

AGENDA BOOK

Board of Regents

June 5, 2008

Morehead, Kentucky

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**Board of Regents Meeting
Morehead State University
Thursday, June 5, 2008**

Schedule

9 a.m.	BOR Meeting	Riggle Room
Following Meeting	Lunch/Ribbon Cutting Ceremony	Derrickson Ag-Complex

Members, Morehead State University Board of Regents

Sylvia L. Lovely (*Chair*)

Jean M. Dorton (*Vice Chair*)

James H. Booth

Brian N. Gay (*Student Member*)

Paul C. Goodpaster

Dr. Terry L. Irons (*Faculty Member*)

John C. Merchant

Dr. John D. O'Cull

Lora L. Pace (*Staff Member*)

Helen C. Pennington

Jill Hall Rose

Wayne D. Andrews, President

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**Board of Regents Meeting
Morehead State University
Riggle Room – Adron Doran University Center
9 a.m., Thursday, June 5, 2008**

Agenda

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **APPROVE MINUTES OF MARCH 13, 2008**
- IV. **SPECIAL RECOGNITION**
- V. **APPROVE RESOLUTIONS OF COMMENDATION FOR
TERRY IRONS AND BRIAN GAY**
- VI. **REPORT ON STUDENT GOVERNMENT ASSOCIATION – *Brian Gay***
- VII. **APPROVE CODE OF ETHICS FOR BOARD OF REGENTS**
- VIII. **SPOTLIGHT – *2008-09 Operating Budget***
- IX. **PRESIDENT'S RECOMMENDATIONS AND REPORTS**
 - A. **Recommendations**
 1. Ratify 2008 Spring Graduates.....1
 2. Approve Emeritus Status, 2008.....2
 3. Approve Promotions, 2008.....3
 4. Approve Tenure with Promotion.....4
 5. Ratify Personnel Actions.....5-10
 6. Accept Third Quarter Financial Report and Amend
Operating Budget.....11-22
 7. Approve Reappointment of Auditing Firm.....23
 8. Approve Minimum Scope of Annual Audit.....24-29
 9. Amend Campus Master Plan.....30
 10. Approve Exception to Campus Master Plan.....31
 11. Approve Disposal of Real Property.....32-34
 12. Adopt Reimbursement Resolution.....35-37
 13. Approve PG-55, Technology Resource Acceptable Use Policy.....38-43
 14. Confirm Appointment of Board Members, FKFAC.....44
 15. Approve Revisions to 2008-09 Student Conduct Code.....45-46
 16. Approve 2008-09 Operating Budget, Fee Schedule, and
Personnel Roster.....47-53
 - B. **Reports**
 1. Final Report on 2008 Spring Enrollment.....54
 2. Report on Personal Service Contracts.....55-56
 3. Report on Sale of General Receipts Revenue Bonds.....57
 4. Gift Income Reports.....58-59
 - C. **President's Report**

X. OTHER BUSINESS

A. President's Contract

B. Executive Session

C. Future Meetings

1. Work Session, Thursday, August 28, 2008
2. Quarterly Meeting, Thursday, September 11, 2008

XI. ADJOURNMENT

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY**

March 13, 2008

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, March 13, 2008, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair James Booth presided.

ROLL CALL

The following Board members attended the meeting: James Booth, Jean Dorton, Brian Gay, Paul Goodpaster, Dr. Terry Irons, Sylvia Lovely, John Merchant, Dr. John D. O'Cull, Lora Pace, Helen Pennington, and Jill Hall Rose.

Others present: President Wayne Andrews, Provost Karla Hughes, Vice Presidents Michael Walters, Keith Kappes, Beth Patrick, Madonna Weathers, and James Shaw, and other members of the administrative staff.

NEWS MEDIA

Jason Blanton, Media Relations Director, introduced Dan Conti from Morehead State Public Radio and Heather Webb from *The Trail Blazer*.

**DECEMBER 6,
2007, MINUTES**

Dr. O'Cull moved that the minutes of December 6, 2007, be approved as distributed. Mr. Merchant seconded the motion. The motion carried.

**SABBATICAL
LEAVE REPORT**

Dr. Hughes introduced Sharon Walters, Associate Professor of Accounting, who reported on her sabbatical leave.

Ms. Walters thanked the Board for approving her sabbatical leave. She said that the purpose of her sabbatical was to engage in a comprehensive study of the field of business valuation. Business valuation, an emerging and specialty field in the areas of accounting and economics, determines the value of business enterprises by incorporating various financial models and techniques. As a result of this comprehensive study, Ms. Walters said that she is in the process of developing a business valuation course for the accounting program, which will provide students with an opportunity to broaden their accounting education and improve their marketability.

**INTRODUCTION
OF NEW VICE
PRESIDENT FOR
DEVELOPMENT
AND SPOTLIGHT
PRESENTATION**

Dr. Andrews introduced newly appointed James Shaw, Vice President for Development, who provided an update on plans for the University's comprehensive capital campaign. Mr. Shaw is a 1967 engineering graduate of the Air Force Academy and also holds master's degrees from Auburn University in business administration and from the University of Arizona in international relations. He had a postgraduate fellowship at Queens University in Kingston, Ontario, Canada. After 26 years of active duty in the Air Force, Mr. Shaw retired at the rank of Colonel and accepted the position with the Academy's Association of Graduates as vice president for development. After seven years

**PRESIDENT'S
RECOMMENDA-
TIONS*****2008 Founders Day
Award for
University Service***

in that post, he was promoted to president and chief executive officer of the organization and served in that position for nine years prior to coming to MSU.

Mr. Shaw discussed the structure and timeline of a comprehensive capital campaign, why it is important to have a campaign, and what it takes to be successful in such a major fundraising activity.

The President recommended:

RECOMMENDATION: That the Board approve the selection of Dr. Marshall D. Banks as the recipient of the 2008 Founders Day Award for University Service.

(Additional background information attached to these minutes and marked VI)

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

President Andrews shared the story of how Dr. Banks had been the first African-American scholarship athlete at MSU and in the Ohio Valley Conference. Dr. Banks went on to earn a doctoral degree and become a respected scholar at Howard University.

VOTE: The motion carried.

The President recommended:

***Naming of
Molecular Biology
Laboratory &
University Bowling
Lanes***

RECOMMENDATION: That the Board approve naming of the Molecular Biology Laboratory in recognition of Dr. David T. Magrane, former faculty member and chair of the Department of Biological and Environmental Sciences; and the University Bowling Lanes in the Laughlin Health Building in recognition of Larry A. Wilson, successful bowling coach, faculty member, and manager of the lanes.

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

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

VOTE: The motion carried.

**Curriculum Audit
& Gen Ed Reform**

The President recommended:

RECOMMENDATION:

That the Board approve the review process for the Curriculum Audit;

That the Board approve the General Education Steering Committee's Framework for General Education Reform (1. Morehead State University will require 120 credit hours for graduation. 2. General Education will consist of 33 credit hours with a minimum of 15 hours of core courses and a capstone course for a total of 36 credit hours. 3. A centralized management and assessment of General Education will facilitate oversight and continuous improvement); and

That the Board approve the timeline for Redesigning General Education proposed by the Faculty General Education Advisory Committee.

(Additional background information including Curriculum Audit Process and Timeline and General Education Reform Framework attached to these minutes and marked VIII-A-1)

Karla Hughes, Provost and Vice President for Academic Affairs, discussed the recommendations on the Curriculum Audit, the General Education Steering Committee's Framework for Gen Ed Reform, and the timeline for Redesigning Gen Ed as proposed by the Faculty General Education Advisory Committee.

Dr. Irons raised a question about the process for ranking different programs and using a rubric with a numerical score for each program.

Dr. Hughes said that while there had been extensive discussion about using rubrics, it was agreed that assigning a numerical score for each program would be distracting and take away from the process.

Mr. Goodpaster said that he believed the process was wonderful; however, he asked about shortening the timeline for Gen Ed reform. Dr. Hughes advised that the process could be accelerated, but it was critical to allow faculty to be involved in the process and also to preclude having to revisit this matter in a few years.

MOTION: Ms. Pennington moved that the Board approve the President's recommendation. She said that she was pleased this would be a continuous assessment process. Ms. Dorton seconded the motion.

VOTE: The motion carried.

***Tenure &
Promotion***

The President recommended:

RECOMMENDATION: That the Board approve the granting of tenure and promotion to those who are assistant professors to the associate professor rank for the following faculty members with the issuance of their contracts for the 2008-2009 year:

Dr. Lola Aagaard-Boram, Assistant Professor of Education
Dr. Martha Decker, Assistant Professor of Education
Mr. Glenn Ginn, Assistant Professor of Music
Dr. Kitty Hazler, Assistant Professor of Education
Mr. Jeffrey Hill, Assistant Professor of Mass Communication
Dr. Scott Meisel, Assistant Professor of Accounting
Dr. Christopher Miller, Assistant Professor of Education
Dr. Sean Reilley, Assistant Professor of Psychology
Dr. Wayne Christopher Schroeder, Assistant Professor of Mathematics
Dr. Paul Steele, Associate Professor of Sociology
Mr. Gregory Wing, Assistant Professor of Music
Dr. Troy Wistuba, Assistant Professor of Agriculture and Human Science

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

VOTE: The motion carried.

The President recommended:

Sabbatical Leaves

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

Haiwook Choi, Spring 2009
Mee-Ryoung Shon, Fall 2008
Edna Schack, Fall 2008
Joy Gritton, Fall 2008
Elizabeth Mesa-Gaido, Spring 2009
Eugene Hastings, Fall 2008
Sylvia Henneberg, Fall 2008 and Spring 2009
Ric Caric, Fall 2008
Jason Holcomb, Fall 2008
Gary O'Dell, Spring 2009
Bernadette Barton, Fall 2008 and Spring 2009

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

VOTE: The motion carried.

Dr. Irons questioned the budgetary impact of the significant number of sabbaticals.

Dr. Hughes said that in light of the large number of sabbaticals, plans were underway to address the process for reviewing sabbaticals making it more competitive and limiting the number approved each year.

VOTE: The motion carried.

The President recommended:

Personnel Actions

RECOMMENDATION: That the Board ratify the Personnel Actions for the period November 12, 2007, through February 15, 2008.

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

Phil Gniot, Director of Human Resources, noted that while the format had remained the same, the appointment status report on pages 29-30 had been simplified to provide information in a more user friendly fashion.

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

VOTE: The motion carried.

The President recommended:

Banking Services Contracts

RECOMMENDATION: That the Board exercise the option to renew the banking services contracts for the period July 1, 2008, to June 30, 2009, with US Bank of Morehead for the main campus banking, and with Citizens National Bank in Ashland, Commercial Bank in West Liberty, Citizens National Bank in Prestonsburg, and Citizens Bank and Trust in Jackson to continue to serve as depositories for funds collected at the regional campuses. Also, that the Board designate Traditional Bank in Mt. Sterling to serve as the depository bank for the regional campus in that city.

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

Michael Walters, Vice President for Administration and Fiscal Services, said that in 2007 a contract was awarded to US Bank to provide banking services for the main campus for the period beginning July 1, 2007, and ending on June 30, 2008, with options for four additional one-year renewal periods. In addition, contracts also were awarded to Citizens National Bank in Ashland, Commercial Bank in West Liberty, Citizens National Bank in

**Second Quarter
Financial
Statements**

Prestonsburg, and Citizens Bank and Trust in Jackson to provide banking services for the regional campuses. The Board is being asked to exercise the option to renew the banking services contracts for the period July 1, 2008, to June 30, 2009.

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

VOTE: The motion carried with Ms. Dorton recusing herself.

The President recommended:

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, 2008, and amend the operating budget.

(Financial Statements and additional background information attached to these minutes and marked VIII-A-6)

James A. Fluty, Director of Accounting and Budgetary Control, reported on significant trends and variances for the six months that ended on December 31, 2007:

- Total revenues increased \$7.3 million over last year to \$83.6 million. Tuition and fees increased \$3.8 million, auxiliary enterprises increased \$1.6 million, and other categories increased \$1.9 million (net).
- The total actual revenue percent to budget increased .8 percent to 69.6 percent versus 68.8 percent at December 31, 2006. Housing revenue increased 13 percent, other auxiliary and other revenue decreased 1.2 percent, and educational and general revenue increased .18 percent, compared to the previous year.
- Total expenses increased \$6.4 million over last year to \$55.7 million. Increases in the E & G expenses make up the \$6.4 million increase.
- Net change in fund balance increased \$.9 million to \$27.9 million as compared to \$27.0 million at December 31, 2006. This is a 3.2 percent increase over the previous year.

Mr. Fluty noted that the level of operating surplus (\$27.9 million) is expected at this time since most of the billings for the Spring 2008 semester are reflected in the tuition and fees revenue and only expenditures through December 31, 2007, are reflected.

Teresa Johnson, Director of Budgets, reported on the Statements of Revenues, Expenditures and Changes in Fund Balance, Budget Amendments, and the Capital Outlay Status Report.

SGA Constitution

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

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve amendments to the Student Government Association (SGA) Constitution.

(Proposed amendments and additional background information attached to these minutes and marked VIII-A-8)

Madonna Weathers, Vice President for Student Life, said that during the past two years, the Student Government Association had engaged in an in-depth examination of its Constitution and Bylaws to reflect the current needs of the organization in order to represent students in a more effective and efficient manner. As a result of the review, the following amendments were proposed:

- Alter the current model of representation to better reflect University demographics by adjusting constituency representatives.
- Enhance the Student Court Article to create more efficient policies and procedures.
- Remove statements of "unless otherwise stated in this constitution" throughout the Constitution and references to the "Executive Committee" changed to "Executive Branch" for purposes of clarification.

MOTION: Ms. Pace 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 approve revisions to the Morehead State University Police Department Standard Operating Procedures Manual.

(Proposed revisions and additional background information attached to these minutes and marked VIII-A-9)

**MSU Police
Department
Standard Operating
Procedures Manual**

Ms. Weathers said that the Board was being asked to approve revisions to Chapter 5 of the Morehead State University Police Department Standard Operating Procedures Manual that contains regulations concerning the care and use of firearms. In addition to the Glock Model 22 firearms issued by the department, Glock Model 27 firearms have

recently been purchased and issued to officers for use as off-duty or concealed weapons. The Glock Model 22 is the duty firearm for uniformed sworn officers and must be carried in an unconcealed manner. Sworn officers on duty, but not in uniform, may carry either model in a concealed manner. These regulations ensure uniformity of weapons between on-duty and off-duty officers and guarantees that officers are proficient in weapon use, with each officer attending three firearms qualification/training sessions annually. Each officer must demonstrate and understand the use of deadly force by written exam before or after qualification.

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

VOTE: The motion carried.

Following a ten-minute break, Mr. Booth declared the Board back in open session.

The President recommended:

RECOMMENDATION: That the Board approve tuition and mandatory fees as proposed for 2008-2009.

(Proposed tuition and mandatory fees for 2008-09 and additional background information attached to these minutes and marked VIII-7)

Dr. Andrews said that the Governor's Executive Budget as proposed would reduce higher education by 12 percent. The first cut in January reduced the current year state appropriations by 3 percent, which amounts to just under \$1.5 million. As a result, the University immediately began the process of preparing a balanced operating budget for the 2008-09 fiscal year with the anticipation that the 3 percent reduction could be increased by up to an additional 12 percent. This 15 percent reduction would equal a \$7.2 million cut in MSU's state appropriations. However, he said that there was some encouraging news since the House passed a budget bill on Wednesday restoring funding to the universities at the continuation budget level recommended by the Council on Postsecondary Education.

Dr. Andrews said that in developing the new budget, with the uncertainty of state appropriations, the administration had taken steps to identify the anticipated changes in fixed and unavoidable costs, projected increases in current service expenditures, and projected changes in the University's revenue sources – including tuition and fees. He said that he has or is scheduled to meet with each vice president to determine areas where the budget can be reduced without doing any harm to the University.

Beth Patrick, Vice President for Planning, Budgets, and Technology, discussed a new per-credit-hour tuition model for the 2008-09 school year. She said that the proposed new tuition model requires students to pay for each course in which they enroll instead of the

***Tuition and
Mandatory Fees***

traditional flat rate for full-time students. MSU and the state's other public universities have charged a per-credit rate for part-time students and a flat rate for full-time students that covered from 12 to 18 credits per semester for a single price. To minimize the impact on returning students, the University will offer a discount on all credits beyond 12 per semester and students receiving full tuition scholarships will be covered up to 18 credits per term.

Dr. Andrews noted that while approximately 20 percent of MSU students will pay a higher percentage increase, the impact will be significantly reduced by the discounted rate.

Dr. Irons and Mr. Gay said that the proposed per-credit-hour model would place a financial burden upon MSU's full-time students. Dr. Irons said that it was incumbent upon the institution to embrace strategies that focus on progress toward degree completion. He said that he did not believe that the pay-as-you-go model was a strategy that is consistent with that long-range principle and the goals of the Commonwealth. Mr. Gay encouraged the Board to maintain a discount or financial incentive for students to maintain full-time status. Extensive discussion followed.

In the recommended parameters, Dr. Andrews advised that Dr. Irons had noted an error in the second bulleted item on page 45 of the Agenda Book and that "above" should be added to the sentence. The sentence should read as follows: "The per-credit-hour rate for tuition would be set no lower than the 2007-2008 rate and no higher than 6 percent above the 2007-2008 rate."

MOTION: Ms. Lovely moved that the Board approve the President's recommendation as amended. Mr. Merchant seconded the motion.

VOTE: The motion carried with Dr. Irons and Mr. Gay voting nay.

REPORTS

2008 Spring Enrollment

Dr. Hughes reported that preliminary head-count enrollment figures for spring 2008 reflected a slight decrease of .4 percent. (*Preliminary Report on Spring Enrollment, 2008, attached to these minutes and marked VIII-B-1*)

Personal Services Contracts

Mr. Walters reported on Personal Service Contracts issued with amounts greater than \$10,000 between November 16, 2007, and January 31, 2008. The contract for Perkins Loan Servicing was amended by \$3,000 bringing the total contract amount to \$32,000 for 2007-2008. (*Report on Personal Service Contracts attached to these minutes and marked VIII-B-2*)

Gift Income Report

Mr. Shaw reported on gift income. He said that there was continuous improvement with year-to-date gift income reported at \$910,301.85 as of December 31, 2006, and \$1,074,027.38 as of December 31, 2007. (*Gift Income Reports attached to these minutes and marked VIII-B-3*).

Report on Audit

Mr. Fluty presented a progress report on several items that were considered material weaknesses in internal controls that were brought to the Board by the external auditors at the Audit Committee meeting in December 2007. Jim Booth, Chair of the Audit Committee, asked that the Board be provided a written report at the March 2008 meeting on the University's progress in correcting these deficiencies. (*Report attached to these minutes and marked VIII-B-4*)

President's Report

President Andrews reported on the following initiatives:

- The 16-member Regional Engagement Advisory Committee met recently and developed a list of issues in four major goal areas (Health, Economic Development, Education, and Community Building) and identified those priorities the University should support and match with resources.
- Construction on the Space Science Center is progressing. While \$9.6 million is not included in the Executive Budget for completion of the project (clean room), the University will seek funding in the next legislative session.
- Design work for the Center for Health, Education and Research (CHER) is progressing on schedule, and the project is scheduled to be bid this summer. The building will be on line in fall 2010.
- Jim Booth has agreed to serve as chair of the Steering Committee for the Comprehensive Capital Campaign.
- A brochure on the economic impact Morehead State University has in the state and region is contained in the Board packet.

ELECTION OF OFFICERS

Chair Booth opened the floor for nominations for Chair, Vice Chair, and Secretary. Mr. Booth said that he had enjoyed serving as chair of the Board during the past four years (The Board's *Bylaws* limit the number of consecutive years a Board member may serve as chair to four years).

Dr. Irons moved that the Board elect Ms. Lovely to serve as chair of the Board. Mr. Merchant seconded the motion. The motion carried.

Dr. Irons moved that the Board reelect Ms. Dorton to serve as vice chair of the Board. Dr. O'Cull seconded the motion. The motion carried.

Dr. Irons moved that the Board reelect Ms. Johnson to serve as secretary of the Board. Mr. Gay seconded the motion. The motion carried.

Chair Booth reappointed Mr. Walters to serve as treasurer of the Board.

Ms. Lovely thanked Mr. Booth on being an outstanding chair. She said that she looked forward to working with Vice Chair Dorton and President Andrews and the other members of the Board. She pledged her continued support of Morehead State University and shared "her story" about enrolling as a student at the University.

Dr. Irons noted that Ms. Lovely is the first woman in the history of the University to serve as chair of the Board of Regents.

ADJOURNMENT

There being no further business to conduct, Ms. Pace moved that the meeting adjourn. Ms. Dorton seconded the motion. The motion carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carol Johnson".

Carol Johnson, Secretary
Board of Regents

RESOLUTION HONORING DR. TERRY L. IRONS

**BOR (V)
June 5, 2008**

WHEREAS, Dr. Terry L. Irons, professor of English, has served with distinction as faculty representative on the Board of Regents of Morehead State University since 2005; and

WHEREAS, Dr. Irons' distinguished service on the Board of Regents consistently has exemplified his high ethical standards and strong personal commitment to institutional integrity; and

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

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

Done this fifth day of June 2008.

Sylvia L. Lovely, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

RESOLUTION HONORING BRIAN N. GAY

**BOR (V)
June 5, 2008**

WHEREAS, Mr. Brian N. Gay of Cincinnati, Ohio, has served with distinction as the student member of the Board of Regents of Morehead State University since July 1, 2006; and

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

WHEREAS, Mr. Gay's leadership resulted in improved student relationships with the Morehead city government and the Morehead-Rowan County Chamber of Commerce; and

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

WHEREAS, Mr. Gay's organizational skills led to his election as vice chair of the Board of Student Body Presidents of Kentucky's public universities; and

WHEREAS, Mr. Gay's active engagement with the Board of Regents and his leadership of the Student Government Association consistently have reflected his high ethical standards and deep, personal commitment to student and institutional success;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. Brian N. Gay be and hereby is commended for his two years of honorable and outstanding service on the Board of Regents and his leadership of the Student Government Association.

Done this fifth day of June 2008.

Sylvia L. Lovely, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

**ADOPT CODE OF ETHICS POLICY FOR
BOARD OF REGENTS**

**BOR (VII)
June 5, 2008**

Recommendation:

That the Board approve the adoption of the Board of Regents' Code of Ethics.

Background:

The Executive Branch of the Commonwealth of Kentucky is by statute covered by a code of ethics. The Ethics Commission attempted to amend that legislation to cover postsecondary institutions under the same code with oversight by the state's Ethics Commission. The Council on Postsecondary Education and the institutions opposed the legislation based on the difference in the structure of higher education as well as desire for oversight within the academe rather than an outside agency.

CPE requested that each public postsecondary institution adopt a code of ethics. A Code of Ethics for MSU employees, PG 61, was adopted by the Board on December 6, 2007. Best practices at other institutions and the needs of this Board of Regents were considered by the Board committee in drafting this policy. Comments and other input received from other Board members were considered and included, as applicable, in the recommended version.

Morehead State University

Board of Regents

Code of Ethics

Pursuant to the authority granted under KRS 164.350, the Board of Regents of Morehead State University adopts this Code of Ethics to ensure the fulfillment of its obligations and duties to the University, the students, and the Commonwealth. The Board agrees that in performing its duties as Regents for Morehead State University, it will adhere to the following principles:

- 1. Promote and foster the best interests of Morehead State University, its vision, mission and core values.**
- 2. Comply with the policies and procedures governing the University, the Bylaws of this Board, and applicable state and federal law.**
- 3. Enhance the institution's image and preserve the public's respect and confidence in the University.**
- 4. Demonstrate stewardship of University property and resources.**
- 5. Always act on the basis of what is best for the institution as a whole and the advancement of higher education rather than serving special interest through:**
 - a. Ensuring any relationship that could be perceived as a conflict of interest is fully and properly disclosed pursuant to University guidelines;**
 - b. Ensuring that any relationship that may be perceived as a conflict of interest is to the obvious advantage of the University;**
 - c. Exhibiting personal integrity, honesty, and responsibility in all actions;**
 - d. Refraining from actions or involvements that may prove embarrassing to the University; and**
 - e. Resigning from the Board if conflicts not in the best interest of the University, conflicts in violation of the law, or embarrassment to the University occur.**
- 6. Maintain confidentiality of all matters deemed confidential including individual conversations, if requested.**
- 7. Preserve institutional autonomy.**
- 8. Support the President in his or her leadership of the University recognizing the President is the exclusive agent of the Board in the conduct of University affairs and avoid participating in the administration of institutional policy except for employee and student Regents in the performance of their regular duties.**
- 9. Recognize that the chair of the Board of Regents is the spokesperson for the entire Board and refrain from speaking for the Board unless specifically authorized to do so.**

10. **Vote and speak according to one's individual conviction yet be willing to support the majority decision of the Board and work with all Regents in an environment of mutual respect, impartiality, and collaboration.**
11. **Accept the spirit of academic freedom and shared governance as fundamental to governance of the University.**
12. **Support University fundraising efforts through personal giving in accordance with one's means in both annual and capital campaigns and be willing to solicit financial support from others.**
13. **Carefully prepare for, regularly attend, and actively participate in Board meetings and committee assignments.**

An alleged violation may be brought to the attention of either the Chair or the Vice Chair of the Board. The Chair/Vice Chair may, in his/her discretion, perform or request an investigation of the alleged violation consistent with the principles of due process and, if substantiated, may recommend appropriate action be taken by the Board on the violation.

**Morehead State University
Board of Regents
Conflict of Interest Disclosure Statement**

I have familiarized myself with the Code of Ethics of the Morehead State University Board of Regents and agree to abide by the Code and its spirit.

Name Printed

Signature

Date

RATIFY 2008 SPRING GRADUATES

BOR (IX-A-1)

June 5, 2008

Recommendation:

That the Board approve the awarding of degrees to the candidates who successfully completed all degree requirements as approved by the faculty of the University at the 2008 Spring Commencement on May 10, 2008, be ratified.

Background:

At the May 10, 2008, Spring Commencement, 602 students were awarded degrees from Morehead State University. This included 77 associate degrees, 446 bachelor degrees, and 79 graduate degrees.

APPROVE EMERITUS STATUS, 2008

BOR (IX-A-2)

June 5, 2008

Recommendation:

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

Janet Gross, Professor of Nursing

Marilyn Sampley, Professor of Human Sciences

Background:

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

APPROVE PROMOTIONS, 2008

BOR (IX-A-3)
June 5, 2008

Recommendation:

That the Board of Regents approve the granting of promotions to the following faculty with the issuance of their contracts for the 2008-09 year:

Associate

Barbara Lewis, Vet Tech

Professor

Lary Cowart, Real Estate

John Hennen, History

Philip Prater, Vet Tech

David Eisenhower, Biology

Librarian II

Donna Baker

Background:

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

APPROVE TENURE WITH PROMOTION

Recommendation:

That the Board approve the granting of tenure and promotion to Dr. Julia Ann Hypes from assistant professor of HPES to the associate professor rank with the issuance of her contract for the 2008-2009 year.

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.

RATIFY PERSONNEL ACTIONS

**BOR (IX-A-5)
June 5, 2008**

Recommendation:

That the Board ratify the Personnel Actions for the period February 16, 2008, through May 16, 2008.

Background:

The Personnel Action Request Report includes actions related to:

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

MOREHEAD STATE UNIVERSITY
STANDING I AND STANDING II POSITIONS SUMMARY
05/16/08

<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	5.25	5.25	0.00	5.25	100.00
DIVISION OF UNIVERSITY RELATIONS	33.00	33.00	0.00	32.00	96.97
DIVISION OF DEVELOPMENT	16.00	16.00	0.00	13.00	81.25
DIVISION OF PLANNING, BUDGETS AND TECHNOLOGY	48.75	52.75	4.00	50.75	96.21
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	72.00	75.00	3.00	72.00	96.00
FACILITIES MANAGEMENT	158.70	158.70	0.00	150.70	94.96
DIVISION OF STUDENT LIFE	152.99	156.99	4.00	144.49	92.04
DIVISION OF ACADEMIC AFFAIRS	27.50	29.50	2.00	26.00	88.14
CAUDILL COLLEGE OF HUMANITIES	166.70	165.70	-1.00	164.25	99.12
COLLEGE OF BUSINESS	52.50	52.50	0.00	49.50	94.29
COLLEGE OF EDUCATION	119.00	120.00	1.00	111.00	92.50
COLLEGE OF SCIENCE AND TECHNOLOGY	162.30	162.30	0.00	150.30	92.61
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	16.50	16.50	0.00	15.50	93.94
GRADUATE AND UNDERGRADUATE PROGRAMS	47.00	46.00	-1.00	45.00	97.83
CAMDEN-CARROLL LIBRARY	39.00	39.00	0.00	34.00	87.18
	1117.19	1129.19	12.00	1063.74	94.20

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

DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

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

APPOINTMENT STATUS ACTIONS

2/16/2008 - 5/16/2008

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
Hires								
Art	Campbell, Kira	08/07/08	05/08/09	Visiting Assistant Professor	9	\$32,000.00	Full-Time Fixed	Hire-New
Physical Sciences	Gonzalez-Espada, Wilson	08/07/08		Assoc. Prof. of Science	9	\$54,000.00	Full-Time Standing	Hire-New
Police Department	Sparks, James Matt	04/21/08		Chief of Police	12	\$70,000.00	Full-Time Standing, Prob.	Hire-New
Athletics-Men's Basketball	Moore, Charles	04/01/08	03/31/09	Asst. Basketball Coach	12	\$36,540.00	Full-Time Fixed	Hire-Renewal
Athletics-Men's Basketball	Reynolds, Kevin	04/01/08	03/31/09	Asst. Basketball Coach	12	\$40,000.00	Full-Time Fixed	Hire-Renewal
Athletics-Men's Basketball	Tyndall, Donald	04/01/08	03/31/09	Asst. Basketball Coach	12	\$129,078.00	Full-Time Fixed	Hire-Renewal
Athletics-Men's Basketball	Wortman, Barry	04/01/08	03/31/09	Asst. Basketball Coach	12	\$51,709.00	Full-Time Fixed	Hire-Renewal
Athletics-Women's Basketball	Allen, Ashley	04/01/08	03/31/09	Asst. Basketball Coach	12	\$27,000.00	Full-Time Fixed	Hire-Renewal
Athletics-Women's Basketball	Bradbury, Michael	04/01/08	03/31/09	Head Women's Basketball Coach	12	\$92,500.00	Full-Time Fixed	Hire-Renewal
Athletics-Women's Basketball	Elifson, Harold	04/01/08	03/31/09	Asst. Basketball Coach	12	\$50,750.00	Full-Time Fixed	Hire-Renewal
Athletics-Women's Basketball	King, Valerie	04/01/08	03/31/09	Asst. Basketball Coach	12	\$33,495.00	Full-Time Fixed	Hire-Renewal
Interim Appointments								
Physical Sciences	Jerde, Eric	07/01/08	06/30/09	Asst. Prof. of Geology	12	\$34,378.00		Interim Dept. Chair
Leave Of Absences								
Music	Baruth, Lori	02/29/08	03/07/08	Asst. Prof. of Music	9	\$45,000.00		LOA Without Pay-Medical
Promotions								
Physical Sciences	Roland, Elizabeth	08/07/08		Asst. Prof. of Science	9	\$44,000.00	Full-Time Standing	Promotion
Reassignments								
Provost Office	Baldwin, Yvonne	03/03/08		Asst. to the Provost/Project Specialist	12	\$108,046.00		Reassignment-Promotion
Communications & Marketing	Baldwin, Amanda	05/01/08		Staff Writer/Raconteur Advisor	12	\$32,486.00	Full-Time Standing, Prob.	Reassignment-Transfer
Terminations								
Facilities Mngt.-Bldg. Serv.	Waddell, Tammy	05/02/08		Building Services Technician	12	\$8.48/hr.		Term-Discharge
Communications & Marketing	Brandenburg, Garnett	02/18/08		Secretary Specialist	12	\$9.47/hr.		Term-Job Abandonment
Facilities Mngt.-Bldg. Serv.	Conn, Carl	03/26/08		Building Services Technician	12	\$8.32/hr.		Term-Job Abandonment
Student Housing	Hodge, Jerrod	06/30/08		Asst. Director of Tech. Supp./AC	12	\$33,710.00		Term-Layoff
Student Housing	Shelton, Kevin	06/30/08		Asst. Director of Special Housing	12	\$34,203.00		Term-Layoff
Accounting, Economics & Finance	Madden, Deborah	05/10/08		Instructor of Accounting	9	\$49,101.00		Term-Resignation
Art	Penner, Greg	05/09/08		Asst. Prof. of Art	9	\$45,906.00		Term-Resignation
Camden Carroll Library	Vance, Jason	04/28/08		Librarian III	12	\$57,009.00		Term-Resignation
CDP/TC	Bell, Linda	04/15/08		External Degree Prog. Evaluator	12	\$40,989.00		Term-Resignation
Communication & Theatre	Farwell, Tricia	05/09/08		Asst. Prof. of Public Relation./Ad.	9	\$48,608.00		Term-Resignation
Communication & Theatre	Suttler, Ashley	05/09/08		Asst. Prof. of Dance	9	\$48,148.00		Term-Resignation
Geog., Govt. & History	Jones, Sara	05/10/08		Asst. Prof. of Government	9	\$46,097.00		Term-Resignation
Geog., Govt. & History	N'Diaye, Noelle	05/09/08		Asst. Prof. of Government	9	\$49,191.00		Term-Resignation
Geog., Govt. & History	Swain, Randall	05/09/08		Asst. Prof. of Government	9	\$50,097.00		Term-Resignation
Psychology	Feria, Cary	05/10/08		Asst. Prof. of Psychology	9	\$50,272.00		Term-Resignation
Accounting & Budgetary Control	Stokley, Margaret	05/31/08		Data Entry Specialist II	12	\$12.33/hr.		Term-Retirement
Camden Carroll Library	Hogge, B. Marilyn	05/31/08		Library Specialist II	12	\$15.45/hr.		Term-Retirement
Communication & Theatre	Biel, Michael	06/30/08		Professor of Radio/Television	9	\$60,621.00		Term-Retirement
Counseling & Health Services	King, Kenitha	07/31/08		Nurse Administrator	12	\$53,937.00		Term-Retirement
Educational Talent Search	Hall, Peggy	05/31/08		TRIO Program Specialist III	12	\$16.40/hr.		Term-Retirement
Facilities Mngt.	McCarty, Linda	03/31/08		Work Control Ctr. Support Specialist	12	\$15.81/hr.		Term-Retirement
Police Department	Clemons, Robert	03/28/08		Police Supervisor II	12	\$20.60/hr.		Term-Retirement
Student Housing	Hamey-Howard, Ruth Ann	05/31/08		Asst. Director of Housing Operations	12	\$40,982.00		Term-Retirement
Educational Talent Search	Mantooth, Suzanne	04/30/08		Counseling Coordinator	11	\$38,724.00		Term-Retirement/Disability

APPOINTMENT STATUS ACTIONS
2/16/2008 - 5/16/2008

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
Other								
Athletics-Baseball	Parr, Richard	12/22/07		Asst. Baseball Coach	12	\$25,000.00		Other-Probation Completed
CDPVTC	Randall, DeEbra	04/05/08		Instructional Support Specialist	12	\$38,000.00		Other-Probation Completed
Institutional Research & Assessment	Ratliff, Jill	11/12/07		Director, Institutional Effectiveness	12	\$82,629.00		Other-Probation Completed
Camden Carroll Library	Burton, Christopher	04/14/08	07/11/08	Library Specialist I	12	\$9.47/hr.		Other-Probation Extended
Univ. Ctr. & Conf. Services	Chapman, Van	03/04/08	06/04/08	Audio Media Technician	12	\$9.47/hr.		Other-Probation Extended
Development	Shaw, James	04/02/08		Vice President for Development	12	\$25,000.00		Other-Relocation Allowance
Total Number of PARs = 46								

SUPPLEMENTAL ACTIONS
2/16/2008 - 5/16/2008

Department/Office	Name	Title	Effective Date	Ending Date	Salary	Description
Agricultural & Human Sci.	Rundell, Scott	Assoc. Prof. of Vet. Tech.	08/01/07	06/30/08	\$10,000.00	Coordinator of Vet. Tech. Prog.
Athletics-Men's Basketball	Tyndall, Donald	Head Men's Basketball Coach	03/25/08	03/25/08	\$1,708.00	Coach of the Year Award
Athletics-Men's Basketball	Tyndall, Donald	Head Men's Basketball Coach	03/25/08	03/25/08	\$3,850.00	Coaches Show
Athletics-Men's Basketball	Tyndall, Donald	Head Men's Basketball Coach	03/25/08	03/25/08	\$7,500.00	Eagle Sports Network
Athletics-Women's Basketball	Bradbury, Michael	Head Women's Basketball Coach	01/09/08	01/09/08	\$5,000.00	Eagle Sports Network
Athletics-Women's Basketball	Bradbury, Michael	Head Women's Basketball Coach	01/09/08	01/09/08	\$4,500.00	Vehicle Expense
Geog., Govt. & History	Ernst, John	Professor of History	03/03/08	06/30/08	\$20,665.00	Interim Department Chair
IRAPP	Rudy, David	Assoc. Provost & Dean of IRAPP	04/16/08	04/16/08	\$2,500.00	Distinguished Service Award
Total Number of Supplemental PARs = 8						

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

**BOR (IX-A-6)
June 5, 2008**

Recommendation:

That the Board accept the financial statements and amend the operating budget for the third quarter of the fiscal year that will end June 30, 2008, and amend the operating budget.

Background:

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of March 31, 2008, the third quarter of the fiscal year ending June 30, 2008. 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
March 31, 2008

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the nine months that ended on March 31, 2008. The statements and this discussion and analysis have been prepared by the Accounting and Budgetary Control staff.

Using These Financial Statements

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

Financial Highlights

Morehead State University's financial picture remains stable through the third quarter of the 2007-2008 fiscal year. During the nine months ending March 31, 2008 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$15,782,808. This level of operating surplus is expected at this time, since most of the billings for the Spring 2008 semester are reflected in the tuition and fees revenue and only expenditures through March 31, 2008 are reflected. This level seems appropriate, since normal operating expenditures have decreased the pre-Spring 2008 semester surplus, which reflected most of the University's revenue inflows, on the accrual basis, but little of the spring expenditures. Expenditures will increase through the next quarter with revenues trailing off, which will lessen the level of surplus we are currently experiencing. As the fiscal year concludes, the variance between revenues and expenditures will continue to decrease and should reflect a more appropriate operating surplus or deficit.

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

- ▶ Total revenues increased \$7.9 million over last year to \$101.1 million. Tuition & fees increased \$4.4 million, auxiliary enterprises increased \$.9 million, and other categories increased \$2.6 million (net).
- ▶ The total actual revenue percent to budget decreased .25% to 83.31%. Actual housing revenue increased 7%, actual other auxiliary enterprises revenue increased 10.7%, and actual educational and general revenue increased 8.5%, compared to the previous year.

- Total expenses increased \$9.1 million over last year to \$85.3 million. Increases in the E & G expenses make up most of the increase.
- Net change in fund balance decreased \$1.2 million to \$15.8 million as compared to \$16.9 million at 03/31/07.

Morehead State University

Statement of Net Assets

March 31, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$41,621,378
Accounts, grants and loans receivable, net	7,656,720
Inventories	1,926,554
Other current Assets	<u>118,295</u>

Total current assets \$51,322,947

Noncurrent Assets:

Accounts, grants and loans receivable, net	\$3,786,018
Investments	16,994,808
Capital assets, net	<u>132,328,309</u>

Total noncurrent assets \$153,109,135

TOTAL ASSETS **\$204,432,082**

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$6,388,137
Deferred revenue	1,242,173
Other current liabilities	945
Bonds, notes and capital lease obligations, current portion	<u>3,157,368</u>

Total current liabilities \$10,788,623

Long-term liabilities

Bonds, notes and capital lease obligations, noncurrent portion	\$30,571,364
Advances from federal government for student loans	<u>4,046,260</u>

Total long-term liabilities \$34,617,624

TOTAL LIABILITIES **\$45,406,247**

NET ASSETS

Invested in capital assets, net of related debt	\$98,937,943
Restricted:	
Expendable	15,602,550
Nonexpendable	11,761,079
Unrestricted	<u>32,724,263</u>

TOTAL NET ASSETS **\$159,025,835**

TOTAL LIABILITIES AND NET ASSETS **\$204,432,082**

See Attached Notes To Statement of Net Assets

NOTES TO STATEMENT OF NET ASSETS
MOREHEAD STATE UNIVERSITY
MARCH 31, 2008

1. The Statement of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts, grants, and loans receivable are shown net of allowance for uncollectible student accounts of \$1,101,643 at March 31, 2008. Also, included in this category is \$2,991,062 receivable from federal and state grant agencies at March 31, 2008.
3. Noncurrent Accounts, grants and loans receivable represent balances owed the University from borrowers who have participated in the Federal Perkins Loan Program. The balance is presented net of allowance for uncollectible accounts in the amount of \$96,277 at March 31, 2008.
4. Accumulated depreciation on buildings and equipment was \$126,835,755 at March 31, 2008.
5. Accounts payable and accrued liabilities include amounts due to vendors and amounts due for withheld and matching portions of payroll taxes and estimated claims payable but unsubmitted to the University's health insurance program.
6. Deferred revenue from federal and state grants represent amounts received but not expended at the balance sheet date.
7. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
8. Restricted net assets include the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ended March 31, 2008 and 2007

	2007-2008			2006-2007		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$ 47,905,800	\$ 44,778,452	93.47%	\$ 44,704,116	\$ 40,413,856	90.40%
Gov't Appropriations	48,574,550	38,281,914	78.81%	45,462,600	36,422,592	80.12%
City Grants	0	0	0.00%	0	0	0.00%
Unrestricted Gifts	0	0	0.00%	0	0	0.00%
Indirect Cost Reimbursement	365,000	314,692	86.22%	365,000	435,284	119.26%
Sales & Services of Ed. Activities	1,621,862	1,906,523	117.55%	1,717,351	2,065,251	120.26%
Other Sources	3,098,620	3,604,487	116.33%	2,906,600	2,574,070	88.56%
Budgeted Fund Balance - E & G	7,396,516	0	0.00%	4,922,203	0	0.00%
Total Educational and General	<u>\$ 108,962,348</u>	<u>\$ 88,886,068</u>	<u>81.58%</u>	<u>\$ 100,077,870</u>	<u>\$ 81,911,053</u>	<u>81.85%</u>
Auxiliary Enterprises						
Housing	\$ 7,113,700	\$ 7,580,067	106.56%	\$ 6,796,800	\$ 7,040,764	103.59%
University Store	3,774,353	3,842,935	101.82%	3,682,082	3,570,737	96.98%
Food Services	707,500	558,839	78.99%	707,500	524,995	74.20%
Other	788,893	227,531	28.84%	191,431	86,403	45.14%
Total Auxiliary Enterprises	<u>\$ 12,384,446</u>	<u>\$ 12,209,372</u>	<u>98.59%</u>	<u>\$ 11,377,813</u>	<u>\$ 11,222,899</u>	<u>98.64%</u>
TOTAL REVENUES	<u>\$ 121,346,794</u>	<u>\$ 101,095,440</u>	<u>83.31%</u>	<u>\$ 111,455,683</u>	<u>\$ 93,133,952</u>	<u>83.56%</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ended March 31, 2008 and 2007

	2007-2008			2006-2007		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
EXPENDITURES AND TRANSFERS BY DIVISION						
Educational & General						
President & Administration	\$ 809,112	\$ 598,428	73.96%	\$ 939,106	\$ 652,035	69.43%
University Relations	3,194,001	2,478,624	77.60%	2,949,918	2,146,352	72.76%
Development	1,085,449	686,311	63.23%	1,096,446	759,238	69.25%
Administration & Fiscal Services	12,815,759	10,335,944	80.65%	11,398,203	8,805,463	77.25%
Planning, Budgets & Technology	7,456,288	5,369,625	72.01%	5,433,799	3,691,333	67.93%
Student Life	22,073,217	18,852,690	85.41%	19,539,141	16,653,657	85.23%
Academic Affairs	54,530,250	36,342,381	66.65%	51,121,182	33,860,544	66.24%
Other	6,511,488	3,018,030	46.35%	6,740,136	1,692,843	25.12%
Total Educational & General	\$ 108,475,564	\$ 77,682,033	71.61%	\$ 99,217,931	\$ 68,261,465	68.80%
Auxiliary Enterprises						
Housing	\$ 7,986,802	\$ 3,981,187	49.85%	\$ 8,086,969	\$ 3,762,733	46.53%
University Store	3,521,801	2,899,144	82.32%	3,325,230	3,622,245	108.93%
Food Services	433,142	316,621	73.10%	444,056	297,777	67.06%
Other	929,485	433,647	46.65%	381,497	238,921	62.63%
Total Auxiliary Enterprises	\$ 12,871,230	\$ 7,630,599	59.28%	\$ 12,237,752	\$ 7,921,676	64.73%
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	\$ 121,346,794	\$ 85,312,632	70.30%	\$ 111,455,683	\$ 76,183,141	68.35%
NET CHANGE IN FUND BALANCE		\$ 15,782,808			\$ 16,950,811	

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period January 1, 2008 to March 31, 2008

From: Revenue and Other Additions	To: Division/ Budget Unit	Amount	Description
Government Appropriations State Appropriation-Operating	Development		A three percent budget reduction of \$1,446,100 was implemented in the current fiscal year. The state appropriation allotment was reduced by \$723,050 in the third quarter and is scheduled to be reduced by an additional \$723,050 in the fourth quarter. To offset this loss of revenue, a staff hiring freeze was implemented in January, 2008 upon notification of the budget cut. Numerous staff positions in all divisions are being held vacant until July 1 in order to generate personnel cost savings. A large portion of these savings were utilized in the third quarter budget adjustment reducing state appropriations.
	Office of Development	\$ (57,057)	
	University Relations		
	Communication & Marketing	(35,417)	
	Planning, Budgets & Technology		
	Inst. Research & Assessment	(59,486)	
	Telecommunications	(30,337)	
		(89,823)	
	Administration & Fiscal Services		
	Facilities Management	(68,935)	
	Building Maintenance	(18,830)	
	Building Services	(51,179)	
	Recycling Program	(51,744)	
	Concessions & Vending	(24,184)	
		(214,872)	
	Student Life		
	VP for Student Life	(12,913)	
	Counseling & Health Services	(90,839)	
	Intramurals	(17,906)	
	University Police	(5,441)	
	Student Housing	(33,991)	
	Athletic Media Relations	(13,268)	
		(174,358)	
	Academic Affairs		
	Library	(98,051)	
	Dean, Science & Technology	(53,472)	
		(151,523)	
	Total Reductions	\$ (723,050)	

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period January 1, 2008 to March 31, 2008

From: Revenue and Other Additions	To: Division/ Budget Unit	Amount	Description
Fund Balance - E&G	Planning, Budgets & Technology Technology Projects	\$ 800,000	Fund balance was allocated to the Technology Projects Student Laptop account to purchase computers for the upcoming fiscal year. These funds were allocated as an advance to be repaid from Technology Projects budget in 2008-2009. Early purchase enables the laptops to be distributed to incoming freshmen during SOAR.
Fund Balance - E&G	Administration & Fiscal Services EagleCard Office	\$ 340,355	Fund balance was allocated to the EagleCard Office technology purchases account for the purchase of a new EagleCard system. Rather than borrowing funds and making debt service payments, the decision was made to pay for the system from cash on hand. Budgeted debt service funds totaling \$49,842 were utilized in addition to the fund balance allocation.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of January 1, 2008 to March 31, 2008

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$100,000			
None			
II Capital Construction Projects/ Land Acquisitions Greater than \$400,000			
Wellness Center - Phase III	\$ 450,000	January 2008	Completed
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)			Completed
Student System (December 2007)			Completed
Auxiliary Modules (December 2008)			In Progress
Nunn Hall Renovation	\$ 5,000,000		In Progress

APPROVE REAPPOINTMENT OF AUDITING FIRM

**BOR (IX-A-7)
June 5, 2008**

Recommendation:

That, based on the recommendation of the Audit Committee, the Board approve the extension of the auditing services contract with Dean, Dorton & Ford, PSC in Lexington to conduct the required annual audits for Morehead State University for the fiscal year that will end on June 30, 2008.

Background:

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

On March 7, 2006, the University issued a request for proposals from qualified public accounting firms to perform the auditing services. As a result of that process, the Audit Committee recommended and the Board approved the appointment of Dean, Dorton & Ford, PSC to conduct the annual audits. The contract with the firm was for the fiscal year that ended on June 30, 2007 with the option to extend the contract for four additional one year periods. The audit fee adjustments for the extension periods will be based on the consumer price index.

The services rendered by Dean, Dorton & Ford, PSC for the 2006-2007 fiscal year were satisfactory and in compliance with the terms of the contract. The fee for the 2007-2008 fiscal year will not exceed \$68,800.

The Audit Committee met on May 7, 2008. The Committee approved the extension of the audit contract.

**APPROVE MINIMUM SCOPE
OF THE ANNUAL AUDIT**

**BOR (IX-A-8)
June 5, 2008**

Recommendation:

That, based on the recommendation of the Audit Committee, the Board approve the minimum scope of the University's audit for the year ending June 30, 2008.

Background:

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

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

The Audit Committee met on May 7, 2008. The Committee approved the minimum scope of the audit.

**MOREHEAD STATE UNIVERSITY
MINIMUM SCOPE OF THE ANNUAL AUDIT
FOR THE YEAR ENDING JUNE 30, 2008**

June 5, 2008

This document outlines the minimum scope of the annual audit of Morehead State University (MSU), and any applicable related entities, to be conducted by the University's auditors (the Firm) for the year ending June 30, 2008. Additional audit requirements and procedures may be added as situations warrant.

Internal Controls

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

General Purpose Financial Statements

The Firm will perform an audit of and issue its independent auditor's report on the financial statements of MSU as of June 30, 2008 and the results of its operations for the fiscal year then ended. The audit will be performed in accordance with auditing standards generally accepted in the United States of America; the standards for financial and compliance audits contained in *Government Auditing Standards* (GAGAS), issued by the United States General Accounting Office; the Single Audit Act Amendments of 1996; and the provisions of Office of Management and Budgets (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The report will also include an independent auditor's report on supplemental information covering those supplemental schedules suggested to be reported on by the AICPA Audit Guide *Audits of Colleges and Universities*.

Federal Awards Programs

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

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

Kentucky Lease Law Compliance Audit

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

Intercollegiate Athletics Department:

The Firm will perform certain agreed-upon procedures and issue a separate report covering the limited examination of the Intercollegiate Athletics Department and its related booster organization, for the year ending June 30, 2008. These procedures will be performed in accordance with the latest version of the *NCAA Financial Audit Guidelines*.

Corporation for Public Broadcasting (CPB):

The Firm will issue its independent auditor's report on the financial statements of WMKY-FM for the year ending June 30, 2008. The audit will be performed in accordance with auditing standards generally accepted in the United States of America and the *Public Telecommunications Audit Guide and Requirements* as they relate to the CPB Annual Financial Report for the year ending June 30, 2008.

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

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

Friends of Kentucky Folk Art Center, Inc:

The Friends of Kentucky Folk Art Center, Inc. is a corporation affiliated with the University as defined in KRS 164A.610. As such, the financial statements of the Kentucky Folk Art Center, Inc. will be included in the scope of the audit, as appropriate. The Firm will issue a separate report on the financial statements of the Friends of Kentucky Folk Art Center, Inc.

Management Letter:

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

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

Closing Package:

In accordance with the directive from the Commonwealth of Kentucky Auditor of Public Accounts, the Firm will provide a copy of the comprehensive financial statements and management letter to the Auditor of Public Accounts. In addition, a report issued under *Codification of Statements on Auditing Standards* AU 623.11 through 623.17 applicable to the "closing package" furnished by the University to the Finance and Administration Cabinet will be provided to the Auditor of Public Accounts by September 30, 2008 (or date specified by the Commonwealth). If requested by the Auditor of Public Accounts and approved by the University, all working papers prepared by the audit team will be made available for review.

Audit of Subsequent Events:

In accordance with the directive from the Auditor of Public Accounts, the Firm will update the audit procedures related to events subsequent to June 30, 2008 from the last day of field work (projected for late September 2008) to a date to be directed by the Auditor of Public Accounts. The Firm will report the results of these updated procedures in a separate letter, which shall be delivered to the Auditor of Public Accounts and to the University, no later than the date to be designated by the State Auditor's Office.

Other Reports:

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

Exit Conferences:

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

Timing of Reports:

1. Two copies of the audited financial statements and management letter shall be furnished to the Auditor of Public Accounts no later than October 3 (or other such date as specified by the Commonwealth). If final reports are not available as of October 3 (or other such date as specified by the Commonwealth), drafts will be submitted by that date. The reports will contain the following items:
 - (a) Audited financial statements and an opinion thereon.
 - (b) A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in

accordance with *Government Auditing Standards*. Where applicable, this report must refer to a separate schedule of findings and questioned costs.

- (c) A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133. Where applicable, this report must refer to a separate schedule of findings and questioned costs.
 - (d) A report on compliance in accordance with KRS 164A.555 through 164A.630 (House Bill 622) based on the audit of financial statements.
 - (e) The audit of the closing package forms, as well as a reconciliation to the audited financial statements of the information reported on the forms, shall include a report expressing an opinion on the specified elements, accounts, or items audited, in accordance with *Codification of Statements on Auditing Standards*, AU 623.11 through 623.17.
 - (f) If applicable, the Firm shall also obtain and submit management's summary schedule of prior audit findings and corrective action plan for current year audit findings.
 - (g) The reports described above should be presented in a manner prescribed by the AICPA Audit and Accounting Guide and OMB A-133. Notwithstanding the provisions of the AICPA Audit Guide, any "other matter" conveyed to management should be in writing, and a copy of that correspondence forwarded to the Auditor of Public Accounts.
2. The report on the University's financial statements is required to be delivered to the University by October 3 (or other such date as specified by the Commonwealth).
 3. The Firm will certify, on line, the CPB audit report to CPB by November 30 of each year.
 4. The Firm will deliver the KFAC audit report and form 990 by November 30 of each year.
 5. The Firm will provide a representation letter by October 3 (or other such date as specified by the Commonwealth) to the Auditor of Public Accounts stating that the Firm is in compliance with generally accepted auditing standards and *Government Auditing Standards* concerning continuing education requirements, independence and internal quality control system and peer review requirements. The representation letter should be prepared in accordance with the provisions of the Auditor of Public Accounts related to independence.
 6. The Firm shall notify the Auditor of Public Accounts of matters which come to its attention which may have a significant impact on the Commonwealth's financial

statements. The Firm shall be available to the Auditor of Public Accounts to address questions about the University's financial statements.

7. The Firm will provide, by the date requested, a letter to the Auditor of Public Accounts reporting the results of the application of subsequent events audit procedures.
8. The Firm will provide a copy, in Adobe (pdf) format, each of the audited financial statements to the University (both including and excluding the report on Federal Awards Program (A-133)), in electronic form to be used when required by outside agencies for reporting purposes.

AMEND CAMPUS MASTER PLAN

BOR (IX-A-9)

June 5, 2008

Recommendation:

That the Board amend the Campus Master Plan to include the acquisition by donation of 2.314 acres of land located at the intersection of Fleming Avenue and Sun Street in Morehead, Kentucky.

Background:

In 2005, the General Assembly of the Commonwealth of Kentucky appropriated \$1.5 million for the planning of the Center for Health, Education and Research building. The facility is a collaborative venture between Morehead State University, the University of Kentucky, and St. Claire Regional Medical Center. The General Assembly appropriated an additional \$23 million in 2006 for construction of the building. Subsequently, the University and St. Claire Regional Medical Center were awarded a grant from the Economic Development Administration in the amount of \$1.5 million, bringing the total project scope to \$26 million.

The building will be constructed on the campus of St. Claire Regional Medical Center. The planning and design work for the facility has been completed. The project is scheduled to be bid at the end of June. Construction of the building is scheduled to start later this summer.

Since the building will be constructed with state funds, it is necessary for the state to hold title to the land occupied by the facility. In April 2006, the University, St. Claire Regional Medical Center, and the Commonwealth of Kentucky Finance and Administration Cabinet entered into an agreement wherein St. Claire Regional Medical Center agreed to transfer title to the land for the facility to the Commonwealth of Kentucky for the use and benefit of Morehead State University.

In September of 1998, the Board adopted Policies Related to Real Property Management. The policies provide that property not identified for acquisition in the University's Campus Master Plan may be acquired after a Board approved amendment to the Master Plan, or other exception approved by the Board.

APPROVE EXCEPTION TO CAMPUS MASTER PLAN

BOR (IX-A-10)

June 5, 2008

Recommendation:

That the Board approve an exception to the Campus Master Plan and authorize the President to negotiate the acquisition of approximately 98 acres of land currently owned by heirs of the Holbrook Estate.

Background:

In the 1960's, the University acquired land from the Holbrook family. That property currently contains some of the University's athletic facilities including the Academic Athletic Center and the Jayne Football Stadium. The family retained approximately 98 acres of wooded property to the north of the property acquired by the University. The family was granted an easement over University property to access the land.

Heirs of the family have recently placed the property on the sales market. The acreage bounds property owned by the University and the US Forestry Service. Acquisition of the land would secure the site from potential outside development that may not be in the best interest of the University.

The property has not been identified for acquisition in the University's Campus Master Plan. In September of 1998, the Board adopted Policies Related to Real Property Management. The policies provide that property not identified for acquisition in the University's Campus Master Plan may be acquired after a Board approved amendment to the Master Plan, or other exception approved by the Board.

APPROVE DISPOSAL OF REAL PROPERTY

BOR (IX-A-11)

June 5, 2008

Recommendation:

That the Board approve the Order to Dispose of Property relating to the exchange of properties between Morehead State University and the Rowan County Fiscal Court.

Background:

Written Request to Dispose of Property

The Administrative Office of the Courts (AOC) serves as staff for the Commonwealth's Chief Justice of the Supreme Court. Among other duties the AOC maintains facilities for the state's court system.

In the 2006-08 biennium, the AOC received authorization to construct a new justice center for the Rowan County Court. For the past several months, a board chaired by the county judge-executive has been reviewing sites for the new facility. The University has been approached to explore the possibility of locating the facility on property owned by the University located at 606 West Main Street in Morehead.

The property, commonly known as the Support Services Complex is located in the site of a former garment sewing factory that was acquired by the University in 1994. The facility houses the University's purchasing office, central receiving, and surplus property functions as well as providing office space for the risk management and environmental health and safety units. The property contains 2.651 acres of land. A one-story brick and block building containing approximately 42,000 square feet of space is located on the property. The Support Services Complex is located approximately one mile from the western boundary of the University's main campus.

The committee has proposed that the University's property be exchanged for a portion of the property currently used to house the Rowan County Courthouse and the county's jail. The county property is located on East Main Street in an area that is strategic to the University's Campus Master Plan development. The Fiscal Court property is adjacent to some of the University's property constituting the eastern portion of our campus.

The proposed property exchange would involve the following:

- Appraisals would be obtained for both properties and the exchange would be transacted on an equal value basis. The value of the property received by the University would have to equal the value of the property transferred.
- The Rowan County Fiscal Court will grant to the University, an option to purchase the remaining portion of its property at the value established in the 2008 appraisals at a date certain in the future.

Prepared by: Michael R. Walters

- After approval by the Board of Regents, the transaction must be approved by the Secretary of the Finance and Administration Cabinet.
- The University would have to relocate the functions currently housed in the Support Services Complex. Preliminary plans would involve construction of a new metal building that would include office space, central receiving capabilities, and warehousing space for storage and surplus property.
- The most viable location for the new facility is adjacent to the University's Heating and Water Treatment Plant. That area however, must be surveyed to ensure that the building constructed would be suitably protected from the flood plain of Triplett Creek that runs along the boundary of the property.

ORDER TO DISPOSE OF PROPERTY

WHEREAS, upon the recommendation of the President on June 5, 2008, the Board of Regents has reviewed the Written Request to Dispose of Property in reference to the following:

A parcel of land in the City of Morehead, Rowan County, Kentucky located at 606 West Main Street, described in the Deed of Conveyance dated October 26, 1994 from The Morehead Company, a Kentucky corporation, to the Commonwealth of Kentucky for the use and benefit of Morehead State University. Said deed is recorded in Deed Book 168, pages 326-330, Rowan County Records; and

WHEREAS, the President of Morehead State University recommends that the referenced property may be disposed of and exchanged; and

WHEREAS, the exchange of the aforementioned University property for property owned by the Rowan County Fiscal Court that lies within the boundaries of the approved Campus Master Plan is in the best interest of the Commonwealth; and

WHEREAS, independent appraisals of the real properties shall be obtained for the purpose of establishing that the value of the property being transferred by the Commonwealth is not greater than the value of the real property being obtained from the Rowan County Fiscal Court; therefore

BE IT RESOLVED, by the Morehead State University Board of Regents that the President may recommend to the Secretary of the Finance and Administration Cabinet that the referenced University real property be exchanged for the Rowan County Fiscal Court real property.

RECOMMENDED:

Wayne D. Andrews, President

Date

APPROVED:

Sylvia L. Lovely, Chair
MSU Board of Regents

Date

ADOPT REIMBURSEMENT RESOLUTION

BOR (IX-A-12)

June 5, 2008

Recommendation:

That the Board adopt the attached reimbursement resolution.

Background:

The 2008 General Assembly authorized projects for the University to construct a student recreation center and to renovate Alumni Tower residence hall during the 2008-10 biennium. The projects will be funded with agency bonds.

Most of the Phase A programming and design work has been completed for the student recreation center. The design team is in place and will continue with the planning, design and bid specifications for the project during the remainder of calendar year 2008. The project should be bid in the spring of 2009.

The selection process for the design team for the Alumni Tower renovation will take place over the next few weeks. The planning and design process should be complete by the spring of 2009 and that project will be bid at that time.

The sale of the University's General Receipts Revenue Bonds to fund the projects will take place in close proximity to the opening of the bids. In order to secure and pay for the services of the design teams prior to the bond sale, it will be necessary for the University to advance funds for that purpose. The University will be reimbursed for these advanced funds from the bond proceeds.

In order to be in compliance with the Internal Revenue Code relating to the issue of tax exempt bonds, the Board must declare its intent to seek reimbursement of funds advanced for the project through the adoption of a reimbursement resolution. The attached reimbursement resolution has been reviewed by bond counsel and will satisfy the Internal Revenue Code requirements.

A RESOLUTION OF THE BOARD OF REGENTS OF
MOREHEAD STATE UNIVERSITY DECLARING OFFICIAL
INTENT WITH RESPECT TO REIMBURSEMENT OF
TEMPORARY ADVANCES MADE FOR CAPITAL
EXPENDITURES TO BE MADE FROM SUBSEQUENT
BORROWINGS; AND TAKING OTHER ACTIONS IN
CONNECTION THEREWITH

WHEREAS, Treasury Regulations § 1.150-2 (the "Reimbursement Regulations"), issued pursuant to § 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under §150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of §§ 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the Borrower (as hereinafter defined) make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that the Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date of the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Allocation must be made no later than three years after such Capital Expenditure was paid; and

WHEREAS, Morehead State University (the "Borrower") wishes to ensure compliance with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved as follows by the Board of Regents of Morehead State University as follows:

SECTION 1. Definitions. The following definitions apply to the terms used herein:

"*Allocation*" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to effect the reimbursement of the Borrower for such payments.

"*Borrower*" means Morehead State University.

"*Capital Expenditures*" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

"*Declaration of Official Intent*" means a written declaration that the Borrower intends to fund a Capital Expenditure with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"*Reimbursement*" means the restoration to the Borrower of money temporarily advanced from other funds of the Borrower to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. "To reimburse" means to make such a restoration.

"*Reimbursement Bonds*" means Obligations that are issued to reimburse the Borrower for Capital Expenditures previously paid by or for the Borrower.

"*Reimbursement Regulations*" means Treasury Regulations § 1.150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations when allocated or applied to a reimbursement will be treated as "spent" for purposes of §§ 103 and 141 to 150 of the Code.

SECTION 2. Declaration of Official Intent.

- (a) The Borrower declares that it reasonably expects that the Capital Expenditures described in Section (b), which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Borrower in the maximum principal amount for such reimbursements, of approximately \$35,000,000; and
- (b) The Capital Expenditures to be reimbursed are to be used for payment of initial architectural, engineering and other design fees and permits for the University's Construct Student Recreation Center and Renovation of Alumni Tower Residence Hall projects.

SECTION 3. Reasonable Expectations. The Borrower does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the Borrower or any other entity affiliated with the Borrower, with respect to the Capital Expenditures described in 2(b).

SECTION 4. Effective Date. This Resolution shall be effective from and after its date of adoption.

BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY

By: _____
Chair

Attest:

Secretary

**APPROVE REVISION TO PG-55 TECHNOLOGY
RESOURCE ACCEPTABLE USE POLICY**

**BOR (IX-A-13)
June 5, 2008**

Recommendation:

That the Board of Regents approve the revision of PG-55, Technology Resource Acceptable Use Policy.

Background:

PG-55 is being revised to broaden the scope by defining newer technology which are owned by the University today but are not covered under the original policy. The policy revisions also address various legal and regulatory compliance issues to ensure the University maintains its private network exclusion from the Communications Assistance for Law Enforcement Act (CALEA) requirements.

The revised policy has been reviewed and accepted by the President's Cabinet, Faculty Senate and the Staff Congress.

Policy: PG-55

Subject: Technology Resource Acceptable Use

Comment [m1]: Name change to reflect acceptable use rather than security

Approval Date: 02/26/99

Revision: 08/01/06

PURPOSE AND SCOPE

To establish acceptable guidelines for technology resource use by Morehead State University (MSU) faculty, staff, students, and sponsored guests; to establish and ensure adherence to best-practice technology security policies and procedures; and to ensure compliance with state, federal, and local laws and regulations

Comment [m2]: Scope expanded to include legal and regulatory compliance

ADMINISTRATION OF POLICY

The Division of Planning, Budgets, and Technology is responsible for the maintenance of this policy. Review by the President's cabinet and approval of the Morehead State University Board of Regents are required to make changes to this policy.

DEFINITIONS

Technology Users & Resources – Morehead State University faculty, staff, students, and sponsored guests using email, voice mail, pagers, cell phones, PDAs, network access, desktop computers, portable computers, wireless network access, printing resources, fax services, central computing resources, telephones, cable television, and all other technology resources not included herein owned by the University. This policy applies to technology users located at the MSU main campus, at regional campuses, and users accessing MSU owned resources via remote connections such as dialup, internet, or virtual private network (VPN) access.

Comment [m3]: Revised to broaden scope of technologies covered

Data Custodian – MSU employee assigned management responsibility for oversight of official University data that could include, but is not limited to, student records, financial records, personnel records, alumni records, inventory or facility information. For example, the Registrar is the data custodian for student academic records.

Authorized Access – permission granted to a technology user by a data custodian and/or appropriate supervisor to access technology resources for instructional, educational, research, or employment-related responsibilities.

Sponsored Guests – individuals, associations, clubs, vendors, contractors, or other entities having a business, educational, fund-raising, or other affiliation with the University resulting in access to Morehead State University technology resources. Examples would be auxiliary service contract holders with office space on the MSU campus; retired faculty and staff; or federal, state, or local programs with offices located on MSU's campus.

University Need – includes University administration's determination that probable cause exists that established security policies or procedures; University acceptable use and/or professional conduct policies and standards; or state, federal, or local laws and regulations have been violated, or are being violated. University Need may also exist to satisfy commitments or fulfill requirements of a business necessity.

Business Necessity – includes, but is not limited to, a civil suit, preservation order, subpoena or discovery of e-documents or open records request.

Comment [M4]: Reworded to further define University Need and Business Necessity.

ACCEPTABLE USE GUIDELINES

1. Administrative data base managers and data custodians have primary responsibility for insuring that access to data in the modules under their control and responsibility is restricted to those people with authorized access. Requests for official University information in any format should be routed through the appropriate data custodian with consultation of MSU legal counsel as necessary to assure compliance with privacy laws (FERPA & HIPAA) and/or state and federal open records laws.

2. Access and use of University resources is limited to faculty, staff, students, and sponsored guests. This includes access of the wireless network, email system, telephone system, desktop computers, and all other technology resources owned or controlled by the University regardless of method of access or physical location.

Comment [m5]: Prohibits use of resources to only those associated with the University. This is to ensure compliance with CALEA's "private network" exclusion for Universities.

3. University technology resources shall be reserved for the official academic, business, or service functions of the University. Personal use of MSU technology resources for consulting, self-employment, or employment by other agencies is prohibited.

4. Compliance with state, federal, and local laws, rulings, and regulations must be maintained by all technology users at Morehead State University.

5. In order to ensure MSU faculty, staff, and students have access to safe and reliable technology resources, the integrity and operational stability of technology resources must be maintained.

PROHIBITED CONDUCT

The following list is not intended to be all-inclusive.

1. Copying University-owned or licensed software for personal or external use without prior written approval by the University and/or licensee.
2. Copying or modifying University-owned data files without authorized access.
3. Attempting to damage or disrupt operation of computing equipment, communications equipment, or communications lines.
4. Attempting to capture network traffic by any means including packet sniffing, or direct connection to the physical or wireless network infrastructure.
5. Using University technology resources for purposes other than those intended by granting access to technology resources to unauthorized persons, even if those persons are members of the University community.
6. Using University technology resources in self-employment activities unless authorized in accordance with University policy and procedures. Technology users may not use University technology resources to advertise for any commercial purposes.
7. Failing to protect an account, business process, and/or any form of sensitive data, including hard copy and electronic media, from unauthorized access. Sharing of a user ID and associated password or deliberately leaving a logged in account unattended is prohibited.
8. Installing unlicensed software on MSU computer equipment.
9. Using MSU technology resources to gain unauthorized access to other technology resources (regardless of ownership or location), to engage in illegal activity, or to violate MSU policies, regulations, or rules.
10. Sending email with a false return address or account ID, sending harassing email or inappropriate email messages, sending harassing or inappropriate text messages, making harassing or inappropriate phone calls, or otherwise creating a hostile work or academic environment via a technology resource. Sending chain mail or unauthorized mass mailings is prohibited.

[1. Operating an unauthorized device or service including peer to peer hosts, radio frequency broadcast stations, streaming video servers, wireless access points, or any other technology resource that may conflict with or impair MSU's technology resources.]

Comment [m6]: Expanded to address growing issue of unauthorized servers and wireless access points.

[2. Except in conjunction with a bona fide research project or other academic undertaking, a user shall not knowingly use University-owned or leased computer equipment to access, download, print or store any information infrastructure files or services that depict nudity, sexual activity, sexual excitement or intimate sexual acts.]

Comment [m7]: Added to clarify and strengthen prohibition of viewing pornography.

[3. Failing to protect sensitive or mission critical data from loss or theft. It is the user's responsibility to take reasonable precautions safeguard mission critical and/or sensitive data on their desktop or portable computer's hard drive.]

Comment [m8]: Added to address failure to protect sensitive data from loss or theft. Several universities have had high profile data losses creating significant legal and public relations problems.

VIOLATIONS: ADMINISTRATIVE AND/OR LEGAL ACTIONS

Violations of PG-55 Technical Resource Acceptable Use policy should be reported to the Director of Information Technology who shall coordinate administrative action in accordance with University policy. If state, local, or federal laws, rules, or regulations are being or have been violated, the University Police Department and University legal counsel shall be notified at once.

Comment [m9]: Clarification of reporting requirements to ensure legal counsel and/or law enforcement are involved where necessary to protect the University's interests.

With University Need, the University may monitor, inspect, transfer, archive or copy data, correspondence, documents, or other information both stored and in real time on any and all technology resources owned by Morehead State University. The University may disconnect from the campus network technology resources found to be in conflict with acceptable use guidelines. The University may take other appropriate action where illegal or improper usage is determined such as seizing technology equipment to facilitate forensic analysis by law enforcement and to preserve evidence in civil or criminal proceedings.

Comment [m10]: Added to establish right of University to seize equipment for inspection.

Morehead State University is the owner all data/information stored on email, voice mail, centralized storage, and desktop computers. The data/information remains subject to all state and federal copy write laws and the University's intellectual property policy. Personal information should not be stored on University owned systems and is subject to inspection in the same manner as University information. With University Need, the University has the right to monitor, extend, limit, restrict, or deny access to its technology resources.

Comment [m11]: Expanded to clarify the University owns all data residing on University equipment. Establishes University's right to inspect and archive email, voice mail, data files, etc. for administrative or legal purposes.

Formatted: English (U.S.)

Access of a technology user's email or other electronic records shall only be done at the request of a Vice President, University legal counsel, or the President; or to comply with a court order presented by a recognized state, federal, or local law enforcement agency.

Those found to have violated state, local, or federal laws or University policies, rules, or regulations, may have their electronic access suspended and/or be suspended from employment with or without pay or be dismissed from employment, enrollment or association with the University in accordance with University policies. The University reserves the right to impose charges for the expenses incurred in such actions. All violations of state, federal, or local laws will be reported to law enforcement immediately.

**CONFIRM APPOINTMENT OF
BOARD MEMBERS, FKFAC**

**BOR (IX-A-14)
June 5, 2008**

Recommendation:

That the Board of Regents confirm the appointment of three new members of the Board of Directors of 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 KFKAC staff in promotional, educational and revenue-generating activities.

3. The FKFAC Board of Directors met April 4, 2008, and recommended the appointment of three board members – Dr. Michael Karpf of Lexington, Eugenia K. Potter of Louisville and Paige Richardson of Midway.

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

**APPROVE REVISIONS TO
2008-09 STUDENT CONDUCT CODE**

**BOR (IX-A-15)
June 5, 2008**

Recommendation:

That the Board of Regents approve revisions to the Student Conduct Code.

Background:

The Student Conduct Code presents expectations for students, protocol for reviewing actions not in keeping with the educational nature of the University, and sanctions intended to promote student growth and uphold community standards.

The Student Conduct Code is reviewed annually and revised as necessary and appropriate. A major revision of the Student Conduct Code was completed and approved in 2005. Minor revisions were approved in 2006 and 2007. The following is the sole proposed revision to the 2008-09 Student Conduct Code:

The following text was removed from Appendix O of the *Eagle Student Handbook*, which is dedicated to PG-55, and added to the Student Conduct Code:

Copyright Infringement

There is potential for significant liability for an individual and the University if a student shares copyrighted materials without approval from the copyright owner. University technology resources are subject to University discretion and all federal, state, and local laws governing accessibility, appropriate and timely content, intellectual property, obscenity, nondiscrimination, defamation, and copyright, trademark, and licensing regulations. The University, acting in its role as an Internet Service Provider and in conformance with the Digital Millennium Copyright Act, is required to respond immediately to notifications of violations of legal or contractual requirements. The University has developed the following procedure for handling notifications involving students:

1. When the Office of Information Technology (OIT) receives a notification from a designated University official, OIT immediately disables access to the port in the room corresponding to the IP address and notifies the Dean of Students. The OIT then sends a response to a designated University official indicating that they have taken immediate action.
2. The Dean of Students then contacts the individual(s) living in the room via mail informing the individual(s) of the seriousness of the actions and indicates that the student(s) must disable or remove the sharing software from his/her computer.
3. After the first occurrence, the port in the room where the violation occurred will be disabled for two weeks. After the two week period, OIT will re-enable the port. A second occurrence will result in disabling the room port until the individual(s) involved pay(s) a \$100.00 fee. A third occurrence will result in a meeting with the Dean of Students to determine an appropriate sanction.

4. Any repeat offenders may be subject to additional restrictions, fines, and disciplinary action by the University.
5. In addition to University sanctions, students may also be subject to criminal prosecution for violation of the Digital Millennium Copyright Act (DMCA).

Students who have questions concerning the issues in this policy should contact the Dean of Students at 783-2014 or the Senior Director of Information Technology at 783-2068.

The Student Conduct Code will appear in the *2008-09 Eagle Student Handbook*, printed copies of which will be distributed to Board members. The Student Conduct Code will be posted on the University's web site prior to the beginning of the fall 2008 Semester. Students will be required to acknowledge, by electronic signature, that they have read and are responsible for the rules and regulations contained in the Student Conduct Code and are subject to disciplinary action as outlined.

Prepared by: Kevin S. Koett

APPROVE THE 2008-2009 OPERATING BUDGET, BOR (IX-A-16)
FEE SCHEDULE AND PERSONNEL ROSTER June 5, 2008

Recommendation:

That the Board approve the recommended 2008/2009 Operating Budget, which totals \$122,466,000, the 2008/2009 Personnel Roster, and the 2008/2009 Fee Schedule.

Background:

The proposed budget reflects the University's continued commitment to advancement of the University's mission by focusing on the goals and objectives as defined in *ASPIRE to Greatness: Morehead State University Strategic Plan 2006-2010*. The budget preparation process was inclusive of campus input and representation and results in the proposed \$122.5 million budget.

The parameters outlining the administration's management responsibilities related to the 2008/2009 Operating Budget and periodic reporting requirements to the Board of Regents are specified in the Budget Adoption Resolution on pages A-8 and A-9 of the separately bound budget document.

Analysis – Operating Budget:

The Morehead State University 2008/2009 Operating Budget includes reallocation of \$3.4 million in existing resources to offset an approximate 6 percent reduction in state operating appropriations over the initial 2007/2008 enacted operating budget. The 2008/2009 operating budget prioritizes allocation of a \$3.52 million increase in revenue generated primarily from student tuition and fees to continue support of the key initiatives defined in the University's Strategic Plan. Revenue from student tuition and fees represents 48.2 percent of the total Educational and General revenue budgeted for 2008/2009.

Auxiliary revenue is budgeted at a \$1,042,300 increase over 2007/2008. A significant portion of this new revenue is attributed to a 6 percent increase in student residence hall rates which was recommended for 2008/2009 in the Comprehensive Housing Master Plan completed in 2006. The revenue generated from the housing rate increase will fund an increase in debt service which will be incurred with the scheduled renovation of Alumni Tower.

Reallocation of Existing Resources

A comprehensive review of the University's operating budget was completed during the spring of 2008 in order to identify resources that could be reallocated to offset the \$2.7 million reduction in state appropriations and to cover anticipated increases in fixed costs and unavoidable operating expenses in 2008/2009.

A total of \$2.7 million in recurring resources and \$698,000 in one-time funds were identified to create a total internal reallocation of over \$3.4 million in the 2008/2009 Operating Budget.

The greatest portion of the total reallocation was created with an elimination of 29 vacant positions, one-year freeze of four additional vacant positions and abolishment of four occupied positions. The breakdown of positions impacted includes 13 faculty and 24 staff positions.

Additional cutbacks include delaying the replacement of microcomputers for one year, eliminating free graduate-level tuition for employee family members, limiting the number of free classes for high school students, disposing of the University-owned tour buses in favor of chartered buses for group travel, and other selected cutbacks in operating expenditures.

Changes in Revenue Sources

The proposed 2008/2009 Operating Budget reflects a total increase of \$3,516,000 (2.9 percent) from the 2007/2008 Operating Budget. Changes in significant revenue sources include:

State Appropriations - Operating	\$ (2,660,600)
Tuition and Mandatory Fees	\$ 4,940,063
Sales and Service of Educational Activities	\$ 883,400
Other Sources	\$ 389,208
Eagle Excellence Fund (Athletics)	\$ 250,000
Fund Balance	\$ (1,123,471)
Auxiliary Enterprises	\$ 1,042,300

In excess of \$1 million of the \$4.9 million increase in Tuition and Mandatory fees is attributed to a change in the billing process for the out-of-state waiver and contiguous county students. This portion of the increase will be offset by an increase in the student financial aid expense budget necessary to fund the out-of-state waiver awards.

Analysis – Fee Schedule:

A comprehensive review of the University fee schedule is conducted annually and recommended changes are presented to the Board for approval. The recommended 2008/2009 Fee Schedule is presented on pages C-1 through C-19 of the Operating Budget. A summary of the significant recommended changes follows:

Tuition and Mandatory Fees:

On March 13, 2008, the Morehead State University Board of Regents approved a model and rate parameters for use in developing the 2008/2009 tuition and fee schedule. The new model assesses tuition on a per-credit-hour basis regardless of hours enrolled. The Board-approved model and parameters were used to submit a 2008/2009 Tuition Rate Increase proposal to the Council on Postsecondary Education (CPE) on April 30, 2008. The CPE approved Morehead State University's 2008/2009 tuition schedule as proposed. Below are highlights of the model, rate parameters, and fiscal impact on students:

Highlights:

- Maximizes tuition revenue with a model that is fairer to all students
- Students have some level of investment in every credit hour
- Improves efficiency – fewer dropped classes
- Maintains a financial incentive for full-time enrollment
- Addresses affordability concern for part-time students
- More flexible model foundation – ability to consider tuition differential as programs and/or courses dictate in the future

Parameters:

- Undergraduate resident rate for 2008/2009 will be \$225 per credit hour (\$5 increase over 2007/2008)
- Hours enrolled above 12 will be discounted by 80 percent of the \$225 per-credit-hour rate or \$45 per credit hour
- No overload fees assessed on hours enrolled above 18
- Graduate will be assessed at 1.5 times the undergraduate rate
- Non-resident will be assessed at 2.6 times the resident rate
- Non-resident tuition waiver rate/contiguous county rate will be assessed at 1.25 times the resident rate
- Internet courses (and hybrid courses) will be assessed at 1.25 times the resident rate

Fiscal Impact:

The percentage increase for tuition will range from 2.3 percent to 12.5 percent depending on the number of credit hours enrolled. The weighted average tuition increase for an MSU student under the proposed new tuition model (based on 2007 credit hours generated) is 5 percent. The chart below illustrates the changes in tuition based on credit hours enrolled.

Credit Hours	2007-08 Rate	2008-09 Rate	Dollar Change	Percentage Increase
3	\$ 660	\$ 675	\$ 15	2.3%
4	\$ 880	\$ 900	\$ 20	2.3%
5	\$ 1,100	\$ 1,125	\$ 25	2.3%

Credit Hours	2007-08 Rate	2008-09 Rate	Dollar Change	Percentage Increase
6	\$ 1,320	\$ 1,350	\$ 30	2.3%
7	\$ 1,540	\$ 1,575	\$ 35	2.3%
8	\$ 1,760	\$ 1,800	\$ 40	2.3%
9	\$ 1,980	\$ 2,025	\$ 45	2.3%
10	\$ 2,200	\$ 2,250	\$ 50	2.3%
11	\$ 2,420	\$ 2,475	\$ 55	2.3%
12	\$ 2,640	\$ 2,700	\$ 60	2.3%
13	\$ 2,640	\$ 2,745	\$ 105	4.0%
14	\$ 2,640	\$ 2,790	\$ 150	5.7%
15	\$ 2,640	\$ 2,835	\$ 195	7.4%
16	\$ 2,640	\$ 2,880	\$ 240	9.1%
17	\$ 2,640	\$ 2,925	\$ 285	10.8%
18	\$ 2,640	\$ 2,970	\$ 330	12.5%
19	\$ 2,860	\$ 3,015	\$ 155	5.4%
20	\$ 3,080	\$ 3,060	\$ (20)	-0.6%
21	\$ 3,300	\$ 3,105	\$ (195)	-5.9%

Standard credit hour requirement for a baccalaureate degree is 120 credit hours. Work is currently in progress at MSU to revise all baccalaureate programs to adhere to that 120 hour standard. A student must successfully complete an average of 15 credit hours per fall/spring term to earn 120 credit hours in a four-year period. Therefore, in marketing, MSU will show the 15 credit-hour rate as an estimated cost of attendance for students planning to attend MSU full-time. The following table compares MSU rates for 2008/2009 with the rates approved by the CPE for other Kentucky public universities. The 2008/2009 Tuition and Mandatory Fee Schedule is included on page C-1 of the Operating Budget.

Kentucky Public Universities	2008/2009 Annual Tuition and Fee Rates for Undergraduate Residents
University of Kentucky (lower division)	\$7,960
University of Louisville (lower division)	\$7,564
Western Kentucky University	\$6,930
Northern Kentucky University	\$6,528
Eastern Kentucky University	\$6,080
Murray State University	\$5,784
Kentucky State University	\$5,692
<i>Morehead State University (based on 15 credit hour enrollment)</i>	<i>\$5,670</i>
Average tuition Rate	\$6,526

Housing:

In accordance with recommendations made by Brailsford & Dunlavey in the Comprehensive Housing Master Plan completed for Morehead State University in April 2006, a 6 percent increase is recommended for all residence halls in 2008/2009 bringing the average cost of a residence hall to \$1,551 per semester. Revenue generated from the increase in housing rates is included in the 2008/2009 Operating Budget to fund debt service expense associated with the renovation of Alumni Tower scheduled to begin in the spring of 2009.

Tuition & Fees and Residence Hall Rates:	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Increase</u>
Resident Undergraduate Tuition & Fees (15 hours)	\$2,640	\$2,835	\$195
Average Residence Hall Rate	\$1,463	\$1,551	\$ 88

Analysis – Personnel Roster:

Salary and Benefit Increase:

Working toward the goal to increase faculty and staff salaries to the 50th percentile of salary averages among the Kentucky regional universities, an increase has been built into the 2008/2009 salary budget for all full-time employees. Full-time faculty and salaried staff will receive an across-the-board increase of \$1,000 and full-time hourly staff will receive an increase of 50 cents per hour. Also, the second year of a three-year plan to bring the staff classification and compensation scale to market levels is funded in the 2008/2009 operating budget. This three-year plan was developed in response to the audit report completed by the Segal Company in January 2006 which identified the University's compensation schedule to be 23 percent below market averages.

In addition to the across-the-board increases for full-time staff and adjustment of the staff compensation schedule, the 2008/2009 operating budget includes an adjustment for faculty promotions, staff reclassifications and career ladder advancements which will become effective at the start of the fiscal year bringing the total investment in faculty/staff salaries to \$2.1 million.

A \$613,000 increase in employee benefit accounts is included in the 2008/2009 Operating Budget to cover rising health insurance premiums and an increase in the mandatory retirement match for Kentucky Employee's Retirement System.

The 2008/2009 Personnel Roster contains a listing of the recommended authorized positions as of July 1, 2008. Funding for each position listed in the roster has been provided in the proposed 2008/2009 Operating Budget.

A total of 1,123 positions is recommended for 2008/2009 with an estimated 1,052 positions contracted to be filled as of July 1, 2008. Total personnel expenditures represents 60.6 percent of the total expenditures budgeted for 2008/2009.

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

Position ID number
Employee currently holding the position
Position title
Appointment status if not a regular, full-time appointment
Recommended salary at the start of the 2008/2009 contract period
Contract months for exempt employees

Analysis – Student Financial Aid:

The 2008/2009 Operating Budget maintains the University's commitment to student financial aid with sufficient funds budgeted to cover the total increase for tuition and housing rates for all eligible merit and athletic awards. Student Financial Aid represents 12.1 percent of the total Educational and General budget in 2008/2009.

A \$1,000 annual increase to the stipend rate for graduate assistants working 20 hours per week has been included in the budget proposal to improve marketability of these positions. With this increase, the cash stipend for graduate assistants will be \$7,000 annually.

2008/2009 Budget Highlights

The following list highlights several areas where new funding has been allocated in the 2008/2009 operating budget. The items are grouped by the primary strategic goal they support from *ASPIRE to Greatness: Morehead State University Strategic Plan 2006-2010*.

Goal 1: Academic Excellence

- Investments in faculty/staff salaries
- Funding for Governor's Scholars Program
- Market adjustment (Year 3 of plan) for Nursing Faculty salaries
- Increased recruitment funding for faculty searches
- Increased Graduate Assistant stipend by \$1,000
- Regional Center Teacher Education Coordinators
- Funding for laptops for chemistry and physics programs
- Funding for KY ARML
- Funding to support accreditation work in academic departments

Goal 2: Student Success

- Debt Service reserve increase for new student recreation center
- MSU Joblink Career Management System
- Second year of five-year plan to bring athletic operating to OVC averages
- Debt Service for renovation of Alumni Tower

Goal 3: Productive Partnerships

- Funding for Regional Stewardship program
- Maintenance and operating funds for MSU Enterprise Center

Goal 4: Improved Infrastructure

- Funded increases in employee health and retirement benefits
- Established pool for capital renewal and maintenance – to be matched with state funds
- Funds to acquire new shuttle bus for improved parking services
- Fixed cost increases (utilities and service contracts)
- Establish debt service reserve pool for parking structure from new parking revenue
- One-time replacement of selected non-MAP computers in classroom facilities

Goal 5: Resource Enhancement

- Capital Campaign Support Funding for President's Leadership Academy
- Internal reallocations to offset reduction in state appropriations and cover increasing fixed costs

Goal 6: Enrollment and Retention

- Increase in institutional scholarships and waivers to offset tuition and housing rate increases
- Funding for second year of the Eagle Access Scholarship program
- Funding for position to support "live person" web assistance in Enrollment Services

FINAL REPORT ON SPRING ENROLLMENT**BOR (B-1)**
June 5, 2008

Head-Count Enrollment		
	Spring	% Increase/Decrease
2004	8,954	+ 0.8
2005	8,680	- 3.1
2006	8,625	- 0.6
2007	8,536	- 1.0
2008	8,487	- 0.6

FULL-TIME EQUIVALENCY

	Spring	% Increase/Decrease
2004	6,727	+ 0.5
2005	6,510	- 3.2
2006	6,272	- 3.7
2007	6,192	- 1.3
2008	6,100	- 1.5

CREDIT-HOUR PRODUCTION

	Spring	% Increase/Decrease
2004	104,757	+ 0.6
2005	101,034	- 3.5
2006	97,198	- 3.8
2007	95,801	- 1.4
2008	94,353	- 1.5

REPORT ON PERSONAL SERVICE CONTRACTS

BOR (IX-B-2)
June 5, 2008

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between February 1, 2008 and May 15, 2008.

Prepared by: Michael R. Walters

PERSONAL SERVICE CONTRACTS February 1, 2008 through May 15, 2008					
Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
St. Claire Regional Medical Center	Delivering health care to students	7/1/08	6/30/09	\$260,000.00	Request for Proposal
Global Knowledge	Training of IT staff for Sharepoint server	4/21/08	4/25/08	\$18,500.00	GSA Contract

**REPORT ON SALE
OF GENERAL RECEIPTS REVENUE BONDS**

**BOR (IX-B-3)
June 5, 2008**

Background:

In June 2007, the Board of Regents authorized the sale of up to \$22 million of General Receipts Revenue Bonds. The authorization included bonds to fund the renovation of Nunn Hall and bonds to potentially refund previously issued Housing and Dining System Revenue Bonds.

The bonds to finance the Nunn Hall project were sold in August 2007 and that project is well underway. The interest rate market at that time was not favorable to selling the bonds to refund the outstanding Housing and Dining System Revenue Bonds.

We have continued to monitor the interest rate market for appropriate timing to sell the refunding bonds. After considerable analysis, the bonds were sold on May 22. Funds being held in the debt service and repair and maintenance reserve accounts for the Housing and Dining System Revenue Bonds were released from the trust indenture and used to pay down the principal on the outstanding bonds. General Receipts Revenue Bonds were sold in the amount of just over \$12 million to refund and defease the remaining outstanding bonds.

The refunding generated a slight net present value savings, but more importantly eliminated the requirement of funding a debt service reserve account for future housing related capital projects. Funding a debt service reserve generally required increasing the size of the bond issue by about 10%.

YEAR-TO-DATE GIFT INCOME REPORT**BOR (IX-B-4)****June 5, 2008****Morehead State University****Year-to-Date Gift Income***As of March 31, 2007 and 2008*

Description	2007	2008	Variance
Degreed Alumni	\$ 427,021.66	\$ 453,323.25	\$ 26,301.59
Non-degreed Alumni	84,573.63	96,439.10	11,865.47
Faculty/Staff	55,962.23	65,394.68	9,432.45
Retirees	15,775.00	28,115.50	12,340.50
Parents	21,769.00	23,215.00	1,446.00
Students	1,279.52	13,141.64	11,862.12
Leadership Board Members	505.00	650.00	145.00
Corporate Contributors	352,184.09	396,361.68	44,177.59
Foundations	8,053.28	7,884.82	(168.46)
Non-profit Organizations	19,501.58	217,328.76	197,827.18
MSU and Student Organizations	5,549.25	1,091.65	(4,457.60)
Friends of MSU	253,227.38	234,252.11	(18,975.27)
GRAND TOTALS	\$ 1,245,401.62	\$ 1,537,198.19	\$ 291,796.57

*Matching Gifts Received \$ 24,666.11 \$ 11,072.00

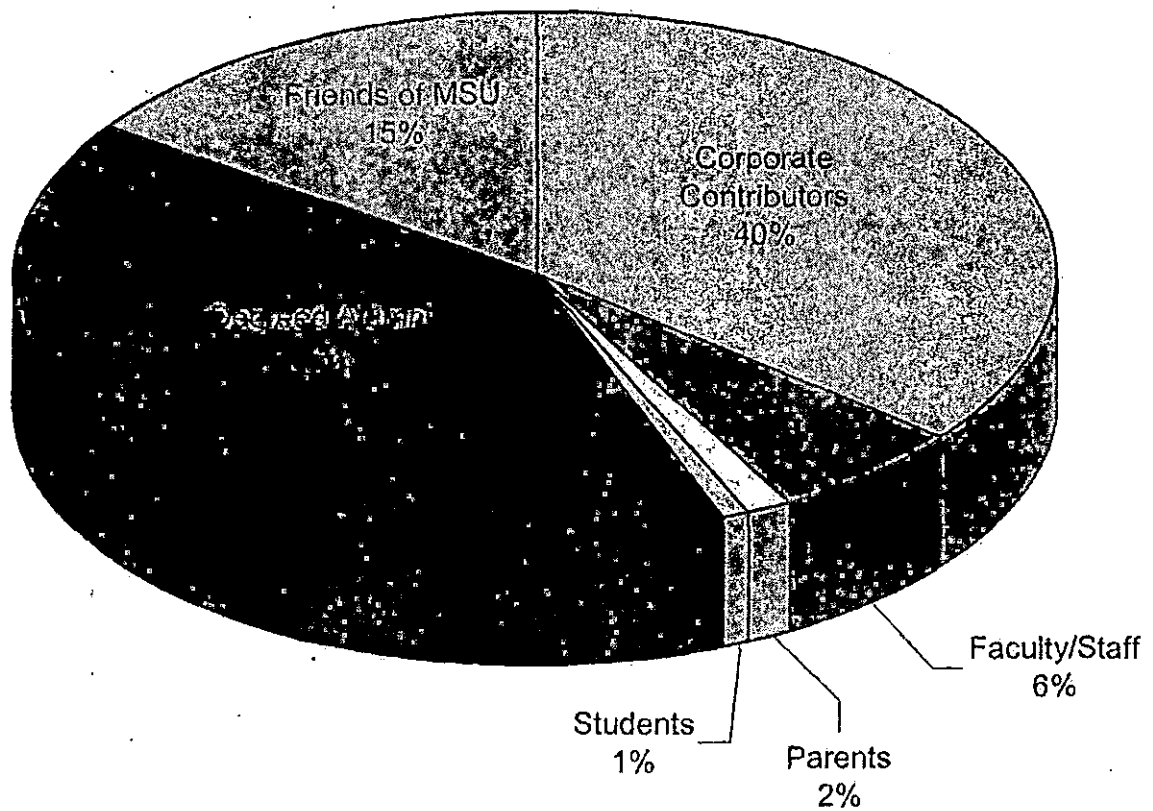
*Gift-In-Kind \$ 229,594.70 \$ 178,978.09

*Stocks \$ 86,729.11 \$ 166,369.87

**Included in totals above*

Prepared: 4/3/2008

Gift Income By Source As of March 31, 2008



Board of Regents Meeting
Morehead State University
Riggle Room – Adron Doran University Center
9 a.m., Thursday, June 5, 2008

Agenda

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **APPROVE MINUTES OF MARCH 13, 2008**
- IV. **SPECIAL RECOGNITION**
- V. **APPROVE RESOLUTIONS OF COMMENDATION FOR
TERRY IRONS AND BRIAN GAY**
- VI. **REPORT ON STUDENT GOVERNMENT ASSOCIATION – *Brian Gay***
- VII. **APPROVE CODE OF ETHICS FOR BOARD OF REGENTS**
- VIII. **SPOTLIGHT – *2008-09 Operating Budget***
- IX. **PRESIDENT'S RECOMMENDATIONS AND REPORTS**
 - A. **Recommendations**
 - 1. Ratify 2008 Spring Graduates.....1
 - 2. Approve Emeritus Status, 20082
 - 3. Approve Promotions, 20083
 - 4. Approve Tenure with Promotion4
 - 5. Ratify Personnel Actions..... 5-10
 - 6. Accept Third Quarter Financial Report and Amend
 Operating Budget 11-22
 - 7. Approve Reappointment of Auditing Firm23
 - 8. Approve Minimum Scope of Annual Audit 24-29
 - 9. Amend Campus Master Plan30
 - 10. Approve Exception to Campus Master Plan.....31
 - 11. Approve Disposal of Real Property..... 32-34
 - 12. Adopt Reimbursement Resolution 35-37
 - 13. Approve PG-55, Technology Resource Acceptable Use Policy38-43
 - 14. Confirm Appointment of Board Members, FKFAC.....44
 - 15. Approve Revisions to 2008-09 Student Conduct Code..... 45-46
 - 16. Approve 2008-09 Operating Budget, Fee Schedule, and
 Personnel Roster 47-53
 - B. **Reports**
 - 1. Final Report on 2008 Spring Enrollment.....54
 - 2. Report on Personal Service Contracts 55-56
 - 3. Report on Sale of General Receipts Revenue Bonds57
 - 4. Gift Income Reports..... 58-59
 - C. **President's Report**

X. OTHER BUSINESS

A. President's Contract

B. Executive Session

C. Future Meetings

1. Work Session, Thursday, August 28, 2008
2. Quarterly Meeting, Thursday, September 11, 2008

XI. ADJOURNMENT