

# AGENDA BOOK

# Board of Regents



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June 11, 2009

**Board of Regents Meeting  
Morehead State University  
Thursday, June 11, 2009**

**Schedule**

<b>9 a.m.</b>	<b>BOR Meeting</b>	<b>Riggle Room</b>
<b>11:30 a.m.</b>	<b>Lunch</b>	<b>Heritage Room</b>
<b>1 p.m.</b>	<b>Ribbon Cutting for Space Science Facility</b>	

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

**Sylvia L. Lovely (*Chair*)**  
**Jean M. Dorton (*Vice Chair*)**  
**James H. Booth**  
**Paul C. Goodpaster**  
**Michael W. Harmon (*Student Member*)**  
**Cheryl U. Lewis**  
**Dr. Ronald D. Morrison (*Faculty Member*)**  
**John C. Merchant**  
**Dr. John D. O'Cull**  
**Lora L. Pace (*Staff Member*)**  
**Jill Hall Rose**  
  
**Wayne D. Andrews, President**

**Board of Regents Meeting  
Morehead State University  
Riggle Room, Adron Doran University Center  
9 a.m., Thursday, June 11, 2009**

**Agenda**

- I.      **CALL TO ORDER**
- II.     **ROLL CALL**
- III.    **APPROVE MINUTES OF MARCH 12, 2009, AND MAY 21, 2009**
- IV.    **ADOPT RESOLUTION SUSTAINING DIVERSITY**
- V.     **ADOPT RESOLUTIONS OF COMMENDATION FOR LORA PACE  
AND MICHAEL HARMON**
- VI.    **PRESIDENT'S RECOMMENDATIONS AND REPORTS**
  - A.    **Recommendations**
    - 1.    Approve Sabbaticals..... 1
    - 2.    Approve Emeritus Status..... 2
    - 3.    Approve Promotions..... 3
    - 4.    Approve Tenure for Academic Administrator..... 4
    - 5.    Ratify Personnel Actions.....5-9
    - 6.    Accept Third Quarter Financial Report and Amend  
      Operating Budget..... 10-20
    - 7.    Approve Identity Theft Prevention Program..... 21-25
    - 8.    Ratify Six-Year Capital Plan..... 26-29
    - 9.    Approve 2009-2010 Operating Budget, Fee Schedule, and  
      Personnel Roster ..... 30-35
    - 10.   Approve Student Conduct Code..... 36
  - B.    **Reports**
    - 1.    Final Report on 2009 Spring Enrollment..... 37
    - 2.    Gift Income Report ..... 38-42
  - C.    **President's Report**
- VII.   **OTHER BUSINESS**
  - A.    **President's Contract**
  - B.    **Executive Session**
  - C.    **Future Meetings**
    - 1.    BOR Work Session, Thursday, August 27, 9 a.m.
    - 2.    CPE Trusteeship Conference, September 11
    - 3.    BOR Quarterly Meeting, September 17
- VIII.   **ADJOURNMENT**

**BOARD OF REGENTS  
MOREHEAD STATE UNIVERSITY  
March 12, 2009**

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, March 12, 2009, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair Sylvia Lovely presided.

**CALL TO ORDER**

Chair Lovely called the meeting to order and welcomed Board members and others to the meeting.

**ROLL CALL**

The following Board members were present: James H. Booth, Jean M. Dorton, Paul C. Goodpaster, Michael W. Harmon, Dr. Ronald D. Morrison, Dr. John D. O'Cull, Lora L. Pace, Cheryl U. Lewis, Sylvia L. Lovely, and Jill Hall Rose. John Merchant was unable to attend.

Others present: President Wayne D. Andrews; Provost Karla Hughes; Vice Presidents Michael Walters, 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.

**ELECTION OF  
OFFICERS**

Mr. Booth, as chair of the Nominating Committee, moved that Sylvia Lovely be reelected Chair of the Board of Regents. Ms. Dorton seconded the motion. The motion carried.

Mr. Booth moved that Jean Dorton be reelected Vice Chair. Mr. Harmon seconded the motion. The motion carried.

Mr. Booth moved that Carol Johnson be reelected Secretary. Ms. Pace seconded the motion. The motion carried.

Mr. Booth moved that Michael Walters be reappointed Treasurer. Ms. Dorton seconded the motion. The motion carried.

In recognition of the MSU Soccer Eagles' success, Chair Lovely read and presented the following resolution to team members who were present for the meeting:

**RESOLUTIONS  
HONORING  
EAGLE TEAMS**

**RESOLUTION HONORING SOCCER EAGLES**

**WHEREAS**, the University's women's soccer team won the Ohio Valley Conference Tournament on November 9, 2008, in an exciting 1-0 triumph over UT-Martin, to become the first MSU soccer squad to advance to the NCAA National Tournament; and

WHEREAS, the soccer Eagles played valiantly before being eliminated from the national tournament by Wake Forest University, 2-0; and

WHEREAS, freshman Jillian Birchmeier made OVC history by becoming the first freshman to be named Offensive Player of the Year, as well as first-team All-OVC, All-OVC Newcomer Team and OVC Freshman of the Year; and

WHEREAS, sophomore Lily Meisner was selected as Most Valuable Player of the OVC Tournament; junior Bethany Davidson was a second-team All-OVC selection and a member of the All-Tournament Team; freshman Devan Jordan was named to the OVC All-Newcomer Team; and freshman Stephanie Gildehaus was an All-Tournament pick.

WHEREAS, the squad members included Lily Meisner, Katie Blevins, Samantha Yocke, Lindsay Stefanini, Devan Jordan, Stephanie Gildehaus, Kaitlin Parsons, Shannon Smith, Kimberly Beiting, Lauren Seebach, Kelly Busch, Erin Adams, Jillian Birchmeier, Julie Arnold, Morgan Melzer, Hillary Johnson, Micaela Hornstein, Brittany Kiracofe, Bethany Davidson, Brittany MacLennan, Sarah Phillip, Amie Weckenbrock, Sadie Plummer, Stephanie Cagle, Samantha Corman, Abigail Doyle, and Bridget Gomillion.

WHEREAS, Coach Aubry's dedicated staff included Christine Liberto, Assistant Coach; Matt Willett, Athletic Trainer; and Jason Ashcraft, Athletic Media Relations Assistant.

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Head Coach Erin Aubry and the members of her 2008 Eagle soccer team be and hereby are commended for their exemplary achievement in winning the championship of the Ohio Valley Conference and in advancing to the NCAA Women's Cup national soccer championship. Be it further resolved that the University expresses its sincere appreciation of their academic, athletic and personal standards and extends best wishes to Coach Aubry in her new position at the University of Arkansas.

Done this twelfth day of March 2009.

ATTEST:

\_\_\_\_\_  
Sylvia Lovely, Chair

\_\_\_\_\_  
Carol Johnson, Secretary

\_\_\_\_\_  
Wayne D. Andrews, President

Ms. Dorton moved that the Resolution Honoring the Soccer Eagles be approved. Ms. Pace seconded the motion. The motion carried.

In recognition of the MSU Basketball Eagles' success, Chair Lovely read and presented the following Resolution to members of the team who were present for the meeting:

### **RESOLUTION HONORING BASKETBALL EAGLES**

**WHEREAS**, the University's men's basketball team won the Ohio Valley Conference Tournament on March 7, 2009, in a thrilling, nationally-televised game against Austin Peay State University, to advance to the NCAA National Tournament; and

**WHEREAS**, the basketball Eagles were in first place in the OVC during much of the season under third-year Head Coach Donnie Tyndall and entered the tournament as the fourth-seeded team; and

**WHEREAS**, sophomore Kenneth Faried was a first-team All-OVC selection, the league's first-ever Defensive Player of the Year; and Most Valuable Player of the OVC Tournament; and

**WHEREAS**, senior Leon Buchanan also was a first-team All-OVC pick and sophomore Demonte Harper was a member of the OVC All-Tournament Team; and

**WHEREAS**, the squad members include Cecil Brown, Leon Buchanan, Andreas Coleman, Derick Echols, Kenneth Faried, Demonte Harper, Terrance Hill, Rashad Hosea, John Lamb, Robert Murry, Steve Peterson, Blake Pettit, Ty Proffitt, Brandon Shingles, Les Simmons, Maze Stallworth and Aaron Williams; and

**WHEREAS**, Coach Tyndall's talented coaching staff includes Barry Wortman, Associate Head Coach; Chris Moore, Assistant Coach; Joel Van Meter, Assistant Coach; and Joel Zimmerman, Director of Basketball Operations;

**THEREFORE**, be it resolved by the Board of Regents of Morehead State University that Head Coach Donnie Tyndall and the members of his 2008-09 Eagle basketball team be and hereby are commended for their exemplary achievement in winning the championship of the Ohio Valley Conference Tournament and in advancing to the NCAA National Basketball Tournament for the first time in 25 years. Be it further resolved that the University expresses its sincere appreciation of their academic, athletic and personal standards.

Done this twelfth day of March 2009.

Sylvia Lovely, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

Ms. Lewis moved that the Board approve the Resolution Honoring the Basketball Eagles. Mr. Goodpaster seconded the motion. The motion carried.

In addition to the basketball team's success, Ms. Lewis also commended the team on its exemplary behavior on the court.

Ms. Dorton moved that the minutes of the December 4, 2008, quarterly meeting be approved as distributed. Mr. Goodpaster seconded the motion. The motion carried.

President Andrews introduced the Spotlight and Provost Karla Hughes, who presented a report on the Academic Curriculum Audit. (*Executive Summary of the Academic Curriculum Audit Report contained in the Agenda Book and marked V*). The full report can be accessed at [www.moreheadstate.edu/provost/](http://www.moreheadstate.edu/provost/).

Dr. Hughes said that Robert Dickeson's book, *Prioritizing Academic Programs and Services: Reallocating Resources to Achieve Strategic Balance* provided foundations, principles, and links to best practices in higher education on which the framework of the Academic Curriculum Audit was based. The process included faculty involvement, participation, and opportunity for input and feedback. Dr. Hughes noted that one of the important parts of the whole process was that it links to the University's Mission and Strategic Plan. The underlying premise addressed throughout the entire process is academic excellence and student success. This process, which was designed to look at program productivity, course content and duplication, and the effectiveness of general education, also has helped determine the institution's level of preparation and readiness for the SACS self-study.

Recommendations in the report include the assignment of each academic program into one of the following categories. The number of programs in each category is shown in parentheses.

1. Enhance (20)
2. Maintain and Improve (33)
3. Maintain with Modifications (19)
4. Maintain with Conditions (17)
5. Delete or Phase Out (17)

MINUTES OF  
DECEMBER 4,  
2008

SPOTLIGHT  
PRESENTATION  
ON  
ACADEMIC  
AUDIT

In addition, ten new programs have been proposed as a result of the evaluation process.

Extensive discussion followed Dr. Hughes' presentation. Ms. Dorton said that the Academic Audit will be very beneficial in going through the upcoming Southern Associations of Colleges and Schools (SACS) re-accreditation process.

Chair Lovely asked about the elimination of the B.A. in Music. Dr. Hughes said that the B.A. in Music is not a performance or an education degree. That program will be transitioned into a degree that better prepares students for careers in the recording, advertising, or promotion industry. Consequently, the University is not eliminating the degree but transitioning it into a degree that is more functional for students.

Dr. Morrison asked if any faculty would lose their jobs over program deletions. Dr. Hughes indicated that no faculty or staff member's job is in jeopardy from the programs being deleted.

Dr. Morrison asked how the review of General Education fits into the Audit process. Dr. Hughes said that this had been a challenge because General Education has a significant impact on all degree programs. Some decisions have been made based on the fact that there are certain things that will be consistent in General Education and opportunities for new development courses.

Dr. Morrison also asked whether General Education structurally would fit into existing departments. Dr. Hughes said that as a part of the framework set up for General Education, the curriculum will belong to the departments, and the scheduling, evaluation, and assessment will be coordinated at a centralized level.

Ms. Lewis asked if the 314 students affected by the deletion of the 17 programs are spread out among the 17 programs or if they are within a particular component. Dr. Hughes indicated that the College of Education is where most of the students are located and that many of the changes in the College of Education are dictated by the state-mandated changes in degree programs.

Ms. Pace asked about the report on the non-instructional units. Dr. Hughes indicated that it was her goal to have her recommendations to the President before the end of March.

Dr. Morrison noted that a unique feature of the proposed structure is the addition of schools both in the College of Humanities and the College of Science and Technology. He said that a question he had been asked by faculty is "Will this add another layer of administration?" Dr. Hughes said that while that may appear to be the case, a mechanism will be developed to administer those units that will not add another layer. The next step is to look at all of the structures and determine what other efficiencies can be implemented to flatten the organization.



Dr. Hughes thanked the faculty, staff, deans and department chairs and individuals in support units in Academic Affairs for their collective efforts in the Academic Audit process.

Dr. Andrews noted that this is a continuous improvement process. While much work has been completed, there is much work to do. The first component is to look at the 17 programs to be eliminated. Although 314 students will be impacted, no student will be disenfranchised in the process. Twenty programs have been recommended for enhancement. He said that in the fiscal environment in which we find ourselves and likely will be for the next three years, we are not going to be able to enhance 20 programs. So the question is which programs get enhanced and when. He said that he had directed the Provost to further assess these programs and to come back with the top five programs to be enhanced that will include specific goals, timelines, and projected resource needs. That same kind of methodology will be used for the other programs that have been recommended to be maintained, that need to be tweaked, or programs that will be maintained with conditions.

Dr. Andrews thanked the Provost and the academic administration and especially the faculty who have worked through this with intellectual vigor and enthusiasm.

Chair Lovely thanked everyone who has worked on the process.

#### PRESIDENT'S RECOMMENDATIONS

The President recommended:

RECOMMENDATION: That the Board approve the following CPE Resolution:

#### *Qualitative Waiver*

BE IT RESOLVED by the Board of Regents of Morehead State University that the University is exercising its option for a Qualitative Waiver to submit new academic program proposals to the Council on Postsecondary Education during calendar year 2009 for the Council's review under the provisions of the *1997-2002 Kentucky Plan for Equal Opportunities in Postsecondary Education*.

Dr. Andrews indicated that all universities in the Commonwealth are under the statewide *Kentucky Plan for Equal Opportunities in Postsecondary Education*. Consequently, each year the Council on Postsecondary Education's Committee on Equal Opportunities evaluates all of the institutions' progress toward reaching the eight defined goals of the *Kentucky Plan*, which is designed to assure equal opportunities for Kentucky African Americans. If an institution does not achieve the set goals in at least six of the eight areas evaluated, the institution must seek a waiver from the Committee and the Council before it can propose any new programs for a year. This year, the University met only four of the eight objectives. The institution achieved its goals in the areas of (1) Kentucky African American Undergraduate Enrollments, (2) Kentucky Resident Graduate Student Enrollments, (3) Employment of African Americans as Faculty, and (4) Employment of African Americans as Other Professionals. The institution was unsuccessful in achieving

the goals in the areas of (1) Retention of First-Year Kentucky Resident African American Students, (2) Retention of all Kentucky Resident Undergraduate African American Students, (3) Six-Year Graduation Rate for Degree-Seeking Kentucky Residents, and (4) Employment of African Americans as Executive, Administrative and Management Staff.

Dr. Andrews said that although the University has put forth a strong effort to try to recruit and retain students, faculty and staff of color, the institution finds itself in a position of not meeting four of these objectives. The Board's approval of this resolution will allow the University to present its case for a qualitative waiver to the Council on Postsecondary Education Committee on Equal Opportunities. If they approve the waiver, then the institution will be allowed during the waiver period to add new programs. If they deny the University this opportunity, then the institution won't be allowed to add new programs during the current year.

In response to a question by Chair Lovely on the likelihood of the CPE granting such a waiver, Dr. Andrews indicated that the last time the institution applied for such a qualitative waiver was in 2001, and we received the waiver. He said that it is not unusual for this to occur; however, he said that it forces the institution to dig a little deeper and look at our data to make sure that we redouble our efforts to meet the standards established by CPE. Dr. Andrews said he will present the University's case to the CEO at its meeting on April 20.

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

VOTE: The motion carried.

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 2009-2010 year.

Dr. Ahmad Hassan, Assistant Professor of Management  
Dr. Jennifer Dearden, Assistant Professor of HPES  
Dr. Ann Rathbun, Assistant Professor of Health Education  
Dr. Sam Wright, Assistant Professor of Education – PPE  
Dr. Ann Andaloro, Assistant Professor of Mass Communication  
Dr. Kathryn Carlson, Assistant Professor of English  
Dr. Chris Holbrook, Assistant Professor of English  
Dr. Verdie Craig, Assistant Professor of Geography  
Dr. June Grice, Assistant Professor of Music  
Dr. Latonya Hesterberg, Assistant Professor of Social Work  
Dr. Shondrah Nash, Assistant Professor of Sociology

*Tenure with  
Promotion*

Dr. Janelle Hare, Assistant Professor of Biology  
Dr. J. Michael Dobranski, Assistant Professor of Mathematics  
Dr. Timothy O'Brien, Assistant Professor of Mathematics  
Ms. Stephanie Johnson, Assistant Professor of Nursing  
Dr. Gilbert Remillard, Assistant Professor of Psychology  
Dr. Timothy Hare, Assistant Professor of Anthropology  
Dr. Christine McMichael, Assistant Professor of Geography

*(Additional background information attached to these minutes and marked VI-A-2.)*

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

VOTE: The motion carried.

The President recommended:

***PAC-1, Definition of  
Academic Titles***

RECOMMENDATION: That the Board approve the revision to PAC-1, Definition of Academic Titles.

*(Proposed amended policy attached to these minutes and marked VI-A-3.)*

Dr. Hughes indicated that PAC-1 is being amended to address the language in regard to clinical faculty appointments and to reflect the change in title of the Executive Vice President for Academic Affairs and Dean of Faculty to the title of Provost and Vice President for Academic Affairs.

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

VOTE: The motion carried.

The President recommended:

***PAC-6, Membership  
on Graduate  
Faculty***

RECOMMENDATION: That the Board approve the revision to PAC-6, Membership on Graduate Faculty.

*(Proposed amended policy attached to these minutes and marked VI-A-4)*

Dr. Hughes said that the proposed amended PAC-6 streamlines the process by which faculty members are appointed to full and associate graduate faculty status.

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

**BFA Degree in  
Creative Writing**

Dr. Hughes thanked Dr. Dayna Seelig and the Faculty Senate Committee that worked on the revisions.

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve the Bachelor of Fine Arts in Creative Writing program.

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

Dr. Hughes noted that the program proposal was posted on the CPE Web site for review by other institutions before any action was taken on the qualitative waiver. Consequently, the University fell under the prior guidelines for the approval of this program.

The Bachelor of Fine Arts in Creative Writing degree will offer study in three major genres of creative writing: fiction, poetry, and creative nonfiction. It has been reviewed for the designated time on the CPE Web site for comments from other institutions. This program will be the only BFA degree offered by a public university in Kentucky. The faculty in the department have worked diligently and developed a fine proposal based on need and the implementation of a 21st century program.

Ms. Dorton indicated that she was very pleased to see the program proposal since she is affiliated with the Kentucky Arts Council.

Ms. Lewis asked how many students had indicated an interest in this program. Dr. Hughes said that at least 20 students initially. Dr. Morrison said that there was considerable interest in the program and thanked Chris Holbrook for originating the proposal.

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

VOTE: The motion carried.

The President recommended:

**Personnel Actions**

RECOMMENDATION: That the Board ratify the Personnel Actions for the period November 15, 2008, through February 13, 2009.

*(List of Personnel Actions and additional background information attached to these minutes and marked VI-A-6)*

Michael Walters, Vice President for Administration and Fiscal Services, introduced Phil Gniot, Director of Human Resources, who commented on the personnel changes. He noted that summary data begins on page 16 and extends through page 20 and represents 45 actions taken from November 15, 2008, through February 13, 2009. The overall numbers are typical for the quarterly report. However, he noted that there was a question on retirements at the last meeting, and he reported that of the 20 people who left the University, 15 were retirements. A significantly greater number of retirements occurred this last time as a result of the change in formulation of retirement benefits of those individuals in the Kentucky Employee Retirement System who retired by December 31, 2008.

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

VOTE: The motion carried.

The President recommended that:

*Banking Services  
Contracts*

RECOMMENDATION: That the Board exercise the option to renew the banking services contracts for the period July 1, 2009, to June 30, 2010, 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, Citizens Bank and Trust in Jackson, and Traditional Bank in Mt. Sterling to continue to serve as depositories for funds collected at the regional campuses.

*(Additional background information attached to these minutes and marked VI-A-7)*

Mr. Walters said that the Board is being asked to exercise the option to renew the banking services contracts for the University's main campus and its five regional campuses for one additional year. These contracts were awarded on a competitive basis two years ago, and they have options for renewals for four additional one-year periods. All of the services rendered have been in compliance with the terms of the contract. He pointed out one correction in the last line of the narrative that should read: "All contracts will be effective from July 1, 2009, to June 30, 2010, with options to renew the contracts for two (rather than three) additional one-year periods."

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

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

**Quarterly Financial  
Report**

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, 2009, and amend the operating budget.

*(Second Quarter Financial Report and additional background information attached to these minutes and marked VI-A-8)*

Mr. Walters indicated that financial statements have been prepared as of December 31, 2008, that reflect the amendments to the operating budget. He introduced Kelli Owen, Assistant Director of Accounting and Budgetary Control, who commented on the financial statements.

Ms. Owen discussed the Statements of Revenues, Expenditures and Changes in Fund Balance on pages 27-28 of the Agenda Book. She noted that for the six months ended December 31, 2008, the University had revenues in excess of expenditures and transfers of a little over \$30 million which is typical at this time of year because the University has billed for most of the spring 2009 semester and those numbers are reflected in the tuition and fees, but expenditures are reflected only through December 31. As the fiscal year proceeds, this variance will decrease, and it will reflect a more appropriate change in the University's fund balance. The Statement of Net Assets found on page 25 shows that compared with December 31, 2008, and 2007, that the cash was up in 2007, which was the result of several large deposits that came in from the state for some capital projects. These funds were then expended during the 2008 year. Also, the University had the sale of its general receipt bonds near the end of 2007 resulting in deposits that were expended for some capital projects.

Teresa Lindgren, Director of Budgets, discussed the Budget Amendments on pages 29-30. The budget was increased by \$346,354 primarily due to revenue adjustments in sales and services of education activities, other sources, and fund balance allocations. These budget increases are reflected in the adjustment column of the report. Typically, there is very light budget activity in the second quarter since the University generally experiences more budget activity in the first and fourth quarters when there are beginning and year-end allocations. She also noted an increase in the adjustments column in Academic Affairs of \$810,055, which represented a combination of budget transfers, primarily an advance of funds for the Space Science Facility equipment of \$235,000. While the University will receive reimbursement from its project funds in Frankfort, funds had to be expended first.

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

**VOTE:** The motion carried.

***Sale Series A Bonds***

The President recommended:

**RECOMMENDATION:** That the Board adopt the resolution relating to the sale of the University's General Receipts Obligations, Series A.

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

Mr. Walters noted that the University has two capital projects that will be ready for bid later this spring and needs to start making preparations to sell bonds to fund those projects. The first project is the renovation of Alumni Tower, the second in a series of residence hall renovations, which has a scope of approximately \$4.5 million. The second project is the Student Recreation Center, estimated at \$34 million. The two projects will be financed through the issuance of the University's General Receipts Obligations, 2009 Series A. The bonds are scheduled to be sold in early June 2009.

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

**VOTE:** The motion carried.

The President recommended:

***Bucks for Brains***

**RECOMMENDATION:** That the Board approve the division and partial submission of MSU's allocation of the Comprehensive University Excellence Trust Fund.

*(Additional background information attached to these minutes and marked VI-A-10)*

James Shaw, Vice President for University Advancement, said that the W. Paul and Lucille Little Foundation granted a challenge gift of \$1 million to the University to build a facility to house the Kentucky Center for Traditional Music, bits and pieces of the Folk Art Center, and some cultural outreach. As part of the planning, the University is seeking Bucks for Brains as the match. In order to comply with guidelines outlined by the Council on Postsecondary Education, the Board must approve the division and partial submission of MSU's allocation of the Comprehensive University Excellence Trust Fund.

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

**VOTE:** The motion carried.

Chair Lovely declared a ten-minute break.

**PRESIDENT'S  
REPORTS***2009 Spring  
Preliminary  
Enrollment Report*

Beth Patrick, Vice President for Planning, Budgets and Technology, presented the Spring 2009 Preliminary Enrollment Report. Ms. Patrick indicated that the format of the report has been changed to not only reflect a five-year view for comparison purposes but also the total head count, the credit hours generated, and the FTE. As noted under the chart, the FTE (full-time equivalency) calculation changed in the fall of 2006 and, as a result, there is a little difference in the five-year comparison of those numbers. Ms. Patrick said that it is important to note that while our total head count number is down, one of the significant reasons for that is a change in our enrollment standards that eliminated about 150 students from being accepted at the University. Although it impacted our enrollment, it was a very strategic change in that those 150 students fell in a range academically where they had less than a 2 percent chance of being successful. As a result, the class is much stronger with the highest ever average ACT of any incoming class, and the fall retention rate of first-time freshmen continues to increase.

In addition, Ms. Patrick noted that significant work is going on in Academic Affairs to focus on the University's academic probation and appeals process in order to make sure that the students who return to the University after being on probation can be successful.

Ms. Lewis asked if there were any comments from the faculty who teach freshmen about their observations with the higher ACT scores. Ms. Patrick indicated that there had been multiple conversations related to the higher scores. She said it seems to be more prevalent in the faculty who teach General Education classes.

Ms. Pace said that much of what is occurring is cleanup and should have been done all along. While it may initially have an impact on head count, it will eventually lead to higher graduation rates.

Dr. Morrison said that having a higher quality student is a fabulous thing; however, he said that he worried about the quantity and asked what was planned to improve head count.

Dr. Andrews said that was a very important question since enrollment fuels the budget at the University and half of the budget is tuition driven. Following are some initiatives he discussed:

- Establishing enrollment targets for Enrollment Services. He said that after much detailed analysis last fall, Enrollment Services was asked to organize its recruitment efforts to meet these targets.
- Aligning marketing efforts with enrollment strategies.
- Intensifying the University's diversity efforts.
- Recruiting more out-of-state and international students. He said that 80 percent of the students who attend MSU are from the 22 counties in Eastern Kentucky. Population is in decline in the service region, and the University continues to struggle with the number of students that finish high school and go on to college.



	<p>To increase enrollment, the University needs to concentrate on out-of-state and international students.</p> <p>Dr. O'Cull indicated that the media blitz with the basketball team's recent success should help the University with its recruiting.</p>
<b><i>Personnel Service Contracts</i></b>	<p>Mr. Walters reported on Personal Service Contracts that have been issued with amounts greater than \$10,000 since the last Board meeting. Three contracts were issued to Proventions Group to develop, design, layout and print athletic media guides; to Wellness Consultants for biometric screenings connected with the University's wellness initiatives; and to MML&amp;K Government Solutions to assist with state and federal government relations.</p>
<b><i>Six-Year Capital Plan</i></b>	<p>Mr. Walters reported on the University's Six-Year Capital Plan (2010-2016) which will be submitted to the Capital Planning Advisory Board and the Council on Postsecondary Education by April 15, 2009. He said that the University is in the process of updating the six-year capital plan. All agencies in the state are required to project their capital needs over the next three biennial budget periods. It's a rolling six-year plan adjusted every two years. The University will use the projects in the first biennial period (2010-2012) on which to base MSU's executive budget capital request and will bring that capital request in September for the Board's approval as part of the biennial budget process. The scope of the projects will continue to be refined until the plan is submitted in April. The final report, as submitted in April, will be brought to the Board for ratification in June.</p>
<b><i>Gift Income Report</i></b>	<p>Mr. Shaw reported on Gift Income. He said that Development is continuing to build a foundation for the capital campaign and that the economic downturn is really a blessing in disguise because it allows the University to build pride, cultivate people, and train a young staff. He reported that the gift income summary shows that the University is ahead of last year, but more people are giving property rather than money. Also, he reported that Development is moving forward successfully with unrestricted giving, and the new Call Center has been turned over to students.</p>
<b><i>2009-2010 Tuition and Mandatory Fee Increases</i></b>	<p>Ms. Patrick reported on anticipated 2009-2010 tuition and mandatory fee increases. She said that in a typical year, she would be bringing a recommendation to approve tuition and fees for the new year rather than a summary. It wasn't until Friday of last week that the Council on Postsecondary Education approved tuition guidelines for the new year. As a result, the University has not had the opportunity to talk with students, to have open forums, and to be able to bring a solid tuition recommendation. The Council's 2009-2010 tuition policy set parameters for each institutional sector – comprehensive universities, research institutions, and KCTCS. For the comprehensives, that cap was set at a 4 percent increase. In other words, the increase going into the new year cannot exceed 4 percent of last year's rate. For MSU, based on its per-credit-hour rate in 2008-09 of \$225 that means that the University's maximum per-credit-hour increase could be \$9 per credit hour. However, there was a footnote in the CPE policy referencing MSU. CPE</p>

recognizes that as the University migrates to the new per-credit-hour model (approved by CPE last year) that the institution would be slowly working on the discount rate for the hours above 12. The University started with a steep discount of 80 percent with plans to move that to 70 percent in 2009-2010, 60 percent in 2010-2011 and down to 50 percent, contingent on market conditions.

The following action steps will be taken by MSU staff to develop a final 2009-2010 tuition and mandatory fee rate:

- Continue to closely monitor legislation changes during an anticipated 2009 special session of the General Assembly that will impact the support that MSU will receive in 2009-2010 from state appropriations.
- Finalize increases in fixed and unavoidable operating increases for 2009-2010.
- Hold public forums and informational sessions to communicate 2009-2010 budget priorities and discuss potential increases in student tuition and mandatory fee rates.
- Bring a final tuition and mandatory fee rate to the Board in May or June.

*Update on  
President's Goals  
and Initiatives*

Dr. Andrews updated the Board on progress related to his goals/initiatives for 2008-09 as follows:

- **SACS Review** -- Work on SACS reaccreditation is continuing and can be divided into two main processes: (1) Compliance Certification and (2) Quality Enhancement Plan. The Compliance Report is due to SACS in late August 2010. The off-site review will be in November 2010, and the on-campus visit will be in late March or April 2011. The Quality Enhancement Plan or QEP process will result in a course of action that enhances student learning. The final QEP report is due to SACS in February 2011. More than 170 faculty, staff, administrators and students throughout the University have volunteered to assist with the Compliance Certification Report and review process.
- **Diversity Plan** -- Recent initiatives include:
  - Recently hired Harold Porras as the University's first Chief Diversity Officer beginning April 1, 2009.
  - Reconstituted the President's Diversity Council. The Council is currently developing goals for 2009-2010. In 2010 that plan will be aligned with the Strategic Plan of the University. The President's Diversity Council is chaired by Dr. Clarenda Phillips, and Mr. Porras will be a co-chair.
  - Reconfigured the support services unit around minority students. MSU's minority retention specialist has been working with students to increase their chances of success. Ms. Francene Botts-Butler, who previously worked part-time in the President's Office as the Affirmative Action Officer and part-time as Director of Multicultural Student Services, is now full-time in the support services unit located in the University Center.

- **Redesigning General Education** – Process moving forward. A number of components have been approved by the Faculty Senate. The next steps include transitioning to the implementation phase.
- **School Visits** – Continuing to visit public schools in MSU's service region. Dr. Andrews visited Hazard Independent and Letcher County High Schools on Monday. He said that visiting these schools reinforced the importance of the President being in the region to talk with students. He spent an hour talking about university life with juniors and seniors in both locations with more than 100 in one and 70 in the other.
- **Student Success** –
  - Continuing to implement strategies to improve Developmental Education and working with CPE to develop a pilot in the fall to look at different course delivery methods for student success.
  - Looking at the whole first-year experience within the context of redesign of General Education.
  - Staffing Office of Retention. Strategies for retention in various stages of planning and implementation.
  - Implemented Retention Alert initiative as a resource for the campus community to refer student concerns to both Academic Affairs and Student Life.
  - Evaluating and modifying policies related to academic services for students who need additional support.
- **NCAA Certification Report** – The NCAA will be providing status of certification in late spring.
- **Athletic Success** – Dr. Andrews said that he appointed Brian Hutchinson as Director of Athletics soon after he arrived on campus in 2005. Since that time, the University has hired ten new coaches and, of those coaches, soccer won the OVC tournament this year and went on to the NCAA, men's basketball won the OVC tournament and is going to the NCAA. The Cheer team took both the men's team and mixed team to the nationals this year, and won first place on the men's side and second place on the mixed side. Overall, the Cheer team has won 24 national championships. Dr. Andrews said that first and foremost, the University is an academic institution and that he never loses sight of that. However, he also recognizes that athletics is the front porch to the institution, and the University couldn't afford to buy the kind of coverage the men's basketball team received this past week. This is a very important endeavor, and President Andrews thanked Mr. Hutchinson for his leadership.
- **NewCities Foundation** – Continuing to serve on the Morehead NewCities' Board. Dr. Andrews said that the University has its own local initiative, and its goal is to continue to make this community a better place to live and work. Progress has been made, and better relationships now exist between the University and the people in the city of Morehead and Rowan County. The University is poised to help where it's appropriate and partner where it can. One

good example is the agreement that the University entered into with the Rowan County Fiscal Court to do a land swap with the County.

- **East Kentucky Initiative** -- Continuing to work collaboratively with Gary Cox, President of the Association of Independent Kentucky Colleges and Universities, and Doug Whitlock, President of Eastern Kentucky University, and the presidents of the private and public colleges and universities to find one topic on which the institutions can collaborate. Dr. Andrews said that the group will be meeting again on March 23.
- **Martin County Wellness Initiative** -- Initiative funded both by a competitive grant and also some appropriated money from U.S. Representative Hal Rogers. The goal is to work with people in the community to try to identify ways to reduce obesity, heart disease, and diabetes by changing behavior. The University is working with middle school children at Warfield and Inez and teachers, community activists and the folks there at the Roy F. Collier Community Center. The University will be involved in these communities over a long period of time to build an infrastructure that will enable them to improve these health related issues.
- **University Advancement** -- Completed integration of communications, marketing, MSPR, KCTM and KFAC into the newly named Division of University Advancement (formerly Division of Development) thus eliminating the Division of University Relations.
- **Faculty Salaries Study** -- Conducting a comprehensive review of faculty salaries by rank and discipline -- preliminary report presented at Board's work session on February 19.
- **External Grants and Contracts** -- More than \$17 million (10.8 percent increase from the previous year) in external grants and contracts funded in the last fiscal year, the highest in the history of the University (Report in Board packets).
- **Campus Master Plan** --
  - Acquired three key parcels of property during 2008 --
    - Site for the Center for Health, Education & Research transferred from St. Claire Regional Medical Center to MSU. The appraised value of the property is \$1.5 million.
    - Approximately 100 acres of forest land on the northeast boundary of campus. The property was a piece of a larger parcel of land that was acquired by the University in the 1960's for the construction of the athletic complex. The appraised value of the property was \$159,900 and was acquired at a cash price of \$140,000 and a gift of \$19,900.
    - An agreement was executed with the Rowan County Fiscal Court to exchange the Support Services Complex land and building for land owned by the Fiscal Court on the eastern boundary of campus. Options to purchase two other parcels of land and

buildings were also executed in 2008. The appraised value of the current exchange was \$1,124,900.

- Razed three structures during 2008 -- Senff Natatorium, a house on the Martindale property, and a house on East Second Street adjacent to Lappin Hall. All sites have been reclaimed as green space.
- Renovation of Nunn Hall is substantially complete and the building will be ready for occupancy for the summer terms of 2009. The renovation planning process for Alumni Tower is on schedule and will be ready for bid in April 2009.
- Bids on Student Recreation Center scheduled to be let in late spring. The center is being designed and will be constructed in a fashion to earn LEED Silver certification. Construction on the center will begin in the summer with completion in fall of 2010.
- Designed residence hall renovation projects with emphasis on energy efficiency. In addition, all new renovation and construction projects in the future will be conducted in accordance with the state's new High Performance Building legislation that was passed in the 2008 session of the General Assembly.
- Construction on Space Science Facility is progressing according to project schedule. The ribbon cutting ceremony is scheduled for June 11.
- Developed RFP for selection of a consultant to provide assistance in updating the Campus Master Plan.
- **Parking system** -- Reviewed and amended the University's parking system to include a revision of the parking fee structure and additional parking. Reserved spaces were created at a rate that was three times the standard rate. Visitor parking was created adjacent to ADUC, and an additional parking lot was paved on East Second Street creating approximately 40 additional spaces.
- **2008-09 Budget** -- Managed costs to ensure MSU performs to budget for 2008-09. The University has been proactive in planning for anticipated budget reductions in the current year, as well as developing strategies for addressing a recurring reduction in state appropriations in 2009-10.

#### *Reception/Dinner for CPE President*

Dr. Andrews advised the Board that newly appointed CPE President Robert King will be visiting the campus on March 26 and 27. Board members are invited to attend a special reception at 6 p.m. at the President's Home followed by dinner at 7 p.m. in the Heritage Room for President King.

#### *Upcoming Events*

He also asked Board members to mark their calendars for the Gala on Saturday, April 25, and Spring Commencement on Saturday, May 9.

#### *Ad Hoc Presidential Evaluation & Compensation Committee*

Chair Lovely appointed an Ad Hoc Presidential Evaluation and Compensation Committee to develop a protocol for the presidential evaluation in June. The committee consists of Jim Booth, Lora Pace, Paul Goodpaster, and Jean Dorton, who will serve as chair.

*Presidential Review*

The Presidential Review will take place on September 30 – October 2, 2009.

*Adjournment*

There being no further business to conduct, Ms. Dorton moved that the meeting adjourn at 11:50 a.m. Ms. Pace seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary  
Board of Regents

**SPECIAL MEETING  
BOARD OF REGENTS  
MOREHEAD STATE UNIVERSITY  
May 21, 2009**

The Board of Regents of Morehead State University met for a special meeting at 9 a.m. on Thursday, May 21, 2009, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Vice Chair Jean Dorton presided.

**CALL TO  
ORDER**

Vice Chair Dorton called the meeting to order and offered Ms. Lovely's apologies for not being able to attend the meeting.

**ROLL CALL**

The following Board members were present: James H. Booth, Jean M. Dorton, Paul C. Goodpaster, Michael W. Harmon, Cheryl U. Lewis, John Merchant, Dr. Ronald D. Morrison, Dr. John D. O'Cull, Lora L. Pace, and Jill Hall Rose. Sylvia Lovely was unable to attend the meeting.

Others present: President Wayne D. Andrews; Provost Karla Hughes; Vice Presidents Michael Walters, 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.

**PRESIDENT'S  
RECOMMEN-  
DATIONS**

***Honorary  
Doctorate for  
Steve Inskeep***

The President recommended:

RECOMMENDATION: That the Board of Regents ratify the awarding of the honorary degree of Doctor of Communications to Steve Alan Inskeep of Washington, D.C., at the Spring Commencement ceremony on May 9, 2009.

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

VOTE: The motion carried.

***2009 Spring  
Graduates***

The President recommended:

RECOMMENDATION: That the Board ratify the awarding of degrees to the candidates who successfully completed all degree requirements as approved by the faculty of the University at the 2009 Spring Commencement on May 9.

Karla Hughes, Provost and Vice President for Academic Affairs, reported that 1,040 students were awarded degrees from Morehead State University. This included 104 associate degrees, 666 bachelor's degrees, and 266 master's degrees and 4 education specialist degrees.

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

VOTE: The motion carried.

The President recommended:

*Campus Master  
Plan*

RECOMMENDATION: That the Board approve the amendment of the Campus Master Plan to include the acquisition of approximately 10.81 acres of land and a warehouse building located at 160 Old Cranston Road in Morehead.

*(Resolution for Acquisition of Property and additional background information attached to these minutes and marked III-A-3)*

Michael Walters, Vice President for Administration and Fiscal Services, said that in June 2008 the Board approved the University exchanging property located at 606 West Main Street for Fiscal Court property located on East Main Street, which is adjacent to University-owned land on the eastern portion of the campus. The University property included a 42,000 square foot building that was used for office and warehouse space. When the exchange transaction was completed in January 2009, staff members were relocated to other office space on campus and warehouse space was rented from a local business.

A local business, TKB LLC, approached the University with an offer to sell seven acres of land and a 60,000 square foot warehouse located on Old Cranston Road. After reviewing the facility and evaluating other alternatives for the University's warehousing needs, an offer was extended to TKB LLC pending approval by the Board of Regents. The University also obtained an option to purchase an additional 3.81 acres of land adjoining the warehouse facility pending Board approval. The option can be exercised on or after July 1, 2010.

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

VOTE: The motion carried.

The President recommended:

*Auditing  
Services  
Contract*

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, 2009.

Mr. Walters said that Kentucky Revised Statutes require that an annual audit be conducted for all universities in the Commonwealth. According to the *Bylaws* of the Board of Regents, the Audit Committee will review, evaluate, and recommend to the full Board an accounting firm to



conduct the University's required annual audits. In March 2006, as a result of a request for proposals process, the Audit Committee recommended and the Board approved the appointment of Dean, Dorton & Ford to conduct the annual audit for the fiscal year that ended on June 30, 2006, with the option to extend the contract for four additional one-year periods. The Audit Committee met on May 21, 2009, and approved the extension of the audit contract for the 2008-09 fiscal year for an amount not to exceed \$70,700.

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

VOTE: The motion carried.

The President recommended:

**Minimum  
Scope of Audit**

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, 2009.

*(Minimum Scope of the Annual Audit attached to these minutes and marked III-A-5)*

Mr. Walters said that the Audit Committee met on May 21, 2009, and approved the minimum scope of the audit.

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

VOTE: The motion carried.

The President recommended:

**2009-2010  
Tuition Rates**

RECOMMENDATION: That the Board approve a 4 percent increase in the undergraduate resident per-credit-hour tuition rate for the 2009-2010 fiscal year with a 70 percent discount on undergraduate hours enrolled above 12. Graduate rates are to be billed at 1.5 times the undergraduate per-credit-hour rate. Nonresidents are to be billed at 2.5 times the appropriate undergraduate or graduate resident rate, and Internet courses are to be billed at 1.3 times the appropriate undergraduate or graduate resident rate.

*(Additional background information attached to these minutes and marked III-A-6)*

Dr. Andrews said that the Council on Postsecondary Education has the tuition setting authority by statute. On March 6, the Council approved a Tuition and Mandatory Fee Recommendation for 2009-2010. The recommendation establishes resident undergraduate tuition and mandatory fee ceilings that equate to maximum base rate increases of 3 percent for KCTCS, 4 percent for the comprehensive universities, and 5 percent for the research institutions. The nonresident rate will be at least two times the resident undergraduate rate.

Morehead State University's tuition recommendation has been developed within the parameters approved by the Council. The Council will consider institutional tuition recommendations for 2009-2010 at its meeting on May 22.

Beth Patrick, Vice President for Planning, Budgets and Technology, discussed some of the good things happening at MSU despite the economy and its impact on the University's budget. These include:

- Average ACT of first-time freshmen cohort continues to improve with average score of 21.6 in Fall 2008
- Retention rate of first-time freshmen continues to improve with 68 percent goal for 2009-2010
- Research and scholarly activity continues to improve –
  - \$17 million in 2007-08, an increase of 10 percent over previous year with 75 percent of proposals submitted being funded
  - 85 students participated in the Undergraduate Research Fellowship Program
  - Record number of students participated in the 2009 Celebration of Student Scholarship with 50 oral presentations and 75 poster presentations
- Capital buildings and improvements underway –
  - Completed renovation of Nunn Hall
  - Completed renovation of pollution control system on the heating plant
  - Space Science Facility nearly complete with ribbon cutting scheduled June 11
  - CHER building well underway
  - Will break ground this year on the new Student Recreation Center
- Great year in Intercollegiate Athletics –
  - Completed the Certification Self-Study and campus review
  - Won OVC titles in Women's Soccer and Men's Basketball
  - Won regular season in Volleyball
  - Won the OVC Academic Achievement Award
  - 82 student athletes named to the OVC Commissioner's Honor Roll
  - 41 student athletes named to the Pioneer Football League Honor Roll
  - 24<sup>th</sup> National Title for the Cheer Squad

Ms. Patrick discussed the recommended tuition and mandatory fee schedule for 2009-2010. She indicated that MSU continues to be a best value provider as compared to both its in-state and out-of-state peer institutions and provides a net tuition that is within the recommended affordability range as defined by the National Center for Public Policy and Higher Education.

**MOREHEAD STATE UNIVERSITY  
TUITION AND MANDATORY FEE SCHEDULE  
RECOMMENDED FOR 2009-2010**

Tuition & Mandatory Fees	Per Credit Hour Rate		Full-Time Comparison Rate <sup>1</sup>
<b>Undergraduate</b>	<b>Hours 1-12</b>	<b>Hours 13+</b>	<b>15 Credit Hours</b>
Resident and Reciprocity	\$ 234	\$ 70	\$ 3,019
Nonresident	\$ 585	\$ 176	\$ 7,547
Nonresident Scholarship (Net Rate) <sup>4</sup>	\$ 304	\$ 91	\$ 3,924
Internet or Hybrid Delivery <sup>2</sup>	\$ 304	\$ 91	\$ 3,924
<b>Graduate</b>	<b>Hours 1-12</b>	<b>Hours 13+</b>	<b>15 Credit Hours</b>
Resident	\$ 351		\$ 3,159
Internet or Hybrid Delivery <sup>2</sup>	\$ 456		\$ 4,107
Nonresident	\$ 878		\$ 7,898
<b>Notes:</b>			
1.	Full-time status is achieved for undergraduate students when enrolled for 12 hours. Full-time comparison rates are shown for an undergraduate at 15 credit hours, which is the average hours needed each fall/spring semester to complete a baccalaureate degree program in four years.		
2.	Internet or Hybrid Delivery rates are assessed for courses delivered with at least 50 percent of the instruction online. Internet and hybrid courses will be assessed prior to non-Internet courses for identifying the first 12 hours.		
3.	Nonresident students enrolled exclusively at a regional campus center will be assessed tuition and fees at the applicable in-state rate.		
4.	Nonresident students who qualify for the Nonresident Scholarship program will be billed at the full Nonresident Rate. Rates shown on this schedule are net of applied scholarship which equates to 1.3 times the resident rate.		

Following Ms. Patrick's presentation, Mr. Harmon expressed his concern about the increase in tuition and also what's going to happen in the future [with tuition].

Dr. Morrison said that he attended the students' forum and was impressed by the questions the students asked and their understanding of the situation.

Mr. Merchant said that he appreciated having everything on the table so that the Board has complete information on which to make a decision.

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

VOTE: The motion carried.

***Report on  
Capital Projects***

Mr. Walters presented an update on capital projects. (*Report on Capital Projects attached to these minutes and marked III-B-1*)

Vice Chair Dorton declared the meeting back in session following a ten-minute break.

**EXECUTIVE  
SESSION**

Mr. Booth moved that the Board go into executive session to discuss personnel issues in accordance with KRS 61.810 (1) (f). Dr. Morrison seconded the motion. The motion carried.

Following two hours in closed session, Ms. Rose moved that the Board return to open session. Dr. O'Cull seconded the motion. The motion carried.

Vice Chair Dorton stated that no action was taken in the closed session.

**ADJOURN**

There being no further business to conduct, Ms. Pace moved that the meeting adjourn at 12:55 p.m. Dr. O'Cull seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary  
Board of Regents

**RESOLUTION SUSTAINING DIVERSITY**

**BOR (IV)**  
**June 11, 2009**

**WHEREAS**, Morehead State University is a diverse community devoted to excellence in teaching, research and creative production, and service; and

**WHEREAS**, Morehead State University's respect for diversity of people and thought is clearly stated in its core values and reflected in official documents, print and electronic; and

**WHEREAS**, the statutory authority for the governance of Morehead State University is vested in the duly appointed and/or elected members of the Board of Regents; and

**WHEREAS**, issues of diversity are of a significant and ongoing interest to the members of the Board of Regents in their official duties and personal and professional lives; and

**WHEREAS**, the Board of Regents, as a matter of institutional policy, highly values inclusiveness, representation and diversity as essential sources of strength and vitality for the University community; and

**WHEREAS**, the Board of Regents embraces the achievement of diversity as an invaluable element of the University's mission, vision and values;

**THEREFORE**, be it resolved by the Board of Regents of Morehead State University that the infusion of diversity into all aspects of the University's life is of paramount importance and the Board of Regents hereby recommits itself to that shared value and hereby challenges all members of the University community to act affirmatively in identifying, creating and accomplishing diversity in its many forms and venues.

Done this eleventh day of June 2009.

\_\_\_\_\_  
Sylvia L. Lovely, Chair

**ATTEST:**

\_\_\_\_\_  
Carol Johnson, Secretary

\_\_\_\_\_  
Wayne D. Andrews, President

**BOR (V)**

**RESOLUTION HONORING LORA HARDWICK PACE    June 11, 2009**

**WHEREAS,** Ms. Lora Hardwick Pace has served with distinction as the staff representative to the Board of Regents of Morehead State University for a period of three years; and

**WHEREAS,** Ms. Pace has been an effective voice for employees of the University; and

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

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

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

Done this eleventh day of June 2009.

\_\_\_\_\_  
Sylvia L. Lovely, Chair

**ATTEST:**

\_\_\_\_\_  
Carol Johnson, Secretary

\_\_\_\_\_  
Wayne D. Andrews, President

BOR (V)  
June 11, 2009

**RESOLUTION HONORING MICHAEL W. HARMON**

**WHEREAS**, Mr. Michael W. Harmon of Corydon, Indiana, has served with distinction as the student member of the Board of Regents of Morehead State University since July 1, 2008; and

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

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

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

**WHEREAS**, Mr. Harmon's organizational skills led to his election as an officer of the Board of Student Body Presidents of Kentucky's public universities; and

**WHEREAS**, Mr. Harmon'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. Michael Harmon be and hereby is commended for his year of honorable and outstanding service on the Board of Regents and his leadership of the Student Government Association.

Done this eleventh day of June 2009.

\_\_\_\_\_  
Sylvia L. Lovely, Chair

ATTEST:

\_\_\_\_\_  
Carol Johnson, Secretary

\_\_\_\_\_  
Wayne D. Andrews, President

## EMERITUS STATUS, 2009

BOR (VI-A-2)  
June 11, 2009

### Recommendation:

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

Debbie Abell, associate professor of education (PPE)  
Dean Owen, professor of education (PPE)  
David Bartlett, professor of art  
Steve Tirone, professor of art  
Michael Biel, professor of radio television  
Vicente Cano, professor of romance languages  
Kathryn Mincey, associate professor of English  
Judith Willard, associate professor of agriculture  
Scott Rundell, associate professor of veterinary technology

### 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.



**PROMOTION, 2009**

**BOR (VI-A-3)**

**June 11, 2009**

**Recommendation:**

That the Board of Regents approve the granting of promotions to the following faculty with the issuance of their contracts for the 2009-2010 year:

**Professor**

Stacy Baker, music  
Susan Creasap, music  
Layne Neeper, English  
Annie Adams, English  
Carol Wymer, biology  
Paul Steele, sociology

**Librarian II**

Lisa Nichols

**Librarian III**

Ray Bailey

**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.

**TENURE, ACADEMIC ADMINISTRATOR**

**BOR (VI-A-4)**

**June 11, 2009**

**Recommendation:**

That the Board of Regents approve the granting of tenure and the rank of Associate Professor of Education to Dr. Kathryn Polmanteer, Assistant Dean, College of Education.

**Background:**

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The search committee, Tenure Committee for the Department of Curriculum and Instruction, the Dean and University Tenure Committee recommend that Dr. Polmanteer be employed with tenure. The Provost and the President support these recommendations.

## **RATIFY PERSONNEL ACTIONS**

**BOR (VI-A-5)  
June 11, 2009**

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### **Recommendation:**

That the Board ratify the Personnel Actions for the period February 14, 2009, through May 19, 2009.

### **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  
5/19/09

<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	4.50	4.50	0.00	4.50	100.00
DIVISION OF UNIVERSITY RELATIONS	33.00	0.00	-33.00	0.00	0.00
DIVISION OF UNIVERSITY ADVANCEMENT	17.00	50.00	33.00	46.00	92.00
DIVISION OF PLANNING, BUDGETS AND TECHNOLOGY	56.50	58.50	2.00	54.50	93.16
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	73.00	73.00	0.00	68.00	93.15
FACILITIES MANAGEMENT	155.70	155.70	0.00	139.70	89.72
DIVISION OF STUDENT LIFE	155.55	155.55	0.00	147.55	94.86
DIVISION OF ACADEMIC AFFAIRS	53.50	51.50	-2.00	47.00	91.26
CAUDILL COLLEGE OF HUMANITIES	158.70	159.25	0.55	151.25	94.98
COLLEGE OF BUSINESS	51.00	51.00	0.00	44.00	86.27
COLLEGE OF EDUCATION	110.50	111.50	1.00	99.50	89.24
COLLEGE OF SCIENCE AND TECHNOLOGY	160.30	159.80	-0.50	146.30	91.55
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	16.50	16.50	0.00	15.50	93.94
GRADUATE AND UNDERGRADUATE PROGRAMS	28.00	28.00	0.00	26.00	92.86
CAMDEN-CARROLL LIBRARY	38.00	38.00	0.00	36.00	94.74
	1111.75	1112.80	1.05	1025.80	92.18

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**  
2/14/2009 - 5/19/2009

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
<b>Hires</b>								
Athletics-Men's Basketball	Moore, Charles	04/01/09	03/31/10	Assistant Basketball Coach	12	\$47,000.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Tyndall, Donald	04/01/09	03/31/10	Head Men's Basketball Coach	12	\$155,000.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Van Meter, Joel	04/01/09	03/31/10	Assistant Basketball Coach	12	\$42,000.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Wortman, Barry	04/01/09	03/31/10	Associate Head Basketball Coach	12	\$80,000.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	Bradbury, Michael	04/01/09	03/31/10	Head Women's Basketball Coach	12	\$93,500.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	Brown, Tomeka	05/11/09	06/30/09	Assistant Basketball Coach	12	\$32,000.00	Full-Time Fixed, Probationary	New
Athletics-Women's Basketball	Elifson, Harold	04/01/09	03/31/10	Assistant Basketball Coach	12	\$51,750.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	King, Valerie	04/01/09	03/31/10	Assistant Basketball Coach	12	\$34,495.00	Full-Time Fixed	Renewal
Athletics-Women's Soccer	Kellogg, Matt	02/23/09	06/30/09	Assistant Soccer Coach	12	\$28,375.00	Full-Time Fixed, Probationary	New
Camden Carroll Library	Brooks, Melissa	05/18/09		Librarian I	12	\$37,500.00	Full-Time Standing, Probationary	New
College of Education	Polmanteer, Kathryn	07/01/09		Assistant Dean	12	\$103,000.00	Full-Time Standing	New
Curriculum & Instruction	Arrington, Jane	08/06/09		Asst. Prof. of Education	9	\$42,000.00	Full-Time Standing	New
English, Foreign Lang. & Philosophy	Wright, Carrie	08/06/09		Asst. Prof. of English	9	\$47,000.00	Full-Time Standing	New
Health, Physical Ed. & Sport Science	Deaton, Mark	08/10/09		Asst. Prof. of HPES	9	\$41,000.00	Full-Time Standing	From Full-Time Fixed to Standing
IRAPP	Bessette, Murray	08/10/09		Asst. Prof. of Government	9	\$49,000.00	Full-Time Standing	New
Music	Mann, William	08/06/09		Asst. Prof. of Music	9	\$45,000.00	Full-Time Standing	New
Provost Office	Porras, Harold	04/01/09		Chief Diversity Officer	12	\$85,000.00	Full-Time Standing, Probationary	New
Psychology	Butz, David	08/06/09		Asst. Prof. of Psychology	9	\$53,000.00	Full-Time Standing	New
<b>Leaves</b>								
Agricultural & Human Sciences-Farm	Deiment, Michael	04/01/09	05/15/10	Agricultural Technician	12	\$9.53		Military-With Pay
Camden-Carroll Library	Hammonds, Pamela	04/23/09	04/23/09	Library Associate (B)	12	\$30,604.00		Suspension-Without Pay
Facilities Mngt.-Building Maintenance	Richmond, Terry	03/04/09		Painter I	12	\$8.89		Suspension-Without Pay
Nursing-BSN Program	Bledsoe, Christa	03/28/09	05/08/09	Asst. Prof. of Nursing	9	\$45,000.00		Medical-Without Pay
Professional Prog. in Education	Farrell Rebecca	08/10/09	05/07/10	Asst. Prof. of Education	9	\$47,000.00		Suspension-Without Pay
<b>Promotions</b>								
Professional Prog. in Education	Barnett, Myron	07/01/09		Department Chair	12	\$98,779.00	Full-Time Standing	Promotion
<b>Reassignments</b>								
Regional Engagement Center	Baldwin, Amanda	02/08/09		Proj. Coord., Governor's Scholars Prog.	12	\$33,486.00	Full-Time Standing, Probationary	Reassignment
<b>Terminations</b>								
Acct., Economics & Finance	Buck, Roland	05/09/09		Professor of Economics	9	\$77,590.00		Retirement
Acct., Economics & Finance	Hullur, Ishappa	05/09/09		Assoc. Prof. of Finance	9	\$69,975.00		Retirement
Agricultural & Human Sciences	Willard, Judith	05/09/09		Assoc. Prof. of Agriculture	9	\$70,141.00		Retirement
Art	Bartlett, David	06/26/09		Professor of Art	9	\$72,782.00		Retirement
Athletics-Media Relations	Stacy, Randy	05/01/09		Athletic Media Relations Director	12	\$47,494.00		Discharge
Biological & Environmental Sciences	Prewitt, Amanda	02/27/09		Post-Doctoral Researcher	12	\$38,996.00		Job Abandonment
Camden-Carroll Library	O'Flanagan, Granuaflo	07/31/09		Librarian II	12	\$52,884.00		Retirement
Child Care Center	Davis, Missy	08/30/09		Child Care Associate	12	\$9.48		Layoff
Child Care Center	Felly, Sue	06/30/09		Child Care Center Director	12	\$34,771.00		Layoff
Child Care Center	Greenhill, Andrea	08/30/09		Child Care Associate	12	\$8.89		Layoff
Communication & Theatre	Wilenbrink, Robert	06/30/09		Department Chair	12	\$104,566.00		Resignation
English, Foreign Lang. & Philosophy	Mincey, Kathryn	05/08/09		Assoc. Prof. of English	9	\$58,038.00		Retirement
Facilities Mngt.-Building Maintenance	Richmond, Terry	05/12/09		Painter I	12	\$8.89		Discharge
Health, Physical Ed. & Sport Science	King, Krisit	05/09/09		Asst. Prof. of Health Education	9	\$45,500.00		Resignation
Information Systems	Iwu, Hilary	05/09/09		Assoc. Prof. of Business Education	9	\$67,367.00		Retirement
Management, Marketing & Real Estate	Osborne, Mary	06/30/09		Assoc. Prof. of Marketing	9	\$87,532.00		Retirement
Music	Keena, Larry	05/09/09		Professor of Music	9	\$79,074.00		Retirement
Provost Office	Porras, Harold	04/17/09		Chief Diversity Officer	12	\$85,000.00		Resignation
Sociology, Social Work & Criminology	LaMont, Elizabeth	05/09/09		Asst. Prof. of Social Work	9	\$45,500.00		Resignation
<b>Other</b>								
Athletics-Baseball	Hall, Andrew	12/28/08		Assistant Baseball Coach	12	\$26,000.00		Probation Completed
Athletics-Men's Basketball	Van Meter, Joel	12/13/08		Assistant Basketball Coach	12	\$37,000.00		Probation Completed
Counseling & Health Services	Whitburn, Brenda	01/28/09		Director of Counseling & Health Services	12	\$90,000.00		Probation Completed
Curriculum & Instruction	Schack, Edna	04/02/09	04/02/09	Professor of Education	9	\$1,076.00		Sabbatical Purchas
Provost Office	Marshall, Jeffrey	12/28/08		Asst. to the Provost/Projects Specialist	12	\$60,000.00		Probation Completed
<b>Total Number of PARs = 49</b>								

**SUPPLEMENTAL ACTIONS**  
**2/14/2009 - 5/19/2009**

Name	Title	Department/Office	Effective Date	Ending Date	Salary	Description
Ballard, D. Matt	Head Football Coach	Athletics-Football	03/15/09	06/30/09	\$4,433.00	NCAA-EEF Promotions, Radio Show
Bradbury, Michael	Head Women's Basketball Coach	Athletics-Women's Basketball	03/15/09	06/30/09	\$9,235.00	OVC & NCAA Win
Griot, Phil	Director of Human Resources	Human Resources	04/01/09	06/30/09	\$2,245.00	Affirmative Action Officer
Krummrich, Philip	Department Chair	English, Foreign Languages & Philosophy	02/01/09	05/09/09	\$2,100.00	Interim Honors Director
Mattingly, Bruce	Associate Provost	Research and Sponsored Programs	05/01/09	06/30/09	\$4,540.00	Director of Mentoring Core
Moore, Charles	Assistant Basketball Coach	Athletics-Men's Basketball	04/01/09	06/30/09	\$746.00	OVC & NCAA Win
Porras, Harold	Chief Diversity Officer	Provost Office	03/16/09	03/16/09	\$5,000.00	Relocation Allowance
Tyndall, Donald	Head Men's Basketball Coach	Athletics-Men's Basketball	04/01/09	06/30/09	\$13,852.00	OVC & NCAA Win
Tyndall, Donald	Head Men's Basketball Coach	Athletics-Men's Basketball	03/15/09	06/30/09	\$13,853.00	NCAA-EEF Promotions, Radio Show
Van Meter, Joel	Assistant Basketball Coach	Athletics-Men's Basketball	04/01/09	06/30/09	\$657.00	OVC & NCAA Win
Wortman, Barry	Associate Head Basketball Coach	Athletics-Men's Basketball	04/01/09	06/30/09	\$918.00	OVC & NCAA Win
<b>Total Number of Supplemental PARs = 11</b>						

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

**BOR (VI-A-6)  
June 11, 2009**

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**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, 2009, 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, 2009, the third quarter of the fiscal year ending June 30, 2009. 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, 2009**

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, 2009. The statements and this discussion and analysis have been prepared by Accounting and Budgetary Control staff.

**Using These Financial Statements**

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

**Financial Highlights**

Morehead State University's financial picture remains stable through the third quarter of the 2008-2009 fiscal year. During the nine months ending March 31, 2009 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$16,639,891. This level of operating surplus is expected at this time, since most of the billings for the Spring 2009 semester are reflected in the tuition and fees revenue and only expenditures through March 31, 2009 are reflected. This level seems appropriate, since normal operating expenditures have decreased the pre-Spring 2009 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 \$5.8 million over last year to \$106.9 million. Tuition & fees increased \$6.1 million, auxiliary enterprises increased \$.5 million and other categories decreased \$.8 million (net).
- ▶ The total actual revenue percent to budget increased 2.2% to 85.5% versus 83.3% at March 31, 2008. Significant actual revenue amount changes include a 44.6% increase in

Indirect Cost Reimbursement, a 15.2% increase in Sales & Services of Educational Activities, and a 13.1% increase in Other Auxiliary Enterprises revenue.

- Total Expenses increased \$4.9 million over last year to \$90 million. Total Educational & General expenses increased \$5.1 million and auxiliary enterprises decreased \$.2 million.
- Net change in fund balance increased \$.9 million to \$16.6 million as compared to \$15.8 million at March 31, 2008. This is a 5.4% increase over the previous year.

**Morehead State University**  
**Statements of Net Assets**  
**March 31, 2009 and 2008**

<b>ASSETS</b>	<u><b>2009</b></u>	<u><b>2008</b></u>
<b>Current assets:</b>		
Cash and cash equivalents	\$27,676,409	\$41,621,378
Accounts, grants and loans receivable, net	10,929,860	7,656,720
Prepaid interest	124,649	0
Inventories	1,674,861	1,926,554
Other current assets	<u>3,485</u>	<u>118,295</u>
<b>Total current assets</b>	<u><b>\$40,409,264</b></u>	<u><b>\$51,322,947</b></u>
<b>Noncurrent assets:</b>		
Accounts, grants and loans receivable, net	\$3,641,891	\$3,786,018
Prepaid interest	600,786	0
Investments	13,056,909	16,994,808
Capital assets, net	<u>145,623,097</u>	<u>132,328,309</u>
<b>Total noncurrent assets</b>	<u><b>\$162,922,683</b></u>	<u><b>\$153,109,135</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$203,331,947</b></u>	<u><b>\$204,432,082</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$5,195,292	\$6,388,137
Deferred revenue	1,259,343	1,242,173
Other current liabilities	0	945
Bonds, notes and capital lease obligations, current portion	<u>3,054,982</u>	<u>3,157,368</u>
<b>Total current liabilities</b>	<u><b>\$9,509,617</b></u>	<u><b>\$10,788,623</b></u>
<b>Long-term liabilities:</b>		
Bonds, notes and capital lease obligations, noncurrent portion	\$25,137,190	\$30,571,364
Advances from federal government for student loans	<u>3,856,503</u>	<u>4,046,260</u>
<b>Total long-term liabilities</b>	<u><b>\$28,993,693</b></u>	<u><b>\$34,617,624</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>\$38,503,310</b></u>	<u><b>\$45,406,247</b></u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$118,156,360	\$98,937,943
Restricted:		
Expendable	762,674	15,602,550
Nonexpendable	11,713,271	11,761,079
Unrestricted	<u>34,196,332</u>	<u>32,724,263</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$164,828,637</b></u>	<u><b>\$159,025,835</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$203,331,947</b></u>	<u><b>\$204,432,082</b></u>

See Attached Notes To Statements of Net Assets

**NOTES TO STATEMENTS OF NET ASSETS**  
**MOREHEAD STATE UNIVERSITY**  
**MARCH 31, 2009 AND 2008**

1. The Statements of Net Assets include the unrestricted current funds, restricted current funds, endowment funds, loan funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts, grants, and loans receivable are shown net of allowance for uncollectible student accounts of \$2,140,918 at March 31, 2009 and \$1,101,643 at March 31, 2008. Also included in this category is \$1,830,061 receivable from federal and state grant agencies at March 31, 2009 and \$2,991,062 at March 31, 2008.
3. Prepaid interest represents interest paid June 10, 2008 to advance refund the University's Housing and Dining System Revenue Bonds. The current and noncurrent amount was \$124,649 and \$600,786, respectively, at March 31, 2009.
4. 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 \$70,564 at March 31, 2009 and \$96,277 at March 31, 2008.
5. Accumulated depreciation on buildings and equipment was \$118,768,823 at March 31, 2009 and \$126,835,755 at March 31, 2008.
6. Accounts payable and accrued liabilities include amounts due to vendors and amounts due for withheld and matching portions of payroll taxes and estimated claims payable, but not submitted until after the Statements of Net Assets date.
7. Deferred revenue from federal and state grants represent amounts received but not expended at the Statements of Net Assets date.
8. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets.
9. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
10. 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 & Changes in Fund Balance**  
**For the Nine Months Ending March 31, 2009 and 2008**

	2008-2009			2007-2008		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$52,858,502	\$50,835,422	96.17%	\$47,905,800	\$44,778,452	93.47%
Govt Appropriations	46,682,100	37,391,321	80.10%	48,574,550	38,281,914	78.81%
Indirect Cost Reimbursement	365,000	455,043	124.67%	366,000	314,692	85.98%
Sales & Services Ed Activities	2,631,140	2,196,996	83.50%	1,621,862	1,906,523	117.55%
Other Sources	3,680,649	3,292,132	89.44%	3,098,620	3,604,487	116.33%
Budgeted Fund Balance-E&G	5,640,894	0	0	7,396,516	0	0
Total Educational and General	\$111,858,285	\$94,170,914	84.19%	\$108,963,348	\$88,886,068	81.57%
Auxiliary Enterprises						
Housing	\$7,584,117	\$7,830,517	103.25%	\$7,113,700	\$7,580,067	106.56%
University Store	3,890,046	4,039,205	103.83%	3,774,353	3,842,935	101.82%
Food Services	706,000	555,297	78.65%	707,500	558,839	78.99%
Other	920,903	257,329	27.94%	788,893	227,531	28.84%
Total Auxiliary Enterprises	\$13,101,066	\$12,682,348	96.80%	\$12,384,446	\$12,209,372	98.59%
TOTAL REVENUES	\$124,959,351	\$106,853,262	85.51%	\$121,347,794	\$101,095,440	83.31%

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Statements of Revenues, Expenditures & Changes in Fund Balance**  
**For the Nine Months Ending March 31, 2009 and 2008**

	2008-2009			2007-2008		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>EXPENDITURES AND TRANSFERS BY DIVISION</b>						
<b>Educational &amp; General</b>						
President & Administration	\$765,215	\$537,570	70.25%	\$809,112	\$598,428	73.96%
University Relations	180,919	157,980	87.32%	3,194,001	2,478,624	77.60%
University Advancement	4,116,294	3,198,685	77.71%	1,085,449	686,311	63.23%
Administration & Fiscal Services	13,767,301	10,887,611	79.08%	12,815,759	10,335,944	80.65%
Planning, Budgets & Technology	6,169,360	4,200,173	68.08%	7,456,288	5,369,625	72.01%
Student Life	24,699,551	24,742,412	100.17%	22,073,217	18,852,690	85.41%
Academic Affairs	54,993,330	36,256,614	65.93%	54,530,250	36,342,381	66.65%
Other	7,646,484	2,820,811	36.89%	6,511,488	3,018,030	46.35%
<b>Total Educational &amp; General</b>	<b>\$112,338,454</b>	<b>\$82,801,856</b>	<b>73.71%</b>	<b>\$108,475,564</b>	<b>\$77,682,033</b>	<b>71.61%</b>
<b>Auxiliary Enterprises</b>						
Housing	\$7,730,320	\$3,533,704	45.71%	\$7,986,801	\$3,981,187	49.85%
University Store	3,712,908	3,104,151	83.60%	3,521,801	2,899,144	82.32%
Food Services	450,262	325,302	72.25%	433,142	316,621	73.10%
Other	727,407	448,358	61.64%	929,486	433,647	46.65%
<b>Total Auxiliary Enterprises</b>	<b>\$12,620,897</b>	<b>\$7,411,515</b>	<b>58.72%</b>	<b>\$12,871,230</b>	<b>\$7,630,599</b>	<b>59.28%</b>
<b>TOTAL EXPENDITURES AND TRANSFERS BY DIVISION</b>	<b>\$124,959,351</b>	<b>\$90,213,371</b>	<b>72.19%</b>	<b>\$121,346,794</b>	<b>\$85,312,632</b>	<b>70.30%</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$16,639,891</b>			<b>\$15,782,808</b>	

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period January 1, 2009 to March 31, 2009**

<u>Description</u>	<u>Amended Budget As of 1/1/2009</u>	<u>Adjustments</u>	<u>Amended Budget As of 3/31/2009</u>
<b>Revenues and Other Additions</b>			
Tuition and Fees	\$ 52,837,415	\$ 21,087	\$ 52,858,502
Government Appropriations	46,682,100	-	46,682,100
Indirect Cost Reimbursement	365,000	-	365,000
Sales and Services of Ed. Activities	2,440,040	191,100	2,631,140
Other Sources	3,448,621	232,028	3,680,649
Budgeted Fund Balance - E&G	5,211,512	429,382	5,640,894
Auxiliary Enterprises	12,617,869	58,909	12,676,778
Budgeted Fund Balance - AUX	349,288	75,000	424,288
<b>Total Revenues and Other Additions</b>	<b>\$ 123,951,845</b>	<b>\$ 1,007,506</b>	<b>\$ 124,959,351</b>
<b>Expenditure Authorizations by Division</b>			
<b>Educational &amp; General</b>			
President & Administration	\$ 755,416	\$ 9,799	\$ 765,215
University Advancement	4,301,652	(4,439)	4,297,213
Planning & Technology	6,009,332	160,028	6,169,360
Administration & Fiscal Services	13,319,098	448,203	13,767,301
Student Life	24,550,873	148,678	24,699,551
Academic Affairs	54,328,419	664,911	54,993,330
Debt Service & Mandatory Transfers	2,753,252	52,013	2,805,265
Other	5,407,343	(566,124)	4,841,219
<b>Total Educational &amp; General</b>	<b>\$ 111,425,385</b>	<b>\$ 913,069</b>	<b>\$ 112,338,454</b>
<b>Auxiliary Enterprises</b>			
Planning & Technology	\$ 709,908	\$ 122	\$ 710,030
Administration & Fiscal Services	8,540,937	100,120	8,641,057
Student Life	744,804	(5,805)	738,999
Debt Service	2,280,811	-	2,280,811
Other	250,000	-	250,000
<b>Total Auxiliary Enterprises</b>	<b>\$ 12,526,460</b>	<b>\$ 94,437</b>	<b>\$ 12,620,897</b>
<b>Total Expenditure Authorizations</b>	<b>\$ 123,951,845</b>	<b>\$ 1,007,506</b>	<b>\$ 124,959,351</b>

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period January 1, 2009 to March 31, 2009**  
**Notes of Significant Adjustments to Revenue and Other Additions**

**Sales & Services of Educational Activities**

Unbudgeted revenue allocated during the third quarter totaled \$191,100

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$37,175
- Basketball Guarantee income totaled \$25,183
- Other Athletic revenue totaled \$78,002
- Other miscellaneous revenue totaling \$50,640 was allocated primarily to Academic Affairs

**Other Sources**

Budget allocations from other sources increased by \$232,028

- Unbudgeted support from the MSU Foundation totaled \$60,435
  - \$49,484 Academic Affairs
  - \$10,691 University Advancement
  - \$ 151 Planning & Technology
  - \$ 109 President
- Endowment Income allocations totaled \$102,987
- Miscellaneous other income totaling \$68,606 was received and allocated primarily to Academic Affairs

**Fund Balance – E&G**

Budget allocations from fund balance for educational and general purposes totaled \$429,382

- \$ 36,895 Operating expenses associated with SACS accreditation process
- \$150,000 Network project in Information Technology
- \$ 47,905 Allie Young piping project
- \$ 38,000 Fire sprinkler upgrades
- \$ 6,100 University Police Department – dispatch area renovation
- \$ 50,704 Clickable Undergraduate & Graduate catalog software purchase
- \$125,000 Coal purchase – Power Plant
- (\$ 25,222) Reimbursement to Fund Balance from sale of gas powered vehicles to offset Fund Balance allocation previously made for purchase electric powered vehicles



**MOREHEAD STATE UNIVERSITY**  
**Budget Amendments Greater Than \$200,000**  
**For the Period January 1, 2009 to March 31, 2009**

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

**MOREHEAD STATE UNIVERSITY**  
**Capital Outlay Status Report**  
**Agency Funds**  
**For the Period of January 1, 2009 to March 31, 2009**

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
<b>I. Equipment Purchases \$200,000 or Greater</b>			
None			
<b>II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater</b>			
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			In Progress
Nunn Hall Renovation	\$ 5,000,000		In Progress

## **APPROVE IDENTITY THEFT PREVENTION PROGRAM**

**BOR (VI-A-7)  
June 11, 2009**

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### **Recommendation:**

That the Board approve the University's Identity Theft Prevention Program.

### **Background:**

The Fair and Accurate Credit Transactions Act of 2003 (FACTA) directed financial regulatory agencies, including the Federal Trade Commission, to promulgate rules requiring "creditors" and "financial institutions" with covered accounts to implement programs to identify, detect, and respond to patterns, practices, or specific activities that could indicate identity theft. FACTA's definition of "creditor" applies to any entity that regularly extends or renews credit or arranges for others to do so and includes all entities that regularly permit deferred payments for goods or services. It has been determined that universities meet the definition of 'creditor'.

The so called 'red flag' rules require each creditor that holds any consumer account, or other account for which there is a reasonably foreseeable risk of identity theft, to develop and implement an Identity Theft Prevention Program (Program) for combating identity theft in connection with new and existing accounts. The Program must include reasonable policies and procedures for detecting, preventing, and mitigating identity theft and enable a creditor to:

1. Identify relevant patterns, practices, and specific forms of activity that are "red flags" signaling possible identity theft and incorporate those red flags into the Program;
2. Detect red flags that have been incorporated into the Program;
3. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
4. Ensure the Program is updated periodically to reflect changes in risks from identity theft.

The attached Program has been developed from material provided by the National Association of College and University Business Officers (NACUBO), and in conjunction with other educational institutions in the state. The Program provides the framework for identifying and reacting to 'red flags', and the flexibility for the Program to be amended by the President or the Vice President for Administration and Fiscal Services to incorporate additional compliance requirements or other changes that may be identified in the annual review of the Program.

## IDENTITY THEFT PREVENTION PROGRAM

### SECTION 1: BACKGROUND AND PURPOSE

The risk to the University and the members of the University community from Identity Theft is of significant concern. This program, in keeping with the Fair and Accurate Credit Transactions Act and the Federal Trade Commission's Red Flags Rule, enables the University to protect members of the University community by reducing risk from Identity Theft fraud and minimizing potential damage to the University from fraudulent acts.

The program will assist the University to:

- A. Detect risks to Covered Accounts;
- B. Identify signs of potentially fraudulent activity within new or existing Covered Accounts;
- C. Respond to determine if fraudulent activity has occurred and act if fraud has been attempted or committed; and
- D. Update the program periodically, including reviewing the type of accounts that are covered and the identified risks to each.

### SECTION 2: PROGRAM

#### A. Covered Accounts

Every new and existing account that meets the following criteria is covered by this program:

- 1. An account that the University offers or maintains as a creditor primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions;
- 2. Any other account which the University offers or maintains as a creditor for which there is a reasonably foreseeable risk to a member of the University community or to the safety or soundness of the University from Identity Theft;
- 3. "Covered Accounts" identified by the University under this program include:
  - a. Student loan accounts which are administered by the University;
  - b. Student payment plans;
  - c. Eagle Cards;
  - d. Registrar's Office records;
  - e. Vendor Payables; and
  - f. Human Resources records.

## B. Red Flags

The following Red Flags are potential indicators of fraud. Any time a Red Flag, or a situation closely resembling a Red Flag, is apparent, it should be investigated for verification.

1. Suspicious Documents
  - a. Documents provided for identification appear to have been altered, forged, or inauthentic; or
  - b. The photograph or physical description on identification provided is not consistent with the appearance of the individual presenting the identification; or
  - c. Other information on the identification provided is not consistent with information provided by the person presenting the identification or is not consistent with readily accessible information on file such as a signature.
2. Suspicious Personal Identifying Information
  - a. Personal identifying information provided is inconsistent when compared against external information sources used by the University. For example:
    - The Social Security number (SSN) has not been issued or is listed on the Social Security Administration's Death Master File; or
    - Personal identifying information provided by the individual is not consistent with other personal identifying information provided by the individual. For example, there is a lack of correlation between the SSN range and date of birth; or
  - b. The individual fails to provide all required personal identifying information; or
  - c. When using security questions (mother's maiden name, pet's name, etc.), the individual cannot provide authenticating information beyond that which generally would be available; or
  - d. Personal identifying information provided is not consistent with personal identifying information that is on file with the University.
3. Unusual Use of, or Suspicious Activity Related to, a Covered Account
  - a. The University is notified of unauthorized charges or transactions in connection with an individual's Covered Account;
  - b. The University receives notice from victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with Covered Accounts held by the University;
  - c. Breach in the University's computer system security; or
  - d. Mail sent to the individual is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the account.

## C. Detecting Red Flags

1. New Covered Accounts – For new Covered Accounts, verification will be based on the type of account and may take the form of one or more of the following, as may be deemed appropriate:

- a. Require identifying information as may be appropriate in relation to the type of account, such as name, date of birth, academic records, home address, driver's license, Morehead State University or other government-issued photo identification, or other identification, or, if online, via electronic security passwords/security codes;
  - b. For University identification cards, verify the individual's identity at time of issuance of the identification card via driver's license or other government-issued photo identification;
  - c. Verify banking information given for direct deposit purposes via driver's license, Morehead State University or other government-issued photo identification, or, if online, electronic security passwords/security codes; and
  - d. Verify banking or credit card information given for billing and payment purposes, or, if online, via electronic security passwords/security codes.
2. Existing Covered Accounts – For existing Covered Accounts, verification will be based on the type of account and may take the form of one or more of the following, as may be deemed appropriate:
- a. Verify the identification of the individual if they request information (in person, via telephone, facsimile, or email) as may be appropriate to the type of account or information requested;
  - b. Verify changes in banking or credit card information given for billing and payment purposes, or, if online, via electronic security passwords/security codes; and
  - c. Verify changes in banking information given for direct deposit purposes via driver's license, Morehead State University or other government-issued photo identification, or if online, via electronic security passwords/security codes.

D. Responding to Red Flags

1. Once potentially fraudulent activity is detected, the University will act in accordance with the facts known which may include the following:
  - a. Monitor the Covered Account for evidence of identity theft;
  - b. Contact the individual;
  - c. Change any passwords, security codes, or other security devices that permit access to an account;
  - d. Not attempt to collect on an account or otherwise place into debt collection;
  - e. Not open a new Covered Account;
  - f. Notify law enforcement authorities;
  - g. Close a Covered Account and/or reopen a Covered Account with a new account number; and
  - h. Determine that no response is warranted under the particular circumstances.

### SECTION 3: PERIODIC UPDATES TO PLAN

This program will be reviewed periodically as may be deemed prudent based on current law, the type of accounts established by the University, and the University's experience with Identity Theft activities. Periodic reviews will include an assessment of which accounts are covered under the program and changes to the Red Flags which would alert one to potential fraudulent activity. Appropriate action to be taken in the event that fraudulent activity is discovered may also require revision to reduce damage to the University and the individuals within the University community.

### SECTION 4: PROGRAM ADMINISTRATION

The Identity Theft Prevention Program shall be approved initially by the Board of Regents. The Board of Regents authorizes the President and the Vice President for Administration and Fiscal Services or his/her designee, same to be at the level of senior management (hereinafter "designee"), to institute such amendments to this policy as will conform to current law and to reflect risks to Covered Accounts. The President and Vice President for Administration and Fiscal Services, in association with the Office of General Counsel, shall require, by contract, that service providers who perform an activity in connection with one or more Covered Accounts ensure that such activity shall be conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft. A service provider that maintains its own identity theft prevention program, consistent with the guidance of the Red Flag Rules and validated by appropriate due diligence, may be considered to be meeting these requirements.

Operational responsibility of the program is further delegated to the Director of Accounting & Budgetary Control. Operational responsibilities shall include:

#### A. Training

University staff responsible for implementing this program shall be trained by or under the direction of the Director of Accounting & Budgetary Control in the detection of Red Flags and the responsive steps to be taken when a Red Flag is detected. The Director of Accounting & Budgetary Control shall be notified of any incident or suspected incident of Identity Theft concerning a Covered Account as well as any failure to comply with this program.

#### B. Recommendations and Reporting

1. Conduct periodic reviews of the University to determine the existence of Covered Accounts and appropriate procedures to prevent, detect, and mitigate Identity Theft and provide recommendations to the President and Vice President for Administration and Fiscal Services or his/her/their designee as to appropriate changes to this program.
2. Report annually to the President and Vice President for Administration and Fiscal Services or his/her/their designee, addressing the University's compliance with the program, its effectiveness in addressing the risk of Identity Theft as to new and existing Covered Accounts, service provider arrangements, and any significant incidents involving Identity Theft and the University's response.

## **RATIFY THE 2010-2016 SIX-YEAR CAPITAL PLAN**

**BOR (VI-A-8)  
June 11, 2009**

### **Recommendation:**

That the Board ratify the 2010-16 Six Year Capital Plan that was submitted to the Capital Planning and Advisory Board on April 15, 2009.

### **Background:**

The University submitted the 2010-16 Six Year Capital Plan to the Capital Planning and Advisory Board and the Council on Postsecondary Education by the statutory deadline of April 15, 2009. The Plan included a list of capital projects with an estimated scope of \$600,000 or more and equipment purchases with an estimated scope of \$200,000 or more. A preliminary list of the projects in the 2010-16 Six Year Capital Plan was presented to the Board at the March 12, 2009 meeting.

The projects included in the first biennia of the Plan will be used as the basis of the development of the 2010-12 Executive Budget Capital Request which will be presented to the Board for approval at its September meeting. The projects are identified by the anticipated fund source including:

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

Following is the final list of projects included in the 2010-16 Six Year Capital Plan as submitted to the Capital Planning Advisory Board and the Council on Postsecondary Education:



**MOREHEAD STATE UNIVERSITY  
CAPITAL PROJECTS SUMMARY LISTING  
SIX-YEAR CAPITAL PLAN  
2010-2016**

<u>Project Title</u>	<u>Estimated Scope</u>
<b><u>2010-2012</u></b>	
<b><u>Projects Funded with State Bonds or State General Funds</u></b>	
Renovate & Expand Student Center Phase II	\$52,921,000
Construct Space Science Clean Room	4,394,000
Purchase Equip for Ctr for Hlth, Educ & Research	3,813,000
Renovate Combs Classroom Building	26,355,000
Construct Honors College Facility	1,802,000
Acquire Land Related to Master Plan	4,000,000
Comply with ADA – E&G	3,449,000
Construct Vet Tech Clinical Services Center	22,881,000
Renovate Button Auditorium	7,598,000
Upgrade Fire Alarms	1,344,000
Expand Life Safety: Claypool Young Bldg.	1,040,000
Construct Center for Performing Arts/Music Building	95,726,000
Purchase Equipment for Biochemistry Lab	400,000
Re-tube Coal Fired Boilers	3,000,000
Construct Classroom to the Community Facility	6,160,000
Plan and Design Library Facility	1,350,000
Enhance Library Automation Resources	1,040,000
Enhance Network/Infrastructure Resources	5,650,000
Upgrade and Expand Distance Learning	1,150,000
Replace Jayne Stadium Turf	1,200,000
Construct Athl Admin & Sports Performance Bldg	25,429,000
Purchase Instructional Tech Initiatives	2,045,000
Upgrade Administrative Office Systems	3,000,000
Upgrade Instruct. PCs/LANs/Peripherals	5,000,000
Construct Classroom/Lab Building at Browning Orchard	1,452,000
Capital Renewal & Maintenance Pool-University Farm	1,076,000
Capital Renewal & Maintenance Pool-E&G	6,795,000
Renovate Acad Ctr & Tennis Team Facilities	4,848,000
Construct Plant Facilities	7,155,000
Reconstruct Central Campus	2,500,000
<b><i>Subtotal State Bonds/Funds</i></b>	<b>\$304,573,000</b>
<b><u>Projects Funded with Agency Bonds or Agency Funds</u></b>	
Renovate East Mignon Residence Hall	4,948,000
Renovate West Mignon Residence Hall	4,948,000
Construct Food Svcs/Retail & Parking Structure in Housing Complex	16,786,000

Construct Student Residential Apartment Complex	52,123,000
Construct Residence Building-University Farm	2,524,000
Comply with ADA – Auxiliary	3,065,000
Capital Renewal and Maintenance Pool-Aux	2,284,000

***Subtotal Agency Bonds/Funds*** **\$86,678,000**

**Projects Funded with Federal Funds**

Construct Morehead/Rowan Co. Public Safety Complex	\$11,504,000
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***Subtotal Federal Funds*** **\$11,504,000**

***TOTAL 2010-2012 CAPITAL PROJECTS*** **\$402,755,000**

**2012-2014**

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

Acquire Land Related to Master Plan	\$4,000,000
Capital Renewal and Maintenance Pool-E&G	1,112,000
Comply with ADA - E&G	4,034,000
Construct General Office Building	13,845,000
Construct New Facility for IRAPP	16,108,000
Construct New Facility for University Advancement	10,500,000
Construct New Library Facility	64,576,000
Construct New Softball Facility	9,011,000
Reconstruct Allen Field	11,835,000
Renovate Ginger Hall	34,859,000
Renovate Jayne Stadium	27,708,000
Renovate Laughlin Building & Wetherby Gym	9,644,000
Renovate Lloyd Cassity Building	19,286,000

***Subtotal State Bonds/Funds*** **\$226,518,000**

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

Renovate Mignon Residence Hall	\$8,246,000
Renovate Cartmell Residence Hall	10,235,000
Comply with ADA – Auxiliary	\$3,311,000

***Subtotal Agency Bonds/Funds*** **\$21,792,000**

***TOTAL 2012-2014 CAPITAL PROJECTS*** **\$248,310,000**

**2014-2016****Projects Funded with State Bonds or State General Funds**

Acquire Land Related to Master Plan	\$4,000,000
Capital Renewal and Maintenance Pool-E&G	2,662,000
Comply with ADA - E&G	4,358,000
Construct Indoor Practice Facility	10,324,000
Construct KY Center for Traditional Music	8,658,000
Construct New Intramural Fields	4,658,000
Expand Claypool-Young Building	2,549,000
Expand Life Safety: E&G Facilities	766,000
Renovate Academic Athletic Center	21,295,000
Renovate Reed Hall	24,337,000
Replace Coal Fired Boilers	34,100,000
Replace Electrical Switchgear-Main Campus	1,950,000

***Subtotal State Bonds/Funds*****\$119,657,000****Projects Funded with Agency Bonds or Agency Funds**

Comply with ADA – Auxiliary	3,577,000
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***Subtotal Agency Bonds/Funds*****\$3,577,000*****TOTAL 2014-2016 CAPITAL PROJECTS*****\$123,234,000**

**APPROVE THE 2009-2010 OPERATING BUDGET,  
FEE SCHEDULE AND PERSONNEL ROSTER**

**BOR (VI-A-9)  
June 11, 2009**

**Recommendation:**

That the Board approve the recommended 2009-2010 Operating Budget, which totals \$124,100,000, the 2009-2010 Personnel Roster, and the 2009-2010 Fee Schedule.

**Background:**

The proposed budget reflects the 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 \$124.1 million budget.

The parameters outlining the administration's management responsibilities related to the 2009-2010 Operating Budget and periodic reporting requirements to the Board of Regents are specified in the Budget Adoption Resolution on pages A-7 and A-8 of this document.

**Analysis – Operating Budget:**

The 2009-2010 Operating Budget prioritizes allocation of a \$2.7 million increase in revenue generated from student tuition and fees to fund institutional fixed and unavoidable cost increases and to support priority initiatives defined in the University's Strategic Plan. Total revenue from student tuition and fees represents 50.5 percent of the Educational and General revenue included in the 2009-2010 Operating Budget.

Per statutory guidelines, the budgeted revenue from state appropriations included in the 2009-2010 Operating Budget is based on the enacted 2009-2010 allocation included for Morehead State University in House Bill 406. That appropriated amount of general fund resources allocated to MoSU for operating is \$45,986,200 and represents a \$444,700 increase over the 2008-2009 enacted state appropriation. However, a revenue reduction reserve account has been established in anticipation of additional cuts in state appropriations in 2009-2010. State revenue forecasts for the 2009-2010 fiscal year project revenue shortfalls for the state to exceed \$1 billion. The proposed 2009-2010 Operating Budget includes over \$2.6 million budgeted in the revenue reduction reserve account in preparation for adjustments that will likely be necessary by the state to balance the 2009-2010 Operating Budget of the Commonwealth. The \$2.6 million reserve equals the difference between MoSU's enacted 2009-2010 appropriation and the enacted 2005-2006 state appropriation, which is the maximum reduction amount that the state can impose on higher education to qualify for federal stimulus relief funds.

Should other revenue resources be identified within the state and the anticipated 4.7 percent cut not be enacted, the reserve funds would be reallocated within the 2009-2010 Operating Budget based on strategic needs and priorities. Likewise, any nonrecurring funds that become available through the federal stimulus package will be prioritized based on any associated use guidelines and institutional strategic priorities.

### Changes in Public Fund Revenue Sources

The proposed 2009-2010 Operating Budget reflects a total net increase of \$1,634,000 (1.33 percent) from the 2008-2009 Operating Budget. Changes in the operating budget from public fund revenue sources include:

State Appropriations - Operating	\$ 444,700
State Appropriations – Debt Service	\$ (124,800)
<i>State Appropriations – Reduction Reserve</i>	<i>\$ (2,650,347)</i>
Tuition and Mandatory Fees	\$ 2,729,375

### 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 2009-2010 Fee Schedule is presented on pages C-1 through C-21 of the Operating Budget. Included in the Fee Schedule are the 2009-2010 Tuition Rates previously approved by the Board on May 21, 2009. A summary of the significant recommended changes follows:

<b>Tuition &amp; Fees and Residence Hall Rates:</b>	<b><u>Fall 2008</u></b>	<b><u>Fall 2009</u></b>	<b><u>Increase</u></b>
Resident Undergraduate Tuition & Fees (15 hours)	\$2,835	\$3,018	\$183
Average Residence Hall Rate	\$1,548	\$1,636	\$ 88

### **Housing:**

In accordance with recommendations made by Brailsford & Dunlavey in the Comprehensive Housing Master Plan completed for Morehead State University in April 2006, a 5 percent increase is recommended for residence halls and apartment housing. An 8 percent increase is recommended for the preferred housing units in Nunn Hall, Grote-Thompson Hall, and Fields Hall bringing the average weighted cost of a residence hall in 2009-2010 to \$1,636 per semester—an increase of 5.3 percent. Revenue generated from the increase in housing rates included in the 2009-2010 Operating Budget will fund debt service expense associated with the renovation of Alumni Tower scheduled to begin in the summer of 2009.

## Tuition and Mandatory Fees:

On May 21, 2009, the Morehead State University Board of Regents approved the 2009-2010 tuition and mandatory fee schedule. In summary, the 2009-2010 tuition rates included a 4 percent increase in the undergraduate resident per-credit-hour rate with a 70 percent discount on undergraduate hours enrolled above 12. Graduate rates are to be billed at 1.5 times the undergraduate per-credit-hour rate. Non-residents are to be billed at 2.5 times the appropriate undergraduate or graduate resident rate, and Internet courses are to be billed at 1.3 times the appropriate undergraduate or graduate resident rate. The following table contains the approved 2009-2010 tuition rate schedule.

### Morehead State University 2009/2010 Tuition and Mandatory Fee Schedule

Tuition & Mandatory Fees	Rate	Per-Credit-Hour Rate	Full-Time Comparison Rate <sup>1</sup>
		Hours 1-12	Hours 13+ 15 Credit Hours
<b>Undergraduate</b>			
Resident and Reciprocity	\$ 234	\$ 234	\$ 70 \$ 3,018
Non-Resident	\$ 585	\$ 585	\$ 176 \$ 7,548
Non-Resident Scholarship (Net Rate) <sup>4</sup>	\$ 304	\$ 304	\$ 91 \$ 3,921
Internet or Hybrid Delivery <sup>2</sup>	\$ 304	\$ 304	\$ 91 \$ 3,921
<b>Graduate</b>			
Resident	\$ 351	\$ 351	
Internet or Hybrid Delivery <sup>2</sup>	\$ 456	\$ 456	
Nonresident	\$ 878	\$ 878	

- 1. Full-time status is achieved for undergraduate students when enrolled for 12 hours. Full-time comparison rates are shown for an undergraduate at 15 credit hours, which is the average hours needed each fall/spring semester to complete a baccalaureate degree program in four years.*
- 2. Internet or Hybrid Delivery rates are assessed for courses delivered with at least 50 percent of the instruction online. Internet and hybrid courses will be assessed prior to non-Internet courses for identifying the first 12 hours.*
- 3. Nonresident students enrolled exclusively at a regional campus center will be assessed tuition and fees at the applicable in-state rate.*
- 4. Nonresident students who qualify for the Nonresident Scholarship program will be billed at the full nonresident rate. Rates shown on this schedule are net of applied scholarship, which equates to 1.3 times the resident rate.*

## **Analysis – Personnel Roster:**

### **Salary and Benefit Increase:**

Due to the budget challenges facing the University with continued reductions in state appropriations, no annual salary increase is recommended for faculty and staff in the 2009-2010 Operating Budget. Contractual obligations for salary increases associated with faculty promotion and tenure policies, staff reclassifications, educational attainment policies, career ladders or other policy or employment agreements have been honored and are included in the 2009-2010 Operating Budget recommendation at a cost of \$367,001.

An increase of \$750,227 is included in the employee benefit accounts in the 2009-2010 Operating Budget to cover rising costs of premiums for employee health insurance, workers compensation, and an increase in the mandatory retirement match for Kentucky Employee's Retirement System. All contracts with benefit providers are being rebid in an effort to lower costs and maximize benefit options. Based on this investment, it is anticipated that MoSU employees will see no increases in their contribution rates for health-related benefits for calendar year 2009.

The 2009-2010 Personnel Roster contains a listing of the recommended authorized positions as of July 1, 2009. Funding for each position listed in the roster has been provided for in the proposed 2009-2010 Operating Budget. A total of 1,081 positions are recommended for 2009-2010 with an estimated 1,030 positions contracted to be filled as of July 1, 2009. This represents a 3.7 percent reduction in force over the approved 2008-2009 Personnel Roster. All eliminated positions were vacant or fixed term appointments, avoiding the need to terminate employment of current faculty or staff. Total personnel expenditures represent 59.7 percent of the total expenditures budgeted for 2009-2010.

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 2009-2010 contract period
- Contract months for exempt employees

## **Analysis – Student Financial Aid:**

The 2009-2010 Operating Budget maintains the University's commitment to student financial aid with \$825,809 of new revenue 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 2009-2010.

A revision to the annual stipend rate for graduate assistants working 20 hours per week has been included in the budget proposal to improve marketability of these positions. The cash stipend for graduate assistants will be increased from \$7,000 to \$10,000 annually, but the housing waiver will no longer be included. Nonresident students receiving a graduate assistantship will qualify for the Nonresident Tuition Scholarship, which nets the student's actual tuition cost to 1.3 times the resident rate. Likewise, international students receiving a graduate assistantship will qualify for the International Tuition Scholarship, which will net the student's actual tuition cost to 1.5 times the resident rate.

### **2009-2010 Budget Highlights**

The following list highlights several areas where new funding has been allocated in the 2009-2010 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**

- Funding for implementation of recommendations resulting from Phase I of the Academic Curriculum Audit
- Investments in faculty/staff salaries as defined by policy or contract (i.e. promotion and tenure, educational attainment, reclassification, etc.)
- Increased recruitment funding available for faculty searches
- Increased Graduate Assistant stipend from \$7,000 to \$10,000
- Funding to support SACS reaffirmation project and Quality Enhancement Plan and other academic department accreditation work
- Reallocation of funds to establish an Instructional Support Center

#### **Goal 2: Student Success**

- Reallocation of resources to improve and enhance academic advising and retention services
- Increases in support for the Undergraduate Research Fellowship program
- Increases in institutionally matched funding for Federal Financial Aid (SEOG and College Workstudy)
- Restructured and strengthened Career Services to assist students with transition into the workforce
- Debt Service reserve increase for new Student Recreation Center
- Debt Service for renovation of Alumni Tower



### **Goal 3: Productive Partnerships**

- Funding for Grants Cash Match obligations to facilitate external grant proposals
- Funding for continued partnership with Jesse Stuart Foundation

### **Goal 4: Improved Infrastructure**

- Funded increases in employee health and retirement benefits
- Reallocated personnel resources to strengthen the Office of Institutional Research and Assessment
- Maintained recurring resources for capital renewal and maintenance – to be matched with state funds
- Fixed cost increases (utilities and service contracts)
- Multiple reorganizations throughout the institution to facilitate more efficient processes and operations to accommodate a reduced work force
- Funding for acquisition and renovation of a warehouse facility

### **Goal 5: Resource Enhancement**

- Funding an internal revenue reduction reserve account in preparation for anticipated cuts in enacted state appropriations

### **Goal 6: Enrollment and Retention**

- Funding for a targeted recruiter for the STEM disciplines (Science, Technology, Engineering and Mathematics)
- Established an English as a Second Language Program to increase international enrollment
- Increases in institutional scholarships and waivers to offset tuition and housing rate increases
- Restructured Testing and Evaluation Services available to students
- Reallocated resources to combine graduate admission processes with undergraduate enrollment services
- Maintained funding for pilot programs to increase high school student enrollments

**2009-10 STUDENT CONDUCT CODE****Recommendation:**

That the Board of Regents approve 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, 2007, and 2008. There are no significant changes proposed for the 2009-10 version of the Student Conduct Code.

The Student Conduct Code will appear in the *2009-10 Eagle Student Handbook*. The Student Conduct Code will be posted on the University's web site prior to the beginning of the fall 2009 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

# Morehead State University Enrollment Report

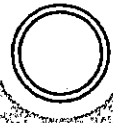
Spring 2009

## Headcount, Credit Hours, and FTE by Term

Term	Headcount	Spring as a % of Fall	Credit Hours Generated	Spring as a % of Fall	FTE	Spring as a % of Fall
Fall 2004	9,293		109,425		7,009	
Spring 2005	8,680	93.4%	101,012	92.3%	6,484	92.5%
Fall 2005	9,062		103,941		6,662	
Spring 2006	8,625	95.2%	97,198	93.5%	6,250	93.8%
Fall 2006	9,025		102,938		7,080	
Spring 2007	8,536	94.6%	95,801	93.1%	6,587	93.0%
Fall 2007	9,066		102,747		6,988	
Spring 2008	8,487	93.6%	94,299	91.8%	6,431	92.0%
Fall 2008	8,981		100,143		6,818	
Spring 2009	8,320	92.6%	92,228	92.1%	6,287	92.2%

Note: Prior to 2006, the Council on Postsecondary Education (CPE) calculation of full-time equivalent (FTE) for undergraduates was  $FTE = (\text{total undergraduate credit hours})/16$  and for graduates was  $FTE = (\text{total graduate credit hours})/12$ . For the 2006-2007 academic year, the CPE calculation of FTE for both undergraduates and graduates was  $FTE = (\text{total full-time students}) + 1/3 (\text{total part-time students})$ . Beginning in Fall 2007, the CPE calculation of FTE is as follows: Undergraduate  $FTE = (\text{total student credit hours})/15$ ; Graduate  $FTE = (\text{total student credit hours})/12$ .

Morehead State University  
&  
MSU Foundation, Inc.



2008-2009  
GIFT INCOME UPDATE  
MARCH 31, 2009

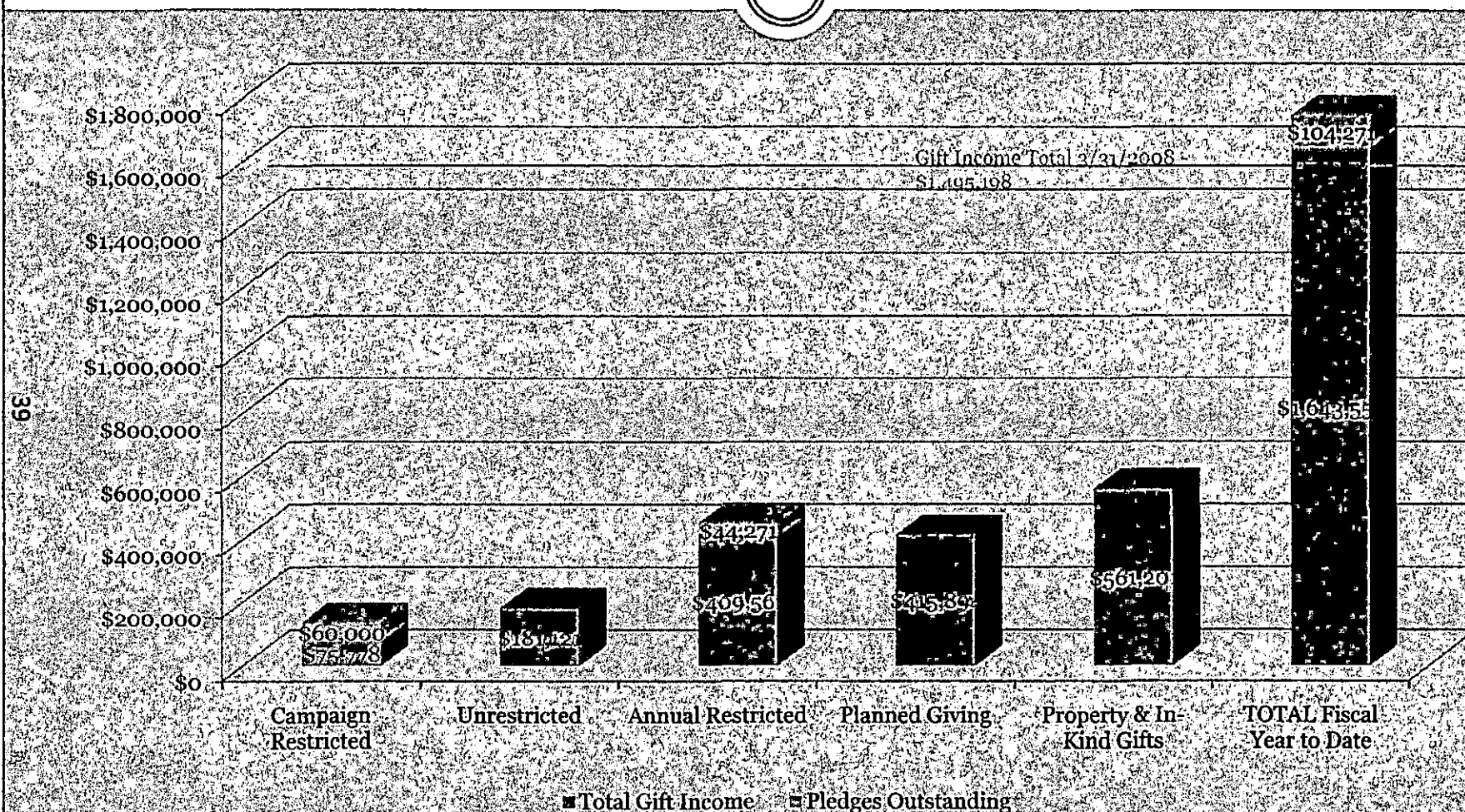


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2008-2009

# Fiscal Year Gift Income Summary

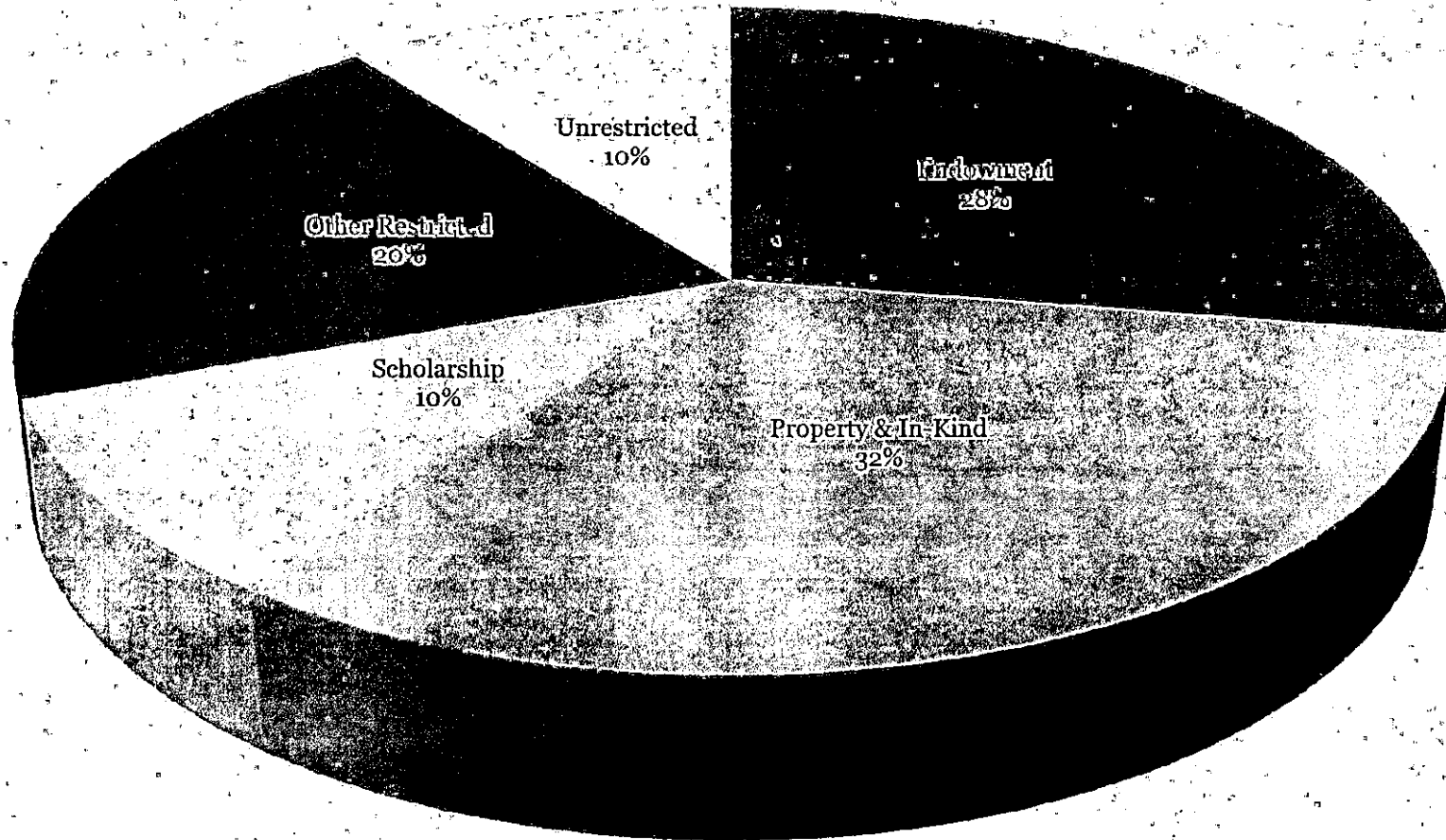


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2008-2009

# Giving by Designation

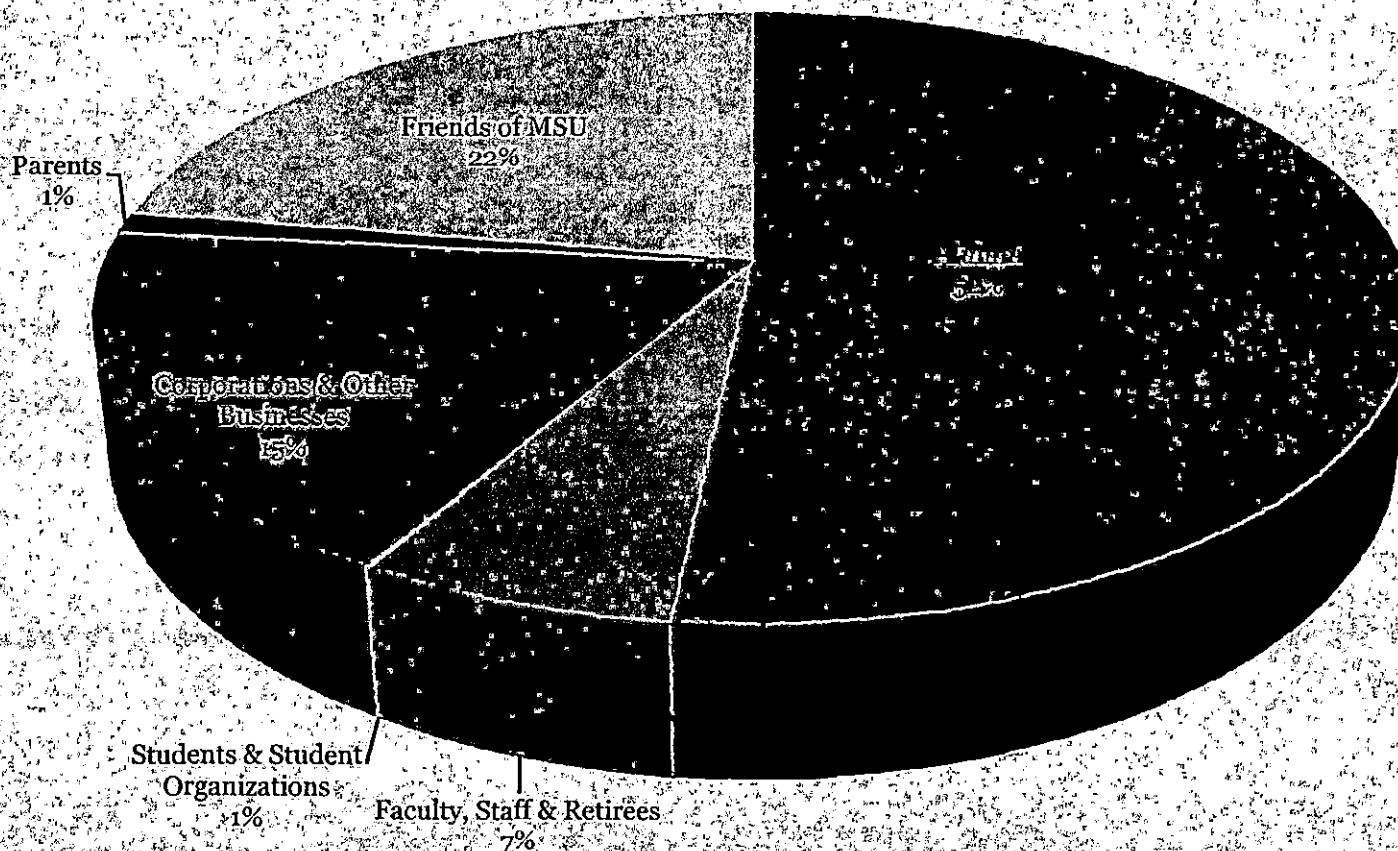


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# 2008-2009 Giving by Source



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# Comprehensive Campaign Total Dollars Raised To Date

