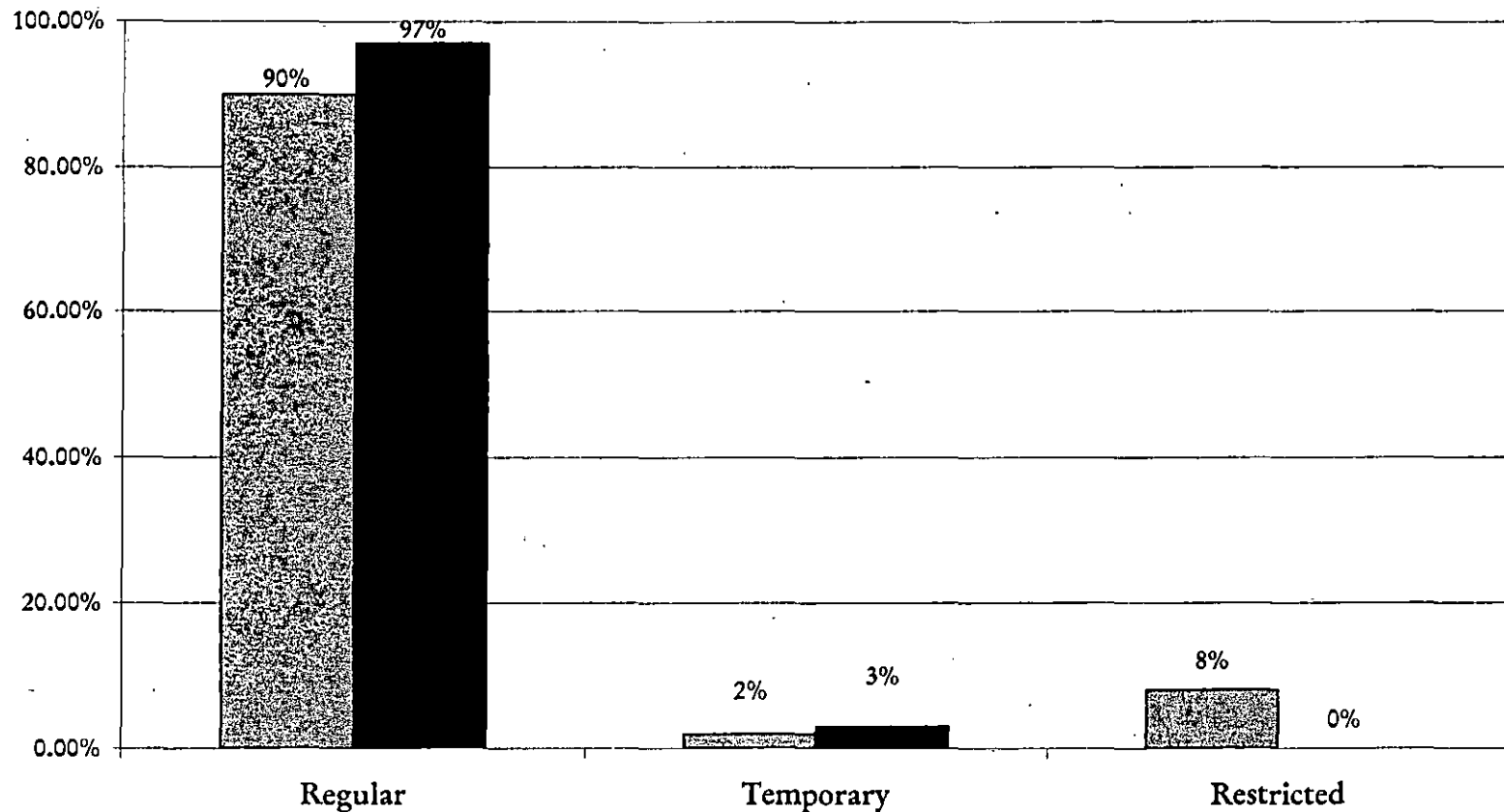


Total Number of PARs = 50

## COMPARISON CHART FOR PERSONNEL ACTION REQUEST

■ Current Quarter  
(11/13/06 thru 2/9/07)

■ Same Quarter Last Year  
(11/21/05 thru 2/3/06)

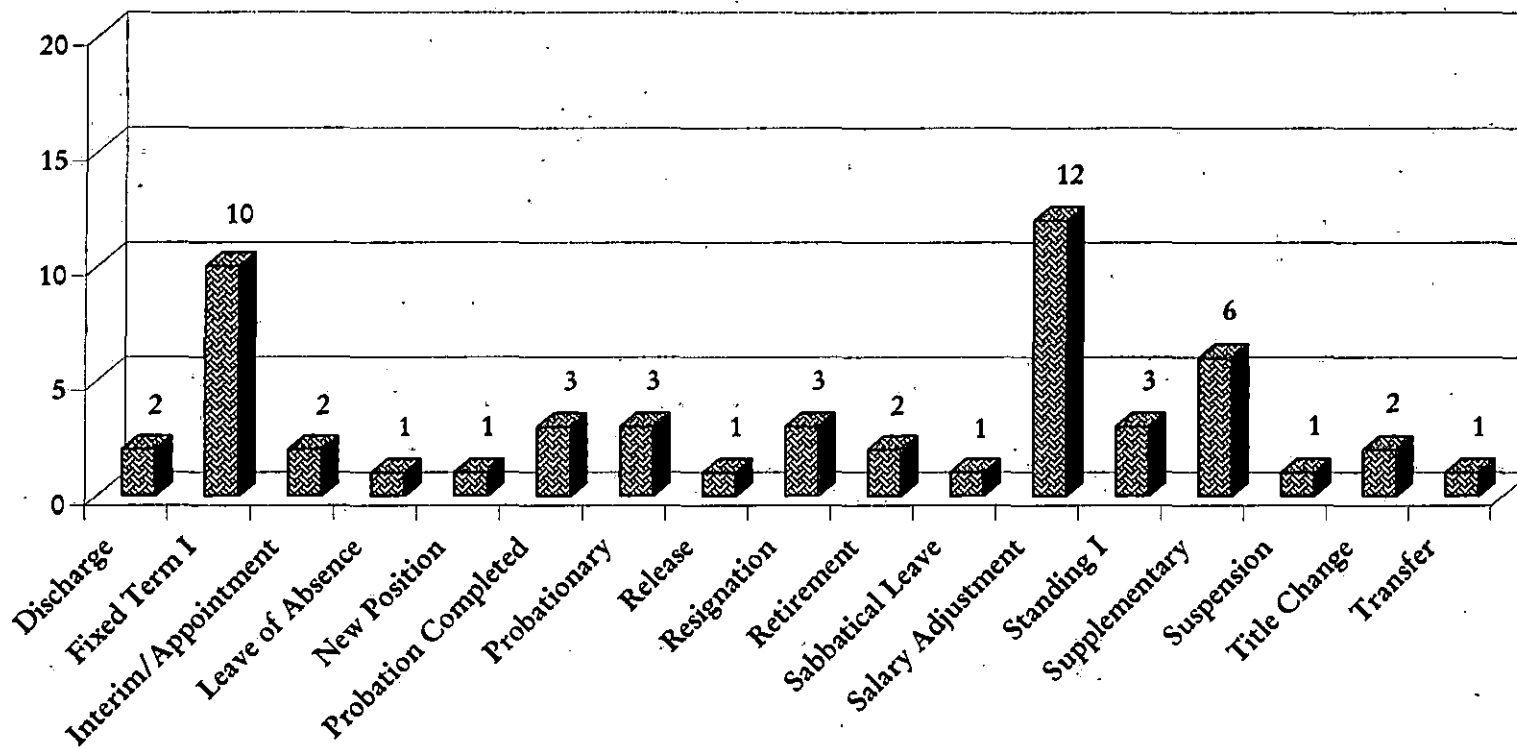


### Total Number of PARs

Current Quarter = 50

Same Quarter Last Year = 37

# **PERSONNEL ACTIONS FOR COVERED ROSTER** **APPOINTMENTS** 11/13/06 thru 2/9/07



**Total Number of PARs = 45**

**Total Number of Actions = 54**

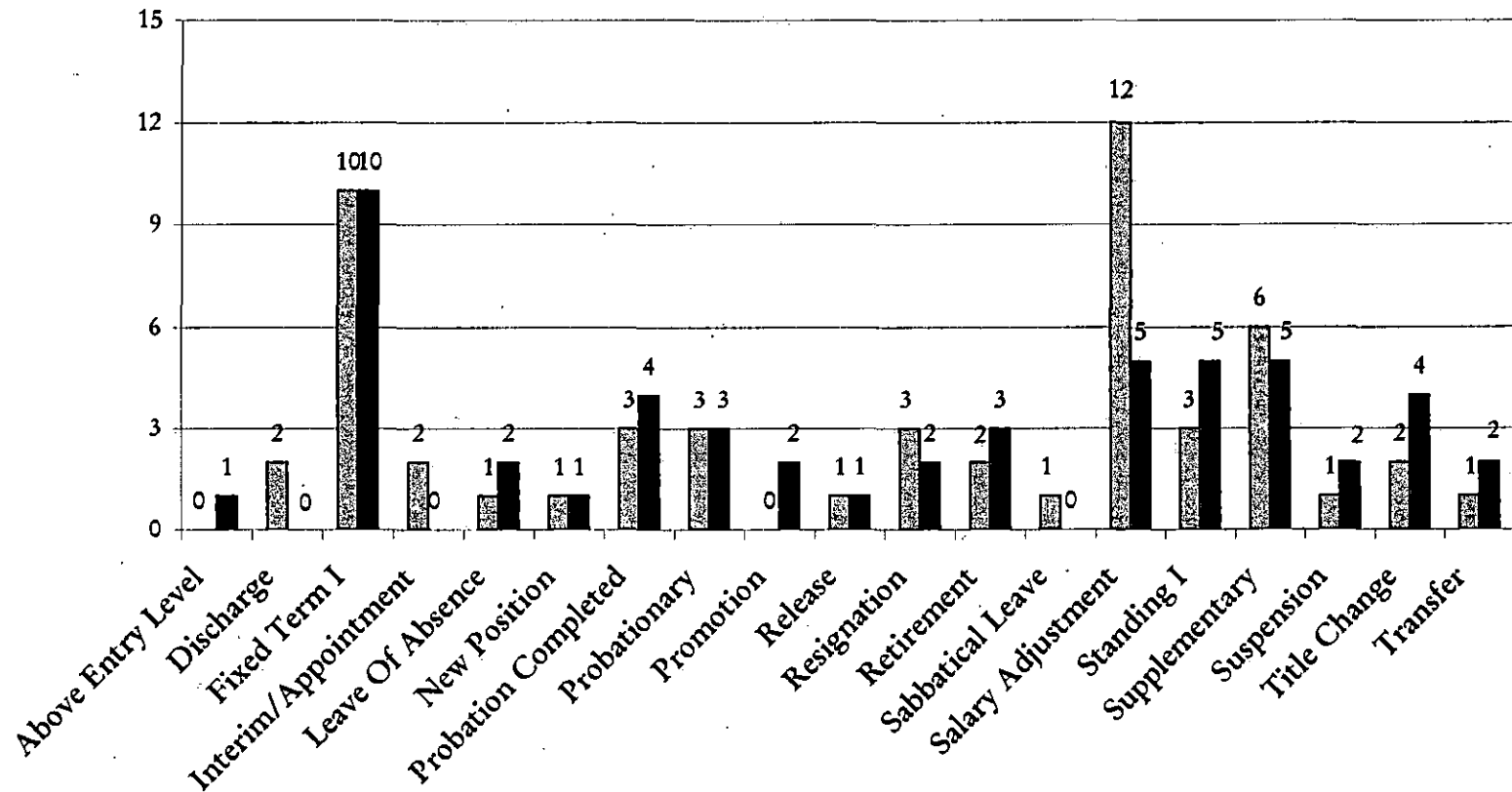
# COMPARISON CHART FOR COVERED ROSTER APPOINTMENTS

■ Current Quarter

■ Same Quarter Last Year

(11/13/06 thru 2/9/07)

(11/21/05 thru 2/3/06)



## Total Number of PARs

Current Quarter = 45

Same Quarter Last Year = 37

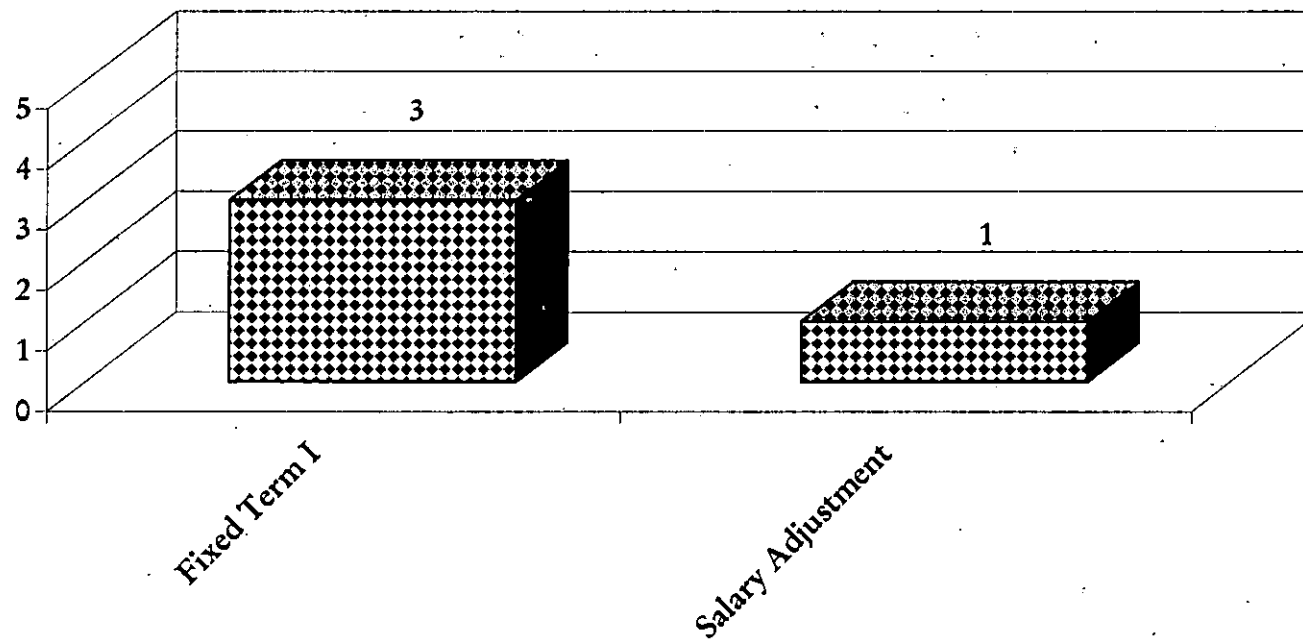
## Total Number of Actions

Current Quarter = 54

Same Quarter Last Year = 52

# PERSONNEL ACTIONS FOR NON-ROSTERED TEMPORARY APPOINTMENTS

11/13/06 thru 2/9/07

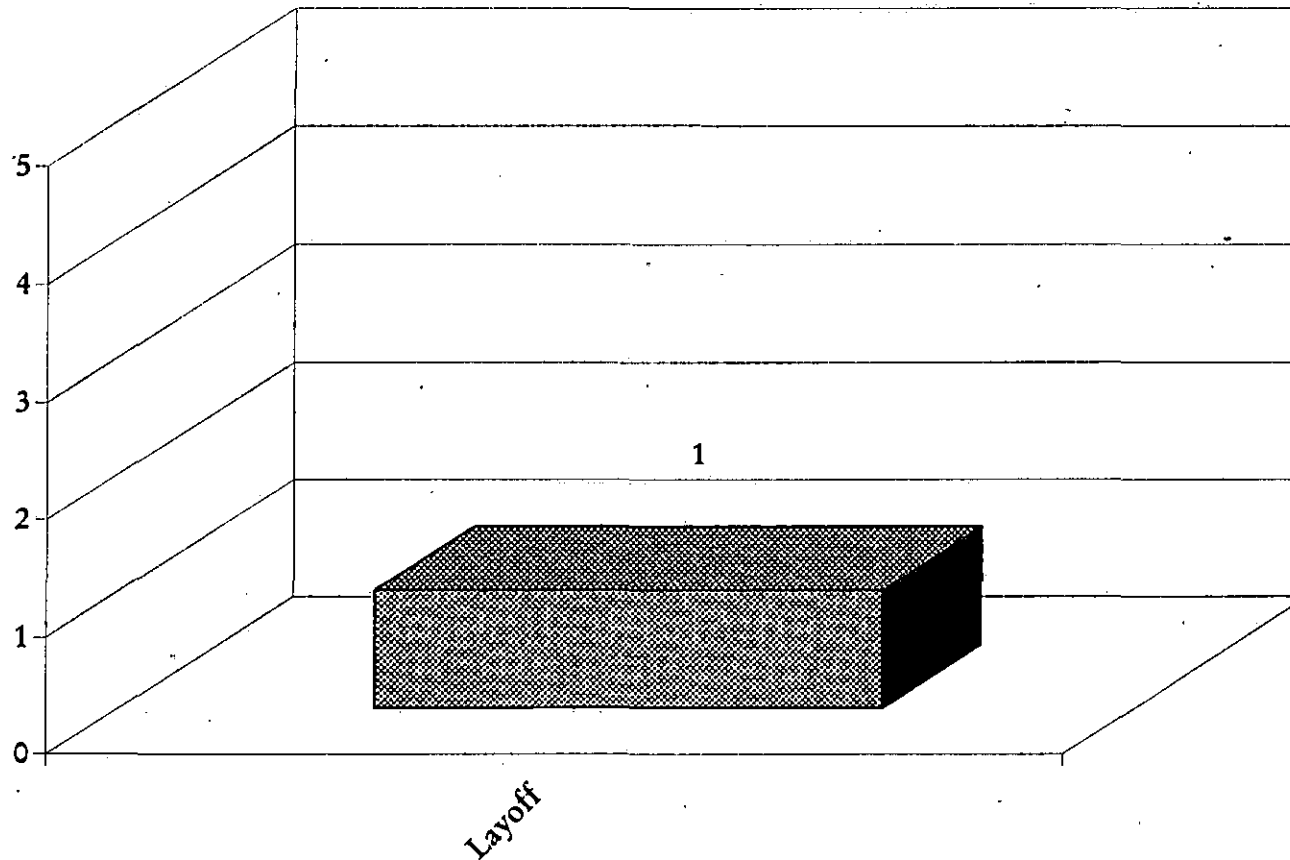


Total Number of PARs = 4

Total Number of Actions = 4

## PERSONNEL ACTIONS FOR RESTRICTED APPOINTMENTS

11/13/06 thru 2/9/07



Total Number of PARs = 1

Total Number of Actions = 1

MOREHEAD STATE UNIVERSITY  
STANDING I AND STANDING II POSITIONS SUMMARY  
2/09/07

<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	6.25	6.25	0.00	6.25	100.00
DIVISION OF UNIVERSITY RELATIONS	33.00	33.00	0.00	33.00	100.00
DIVISION OF DEVELOPMENT	15.00	15.00	0.00	15.00	100.00
DIVISION OF PLANNING, BUDGETS AND TECHNOLOGY	47.75	47.75	0.00	42.75	89.53
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	67.00	68.00	1.00	63.00	92.65
FACILITIES MANAGEMENT	152.70	153.70	1.00	143.70	93.49
DIVISION OF STUDENT LIFE	147.49	148.49	1.00	137.49	92.59
DIVISION OF ACADEMIC AFFAIRS	23.50	23.50	0.00	23.00	97.87
CAUDILL COLLEGE OF HUMANITIES	166.25	167.25	1.00	165.25	98.80
COLLEGE OF BUSINESS	52.50	52.50	0.00	48.50	92.38
COLLEGE OF EDUCATION	111.00	115.00	4.00	107.00	93.04
COLLEGE OF SCIENCE AND TECHNOLOGY	160.10	160.10	0.00	152.30	95.13
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	19.00	19.00	0.00	17.50	92.11
GRADUATE AND UNDERGRADUATE PROGRAMS	49.00	49.00	0.00	45.00	91.84
CAMDEN-CARROLL LIBRARY	38.00	38.00	0.00	35.00	92.11
	1088.54	1096.54	8.00	1034.74	94.36

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.

14 **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:**

DISCHARGE

RESIGNATION

FIXED TERM I

RETIREMENT

INTERIM/APPOINTMENT

SABBATICAL LEAVE

LAYOFF

SALARY ADJUSTMENT

LEAVE OF ABSENCE

STANDING I

NEW POSITION

SUSPENSION

PROBATION COMPLETED

TITLE CHANGE

PROBATIONARY

TRANSFER

RELEASE

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

Name  
 Title  
 Department  
 Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
ACORD, MICHAEL D. Assoc. Professor of Music Music 510 \$51,002.00	\$51,002.00	Resignation	1/16/2007	
ALAVIZADEH, ALI REZA Instructor of Industrial Tech. Industrial & Engineering Tech. 1248 \$52,309.00	\$54,110.00	Standing I	2/19/2007	Faculty Escrow
ALEXANDER, CHRISTINE A. Visiting Assistant Professor Information Systems	\$68,000.00/9 mo.	Fixed Term I (Extension of contract)	01/08/2007 - 05/11/2007	Roster ID # 003454 Roster ID # 003372
ATIM, SILVIA Assistant Professor Chemistry Physical Sciences 592 \$43,000.00	\$44,000.00 (\$1,000.00 incr.)	Salary Adjustment (Received doctoral degree)	2/1/2007	Faculty Escrow
AUBRY, ERIN REBECCA Women's Head Soccer Coach Women's Soccer 3194 \$42,580.00	\$42,580.00	Fixed Term I	01/01/2007 - 12/31/2007	Opening Bud-Undist.

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

**Name**  
**Title**  
**Department**  
**Roster ID**

<b>Position Base Salary</b>	<b>Salary</b>	<b>Description</b>	<b>Effective Date</b>	<b>Fund Source</b>
BALLARD, D. MATT Head Football Coach Football 1135 \$97,002.00	\$97,002.00	Fixed Term I	01/01/2007 - 12/31/2007	Opening Bud-Undist.
BRADLEY, COLETTE D. Police Telecommunicator Police Department 3424 \$10.20/hr.	\$10.20/hr.	Discharge	12/13/2006	
COLLINS, MICA ANDERSON Acad. Dept. Spec. (Commun.) Communication and Theatre 485 \$10.78/hr.	\$10.78/hr.	Probation (Extension of probationary period)	01/01/2007 - 03/30/2007	
COX, DAVID G. UCCS Business Manager Univ. Center & Conf. Serv. 3038 \$36,199.00	\$36,199.00	Suspension (Without pay)	02/01/2007 - 02/09/2007	
DOWLING, KATHLEEN B. Grants Compliance Administ. Research & Sponsored Programs 1375 \$48,254.00	\$48,254.00	Retirement	2/28/2007	

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

Name  
 Title  
 Department  
 Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
DUNN, GARY W. Asst. Football Coach/Off. Coord. Office of Athletics 1141 \$44,288.00		\$44,288.00	Fixed Term I Salary Adjustment (From \$42,104 to \$44,288. \$2,184 incr.)	01/01/2007 - 12/31/2007	Opening Bud-Undist.
DUNN, GARY W. Asst. Football Coach/Off. Coord. Office of Athletics 1141 \$44,288.00		\$47,288.00	Salary Adjustment (Market adjustment. From \$44,288 to \$47,288. \$3,000 incr.)	1/30/2007 - 12/31/2007	Other Wages
ENDICOTT, CHARLES GRANT Instructor of Education College of Education 3119 \$42,644.00		\$42,644.00	Release	1/12/2007	
FREDERICK, KATHLEEN M. Instructor of Education Curriculum & Instruction		\$32,000.00/9 mo.	Fixed Term I	01/08/2007 - 05/12/2007	Faculty Escrow
GARNER, CHRISTOPHER L. Assistant Football Coach Football 3392 \$34,840.00		\$34,840.00	Fixed Term I Salary Adjustment (From \$33,990 to \$34,840. \$850 incr.)	01/01/2007 - 12/31/2007	Opening Bud-Undist.

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

**Name**  
**Title**  
**Department**  
**Roster ID**

**Position Base Salary**                      **Salary**                      **Description**                      **Effective Date**                      **Fund Source**

GILLIAM, JOHN WILLIAM Assistant Head Football Coach Football 2532 \$55,654.00	\$55,654.00	Fixed Term I Salary Adjustment (From \$53,324 to \$55,654. \$2,330 incr.)	01/01/2007 - 12/31/2007	Opening Bud-Undist.
GODWIN, LINDSEY NICOLE Asst. Professor of Management Manag., Market. & Real Estate 3276 \$78,791.00	\$82,000.00	Standing I	8/9/2007	Faculty Escrow
GOODAN, LEE ANN Asst. Professor of Nursing Nursing - BSN Program 3501 \$45,000.00	\$45,000.00	Resignation	5/12/2007	
GORDON, JAMES D. Women's Head Volleyball Coach Women's Volleyball 1779 \$44,394.00	\$46,394.00	Salary Adjustment (Base and annual increase. From \$42,726 to \$46,394. \$3,668 incr.)	1/1/2007	Other Wages
GRIFFEY, JACKIE RHEA General Manager, Bookstore University Store 851 \$45,916.00	\$45,916.00	Retirement	1/31/2007	

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

Name  
 Title  
 Department  
 Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
GROEBER, JEANNETTE GAY Instructor of Social Work/Fac. Sociology, S.W. & Criminology 3529 \$42,500.00	\$42,500.00/annual	Fixed Term I New Position	01/16/2007 - 06/30/2007	Opening Bud-Undist.
GRUNWALD, KRISTOPHER A. Assistant Volleyball Coach Women's Volleyball 3441 \$33,207.00	\$33,207.00	Fixed Term I Salary Adjustment (From \$31,930 to \$33,207. \$1,277 incr.)	01/01/2007 - 12/31/2007	Opening Bud-Undist.
GULLETT, KRISTINA CHILES Counsel. Coord./Talent Search Talent Search II	\$28,544.00	Layoff	1/5/2007	
HUMPHRIES, PAUL Asst. Football Coach/Rec. Coord. Football 2284 \$35,451.00	\$35,450.00/annual	Fixed Term I Probation	02/13/2007 - 12/31/2007	
MCCORMICK, BEVERLY JOYCE Professor of Real Estate Manag., Market. & Real Estate 3528 \$83,500.00	\$83,500.00	Salary Adjustment Title Change Transfer (From Asst. Prov., HRLC to Prof. of Real Estate, MM&RE. From \$88,328	1/1/2007	Roster ID # 003109

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

Name	Title	Department	Roster ID	Position Base Salary	Salary	Description	Effective Date	Fund Source
						to \$83,500)		
MCDONALD, SHERIE ROBIN	AMSP Regional Coordinator	Off. Dean Coll. Science & Tech			\$56,238.00	Salary Adjustment (Annual increase. From \$54,075 to \$56,238. \$2,163 incr.)	1/1/2007	Restricted
MENARD, KRISTAL NICOLE	Asst. Soccer Coach	Women's Soccer	3517	\$25,000.00	\$25,000.00	Fixed Term I	01/01/2007 - 12/31/2007	
MOON, Jr., WILLIAM LEE	Assistant Basketball Coach	Men's Basketball	3487	\$36,360.00	\$36,360.00	Probation Completed	12/2/2006	
MOORE, ALAN DALE	General Serviceworker	General Services	769	\$7.62/hr.	\$7.62/hr.	Probation (Extension of probationary period)	11/04/2006 - 02/02/2007	
MOORE, ALAN DALE	General Serviceworker	General Services	769	\$7.62/hr.	\$7.62/hr.	Discharge	11/28/2006	



**Appointment Status Actions**  
11/13/2006 - 02/09/2007

Name  
Title  
Department  
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
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\$7.62/hr.

MOORE, KEITH DUANE  
Asst. to Dean (COB)/MBA Dir.  
MBA Program  
320  
\$66,597.00

\$66,597.00

Probation Completed

12/28/2006

MOORE, MARILYN DEA  
Interim Dir., Distance Learn.  
Office of Distance Learning

\$64,800.00/annual

Fixed Term I

01/01/2007 - 06/30/2007

Roster ID # 000159

NATARAJ, SAM  
Associate Professor of CIS  
Information Systems  
332  
\$91,792.00

\$10,000.00

Interim Appointment  
(Interim Chair,  
Information Systems)

01/02/2007 - 05/12/2007

Faculty Escrow

OWEN, DEAN WALLACE  
Professor of Education  
Prof. Programs in Education  
402  
\$68,565.00

\$68,565.00

Leave of Absence  
(Without pay)

01/10/2007 - 12/15/2007

PANJA, BISWAJIT  
Asst. Prof. Computer Science  
Mathematics & Computer Science  
3379  
\$69,000.00

\$70,000.00  
(\$1,000.00 incr.)

Salary Adjustment  
(Received doctoral  
degree)

1/10/2007

Faculty Escrow

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

Name Title Department Roster ID Position Base Salary	Salary	Description	Effective Date	Fund Source
PHILLIPS, CLARENDIA MICHELLE Assistant Provost Office of the Provost 3265 \$75,162.00	\$75,162.00	Title Change (From Asst. Prof. of Sociology, SSW&C to Asst. Provost, Office of the Provost)	1/1/2007	
RASHAD, SHERIF SAID Asst. Prof. Computer Science Mathematics & Computer Science 2855 \$66,000.00	\$67,000.00 (\$1,000.00 incr.)	Salary Adjustment (Received doctoral degree)	1/10/2007	Faculty Escrow
REGAN, ELIZABETH ANN Dept. Chair, Infor. Systems Information Systems 338 \$121,379.00	\$121,379.00	Sabbatical Leave	01/01/2007 - 05/11/2007	
SHARP, KIMBERLEE ANNE Assistant Professor Education Curriculum & Instruction 365 \$43,632.00	\$44,632.00 (\$1,000.00 incr.)	Salary Adjustment (Receive doctoral degree)	1/2/2007	Faculty Escrow
SKIDMORE, RONALD LEROY Assoc. Prof., Educ. Psychology Prof. Programs in Education	\$5,824.00	Interim Appointment (Interim Chair, Psychology)	01/01/2007 - 05/31/2007	Faculty Escrow

**Appointment Status Actions**  
**11/13/2006 - 02/09/2007**

Name  
 Title  
 Department  
 Roster ID  
 Position Base Salary

Salary

Description

Effective Date

Fund Source

407  
 \$52,414.00

TENYER, ROBERT J.  
 Asst. Football Coach/Strength  
 Football  
 1137  
 \$41,835.00

\$41,835.00

Fixed Term I  
 Salary Adjustment  
 (From \$40,226 to \$41,835.  
 \$1,609 incr.)

01/01/2007 - 12/31/2007

Opening Bud-Undist.

WHITAKER, BRIAN  
 Asst. Professor of Management  
 Manag., Market. & Real Estate  
 326  
 \$82,869.00

\$80,000.00

Standing I

8/9/2007

WORTMAN, BARRY THOMAS  
 Assistant Basketball Coach  
 Men's Basketball  
 2219  
 \$47,275.00

\$47,275.00

Probation Completed

11/26/2006

YAROS, PATRICIA SUSANNE  
 Coord. Baccalaureate Nur. Pro.  
 Nursing - BSN Program  
 2864  
 \$65,556.00

\$65,556.00

Resignation

5/31/2007

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

SUPPLEMENTARY

Total for this report = \$29,884.00

Managerial Duties	\$5,000.00
Teaching	\$700.00
Other	\$24,184.00

**Supplemental Actions**  
**11/13/2006 - 02/09/2007**

Name Title Current Salary	Supplement	Description	Effective Date	Fund Source
<u>Office of Athletics</u>				
AUBRY, ERIN REBECCA Women's Head Soccer Coach \$42,580.00	\$1,269.00	2006 OVC Soccer Coach	12/15/2006 - 12/15/2006	Operating Expenses
<u>Women's Basketball</u>				
MITCHELL, MATTHEW L. Women's Head Basketball Coach \$86,345.00	\$9,916.00	Eagle Sports Network	02/28/2007 - 02/28/2007	Unbudgeted Revenues
<u>Honors Res. Leader. College</u>				
LINDELL, CALVIN O. Asst. Professor of Speech \$47,629.00	\$5,000.00	Interim Dir., HRLC/LEAD	01/02/2007 - 05/11/2007	Roster ID # 003170
<u>Health, P.E. &amp; Sport Science</u>				
DEWEESE, KEVIN MICHAEL Head Strength & Cond. Coach \$30,300.00	\$700.00	Teach 1 hr.	01/16/2007 - 05/11/2007	Faculty Escrow
<u>Off. Dean Coll. Science &amp; Tech</u>				
DEMOSS, GERALD LYNN Dean, Science & Technology \$132,979.00	\$6,132.00	Principle Investigator	01/02/2007 - 06/30/2007	Restricted
<u>Space Science Center</u>				
MALPHRUS, BENJAMIN KEVIN Director of Space Center \$99,360.00	\$6,606.00	Project Manager	07/01/2006 - 12/31/2006	Restricted
	\$6,876.00	Project Manager	01/02/2007 - 06/30/2007	Restricted

## **SECOND QUARTER FINANCIAL REPORT AND OPERATING BUDGET AMENDMENT**

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**BOR (VII-A-6)  
March 8, 2007**

### **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, 2007, 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, 2006, the second quarter of the fiscal year ending June 30, 2007. 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, 2006**

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, 2006. The statements and this discussion and analysis have been prepared by Administration and Fiscal Services staff.

**Using These Financial Statements**

This report consists of The Statement of Revenues, Expenditures and Changes in Fund Balance. It provides information about the unrestricted current funds revenues, expenditures and transfers of the University. This statement is prepared on an accrual basis and reflects the results of all transactions that affect the financial status of Morehead State University. This financial statement has 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.

In the 2003-2004 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 stable through the second quarter of the 2006-2007 fiscal year. During the six months ending December 31, 2006 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$27,040,762. This level of operating surplus is expected at this time, since most of the billings for the Spring 2007 semester are reflected in the tuition and fees revenue and only expenditures through December 31, 2006 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:**

- ▶ Total Revenues have increased \$3.9 million or 5.4% verses December 31, 2005. This change includes an increase in tuition and fee's of \$3. million, \$.5 million increase of sales and services of Educational activities, \$.3 million increase in Government Appropriations, \$.2 million increase in housing, and a net decrease of \$.1 million in all other revenue lines.
- ▶ Total Expenses have increased \$.2 million or .5% verses December 31, 2005. This includes increases of \$1.4 million in student life, \$.1 million in University Relations, a decrease of \$.5 million in Housing, \$.5 million in Planning & Technology, and a net decrease of \$.3 million in other Education & General and Auxiliary expenses.
- ▶ Net change in fund balance has increased \$3.6 million verses December 31, 2005.



**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**  
**For the Six Months Ended December 31, 2006 and 2005**

	2006-2007			2005-2006		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>REVENUES</b>						
<b>Educational and General</b>						
Tuition and Fees	\$ 44,692,750	\$38,500,072	86.14%	\$ 40,224,950	\$ 35,396,943	88.00%
Gov't Appropriations	45,462,600	25,035,395	55.07%	44,839,600	24,694,995	55.07%
City Grants	0	0	0.00%	30,000	16,667	55.56%
Unrestricted Gifts	0	0	0.00%	0	0	0.00%
Indirect Cost Reimbursement	365,000	326,620	89.48%	365,000	236,908	64.91%
Sales & Services of Ed. Activities	1,455,396	1,544,949	106.15%	1,389,854	1,033,154	74.34%
Other Sources	2,745,511	1,792,602	65.29%	2,261,250	2,142,337	94.74%
Budgeted Fund Balance - E & G	4,869,748	0	0.00%	4,924,891	0	0.00%
<b>Total Educational and General</b>	<u>\$ 99,591,005</u>	<u>\$67,199,638</u>	<u>67.48%</u>	<u>\$ 94,035,545</u>	<u>\$ 63,521,004</u>	<u>67.55%</u>
<b>Auxiliary Enterprises</b>						
Housing	\$ 6,796,800	\$ 6,482,310	95.37%	\$ 6,274,200	\$ 6,247,053	99.57%
University Store	3,687,172	2,185,740	59.28%	3,507,191	2,177,120	62.08%
Food Services	687,500	375,277	54.59%	702,500	374,912	53.37%
Other	187,500	73,776	39.35%	309,800	78,360	25.29%
<b>Total Auxiliary Enterprises</b>	<u>\$ 11,358,972</u>	<u>\$ 9,117,103</u>	<u>80.26%</u>	<u>\$ 10,793,691</u>	<u>\$ 8,877,445</u>	<u>82.25%</u>
<b>TOTAL REVENUES</b>	<u>\$ 110,949,977</u>	<u>\$76,316,741</u>	<u>68.78%</u>	<u>\$ 104,829,236</u>	<u>\$ 72,398,449</u>	<u>69.06%</u>

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**  
**For the Six Months Ended December 31, 2006 and 2005**

	2006-2007			2005-2006		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>EXPENDITURES AND TRANSFERS BY DIVISION</b>						
<b>Educational &amp; General</b>						
President & Administration	\$ 899,109	\$ 425,558	47.33%	\$ 797,234	\$ 395,882	49.66%
University Relations	2,921,700	1,389,396	47.55%	2,633,590	1,249,225	47.43%
Development	1,076,339	525,719	48.84%	986,774	426,874	43.26%
Administration & Fiscal Services	11,274,330	5,728,288	50.81%	10,986,134	5,911,226	53.81%
Planning & Technology	4,926,713	2,797,429	56.78%	4,979,960	3,256,610	65.39%
Student Life	19,321,834	9,678,844	50.09%	16,590,638	8,386,950	50.55%
Academic Affairs	51,166,105	21,831,042	42.67%	49,405,201	21,736,204	44.00%
Other	7,134,571	1,395,064	19.55%	6,643,315	1,716,680	25.84%
<b>Total Educational &amp; General</b>	<b>\$ 98,720,701</b>	<b>\$43,771,340</b>	<b>44.34%</b>	<b>\$ 93,022,846</b>	<b>\$ 43,079,651</b>	<b>46.31%</b>
<b>Auxiliary Enterprises</b>						
Housing	\$ 8,085,002	\$ 3,162,674	39.12%	\$ 7,961,383	\$ 3,660,067	45.97%
University Store	3,326,772	1,957,278	58.83%	3,055,796	1,930,319	63.17%
Food Services	436,005	215,433	49.41%	412,118	178,615	43.34%
Other	381,497	169,254	44.37%	377,093	181,370	48.10%
<b>Total Auxiliary Enterprises</b>	<b>\$ 12,229,276</b>	<b>\$ 5,504,639</b>	<b>45.01%</b>	<b>\$ 11,806,390</b>	<b>\$ 5,950,371</b>	<b>50.40%</b>
<b>TOTAL EXPENDITURES AND TRANSFERS BY DIVISION</b>	<b>\$ 110,949,977</b>	<b>\$49,275,979</b>	<b>44.41%</b>	<b>\$ 104,829,236</b>	<b>\$ 49,030,022</b>	<b>46.77%</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$27,040,762</b>			<b>\$ 23,368,427</b>	

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period October 1, 2006 to December 31, 2006**

<b>Description</b>	<b>Amended Budget As Of 10/1/2006</b>	<b>Adjustments</b>	<b>Amended Budget As Of 12/31/2006</b>
<b>Revenues and Other Additions</b>			
Tuition and Fees	\$ 44,692,750	\$ -	\$ 44,692,750
Government Appropriations	45,462,600	-	45,462,600
Indirect Cost Reimbursement	365,000	-	365,000
Sales and Services of Ed. Activities	1,257,886	197,510	1,455,396
Other Sources	2,474,139	271,373	2,745,512
Budgeted Fund Balance - E&G	4,719,443	150,305	4,869,748
Auxiliary Enterprises	11,356,887	2,084	11,358,971
Budgeted Fund Balance - AUX	-	-	-
<b>Total Revenues and Other Additions</b>	<b>\$ 110,328,705</b>	<b>\$ 621,272</b>	<b>\$ 110,949,977</b>
<b>Expenditure Authorizations by Division</b>			
<b>Educational &amp; General</b>			
President & Administration	\$ 863,787	\$ 35,322	\$ 899,109
University Relations	2,880,773	40,927	2,921,700
Development	1,062,560	13,779	1,076,339
Planning & Technology	4,792,793	133,920	4,926,713
Administration & Fiscal Services	10,741,096	533,234	11,274,330
Student Life	19,223,356	98,478	19,321,834
Academic Affairs	51,015,302	150,803	51,166,105
Debt Service & Mandatory Transfers	2,497,330	-	2,497,330
Other	5,137,397	(500,156)	4,637,241
<b>Total Educational &amp; General</b>	<b>\$ 98,214,394</b>	<b>\$ 506,307</b>	<b>\$ 98,720,701</b>
<b>Auxiliary Enterprises</b>			
Planning & Technology	\$ 770,711	\$ 3,238	\$ 773,949
Administration & Fiscal Services	8,141,011	44,431	8,185,442
Student Life	685,279	67,296	752,575
Debt Service	2,353,679	-	2,353,679
Other	163,631	-	163,631
<b>Total Auxiliary Enterprises</b>	<b>\$ 12,114,311</b>	<b>\$ 114,965</b>	<b>\$ 12,229,276</b>
<b>Total Expenditure Authorizations</b>	<b>\$ 110,328,705</b>	<b>\$ 621,272</b>	<b>\$ 110,949,977</b>

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period October 1, 2006 to December 31, 2006**  
**Notes of Significant Adjustments to Revenue and Other Additions**

**Sales & Services of Educational Activities**

Unbudgeted revenue allocated during the second quarter totaled \$197,510.

- Baseball guarantee income totaling \$13,100 was allocated
- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$153,508.
- Other athletic revenue totaling \$8,836 was received and was also allocated to various athletic programs.
- Student recreation center fee revenue totaling \$17,617 was allocated for refurbishment of the bowling lanes.

**Other Sources**

Budget allocations from other sources increased by \$271,373 in the second quarter.

- Unbudgeted support from the MSU Foundation totaled \$62,789
  - \$ 352 President
  - \$36,463 University Relations
  - \$ 975 Development
  - \$11,155 Academic Affairs
  - \$ 7,500 Administration & Fiscal Services
  - \$ 6,344 Student Life
- Unbudgeted endowment income totaled \$196,358
  - \$137,708 Planning & Technology (ERP project software)
  - \$ 58,650 Academic Affairs
- Miscellaneous other income totaling \$12,196 was received and allocated primarily to the division of Academic Affairs.

**Budgeted Fund Balance – E&G**

Net budget allocations for fund balance for educational and general purposes totaled \$150,305..

- \$ 14,400 Advance of 07/08 Academic Affairs Classroom Improvement Funds for Art Building kiln/foundry roof
- \$ 23,000 Howell-McDowell lobby and President's office renovation
- \$100,000 Athletics for operating costs
- \$ 1,508 Additional funds needed to purchase flu vaccine
- \$ 9,397 Chemical leak clean up in Lloyd Cassity
- \$ 2,000 Referral of two international students

**MOREHEAD STATE UNIVERSITY**  
**Budget Amendments Greater Than \$200,000**  
**For the Period October 1, 2006 to December 31, 2006**

<b>From:</b> <b><u>Revenue and Other Additions</u></b>	<b>To:</b> <b><u>Division/</u></b> <b><u>Budget Unit</u></b>	<b><u>Amount</u></b>	<b><u>Description</u></b>
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None.

**MOREHEAD STATE UNIVERSITY**  
**Capital Outlay Status Report**  
**Agency Funds**  
**For the Period of October 1, 2006 to December 31, 2006**

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
<b>I Equipment Purchases Greater than \$100,000</b>			
None			
<b>II Capital Construction Projects/ Land Acquisitions Greater than \$400,000</b>			
Wellness Center - Phase III	\$ 450,000		Planning
Bond Issue			
Button Auditorium Renovation	\$ 750,000		In Progress
ERP Implementation Project	\$ 4,000,000		
Technical Setup and Training (June 2005)			Completed
Financial System (July 2006)			Completed
Human Resources (December 2006)			In Progress
Student System (June 2007)			In Progress
Auxiliary Modules (December 2007)			In Progress
Nunn Hall Renovation	\$ 5,000,000		Planning

## **CONTRACTS FOR BANKING SERVICES**

**BOR (VII-A-7)  
March 8, 2007**

### **Recommendation:**

That the Board designate U. S. Bank of Morehead as the depository for all funds collected at the main campus location and designate Commercial Bank in West Liberty, Citizens National Bank in Prestonsburg, and Traditional Bank in Mt. Sterling to serve as depositories for funds collected at those respective regional 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 from the four banks having a presence in Morehead. Those banks are The Citizens Bank, Kentucky Bank, U. S. Bank and Whitaker Bank. A pre-bid meeting was held on February 12, 2007 to discuss the terms of the bid, the banking requirements of the University and to answer any questions about the contract or the bidding process. Bids were opened on February 21, 2007. Based on the published evaluation criteria, U. S. Bank submitted the best bid for banking services.

Bids were also solicited from banks in Ashland, West Liberty, Prestonsburg and Jackson for banking services for the regional campus centers. Each bank in those cities was sent a written bid request. Based on the bids submitted, contracts are recommended for Commercial Bank in West Liberty and Citizens National Bank in Prestonsburg. There was no response from banks in Ashland and Jackson, so those requests will be sent again and the results will come to the Board at the next meeting. The contract with Traditional Bank in Mt. Sterling can be extended for one more year and it is recommended that it be so extended.

All contracts will be effective from July 1, 2007 to June 30, 2008 with options to renew the contracts for four additional one-year periods, except for Mt. Sterling, which will be requested next year.

**FINANCING AGREEMENT AND  
RESOLUTION FOR INTERIM FINANCING  
OF RESIDENCE HALL RENOVATION PROJECT**

**BOR (VII-A-8)  
March 8, 2007**

**Recommendation:**

That the Board approve the financing agreement between the Kentucky Asset/Liability Commission, the Finance and Administration Cabinet, and Morehead State University, and adopt the resolution titled:

RESOLUTION OF THE BOARD OF MOREHEAD STATE UNIVERSITY ("STATE AGENCY") APPROVING A FINANCING AGREEMENT AMONG THE STATE AGENCY, THE KENTUCKY ASSET/LIABILITY COMMISSION AND THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR AN AUTHORIZED PROJECT IN ANTICIPATION OF THE ISSUANCE OF BONDS TO PROVIDE PERMANENT FINANCING FOR SAID PROJECT.

**Background:**

The University's Housing Master Plan outlines a renovation schedule for existing residence halls. The renovation of Nunn Hall is the first project in the master plan. Nunn Hall will be taken off line at the end of the spring semester and will reopen for occupancy in August 2008. The Nunn Hall renovation project will ultimately be funded with agency bonds issued by the University. The Phase A design work is complete and the architect's project construction estimate is \$5.9 million.

The University has a \$5 million project and agency bond authorization for renovation of residence halls that will be used for the Nunn Hall project. The project scope estimate exceeds the University's bonding and capital project authorization. However, it has been recommended and the 2007 session of the General Assembly will consider, restoring the University's residence hall renovation project and agency bond authorization request in the amount of \$10 million, which was vetoed in the 2006 session. That additional authorization, which will be available on July 1, will enable the University to fully fund the Nunn Hall renovation project.



Planning on the project and the bid process will need to be completed this spring. Depending on the amount of the actual construction bid and the timing of the availability of the bonding authorization, it may be necessary to seek interim financing for the project until permanent financing can be secured.

The Commonwealth of Kentucky has established the Kentucky Asset/Liability Commission (ALCo) to provide interim financing for state projects. Should the University need to seek interim financing for the Nunn Hall project, that financing would be secured with ALCo notes. The ALCo interim financing notes would be repaid from the proceeds of the permanent agency bond financing.

In order to have the ALCo interim financing available, it will be necessary for the Board to adopt a resolution authorizing that borrowing. Copies of the resolution and the related financing agreement are attached.

**FINANCING AGREEMENT**  
**(Agency Bonds)**

by and between

**KENTUCKY ASSET/LIABILITY COMMISSION**

And

**FINANCE AND ADMINISTRATION CABINET  
OF THE COMMONWEALTH OF KENTUCKY**

And

**MOREHEAD STATE UNIVERSITY**  
**(State Agency)**

Dated as of \_\_\_\_\_, 2007

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THIS FINANCING AGREEMENT, made and entered into as of the date shown on the cover page hereto, by and among the KENTUCKY ASSET/LIABILITY COMMISSION (hereinafter sometimes referred to as the "Commission"), the FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY, a department and agency of the Commonwealth of Kentucky (hereinafter sometimes referred to as the "Cabinet") and the STATE AGENCY identified on the cover page hereto (the "State Agency").

WITNESSETH

THAT WHEREAS, the State Agency identified on the cover to this Financing Agreement constitutes a "State Agency" within the meaning and application of Sections 56.440, et seq., of the Kentucky Revised Statutes and the Finance and Administration Cabinet of the Commonwealth of Kentucky constitutes the "Cabinet" within the meaning of Section 56.8605 of the Kentucky Revised Statutes; and

WHEREAS, the Cabinet is authorized pursuant to the Act, as hereinafter defined, to take, acquire and hold property and the State Agency, to the extent described herein, is authorized to issue and sell revenue bonds, and the Commission is authorized to issue Project Notes, as defined in the Act, in anticipation of the issuance of such bonds in order to provide interim financing for projects and to carry out proper public purposes; and

WHEREAS, the State Agency has determined to issue revenue bonds, as further described herein, and the State Agency has requested and authorized the Commission to issue Project Notes for the Project in anticipation of the issuance of such bonds; and

WHEREAS, the State Agency will enter into this Financing Agreement to provide (i) revenues for amortization of such Project Notes, (ii) for the issuance of the Bonds for the payment of the Project Notes which have not been amortized and (iii) interim financing for the Project by issuance of the Project Notes by the Commission; and

WHEREAS, in order to provide revenues to reimburse the Commission for its commitment to amortize the Project Notes, which are to be issued for purposes of providing funds for acquisition of the Project, it is necessary and appropriate that a Financing Agreement in respect of the Project be entered into by and between the Commission, the State Agency and the Cabinet;

NOW, THEREFORE, PURSUANT TO THE STATUTORY AUTHORITY CITED IN THE PREAMBLES TO THIS FINANCING AGREEMENT, AND FOR OTHER GOOD AND VALUABLE CONSIDERATIONS, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY BOTH PARTIES, AND IN FURTHER CONSIDERATION OF THE PREMISES, THE COMMISSION, THE STATE AGENCY AND THE CABINET DO HEREBY COVENANT AND AGREE, EACH WITH THE OTHER, AS FOLLOWS:

## **ARTICLE I**

### **DEFINITIONS**

As used in this Financing Agreement, unless the context requires otherwise:

"Act" means Sections 56.860, et. seq. of the Kentucky Revised Statutes.

"Additional Payments" means additional payments as set forth in Section 5.06 hereof.

"Bond Payment Fund" means the fund to be created by the Bond Resolution for the payment of the principal of, interest on, and premium, if any, on the Bonds.

"Bond Resolution" means the Bond Resolution or similar authorizing instrument to be adopted by the State Agency authorizing the issuance of the Bonds.

"Bonds" means Bonds as defined in the Indenture.

"Budget Act" means Budget Act as defined in the Indenture, as amended or supplemented.

"Cabinet" means the Finance and Administration Cabinet of the Commonwealth.

"Commission" means the Kentucky Asset/Liability Commission.

"Commonwealth" means the Commonwealth of Kentucky.

"Credit Facility" means Credit Facility as defined in the Indenture.

"Credit Facility Agreement" means Credit Facility Agreement as defined in the Indenture.

"Credit Facility Obligations" means obligations of the Commission under the Credit Facility Agreement, including without limitation, obligations to reimburse the Credit Facility Provider for drawings under the Credit Facility.

"Credit Facility Provider" means Credit Facility Provider as defined in the Indenture.

"Financing Agreement" means this Financing Agreement, dated as of the date on the cover page hereto, by which interim financing for the Project is provided to the State Agency by the Commission.

"Financing Expenses" means all costs associated with the financing of the Projects, as may be determined by the Cabinet, other than amounts payable as interest, Credit Facility Provider fees, Liquidity Facility Provider fees and Remarketing Agent fees hereunder, including, but not limited to, fees of the Trustee, Registrar and Paying Agents and unamortized Costs of Issuance.

"Financing Payments" means the payments required to be made by the Cabinet to the Commission pursuant to Sections 5.01, 5.02 and 5.04 of this Financing Agreement.

"Fiscal Year" means any period of twelve (12) months commencing July 1 of any year and ending June 30 of the ensuing year.

"Indenture" means the Trust Indenture dated as of December 1, 2005, between the Commission and the Trustee.

"KRS" means the Kentucky Revised Statutes of the Commonwealth of Kentucky as the same are in full force and effect at the date of the adoption of the Indenture, and any future amendments thereof to the extent that the same will not unconstitutionally impair the obligations of contracts created under the provisions of the Indenture.

"Liquidity Facility" means Liquidity Facility as defined in the Indenture.

"Liquidity Facility Obligations" means obligations of the Commission under the Liquidity Facility.

"Liquidity Facility Provider" means Liquidity Facility Provider as defined in the Indenture.

"Note Payment Fund" means the fund created by Sections 5.03 and 5.06 of the Indenture.

"Notes" means Notes as defined in the Indenture.

"Project" means the Projects identified in Annex A hereto.

"Project Fund" means the fund created by Sections 5.03 and 5.05 of the Indenture and, upon issuance of the Bonds, means the fund, if any, created by the Bond Resolution for the payment of costs of the Project.

"Proportionate Share" means a factor determined by dividing the principal portion of the State Agency's Debt Servicing Obligation by the principal amount of all Notes (other than any renewal Notes) issued under the Indenture.

"Registrar" means Registrar as defined in the Indenture.

"Related Notes" means Notes issued or to be issued for the purpose of financing the Project.

"Renewal Term" means a period of two (2) years coinciding with the fiscal biennium of the Commonwealth, which commences on July 1 in each even-numbered year and ends on June 30 of the next ensuing even-numbered year unless hereafter modified by statute.

"State Agency" means the State Agency identified on the cover page hereto.

"Trustee" means a national banking association organized under and existing by virtue of the laws of the Commonwealth of Kentucky, having proper trust powers, and having its principal

office and place of business in the City of Louisville and including any successor trustee designated pursuant to the provisions of the Indenture.

Any terms not defined in this Financing Agreement but defined in the Indenture, if used herein, shall have the same meanings ascribed to them in the Indenture.

## **ARTICLE II**

### **AGREED RECITATION OF ESTIMATED TOTAL COSTS OF THE PROJECT**

The Commission, the State Agency and the Cabinet agree that the aggregate of all costs of the Project to be funded from the proceeds of the Related Notes and Bonds will not exceed the amounts set forth in the Budget Act, which amounts are more specifically identified in Annex A hereto, plus Financing Expenses and Bond issuance costs, provisions for any debt service reserve fund, any capitalized interest, provisions of contingencies and discount in the sale of the Bonds and Related Notes.

## **ARTICLE III**

### **APPLICATION AND REQUEST OF THE STATE AGENCY THAT THE COMMISSION ISSUE NOTES**

The Cabinet hereby makes application, on behalf and at the direction of the State Agency, to the Commission, and requests that the Commission authorize in the Commission's own name and offer, from time to time, the Commission's Notes in the principal amount not to exceed the costs of the Project established in Article II hereof for the purpose of providing interim financing for the Project, all as is more specifically provided in the Act and the Indenture.

## **ARTICLE IV**

### **AGREEMENT OF STATE AGENCY TO ISSUE ITS BONDS AND COMMISSION TO ISSUE ITS NOTES AND APPLY THE PROCEEDS THEREOF TO THE ACQUISITION OF THE PROJECT**

Section 4.01. Issuance of Bonds. The State Agency hereby agrees that, in accordance with its lawful authority and powers, it will, proceed with all reasonable dispatch to authorize in its own name and issue Bonds to finance the Project, at the time and in the amounts necessary to provide adequate financing for the Project and to retire, at or prior to maturity, Notes, subject to the limitations of the Act and the Budget Act. The State Agency, in its sole discretion shall, based on sound financial practices, establish the interest rates, maturities, sale price and other terms and conditions of Bonds from time to time issued as required by this Financing Agreement and shall issue and deliver Bonds and apply the proceeds thereof to financing the acquisition of the Project or retirement of the Related Notes.

Section 4.02. Issuance of Notes. The Commission hereby agrees that in accordance with its lawful authority and powers and according to the Act and the request and authorization of the

State Agency and the Cabinet pursuant to KRS 56.867, it will, responsive to such request, proceed with all reasonable dispatch to authorize in its own name and issue Notes to provide interim financing for the Project, at the time and in the amounts necessary, as determined by the Commission, to provide adequate interim financing for the Project, subject to the limitations of the Act and the Budget Act. The Commission in its sole discretion shall, based on sound financial practices, establish the interest rates, maturities, sale price and other terms and conditions of Notes from time to time issued pursuant to this Financing Agreement and shall issue and deliver Notes and apply the proceeds to financing the acquisition of the Project.

## **ARTICLE V**

### **INITIAL TERMS; OPTIONAL RENEWALS; FINANCING PAYMENTS**

Section 5.01. Financing Provided; Financing Payments. The Commission hereby agrees to provide interim financing for the Project to the State Agency, for an initial term ending June 30, 2008, with the right and privilege by the State Agency to continue this Financing Agreement and have the Project for succeeding biennium periods in the event this Financing Agreement is renewed as provided herein. The State Agency shall pay or cause to be paid as Financing Payments during such initial period ending on June 30, 2008, the Debt Servicing Obligation, as hereinafter defined, applicable to the Related Notes, due on each Debt Servicing Date, as hereinafter defined, during the term of the Financing Agreement so long as any Related Notes are outstanding or any amounts are due under a Credit Facility Agreement or Liquidity Facility.

Section 5.02. Debt Servicing Date; Debt Servicing Obligation. For purposes hereof:

"Debt Servicing Date" shall mean the fourth Business Day preceding any Interest Payment Date on which the amount in the Note Payment Fund that is attributable to the State Agency (as determined by the Commission) is not adequate to pay the amounts set forth in clauses (i) through (vii) of the definition of Debt Servicing Obligation.

"Debt Servicing Obligation" shall mean, as to the Related Notes that are outstanding, the aggregate amounts that are required to be paid in respect of the Related Notes on any Debt Servicing Date, including (i) the principal of any Related Notes then due, at maturity or by acceleration, for which Bonds or renewal Notes are not being issued and the principal amount of Related Notes for which Bonds are not being issued, if any, called or to be called for redemption, and the premium, if any, with respect to such Related Notes, (ii) the Purchase Price of any Related Notes to be paid on any Purchase Date, Mandatory Purchase Date, Indexed Put Date, Optional Tender Date or Conversion Date, (iii) the interest required or estimated (by the Commission) to be paid on the Related Notes which were outstanding immediately prior to such Debt Servicing Date, (iv) Credit Facility Obligations applicable to the Related Notes (to the extent not paid under clauses (i), (ii) and (iii)), (v) Liquidity Facility Obligations applicable to the Related Notes, (vi) its Proportionate Share of any Financing Expenses and (vii) the reasonable and agreed fees of the Credit Facility Provider, the Liquidity Facility Provider, the Remarketing Agent, the Trustee, the Paying Agent and the Registrar, but only to the extent not otherwise paid directly by the State Agency. In addition to the foregoing, if on any Interest Payment Date, the amount in the Note Payment Fund that is attributable to the State Agency (as



determined by the Commission) is not adequate to pay the amounts set forth in clauses (i) through (vii) above, the State Agency shall pay the amount required to satisfy such deficiency from whatever sources are available for such purpose.

The State Agency shall be entitled to a credit against the Debt Servicing Obligation otherwise required to be paid on any Debt Servicing Date to the extent there are funds attributable to it, as determined by the Commission, in the Interest Account of the Note Payment Fund or in the Operating Account of the Expense Fund, prior to the payment of the Debt Servicing Obligation hereunder which, under the terms of the Indenture and applicable law, can be used to meet the Debt Servicing Obligation. It is understood that, pursuant to the Indenture, all income derived from investment of the Project Fund may, at the discretion of the Cabinet and the State Agency, be transferred to the Note Payment Fund and, if so transferred, shall be a credit against Financing Payments due and payable by the State Agency. Amounts transferred from the Expense Fund, established by the Indenture, to the Note Payment Fund, shall be a further credit against Financing Payments due and payable by the State Agency.

Upon issuance of the Bonds, the final Debt Servicing Obligation for the Related Notes shall be the amount determined by the Commission in accordance with Section 5.04.

Section 5.03. Option to Renew. Beginning June 30, 2008, the Commission hereby grants unto the State Agency exclusive option to renew the Financing Agreement for successive ensuing Renewal Terms, commencing July 1 in each even-numbered year, and ending June 30 of the next ensuing even-numbered year, and the last Renewal Term shall end June 30 of the even numbered year next following the final maturity date of the Related Notes, or such other date as may be set forth in a Supplemental Financing Agreement entered into pursuant to the provisions of Section 5.08 hereof or otherwise agreed to by the Commission and the State Agency; and for each such Renewal Term, if renewed therefore, the State Agency shall become obligated to pay, and hereby agrees that in the event of such renewal it will pay or cause to be paid, to the Commission, as Financing Payments for such biennium, each Debt Servicing Obligation which comes due on each Debt Servicing Date during the Renewal Term as a general obligation of the State Agency for such period, secured by amounts budgeted by the State Agency in its agency fund for such purpose.

Section 5.04. Financing Payments. Financing Payments becoming due during the first term ending June 30, 2008, and for each Renewal Term, if the Financing Agreement shall be renewed for any such Renewal Term, shall be made or caused to be made by the State Agency to the Commission on each Debt Servicing Date during each such term, in such minimum amounts as will enable the Commission, solely from such source, to pay its Debt Servicing Obligation as of such date. Upon the issuance of the Bonds, the Commission shall also advise the State Agency of the remaining Financing Payments and the State Agency's remaining Proportionate Share of Financing Costs payable to the Trustee for payment of any Related Notes which remain Outstanding.

Section 5.05. Option to Renew Deemed Automatically Exercised; Election Not to Renew. Each of the successive options to renew shall in each instance be deemed automatically exercised, and the Financing Agreement automatically renewed for the succeeding Renewal Term, effective on the first day thereof, unless a written notice of the State Agency's election not

to renew, signed by an authorized officer of the State Agency, shall have been delivered to the Commission before the close of business on the last business day in May, immediately preceding the beginning of such succeeding Renewal Term.

Section 5.06. Additional Payments. The State Agency covenants and agrees to pay "Additional Payments" for the term of the Financing Agreement and for any Renewal Term during which Related Notes are outstanding, to the extent such payments are not a part of the Debt Servicing Obligation, as follows:

(i) To the Trustee, when due, a Proportionate Share of all fees of the Trustee for services rendered, all fees and charges of any Paying Agent, Registrar, counsel, accountants, and others incurred in the performance on request of the Trustee of services for which the Trustee and such other persons are entitled to payment or reimbursement which are not paid as Financing Payments;

(ii) To the Credit Facility Provider and Liquidity Facility Provider, when due, a Proportionate Share of all fees, expenses and other charges payable to the Credit Facility Provider under the Credit Facility Agreement and to the Liquidity Facility Provider under the Liquidity Facility which are not paid as Financing Payments;

(iii) To the Remarketing Agent when due, a Proportionate Share of all fees, expenses and other charges payable to the Remarketing Agent under the Remarketing Agreement; and

(iv) To the Commission, upon demand, all reasonable expenses incurred by it in relation to the Project which are not otherwise specifically identified and required to be paid by the Commission under the terms of this Financing Agreement.

Section 5.07. Net Agreement. It is the intention of the parties that this Financing Agreement be an absolutely net agreement, and that all of the Financing Payments available for debt service on the Related Notes and this Financing Agreement shall be construed to effectuate such intent. Except as provided in Section 5.05, so long as any of the Related Notes, or any Credit Facility Obligations or Liquidity Facility Obligations are outstanding or remain unpaid, the obligation of the State Agency to pay the amounts provided for in this Article V shall be absolute and unconditional, irrespective of any rights of set-off, recoupment or counterclaim it might otherwise have.

Section 5.08. Supplemental Agreements. This Financing Agreement may be supplemented from time to time whenever additional Notes are issued by the Commission at the request of the State Agency under the provisions of Section 6.11 of the Indenture. Amounts payable under the terms of such supplemental agreement shall constitute Financing Payments under this Financing Agreement and such Financing Payments shall become Pledged Receipts under the Indenture.

Section 5.09. Additional Obligations. In addition to the duties and obligations of the State Agency set forth in this Financing Agreement, the State Agency hereby covenants and agrees to perform such duties and obligations of it as may be set forth in the Indenture.

## **ARTICLE VI**

### **EFFECT OF THE STATE AGENCY'S EXERCISE OF ITS OPTION TO RENEW**

In the event the successive renewal options are exercised, according to the automatic renewal provisions hereinabove set forth, then upon the first day of the biennial Renewal Term for which such option is exercised, the State Agency shall be firmly bound for the entire amount of the Financing Payments and Additional Payments becoming due and payable for such Renewal Term as a general obligation of the State Agency, limited to amounts appropriated for such purpose, payable from any and all funds of the State Agency, including, but not limited to, appropriations, contributions, gifts, matching funds, devises and bequests from any source, whether Federal or State, and whether public or private, so long as the same are not conditioned upon any use of the Project in a manner inconsistent with law; provided, however, nothing herein contained shall be construed as binding the State Agency to pay Financing Payments or Additional Payments for more than one biennial Renewal Term at a time.

## **ARTICLE VII**

### **EFFECT OF THE STATE AGENCY'S ELECTION NOT TO RENEW**

In the event the State Agency shall give written notice to the Commission of the State Agency's election not to renew this Financing Agreement for any ensuing optional biennial Renewal Term, prior to the automatic renewal hereinabove provided for, the State Agency shall not become obligated to pay Financing Payments or Additional Payments beyond the last day of the then current term, and the State Agency shall thereby forfeit all of its future options to renew and shall peacefully surrender to the Commission, possession of the Project on or prior to the last day of the then current term; provided, however, an election on the part of the State Agency not to renew for a future term shall not in any manner alter or diminish any obligation of the State Agency hereunder for the then current term; and shall not preclude subsequent reinstatement of the Financing Agreement for any future renewal term, if agreed to by the Commission upon the same terms and conditions as would have been applicable if the Financing Agreement had been renewed according to the provisions hereof, except that if such reinstatement is sought when one or more installments of Financing Payments or any Additional Payments for such Renewal Term are overdue and unpaid, it shall be a condition of such reinstatement that such overdue Financing Payments or Additional Payments be tendered.

## **ARTICLE VIII**

### **STATE AGENCY TO HAVE PEACEFUL POSSESSION SO LONG AS THE FINANCING AGREEMENT IS IN FULL FORCE AND EFFECT**

The Commission covenants that during the initial term of this Financing Agreement and during each successive optional Renewal Term for which this Financing Agreement may be renewed, if the State Agency shall continue in good standing according to the provisions hereof, the Commission shall maintain the State Agency in peaceful possession and enjoyment of the Project.

## ARTICLE IX

### STATE AGENCY TO REQUIRE SUFFICIENT AMOUNTS IN ITS BUDGET IN ORDER FOR FINANCING PAYMENTS TO BE MADE

The State Agency covenants and agrees that on each and every occasion when appropriations bills are prepared for introduction in the various successive Sessions of the General Assembly of the Commonwealth, the State Agency will cause to be included in its budget and seek an appropriation for, sufficient amounts in the aggregate (over and above all other requirements of the State Agency) to enable the State Agency to pay Financing Payments and Additional Payments and thereby provide to the Commission moneys sufficient for the payment of the principal and interest on the Related Notes as such amounts are due and payable, subject to the Commission's obligation to issue renewal Notes upon the maturity of any Related Notes, and to pay any and all Credit Facility Obligations and Liquidity Facility Obligations applicable to the Related Notes. If the State Agency fails to seek an appropriation at the time and in the amount aforesaid and no such appropriation is included in a proposed budget, the Cabinet covenants and agrees that it will seek an appropriation, in such amount and for such purpose, from the General Fund of the Commonwealth.

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default. Each of the following events is hereby defined as and shall constitute an "event of default":

(a) default in the due and punctual payment of any Financing Payments or Additional Payments; or

(b) default in the performance of any of the covenants, terms, and conditions of this Financing Agreement, and failure to remedy such default within thirty (30) days after written receipt thereof if the default relates to matters other than the payments described in (a) above (but the State Agency shall not be deemed to be in default if the State Agency commences to remedy said defaults other than related to payment of Financing Payments or Additional Payments within said thirty (30) day period, and proceed to and do remedy said default with due diligence); or

(c) default in the due and punctual payment of any payments, other than those described in (a) above, that are similar to Financing Payments or Additional Payments that are payable with respect to other capital financing obligations of the State Agency.

Section 10.02. Remedies. If an event of default occurs, the Commission, in addition to all other remedies given to the Commission at law or in equity,

(a) shall immediately, upon a default described under Section 10.01(a), notify the Secretary of the Cabinet, who shall thereupon immediately invoke the provisions of KRS 164A.608; and

(b) may by written notice to the State Agency terminate this Financing Agreement or, without terminating this Financing Agreement, take possession (actually or constructively) of the Project. In such event, the Commission may lease the Project or portions thereof, to any party it deems appropriate and in the event of a leasing may apply the rent therefrom first to the payment of the Commission's expenses incurred by reason of the State Agency's default, and the expense of leasing, including but not limited to any repairs, renovation or alteration of the Project, and then to the payment of Financing Payments, Additional Payments and all other sums due from the State Agency hereunder; provided, that prior to any such reletting, the Commission shall deliver to the Trustee an opinion of nationally recognized Bond Counsel to the effect that such subletting or reletting will not cause the interest on the Series A Notes, the Series B Notes, or the Bonds to be includible in gross income of the owners thereof for federal income tax purposes.

In addition, if the Secretary of the Cabinet determines that the State Agency is at risk of causing a default described under Section 10.01(a), the Secretary of the Cabinet shall immediately invoke the provisions of KRS 164A.608.

All remedies available to the Commission are declared to be cumulative and concurrent. No termination of this Financing Agreement nor any taking or recovering of possession of the Project shall deprive the Commission of any of its remedies or actions against the State Agency.

## **ARTICLE XI**

### **PROVISIONS OF FINANCING AGREEMENT ARE FOR BENEFIT OF THE HOLDERS OF THE NOTES AS THIRD PARTY BENEFICIARIES**

All of the provisions herein contained are made for the benefit of each of the Holders and any Credit Facility Provider and any Liquidity Provider. Each and all of the Holders, such Credit Facility Provider, such Liquidity Provider and the Trustee on behalf of the Holders have the rights of third party beneficiaries to enforce all of the provisions of this Financing Agreement herein contained; subject, however, to the provisions of the Indenture with respect to enforcement of rights.

## **ARTICLE XII**

### **TAX COVENANT**

Section 12.01. Tax Covenants Generally. To the full extent that it has the legal right to do so, the State Agency agrees to all of the provisions of the Indenture authorizing the Notes; and that it will neither take any action nor omit to take any action which taking or omission would result, in the exclusion of the receipt of interest on any of the Related Notes from the treatment afforded by Section 103(a) of the Code, to the extent the interest on such Related Notes is intended to be excludible from gross income for federal income tax purposes, under the terms of the Indenture.

Section 12.02. No Private Activity Bonds. It is agreed that nothing has been done or will be done by either the Commission or the State Agency which will cause the Related Notes to be private activity bonds within the meaning of Section 141 of the Code, including performance of any of the covenants contained herein, to the extent the interest on such Related Notes is intended to be excludible from gross income for federal income tax purposes, under the terms of the Indenture.

Section 12.03. Permitted Private Use. To assure that interest on the Related Notes will be and remain excludible from gross income for federal income tax purposes, the State Agency hereby represents and covenants, for the benefit of and reliance on by the Commission, the Trustee, and the owners of the Related Notes, that no portion of the Project shall be used directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public ("private use"), unless (i) the private use was reasonably described or contemplated pursuant to the Federal tax certificate delivered by the Commission in connection with the original issuance of the Related Notes or (ii) the Trustee has received an opinion of nationally recognized bond counsel that the private use does not cause the interest on the Related Notes to be includible in gross income of the owners thereof for federal income tax purposes.

If private use of any portion of the Project is permitted under the preceding paragraph, the State Agency shall not accept or receive any direct or indirect payment from any person, other than a state or local governmental unit (unless such payment is itself received from a person which is not a state or local governmental unit) or a member of the general public, unless (i) the payment was reasonably described or contemplated pursuant to the Federal tax certificate delivered by the Commission in connection with the original issuance of the Related Notes or (ii) the Trustee has received an opinion of nationally recognized bond counsel that the payment does not cause the interest on the Related Notes to be includible in gross income of the owners thereof for federal income tax purposes.

## **ARTICLE XIII**

### **TERMINATION OF FINANCING AGREEMENT**

Upon the payment in full of the total principal and interest due or to become due on the Related Notes, including Purchase Price and premium, if applicable, at the times and in the manner stipulated therein, in the Indenture, or upon defeasance of the Related Notes in accordance with the terms of the Indenture, and the payment of all Credit Facility Obligations and Liquidity Facility Obligations, this Financing Agreement and all covenants, agreements and other obligations herein applicable to the Related Notes and the Commission shall cease, terminate and become void and be discharged and satisfied. In such event, the Commission, upon the request of the State Agency, shall execute and deliver all such instruments as may be desirable to evidence such discharge and satisfaction of the State Agency's obligations applicable to the Related Notes.

## **ARTICLE XIV**

### **SECURITY AND ASSIGNMENT**

Section 14.01. Security. This Financing Agreement secures (i) the payment of Financing Payments and Additional Payments hereunder, (ii) the payment of the Notes in the aggregate principal amount which may from time to time be outstanding under the Indenture, with interest thereon at the rates per annum borne by the Related Notes, (iii) the payment of the Credit Facility Obligations, and (iv) the payment of the Liquidity Facility Obligations.

This Financing Agreement is given subject to all of the terms, conditions and provisions of the Indenture. In the event that any conflict should exist or appear to exist between the provisions of this Financing Agreement and the Indenture, the provisions of the Indenture shall prevail.

Section 14.02. Assignment. All right, title and interest of the Commission in and to this Financing Agreement and the Financing Payments payable hereunder, are hereby assigned by the Commission to the Trustee for the security and benefit of the Owners of the Related Notes.

## **ARTICLE XV**

### **PROVISIONS OF FINANCING AGREEMENT ARE SEVERABLE**

If any section, paragraph, clause or provision of this Financing Agreement shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Financing Agreement.

## **ARTICLE XVI**

### **TABLE OF CONTENTS AND HEADINGS PRECEDING SECTIONS ARE NOT PART OF THE FINANCING AGREEMENT**

The Table of Contents and the headings preceding the text of the several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Financing Agreement, nor shall they affect its meaning, construction or effect.

## **ARTICLE XVII**

### **COUNTERPARTS**

This Financing Agreement may be executed simultaneously in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

## **ARTICLE XVIII**

### **GOVERNING LAW**

This Financing Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth.

IN WITNESS WHEREOF, the parties hereto have executed this Financing Agreement by their officers thereunto duly authorized, as of the date and year first above written.

[Signatures begin on the following page.]



**KENTUCKY ASSET/LIABILITY  
COMMISSION**

By: \_\_\_\_\_  
Chairman

**ATTEST:**

\_\_\_\_\_  
Secretary

**FINANCE AND ADMINISTRATION  
CABINET**

By: \_\_\_\_\_  
Secretary

**ATTEST:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**MOREHEAD STATE UNIVERSITY,  
State Agency**

By: \_\_\_\_\_  
Chairman

**ATTEST:**

By: \_\_\_\_\_  
Secretary

**Approved as to form and legality:**

\_\_\_\_\_  
Office of Legal Services for Finance and  
Technology for the Finance and  
Administration Cabinet, Legal Counsel to  
the Commission

**APPROVAL AND CONSENT OF FINANCE AND  
ADMINISTRATION CABINET**

The Secretary of the Finance and Administration Cabinet (the "Cabinet") of the Commonwealth of Kentucky hereby acknowledges his approval and consent and the approval and consent of the Cabinet to the terms and provisions of this Financing Agreement and to evidence acceptance of the obligations and covenants of the Cabinet contained in such Financing Agreement and on behalf of the Cabinet confirms that the provisions of this Financing Agreement are consistent with the public interest. This approval and consent is applicable only insofar as the same are within the jurisdiction, functions and powers of the Cabinet or within the jurisdiction, functions and powers of the Secretary of the Cabinet.

DATED: \_\_\_\_\_, 2007

**FINANCE AND ADMINISTRATION  
CABINET**

By: \_\_\_\_\_  
Secretary

## ANNEX A

### THE PROJECT

<u>Project</u>	<u>Amount*</u>
Expand Student Wellness Center	\$1,000,000
Design Residence Hall Renovation/Improvement	5,000,000

---

\* Excludes costs of issuance and capitalized interest

## ANNEX B

### FORM OF RESOLUTION

RESOLUTION OF THE BOARD OF MOREHEAD STATE UNIVERSITY ("STATE AGENCY") APPROVING A FINANCING AGREEMENT AMONG THE STATE AGENCY, THE KENTUCKY ASSET/LIABILITY COMMISSION AND THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR AN AUTHORIZED PROJECT IN ANTICIPATION OF THE ISSUANCE OF BONDS TO PROVIDE PERMANENT FINANCING FOR SAID PROJECT.

WHEREAS, pursuant to Section 56.860 et seq. of the Kentucky Revised Statutes (the "Act"), the Kentucky Asset/Liability Commission (the "Commission") was created and exists as an independent agency and constituted authority of the Commonwealth of Kentucky (the "Commonwealth") and is authorized to issue Project Notes, as defined in the Act, at the request of the Cabinet, as defined in the Act, to provide interim financing for Authorized Projects, as defined in the Act, in anticipation of the issuance of bonds; and

WHEREAS, the General Assembly pursuant to H.B. 267 of the General Assembly of the Commonwealth of Kentucky, 2005 Regular Session and H.B. 497 of the General Assembly of the Commonwealth of Kentucky, 2005 Regular Session (collectively, the "Budget Act") authorized certain expenditures in certain amounts for the hereinafter described Project to be financed with bonds, which Project constitutes an Authorized Project, as defined in the Act; and

WHEREAS, the State Agency, intends to issue bonds (the "Bonds") at the time that is in the best financial interests of the Project, to provide permanent financing for the Project and has requested, through the Finance and Administration Cabinet (the "Cabinet"), in accordance with the Act, that the Commission issue and sell Project Notes to provide funds for the Project in anticipation of the issuance of the Bonds; and

WHEREAS, the Commission has determined to provide interim financing for the Projects through the issuance of its Project Notes, 2005 Agency Fund Second Series (the "Notes");

WHEREAS, the State Agency wishes to authorize the Financing Agreement (the "Financing Agreement") among the State Agency, the Commission and the Cabinet to provide interim financing for the Project and as evidence of its commitment to issue the Bonds, which Bonds constitute the Bonds described in the Financing Agreement.

NOW THEREFORE, it is hereby resolved and ordered by the Board of Regents of Morehead State University as follows:

Section 1. Determinations. The State Agency hereby finds and determines that (a) it hereby ratifies and affirms its request that the Commission issue the Notes in anticipation of the issuance of the Bonds, for the purpose of paying the costs of the Project; (b) it is necessary to execute and deliver the Financing Agreement in order to provide for a source of payment for the

Notes; and (c) approval of the Project described in the Financing Agreement is hereby ratified and confirmed.

Section 2. The Financing Agreement and Other Documents. As evidence of its obligations in this Resolution, the Chairman is hereby authorized to execute, acknowledge and deliver, on behalf of the State Agency, the Financing Agreement, in substantially the form submitted to the State Agency, which is hereby approved, with such changes therein not inconsistent with this Resolution and not substantially adverse to the State Agency as may be permitted by the Act and approved by such officer. The approval of such changes by such officer, and that such changes are not substantially adverse to the State Agency, shall be conclusively evidenced by the execution of the Financing Agreement by such officer. The Chairman and Treasurer are hereby separately authorized to take any and all actions and to execute such other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams LLP, as bond counsel for the Notes, in order to effect the issuance of the Notes and the intent of this Resolution.

Section 3. Effective Date. This resolution shall take effect immediately upon its adoption.

ADOPTED AND APPROVED this 8th day of March, 2007.

**MOREHEAD STATE UNIVERSITY,**  
State Agency

By: \_\_\_\_\_

Title: \_\_\_\_\_

## CERTIFICATE

It is certified that the foregoing is a true and correct copy of a resolution duly adopted by the Board of Regents of Morehead State University ("State Agency") on the 8th day of March, and such resolution has not been altered, amended or repealed.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

---

Secretary

## ANNEX C

### GENERAL CLOSING CERTIFICATE OF STATE AGENCY

Re: Kentucky Asset/Liability Commission Project Notes, 2005 Agency Fund Second Series, Financing Agreement

The undersigned, Chairman of the Board of Regents of Morehead State University (the "State Agency"), hereby certifies, as of the date hereof, that (the capitalized terms used herein having the meanings given them in the Financing Agreement (the "Financing Agreement") among the State Agency, the Kentucky Asset/Liability Commission (the "Commission") and the Finance and Administration Cabinet of the Commonwealth of Kentucky (the "Cabinet")):

(a) The State Agency is duly organized and existing as an independent agency and constituted authority of the Commonwealth of Kentucky with full legal right, power and authority to enter into the Financing Agreement and consummate the transactions contemplated by the Financing Agreement;

(b) The execution and delivery of the Financing Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, will not in any material respect conflict with or constitute on the part of the State Agency a breach of or default under any other agreement or instrument to which the State Agency is a party or any existing law, administrative regulation, court order or consent decree to which the State Agency is subject;

(c) The State Agency has in all respects complied with the requirements of the Financing Agreement and the Act and will comply with all other laws and the Constitution of the Commonwealth;

(d) All approvals, consents and orders of any governmental authority, board, commission or agency having jurisdiction which would constitute a condition precedent to the performance by the State Agency of its obligations under the Financing Agreement have been obtained;

(e) The Financing Agreement, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding obligation of the State Agency enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted;

(f) The State Agency has duly (i) adopted the resolution approving the Financing Agreement (the "Resolution"), and such Resolution is in full force and effect, (ii) authorized and approved the execution and delivery of, and the performance by the State Agency of the obligations contained in the Financing Agreement;

(g) The State Agency is not in breach of or default under any applicable law or administrative regulation of the Commonwealth, any department, division, agency or instrumentality thereof, or the United States, or any applicable judgment or decreed or

any loan agreement, note, resolution, certificate, agreement or other instrument to which the State Agency is a party or is otherwise subject;

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the State Agency threatened against or in any way affecting the existence of the State Agency or the title of any of the officers or members of the State Agency to their office, or seeking to restrain or to enjoin the entering into of the Financing Agreement, or the application of the proceeds of the Financing Agreement as provided therein, or the collection of the revenues received by the State Agency, or in any way contesting or affecting the validity or enforceability of the Financing Agreement, or contesting the existence or powers of the State Agency or its authority with respect to the Financing Agreement or the Resolution nor to the best knowledge of the State Agency is there any basis therefore.

(i) The representations, warranties, covenants and agreements of the State Agency set forth in the Financing Agreement are true and correct in all material respects as of the date hereof.

(j) No event has occurred and is continuing which constitutes an event of default or would constitute an event of default but for the requirement that notice be given or time elapse or both under the Financing Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her signature this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

By: \_\_\_\_\_

Chairman



## ANNEX D

### OPINION OF COUNSEL TO STATE AGENCY

\_\_\_\_\_, 2007

Commonwealth of Kentucky  
Finance and Administration Cabinet  
Frankfort, Kentucky

Kentucky Asset/Liability Commission  
Frankfort, Kentucky

Peck, Shaffer & Williams LLP  
Covington, Kentucky

Gentlemen:

I am general counsel for Morehead State University (the "State Agency"), and in such capacity, am familiar with its organization, statutory authority, regulations (if any), agreements and resolutions, all as in effect on the date hereof.

I have examined an executed copy of the Financing Agreement (the "Financing Agreement") among the State Agency, the Kentucky Asset/Liability Commission (the "Commission") and the Finance and Administration Cabinet of the Commonwealth of Kentucky (the "Cabinet relating to the issuance of Kentucky Asset/Liability Commission Project Notes, 2005 Agency Fund Second Series (the "Notes") under the terms of the Indenture. I have also examined the original photostatic or certified copies of such records of the State Agency and other documents and materials, and have made such inquiries, as I have deemed relevant and necessary.

Based upon the foregoing, I am of the opinion that:

- (1) The State Agency is an agency of the Commonwealth, duly organized and validly existing under the laws of the Commonwealth and constitutes a "State Agency" within the meaning of Sections 56.860, et seq. of the Kentucky Revised Statutes.
- (2) The Financing Agreement has been duly authorized, executed and delivered by the State Agency and creates a valid, binding and enforceable agreement of the State Agency and the Financing Agreement creates a valid, binding and enforceable obligation of the State Agency (i) to pay to the Commission the payments as are provided for in the Financing Agreement, subject only to biennial appropriations by the General Assembly of the Commonwealth and (ii) to issue the Bonds, as defined in the Financing Agreement, subject to the conditions described in the Financing Agreement.
- (3) The execution, delivery and performance of the Financing Agreement by the State Agency is not subject to any authorization, consent, approval or review of any governmental body or regulatory authority not heretofore obtained or effected as required.

(4) To the best of my knowledge, after due inquiry, there is no litigation pending or threatened against the State Agency, which would affect the creation, organization or existence of the State Agency or the title of its present members or officers to their respective offices, or contesting or affecting the validity or enforceability of the Financing Agreement.

(5) The execution and delivery of the Financing Agreement and the performance by the State Agency of its obligations thereunder, does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument binding upon the State Agency, or any resolutions heretofore adopted by the State Agency.

This opinion may be relied upon by the Commission and by Bond Counsel in connection with the authorization and the issuance of the Notes by the Commission.

Respectfully submitted,

36022\1.DOC

## RESOLUTION

RESOLUTION OF THE BOARD OF MOREHEAD STATE UNIVERSITY ("STATE AGENCY") APPROVING A FINANCING AGREEMENT AMONG THE STATE AGENCY, THE KENTUCKY ASSET/LIABILITY COMMISSION AND THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR AN AUTHORIZED PROJECT IN ANTICIPATION OF THE ISSUANCE OF BONDS TO PROVIDE PERMANENT FINANCING FOR SAID PROJECT.

WHEREAS, pursuant to Section 56.860 et seq. of the Kentucky Revised Statutes (the "Act"), the Kentucky Asset/Liability Commission (the "Commission") was created and exists as an independent agency and constituted authority of the Commonwealth of Kentucky (the "Commonwealth") and is authorized to issue Project Notes, as defined in the Act, at the request of the Cabinet, as defined in the Act, to provide interim financing for Authorized Projects, as defined in the Act, in anticipation of the issuance of bonds; and

WHEREAS, the General Assembly pursuant to H.B. 267 of the General Assembly of the Commonwealth of Kentucky, 2005 Regular Session and H.B. 497 of the General Assembly of the Commonwealth of Kentucky, 2005 Regular Session (collectively, the "Budget Act") authorized certain expenditures in certain amounts for the hereinafter described Project to be financed with bonds, which Project constitutes an Authorized Project, as defined in the Act; and

WHEREAS, the State Agency, intends to issue bonds (the "Bonds") at the time that is in the best financial interests of the Project, to provide permanent financing for the Project and has requested, through the Finance and Administration Cabinet (the "Cabinet"), in accordance with the Act, that the Commission issue and sell Project Notes to provide funds for the Project in anticipation of the issuance of the Bonds; and

WHEREAS, the Commission has determined to provide interim financing for the Projects through the issuance of its Project Notes, 2005 Agency Fund Second Series (the "Notes");

WHEREAS, the State Agency wishes to authorize the Financing Agreement (the "Financing Agreement") among the State Agency, the Commission and the Cabinet to provide interim financing for the Project and as evidence of its commitment to issue the Bonds, which Bonds constitute the Bonds described in the Financing Agreement.

NOW THEREFORE, it is hereby resolved and ordered by the Board of Regents of Morehead State University as follows:

Section 1. Determinations. The State Agency hereby finds and determines that (a) it hereby ratifies and affirms its request that the Commission issue the Notes in anticipation of the issuance of the Bonds, for the purpose of paying the costs of the Project; (b) it is necessary to execute and deliver the Financing Agreement in order to provide for a source of payment for the Notes; and (c) approval of the Project described in the Financing Agreement is hereby ratified and confirmed.

Section 2. The Financing Agreement and Other Documents. As evidence of its obligations in this Resolution, the Chairman is hereby authorized to execute, acknowledge and deliver, on behalf of the State Agency, the Financing Agreement, in substantially the form submitted to the State Agency, which is hereby approved, with such changes therein not inconsistent with this Resolution and not substantially adverse to the State Agency as may be permitted by the Act and approved by such officer. The approval of such changes by such officer, and that such changes are not substantially adverse to the State Agency, shall be conclusively evidenced by the execution of the Financing Agreement by such officer. The Chairman and Treasurer are hereby separately authorized to take any and all actions and to execute such other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams LLP, as bond counsel for the Notes, in order to effect the issuance of the Notes and the intent of this Resolution.

Section 3. Effective Date. This resolution shall take effect immediately upon its adoption.

ADOPTED AND APPROVED this 8th day of March, 2007.

**MOREHEAD STATE UNIVERSITY,**  
State Agency

By: \_\_\_\_\_

Title: \_\_\_\_\_

## CERTIFICATE

It is certified that the foregoing is a true and correct copy of a resolution duly adopted by the Board of Regents of Morehead State University ("State Agency") on the 8th day of March, and such resolution has not been altered, amended or repealed.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this \_\_\_\_ day of \_\_\_\_, 2007.

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Secretary

36024\1.DOC

## **2008-2014 SIX-YEAR CAPITAL PLAN**

**BOR (VII-A-9)**  
**March 8, 2007**

### **Recommendation:**

That the Board approve the attached list of capital projects to be included in the final 2008-2014 Six-Year Capital Plan.

### **Background:**

The University is required to submit a 2008-2014 Six-Year Capital Plan to the Capital Planning and Advisory Board and the Council on Postsecondary Education by April 15, 2007. The plan includes proposed capital projects with an estimated scope of \$600,000 or more and equipment purchases with an estimated scope of \$200,000 or more. Projects included in the first biennia of the plan will be used as the basis for the development of the 2008-2010 Executive Budget Capital Request which will be presented to the Board for approval in the fall of this year. Projects are identified by anticipated fund source including:

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

**MOREHEAD STATE UNIVERSITY  
CAPITAL PROJECTS SUMMARY LISTING  
SIX-YEAR CAPITAL PLAN  
2008-2014**

<u>Project Title</u>	<u>Estimated Scope</u>
<b><u>2008-2010</u></b>	
<b><u>Projects Funded with State Bonds or State General Funds</u></b>	
Purchase Ctr for Health, Educ and Research Equipment	\$3,500,000
Renovate & Add to Student Center Phase II	16,800,000
Renovate Combs Classroom Building	10,400,000
Renovate and Expand Baird Music Hall	10,200,000
Renovate Camden-Carroll Library	42,500,000
Replace Power Plant Pollution Control System	3,540,000
Renovate Button Auditorium	9,000,000
Construct New Facility for Honors College	1,500,000
Construct Business Continuance Center - with NKU	2,400,000
Construct Plant Facilities	5,400,000
Construct Athletic Administration Building	18,203,000
Renovate Academic Center & Tennis Team Facilities	3,576,000
Reconstruct Central Campus	2,500,000
Replace Library Automation System	1,000,000
Replace Boiler Tubes	800,000
Expand Life Safety: Claypool-Young Bldg	650,000
Comply with ADA - E&G	1,700,000
Capital Renewal & Maintenance Pool-E&G	3,480,000
Purchase Instructional & Support Equip	1,000,000
Purchase Instructional Tech Initiatives	1,621,600
Upgrade Instruct. PCs/LANs/Peripherals	4,000,000
Upgrade Administrative Office Systems	2,500,000
Enhance Network/Infrastructure Resources	2,000,000
Construct KY Mountain Crafts Center	5,434,000
Acquire Land Related to Master Plan	2,000,000
<b><i>Subtotal State Bonds/Funds</i></b>	<b>\$155,704,600</b>

**Projects Funded with Agency Bonds or Agency Funds**

Capital Renewal & Maintenance Pool-Auxiliary	\$1,618,000
Comply with ADA - Auxiliary	1,200,000
Construct Student Recreation Center	17,000,000
Renovate Alumni Tower	3,016,250
Renovate Mignon Tower	3,068,750
Construct Food Service Facility	2,400,000
Construct Parking Structure	7,000,000
<i>Subtotal Agency Bonds/Funds</i>	<u>\$35,303,000</u>

**Projects Funded with Federal Funds**

Construct Community Public Safety Center (Partnership with City of Morehead and County of Rowan)	\$7,000,000
Construct East KY Animal Science Ctr	8,000,000
<i>Subtotal Federal Funds</i>	<u>\$15,000,000</u>

***TOTAL 2008-2010 CAPITAL PROJECTS*** \$206,007,600

**2010-2012**

**Projects Funded with State Bonds or State General Funds**

Acquire Land Related to Master Plan	\$2,000,000
Capital Renewal and Maintenance Pool-E&G	7,683,000
Comply with ADA - E&G	1,200,000
Renovate Ginger Hall	1,200,000
Construct New Facility for Alumni & Development	4,400,000
Construct General Office Building	6,300,000
Construct New Facility for IRAPP	3,500,000
Reconstruct Allen Field	9,591,000
Renovate Jayne Stadium	22,096,000
Construct Indoor Practice Facility	7,750,000
Renovate Waterfield Hall - HVAC	1,900,000
Renovate Wetherby/Laughlin Building	14,300,000
Construct Visitors Center	1,300,000
<i>Subtotal State Bonds/Funds</i>	<u>\$83,220,000</u>



**Projects Funded with Agency Bonds or Agency Funds**

Capital Renewal and Maintenance Pool-Auxiliary	\$300,000
Comply with ADA - Auxiliary	1,200,000
Renovate East Mignon Hall	2,138,000
Renovate West Mignon Hall	2,486,000
Construct New Student Apartment Complex	23,223,000
<b><i>Subtotal Agency Bonds/Funds</i></b>	<b><u>\$23,523,000</u></b>

***TOTAL 2010-2012 CAPITAL PROJECTS*** **\$106,743,000**

**2012-2014**

**Projects Funded with State Bonds or State General Funds**

Acquire Land Related to Master Plan	\$2,000,000
Renovate Reed Hall	\$1,200,000
Capital Renewal and Maintenance Pool-E&G	1,231,000
Comply with ADA - E&G	694,000
Construct KY Center for Traditional Music	6,500,000
Expand Claypool-Young Building	1,000,000
Expand Life Safety: E&G Facilities	766,000
Construct New Intramural Fields	2,800,000
Renovate Academic Athletic Center	15,987,000
Construct New Softball Facility	6,664,000
Replace AIX (Colleague) System Hardware	750,000
Replace Coal Fired Boilers	25,000,000
<b><i>Subtotal State Bonds/Funds</i></b>	<b><u>\$64,592,000</u></b>

**Projects Funded with Agency Bonds or Agency Funds**

Capital Renewal and Maintenance Pool-Auxiliary	\$100,000
Comply with ADA - Auxiliary	1,148,000
Renovate Mignon Hall	3,183,000
Renovate Cartmell Hall	3,714,000
<b><i>Subtotal Agency Bonds/Funds</i></b>	<b><u>\$8,145,000</u></b>

***TOTAL 2012-2014 CAPITAL PROJECTS*** **\$72,737,000**

**REVISION TO THE UNIVERSITY  
POLICE DEPARTMENT STANDARD  
OPERATING PROCEDURES MANUAL**

**BOR (VII-A-10)  
March 8, 2007**

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**Recommendation:**

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

**Background:**

KRS 164.4950 establishes the authority for the creation of the Office of Public Safety/Police Department. It delegates virtually all policy decisions to the "governing board," which in this case is the University Board of Regents.

The Public Safety Policy Manual was first approved and published in 1980. Since that time, several revisions to the Morehead State University Police Department Standard Operating Procedures Manual have been approved, with the most recent revisions approved by the Board on September 15, 2005.

**Analysis:**

Chapter 35, "Career Development," outlines a program that provides law enforcement officers and police telecommunicators with the means to improve knowledge, skills, and ability needed to perform the job tasks required in specialized area of their profession. This program applies to non-exempt employees only. Consideration for promotion and pay increase will be based on progress in the following areas:

- Years of service with the Morehead State University Police Department.
- Completion of In-Service Training or certification in specialized areas
- Satisfactory scores on annual performance evaluations (average of 3.0 or more)
- Achieving standards of physical fitness as set forth in physical fitness policy (applies to police officers)
- Accumulation of college credits

Chapter 36, "Physical Fitness Standards," establishes the procedures under which employees may participate in the wellness/physical fitness standards program approved by the Morehead State University Police Department. This program is designed to ensure a fit and healthy workforce, which benefits the employee, the agency, and the public they serve. Components of the program include:

- Employee orientation, which will be a brief overview of the mandatory program
- Wellness instruction from the University Wellness Center
- Physical conditioning, which includes exercise two days per week for up to 45 minutes at the University Wellness Center, Laughlin Weight Room, and/or Laughlin Multipurpose Room
- Assessment by University Wellness Center staff members who are certified by a recognized fitness-training program
- Physical fitness testing before the annual performance evaluation

*(Chapters 35 and 36 of the Morehead State University Police Department Standard Operating Procedures Manual in their entirety are attached to this recommendation.)*



Morehead State University Police Department  
Standard Operating Procedure Manual



<b>Title:</b>  Career Development	<b>Chapter:</b> 35  <b>Page(s):</b> 1 – 4	<b>KACP</b>
<b>Approved Date:</b>	<b>Review Month:</b>  May	<b>Issued by:</b> Colonel Joseph S. Cline Chief of Police

**I. Purpose**

The purpose of this policy is to provide law enforcement officers and police telecommunicators with the means to improve knowledge, skills, and ability needed to perform the job tasks required in specialized areas of their profession.

**II. Policy**

The overall purpose and goal of the department's career development program is to provide the means whereby law enforcement officers and police telecommunicators of the Morehead State University Police Department, who demonstrate continued interest and ability within a particular career path, may come to realize professional excellence. The measure of efficiency for the career development program will be based upon the attainment of each of the following development levels:

- Law Enforcement Officer Level I
- Law Enforcement Officer Level II
- Law Enforcement Officer Level III
- Law Enforcement Officer Level IV
- Law Enforcement Officer Level V
- Police Telecommunicator Level I
- Police Telecommunicator Level II
- Police Telecommunicator Level III
- Police Telecommunicator Level IV
- Police Telecommunicator Level V

## **APPLIES TO NON-EXEMPT EMPLOYEES ONLY**

### **Career Development**

#### **Law Enforcement Officer I**

- Pre-employment (POPS) certified
- Eighteen week Basic Training
- Successful completion of the Morehead State University Police Department Field Training Program

#### **Law Enforcement Officer II - 3% pay increase**

- Minimum of five (5) years with the Morehead State University Police Department with continued eligibility for benefits.
- Must have completed 240 hours of In-Service Training with five (5) years of employment or Certification in specialized areas from the Department of Criminal Justice Training's Career Development Program.
- Must have an average score of 3.0 or more for the past five years on the Annual Performance Evaluation.
- Must achieve the Standards of Physical Fitness which will be evaluated annually by the Morehead State University Wellness Center in January of each year (Medical Exception).
- Accumulation of College Credits. Minimum of 15 college credit hours with five (5) years' service.

#### **Law Enforcement Officer III – 3% pay increase**

- Minimum of ten (10) years' service with the Morehead State University Police Department with continued eligibility for benefits.
- Must have accumulated a minimum of 480 hours of In-Service Training within ten (10) years of service or Certification in two specialized areas from the Department of Criminal Justice Training's Career Development Program.
- Must have an average score of 3.0 or more for the past five annual Performance Evaluations.
- Must achieve the Standards of Physical Fitness set forth in the "Standards of Physical Fitness Policy" annually (Medical Exception).
- Minimum of 30 college credit hours to be obtained with ten (10) years' service.

#### **Law Enforcement Officer IV – 3% pay increase**

- Minimum of fifteen (15) years' service with the Morehead State University Police Department with continued eligibility for benefits.
- Must have accumulated a minimum of 1040 hours of In-Service Training within fifteen (15) years or three certifications from the Department of Criminal Justice Training's Career Development Program.
- Must have an average score of 3.0 or more for the past five annual Performance Evaluations.

- Must achieve the Standards of Physical Fitness set forth in the “Standards of Physical Fitness Policy” annually (Medical Exception).
- Minimum of 64 college credit hours to be obtained with fifteen (15) years’ service.

**Law Enforcement Officer V – 5% pay increase**

- Minimum of twenty (20) years’ service with the Morehead State University Police Department with continued eligibility for benefits.
- Must have accumulated a minimum of 1400 hours of In-Service Training within twenty (20) years.
- Must have an average score of 3.0 or more for the past five annual Performance Evaluations.
- Must achieve the Standards of Physical Fitness set forth in the “Standards of Physical Fitness Policy” annually (Medical Exception).
- Must have obtained 128 hours or a Bachelor’s Degree.

**Police Telecommunicator I –**

- Pre-employment (POPS) certified
- Four-week Basic Telecommunications Academy
- Successful completion of the Morehead State University Police Department Field Training Program

**Police Telecommunicator II - 3% pay increase**

- Minimum of five (5) years with the Morehead State University Police Department with continued eligibility for benefits.
- Must have completed 240 hours of In-Service Training with five (5) years of employment or Certification in specialized areas from the Department of Criminal Justice Training.
- Must have an average score of 3.0 for the past five years on the Annual Performance Evaluation.
- Accumulation of College Credits. Minimum of 15 college credit hours with five (5) years’ service.

**Police Telecommunicator III – 3% pay increase**

- Minimum of ten (10) years’ service with the Morehead State University Police Department with continued eligibility for benefits.
- Must have accumulated a minimum of 480 hours of In-Service Training within ten (10) years or certification in two specialized areas from the Department of Criminal Justice Training’s Career Development Program.
- Must have an average score of 3.0 or more for the past five annual Performance Evaluations.
- Minimum of 30 college credit hours to be obtained with ten (10) years’ service.

**Police Telecommunicator IV – 3% pay increase**

- Minimum of fifteen (15) years' service with the Morehead State University Police Department with continued eligibility for benefits.
- Must have accumulated a minimum of 1040 hours of In-Service Training within fifteen (15) years or certification in three specialized areas from the Department of Criminal Justice Training's Career Development Program.
- Must have an average score of 3.0 or more for the past five annual Performance Evaluations.
- Minimum of 64 college credit hours to be obtained with fifteen (15) years' service.

**Police Telecommunicator V – 5% pay increase**

- Minimum of twenty (20) years' service with the Morehead State University Police Department with continued eligibility for benefits.
- Must have accumulated a minimum of 1400 hours of In-Service Training within twenty (20) years.
- Must have an average score of 3.0 or more for the past five annual Performance Evaluations.
- Must have obtained 128 hours or a Bachelor's Degree.



**Morehead State University Police Department  
Standard Operating Procedure Manual**



<b>Title:</b>  Physical Fitness Standards	<b>Chapter:</b> 36  <b>Page(s):</b> 1 – 3	<b>KACP</b>
<b>Approved Date:</b>	<b>Review Month:</b>  May	<b>Issued by:</b> Colonel Joseph S. Cline Chief of Police

**I. Purpose**

The purpose of this policy is to establish the procedure under which employees may participate in the wellness/physical fitness standards program approved by the Morehead State University Police Department. Studies have shown that wellness programs reduce employee absenteeism and worker compensation claims.

**II. Policy**

The Morehead State University Police Department's Physical Fitness Standards and wellness program is designed to ensure a fit and healthy workforce, which benefits the employee, the agency, and the public they serve.

**III. Procedure**

**A. Employee Orientation**

All new employees of the Morehead State University Police Department shall be provided information regarding the agency Physical Fitness Standards/Wellness program during the regular employee orientation. This shall be a brief overview of the program as to its purpose and procedure. The program will become mandatory one year after implementation of the policy.

**B. Wellness Instruction**

1. Wellness instruction from the University Wellness Center shall consist of the following education information:
  - a). Fitness self-assessment
  - b). Goal setting
  - c). Weight control
  - d). Safety and injury prevention



2. Wellness Center instructors shall perform initial screening on all employees who wish to participate in the wellness program. The purpose of the screening is to gather information from participants and review their risk status, educate about risk factors, and refer high risk/symptomatic employees to their physician. The objective is not diagnostic, but to determine if a risk may exist associated with exercise. Those considered high risk shall receive a release from their physician to participate. Participants shall complete a medical questionnaire annually.
3. As a part of the educational portion, employees shall receive exercise recommendations with a variety of options. These recommendations shall be designed to assist employees in meeting their fitness needs, assure safety, and promote effective job performance.

C. Physical Conditioning

1. Each employee participating in the Morehead State University Police Department Physical Fitness Standards wellness program shall be allowed to exercise any two days per week during their normal work schedule.
2. The agency may allow up to 45 minutes for employees (with Shift Supervisor approval) to exercise on each of the 2 days per week. Time may not be accumulated and carried to another day or into another week.
3. Employees shall consult with their immediate supervisor as to what times are appropriate to insure normal work is not interrupted. Completion of normal work responsibilities is our primary goal.
4. Employees shall realize that there may be times when their exercise schedule has to be adjusted to accommodate unexpected work changes.
5. Only University Wellness Center staff members who are certified by a recognized fitness-training program shall administer the wellness program/fitness standards assessment.
6. Employees that use the Laughlin Weight Room during their shift shall report to the dispatcher that they are suspending patrol for Physical Fitness Training. Start time and ending time will be logged on the Morehead State University Police Department Activity Log Sheet. Each employee is subject to call while doing Physical Training.
7. All employees that participate in the Wellness/Physical Fitness Standards Program and use University facilities shall sign a waiver and rules form. (See waiver and rules form at the end of this chapter).

8. Employees participating in the Morehead State University Police Department Physical Fitness Standards Wellness Program shall log on the University Police Activity log each exercise session to insure proper tracking.
9. If an employee's risk status changes while participating in the program, the employee may be required to be released by a Wellness Center Instructor and to withdraw from the program until the risk is no longer a factor or until a release from the employee's physician is received.
10. The MSU Wellness Center during business hours can be used by participating employees. Laughlin Weight Room and the multipurpose room may be utilized by employees after regular business hours by University Police employees who work both evening and night shifts.
11. The following is a suggested test battery from the Cooper Institute, Dallas, Texas: Procedure and Sequencing of Physical Fitness Tests in Law Enforcement:
  - One Minute Setup – 18 minimum
  - 300 Meter Run – 65 seconds
  - Pushups – 20 minimum
  - 1.5 mile run – 17:12
  - Bench Press – 64% of Body Weight
12. Physical Fitness Standards testing should be completed after the fall semester each year (December). All employees shall be tested before their annual performance evaluation period (February).

**APPOINTMENT OF BOARD MEMBERS,  
FRIENDS OF KENTUCKY CENTER  
FOR TRADITIONAL MUSIC, INC.**

**BOR (VII-A-11)  
March 8, 2007**

**Recommendation:**

That the Board of Regents confirm the appointment of six new and six returning members of the Board of Directors of Friends of the Kentucky Center for Traditional Music, Inc., as identified herein.

**Background:**

1. Under provisions of state law, Friends of the Kentucky Center for Traditional Music, Inc. (FKCTM) was declared an affiliated corporation of Morehead State University by the Board of Regents on June 1, 2002. As such, the Board of Regents must confirm the appointment of members of the FKCTM Board of Directors.

2. In addition, the relationship between the University and FKCTM is governed by a Memorandum of Understanding approved by both boards.

2. The FKCTM Board of Directors met Sept. 18 and recommended the appointment of six new members – Dixie Hall of Franklin, Tenn., John Lewis of Sandy Hook, Dr. Michael Seelig and David Patrick of Morehead, Steve Ratcliff of Elliottville and Rob McCullough of Ashland.

3. The Board of Directors also recommended the reappointment of six members – Don Rigby of Isonville, Melvin Goins of Catlettsburg, Larry Cordle of Hendersonville, Tenn., Wayne Bledsoe of Rolla, Mo., and Terri Cline and Keith Kappes of Morehead.

4. All appointed board members serve three-year terms.

Prepared by: Keith Kappes

**APPOINTMENT OF BOARD MEMBERS,  
FRIENDS OF KENTUCKY FOLK ART CENTER, INC.**

**BOR (VII-A-12)  
March 8, 2007**

**Recommendation:**

That the Board of Regents confirm the appointment of five returning members of the Board of Directors of the Friends of the Kentucky Folk Art Center, Inc., as identified herein.

**Background:**

1. Under provisions of state law, Friends of the Kentucky Folk Art Center, Inc. (FKFAC), was declared an affiliated corporation of Morehead State University by the Board of Regents on September 18, 1998. As such, the Board of Regents must confirm the appointment of members of the FKFAC Board of Directors. In addition, the relationship between the University and FKFAC is governed by an operating agreement approved by both boards.

2. Friends of the Kentucky Folk Art Center, Inc., is a volunteer organization of folk art enthusiasts which assists the KFAC staff in promotional, educational and revenue-generating activities.

3. The FKFAC Board of Directors met Oct. 6, 2006, and recommended the reappointment of five board members – Roberta Harding and Monica Pipia of Lexington, Dr. Emma Perkins of Morehead, Marilyn Payson of Pikeville and Larry Poe of Maysville.

4. All appointed board members serve three-year terms.

Prepared by: Keith Kappes

## PERSONAL SERVICE CONTRACTS

BOR (VII-B-2)  
March 8, 2007

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between December 1, 2006 and February 28, 2007.

**PERSONAL SERVICE CONTRACTS**  
December 1, 2006 through February 28, 2007

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Stamats, Inc.	Comprehensive prospective student study, data analysis and comprehensive report with recommendations	2/15/07	5/15/07	\$66,400	Request for Proposal

**GIFT INCOME REPORTS****BOR (VII-B-3)****March 8, 2007****Morehead State University****Year-to-Date Gift Income***As of December 31, 2005 and 2006*

<b>Description</b>	<b>Fiscal Year 2005-2006</b>	<b>Fiscal Year 2006-2007</b>	<b>Variance</b>
Degreed Alumni	\$221,781.89	\$278,557.13	\$56,775.24
Non-degreed Alumni	19,119.00	79,648.63	60,529.63
Faculty/Staff	41,694.36	40,025.23	(1,669.13)
Retiree	7,345.00	13,620.00	6,275.00
Parent	26,077.00	17,985.00	(8,092.00)
Student	159.98	929.53	769.55
Leadership Board Members	1,799.00	1,155.00	(644.00)
Corporate Contributors	311,825.30	238,731.09	(73,094.21)
Foundations	8,169.80	6,909.20	(1,260.60)
Non-Profit Organizations	1,281.00	8,027.11	6,746.11
MSU and Student Organizations	2,211.00	2,549.25	338.25
Friends of MSU	212,166.98	222,164.68	9,997.70
<b>GRAND TOTALS</b>	<b>\$853,630.31</b>	<b>\$910,301.85</b>	<b>\$56,671.54</b>

Matching Gifts Received*	\$6,985.00	\$8,931.11
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Gift-in-Kind*	\$161,378.76	\$174,838.70
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Stocks*	\$15,037.60	\$85,734.01
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*\*Included in totals above*

Prepared by: Barbara Ender

## REPORT OF MAJOR GIFTS

*Since December 1, 2006*

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The following is a list of gifts of \$10,000 or more that have been received and/or recorded since December 1, 2006, 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>
Pepsi-Cola Bottling Company	1/26/2007	General/Athletic	\$10,000
Cabell Huntington Hospital	1/31/2007	GIK-Equipment	20,000
East Kentucky Science Center	2/12/2007	Scholarship	21,500
Robert Voge	12/20/2006	GIK-Artwork	29,300
E.L. and Ruth Boggs Shannon Family Foundation	1/31/06	Endowment	\$50,000

Prepared by: Barbara Ender



**Board of Regents Meeting**  
**Morehead State University**  
Riggle Room – Adron Doran University Center  
9 a.m., Thursday, March 8, 2007

Agenda

- I. CALL TO ORDER/ROLL CALL
- II. ELECT OFFICERS: CHAIR, VICE CHAIR, AND SECRETARY; APPOINT TREASURER
- III. APPROVE MINUTES OF DECEMBER 7, 2006
- IV. SPOTLIGHT – *Dr. Ronald E. Carrier, President Emeritus  
James Madison University*
- V. APPROVE AWARDING OF FOUNDERS DAY AWARD FOR UNIVERSITY SERVICE POSTHUMOUSLY TO STEVE HAMILTON
- VI. APPROVE AWARDING OF HONORARY DEGREE OF DOCTOR OF PUBLIC SERVICE TO PAUL E. PATTON
- VII. RECOMMENDATIONS AND REPORTS
  - A. Recommendations
    1. Approve Appointment of Provost and Vice President for Academic Affairs ..... 1
    2. Approve Tenure with Promotion, 2007 ..... 2-3
    3. Approve Tenure for Academic Administrators ..... 4
    4. Approve Sabbatical Leaves, 2007-2008..... 5
    5. Ratify Personnel Actions..... 6-26
    6. Accept Second Quarter Financial Report and Amend Operating Budget..... 27-35
    7. Approve Contracts for Banking Services..... 36
    8. Approve Financing Agreement and Adopt Resolution for Interim Financing of Residence Hall Renovation Project ..... 37-66
    9. Approve 2008-2014 Six-Year Capital Plan ..... 67-70
    10. Approve Revision to the University Police Department Standard Operating Procedure Manual ..... 71-79
    11. Confirm Appointment of Board Members, Friends of Kentucky Center for Traditional Music, Inc..... 80
    12. Confirm Appointment of Board Members, Friends of Kentucky Folk Art Center, Inc..... 81

B. Reports

1. Preliminary Report on Spring 2007 Enrollment (To be presented at meeting)
2. Report on Personal Service Contracts ..... 82-83
3. Gift Income Reports..... 84-85

C. President's Report

VIII. OTHER BUSINESS

A. Second Quarter Meetings

1. Work Session, Thursday, May 10
2. BOR Meeting, Thursday, June 14

B. Executive Session

IX. ADJOURNMENT