

**Board of Regents Meeting
Morehead State University
Thursday, December 3, 2009**

Schedule

9 a.m.	BOR Meeting	Riggle Room
11:30 a.m.	Lunch	Heritage Room

Members, Morehead State University Board of Regents

Sylvia L. Lovely (*Chair*)
John C. Merchant (*Vice Chair*)
James H. Booth
Julie A. Butcher
Paul C. Goodpaster
Cheryl U. Lewis
Dr. Ronald D. Morrison
Dr. John D. O'Cull
Jill Hall Rose
Terry E. White
Kyle A. Yarawsky

Wayne D. Andrews, President

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**Board of Regents Meeting
Morehead State University
Riggle Room, Adron Doran University Center
9 a.m., Thursday, December 3, 2009**

Agenda

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **APPROVE MINUTES OF SEPTEMBER 30, 2009, AND NOVEMBER 19, 2009**
- IV. **APPROVE AMENDMENTS TO BOARD OF REGENTS' BYLAWS**
 - A. **Powers and Duties of Board of Regents**
 - B. **Powers and Duties of President**
- V. **SPOTLIGHT – *Retention* – Provost Karla Hughes**
- VI. **PRESIDENT'S RECOMMENDATIONS AND REPORTS**
 - A. **Recommendations**
 - 1. Approve Winter Graduates.....1
 - 2. Approve the Ed.D. Program Proposal..... 2-7
 - 3. Approve Faculty Tenure8
 - 4. Approve Administrator Tenure.....9
 - 5. Ratify Personnel Actions..... 10-14
 - 6. Accept 2008-09 Audit Report and Amend Operating Budget..... 15-19
 - 7. Accept First Quarter Financial Report and Amend
Operating Budget.....20-30
 - B. **Reports**
 - 1. Final Report on 2009 Fall Enrollment.....31
 - 2. Report on Health Insurance for Plan Year 2010.....32-34
 - C. **President's Report on First Five Years**
- VII. **OTHER BUSINESS**
 - A. **Timeline for Evaluation of President**

B. BOR Meetings for Calendar Year 2010

Work Session	February 18
Quarterly Meeting	March 11
Work Session	May 20
Quarterly Meeting	June 10
Work Session	August 26
Quarterly Meeting	September 16
Work Session	November 18
Quarterly Meeting	December 9

C. Next Meetings

1. BOR Work Session, Thursday, February 18, 9 a.m.
2. BOR Quarterly Meeting, Thursday, March 11, 9 a.m.

D. Executive Session

VIII. ADJOURNMENT

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
September 30, 2009**

The Board of Regents of Morehead State University met at 8 a.m. on Wednesday, September 30, 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.

ROLL CALL

On roll call, the following Board members were present: James H. Booth, Julie A. Butcher, Paul C. Goodpaster, Cheryl U. Lewis, Sylvia L. Lovely, John C. Merchant, Ronald D. Morrison, John D. O'Cull, Jill Hall Rose, Terry E. White, and Kyle A. Yarawsky.

**EXECUTIVE
SESSION**

Chair Lovely opened the floor for a motion to go into Executive Session pursuant to KRS 61.810(1)(f) to discuss matters relating to appointment and dismissal of specific employees. Mr. Booth moved that the Board go into Executive Session. Dr. O'Cull seconded the motion. The motion carried.

Following an hour and forty minutes in Executive Session, Mr. Merchant moved that the Board return to Open Session. Ms. Butcher seconded the motion. The motion carried.

Chair Lovely said that no action was taken in closed session.

**MINUTES OF
JUNE 11 AND
AUGUST 11, 2009**

Mr. Booth moved that the minutes of the meetings held on June 11, 2009, and August 11, 2009, be approved as distributed. Mr. Merchant seconded the motion. The motion carried.

**PRESIDENT'S
CONTRACT**

Mr. White moved that the Board approve the extension of President Andrews' contract for an additional year through June 30, 2013. Ms. Rose seconded the motion. The motion unanimously carried. (This was to clarify a motion made at the June 11, 2009, Board meeting to extend the President's contract.)

The President recommended:

**FOUNDERS
DAY AWARD**

RECOMMENDATION: That the Board approve the selection of the late Dr. Randall L. (Randy) Wells as recipient of the 2009 Founders Day Award for University Service.

(Additional background information about the award attached to these minutes and marked V.)

Dr. Andrews said that Randy was a wonderful ambassador for the University. He had a distinguished record of service to MSU as a faculty member and as a "super recruiter" of good students while in the Office of School Relations. Randy's service to the University and to public education in general earned him the respect and admiration of his colleagues. *(The award will be presented to his wife, Sue, during the Homecoming Hall of Fame Banquet on October 23, 2009.)*

**RESOLUTION
HONORING
JEAN DORTON**

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

VOTE: The motion carried.

Chair Lovely read and presented the following resolution to Ms. Jean Dorton:

RESOLUTION HONORING JEAN DORTON

WHEREAS, Ms. Jean Dorton served with distinction as a member of the Board of Regents of Morehead State University over a period of seven years; and

WHEREAS, Ms. Dorton's dedication to her volunteer service on the Board of Regents included a term as vice chair of the Board; and

WHEREAS, Ms. Dorton has consistently demonstrated her high ethical standards and strong personal commitment to institutional integrity; and

WHEREAS, Ms. Dorton's service 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. Jean Dorton be and hereby is commended for her seven 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 30th day of September 2009.

Sylvia L. Lovely, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

Dr. Morrison moved that the Board approve the Resolution Honoring Jean Dorton. Mr. Merchant seconded the motion. The motion carried.

Chair Lovely said that Jean and her husband Denny will continue to be incredible ambassadors for Morehead State University and Eastern Kentucky even though she is no longer on the Board.

**PRESIDENT'S
RECOMMENDA-
TIONS**

President Andrews requested that action on the recommendation to grant academic tenure to Robert Twiggs be deferred until such time as the recommendation has gone through the complete approval process as provided in personnel policy PAc-27.

The President recommended:

Personnel Actions

RECOMMENDATION: That the Board ratify the Personnel Actions for the period May 20, 2009, through September 4, 2009.

Phil Gniot, Director of Human Resources, reported on the personnel actions and noted that the number of actions differs somewhat compared to this same period last year. Specifically, he said that the University hired about one third fewer people; promoted about three and a half times more people, primarily faculty (26 of 31) as a result of cohort movement; and terminations were all voluntary with two-thirds fewer than the same period last year. A large number of people retired last year to take advantage of a change in the KRS formula.

Dr. Morrison asked if some of the positions created as a result of the Academic Review should be classified as new positions and thus be subject to Affirmative Action/EEO guidelines.

Mr. Gniot said that when looking at the organizational changes associated with the Academic Affairs reorganization, most changes involved jobs that largely remained the same but reported to the renamed units or changed somewhat to reflect duties already being performed by current employees in these positions. Since the reorganization "reshuffled" existing people and jobs, no new positions were created. Therefore, none of the positions were subject to the normal Affirmative Action/EEO guidelines.

Dr. Morrison indicated that, while it is often productive to promote from within, he believes if we are really going to be true to the spirit of diversity, we need to do a better job instead of casting a wide net in an attempt to have access to the most diverse pools of candidates available. He went on to say that this is not a reflection on any individual, but that he was concerned. After all of the reorganization, he asked if the [University] had any figures on net gains in diverse faculty. He said that this would be a wonderful opportunity to make progress.

Dr. Andrews noted that there are a number of interim positions because of the reorganization that will be advertised in the near future. He said that the University has actually increased the number of minority faculty on campus since last year. The net gain did not have to do with the reorganization but with the University's efforts to hire additional minority faculty.

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

VOTE: The motion carried.

Preliminary Fall Enrollment

Dr. Andrews reported on preliminary fall enrollment for 2009. These are preliminary data that project headcount enrollment at 9,025 for the fall 2009 semester. The enrollment estimate includes schedules as of September 14, 2009, and anticipated enrollments from the CDA program, Upward Bound, dual credit courses and reinstatements.

Discussion followed on the number of students taking developmental classes.

Real Property Leases

Dr. Andrews reported on Real Property Leases and noted that there was nothing unusual to report about the leases and that there have been no changes from what has been presented to the Board in the past. *(Report on Real Property Leases attached to these minutes and marked VII-B-2)*

Personal Service Contracts

Dr. Andrews reported on Personal Service Contracts noting that all of the contracts were awarded through RFPs. *(Report on Personal Service Contracts attached to these minutes and marked VII-B-3)*

PRESIDENT'S REPORT

Dr. Andrews reported that:

- The Council on Postsecondary Education approved the University's request for a qualitative waiver at its meeting on Thursday, September 9. As a result, the University will be bringing forward one and possibly two programs for the Board's consideration at the December quarterly meeting.
- An RFP will be issued to select a consultant to evaluate the University's marketing strategies.
- Dr. Andrews spoke to the Kentucky Occupational Therapy Association Annual meeting at Jenny Wiley State Park on September 18.
- MSU hosted approximately 40 area counselors and principals on September 23 to talk about changes in the University's academic, scholarship and financial aid programs.
- Dr. Andrews met with the UK College of Dentistry Advisory Board on September 25. The UK Medical School has added ten positions in rural medicine to the medical class, and they will complete their second two years in the new Center for Health, Education and Research. The UK College of Dentistry is interested in a similar model for their students. Chair Lovely, who serves on the Advisory Board, noted that dental health in Kentucky is in a horrible situation.
- The University has hired Raymond McLain to fill the vacancy created by the resignation of Don Rigsby as Director of the Kentucky Center for Traditional Music. Mr. McLain will begin January 1, 2010.
- The Kentucky Folk Art Center will be the recipient of the Governor's Award in the Arts which will be presented on October 6 at the Governor's Mansion in Frankfort.
- The Founders Day Award for University Service will be presented during Homecoming at the Hall of Fame Banquet on Friday, October 23, at 7 p.m. The Memorial Brick Ceremony will be held at 10:30 a.m. that same day.

- The University has hosted or will be hosting Development/Alumni receptions at the following locations:
 - Lexington on July 30
 - Louisville on August 13
 - Cincinnati on September 24
 - Chattanooga on October 8
 - Columbus on October 15
 - Pikeville/Prestonsburg on November 12
- The University will host a tour of Eastern Kentucky for new faculty on Friday, October 9. Dr. Andrews noted that 65 percent of MSU students come from Eastern Kentucky. The itinerary includes lunch hosted by Jim and Linda Booth at their home in Inez. The Booths have hosted the group since the tours began more than ten years ago.

ADJOURNMENT

There being no further business to conduct, Ms. Rose moved that the meeting adjourn at 10:30 a.m. Ms. Lewis seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

**BOARD OF REGENTS SPECIAL MEETING
MOREHEAD STATE UNIVERSITY**

November 19, 2009

The Board of Regents of Morehead State University met for a special meeting at 9 a.m. on Thursday, November 19, 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.

ROLL CALL

On roll call, the following Board members were present: James H. Booth, Julie A. Butcher, Paul C. Goodpaster, Cheryl U. Lewis (via phone), Sylvia L. Lovely, John C. Merchant, Ronald D. Morrison, John D. O'Cull, Terry E. White, and Kyle A. Yarawsky. Jill Hall Rose was unable to attend.

**EXECUTIVE
SESSION**

Chair Lovely opened the floor for a motion to go into Executive Session pursuant to KRS 61.810(1)(f) to discuss matters relating to appointment and dismissal of specific employees. Mr. Booth moved that the Board go into Executive Session. Mr. Merchant seconded the motion. The motion carried.

**PUBLIC
SESSION**

Following approximately two hours in Executive Session, Dr. Morrison moved that the Board return to open session. Mr. Yarawsky seconded the motion. The motion carried.

Chair Lovely said that no action was taken in closed session.

**STATEMENT
ON
PRESIDENTIAL
REVIEW**

Mr. Booth moved that the following Statement on the Presidential Review be issued to the University community. Mr. Goodpaster seconded the motion. The motion carried.

**STATEMENT ON PRESIDENTIAL REVIEW
November 2009**

Speaking on behalf of the Board of Regents of Morehead State University, Chair Sylvia Lovely stated, *"In keeping with past practice, the University's Board of Regents conducted a comprehensive performance review of the University President, Wayne D. Andrews, September 30 – October 2, 2009. This comprehensive review is intended to complement the President's annual performance reviews conducted by the Board. The purpose of this review was to aid the ongoing professional development of the President, to provide feedback about the perceptions of stakeholders, and to offer constructive suggestions to improve the effectiveness of the President by leveraging strengths or addressing shortcomings identified in the review."*

Dr. John W. Moore, a recognized authority on presidential review in universities and colleges, was invited by the Board of Regents to serve as the facilitator of the review process. Dr. Moore interviewed a number of diverse stakeholders within and outside the University. Additionally, individuals who were not invited to participate in review interviews were invited to send written comments to Dr. Moore. Nearly 100 people participated.

After careful assessment of the comments, the review facilitator, Dr. Moore, briefed President Andrews and leadership of the Board of Regents regarding his preliminary observations, findings, and recommendations. These findings were shared with the President in a very open and forthright discussion. This was accomplished in a manner that preserved the anonymity of those who gave their time to participate in the evaluation.

Ms. Lovely stated, *"Dr. Andrews, in the Board's judgment, has proven himself to be an effective President by steadily channeling the energy and resources of the University toward fulfillment of its mission. The Board of Regents is most appreciative of President Andrews' distinguished service to the University, and wishes to convey its continuing confidence in and support of his leadership."*

"The Board of Regents would like to thank those individuals who participated in the review of the President and for your interest in the welfare of the institution."

President Andrews wished to convey the following message to those who participated in the evaluation: *"I am most appreciative of the input received as a result of my review. The evaluation and direction to me from the Board of Regents as a result of Dr. Moore's review will help me strengthen Morehead State University and serve constituencies more effectively during my presidency. I wish to thank all those who participated in the review and who candidly and openly shared their views and helpful suggestions. I am confident they will assist me in my efforts to serve Morehead State University with distinction."*

President Andrews further stated, *"With the full support of the Board of Regents, the academic community, and the friends of MSU, it is my intention to give particular priority to: articulating the strategic directions and priorities of Morehead State University; working closely with the Provost and academic leadership to strengthen the University's academic programs and facilitate the success of students, faculty and staff; garnering the resources necessary to ensure MSU's success and wellbeing; nurturing the University's collegial relationships and systems of shared governance; and ensuring that the administrative structure and processes of the University are appropriate for the 21st century."*

Finally, added Dr. Andrews, *"I am grateful for this review and I have learned much that will benefit me personally and, more importantly, benefit the University. I appreciate the many expressions of strong support that have been communicated through this process."*

**AD HOC
COMMITTEE
REPORT ON
PRESIDENTIAL
EVALUATION**

Mr. Goodpaster, chair of the Ad Hoc Presidential Evaluation Committee, presented a report on the revised Duties and Responsibilities of the President. Other members of the Committee include Jim Booth, Cheryl Lewis, and Ron Morrison. Mr. Goodpaster noted that several items had been added and asked that Board members review the document and advise him of any suggested changes. The President's Duties and Responsibilities, which will be an amendment to the Bylaws, will be on the agenda of the Board's December 3, 2009, for approval.

**AD HOC
COMMITTEE
REPORT ON
IMPROVING
BOARD
MEETINGS**

Mr. Merchant, chair of the Ad Hoc Committee on Improving Board Meetings, presented a number of suggestions to improve Board meetings. Other members of the Committee include Ron Morrison and John O'Cull. Suggestions include the following:

- Continue the practice of discussing every substantive issue at work sessions that will be presented to the Board for action. Also, the committee would like for summary notes to be taken of these sessions and posted online;
- Schedule an annual retreat in 2010 and invite Dr. John Moore to facilitate the workshop;
- Continue "spotlight" presentations, which allows the Board to become acquainted with more faculty and staff and learn more about specific University programs and initiatives;
- Consider paperless Board meetings;
- Post draft minutes online approximately two weeks following a Board meeting; and
- Include a consent agenda within the overall meeting agenda to streamline meetings.

In addition, Mr. Merchant indicated that the Committee had reviewed the Board's Powers and Duties and recommended including a statement that the Board has exclusive responsibility for reviewing the performance of the President. Further, he asked Board members to review the Regents' Powers and Duties and advise him of any suggested changes. The proposed change in the Board's Powers and Duties, which will be an amendment to the Bylaws, will be on the agenda of the Board's December 3, 2009, meeting for approval.

Chair Lovely thanked the committees for their good work.

**UPDATE ON
REVISION OF
STRATEGIC
PLAN**

Dr. Andrews and Ms. Patrick updated the Board on progress on the revision of ASPIRE: 2006-2010 Strategic Plan. Ms. Patrick said that following the kick-off retreat held on September 17, 2009, Institutional Research had organized notes and input from the discussion groups. Focus workgroups are being assigned, which will be led by President's Cabinet members. Plans are to present the final draft of ASPIRE 2010-2014 to the Board of Regents in March 2010.

**ED.D.
PROPOSAL**

Dr. Cathy Gunn, Dean of the College of Education, presented information on the proposed Ed.D., which will be submitted to the Board for action at its December 3, 2009, meeting. The proposed educational doctorate is often referred to as the "scholar practitioner's doctorate" because of its focus on professional practice. Dean Gunn said that educational leaders in Eastern Kentucky have limited opportunities to pursue terminal degrees, and current practitioners have expressed a high level of interest and support for an Ed.D. to be offered by MSU. There is a need to build capacity of educational leaders in Eastern Kentucky, and solving educational problems faced by these individuals requires expanded opportunities to apply advanced research to the real world setting. She noted that more than 70 percent of persons in education in Eastern Kentucky have roots back to Morehead State University. Further, the Ed.D. proposal aligns with MSU's goals of Academic Excellence, Productive

**REPORT ON
FACULTY
SALARIES**

Partnerships, and Enrollment and Retention. The proposed Ed.D. proposal will be on the agenda for the Board's approval at its December 3, 2009, meeting.

Dr. Andrews and Ms. Patrick presented a report on faculty salaries. Plans are to develop a standardized model that is 100 percent data driven. Comparative information in the report was based on data from 377 institutions similar to Morehead State University across the country. Following extensive discussion, there was a general concurrence on the administration's approach. The next step will be to drive down into the details and develop a model appropriate for Morehead State University. An ad hoc committee will be appointed composed of faculty and administrators to work with the Board on this initiative.

Dr. Morrison said this would be a "shot in the arm" for faculty if the Board moves forward with the plan.

**FUTURE
MEETINGS**

Chair Lovely announced that the Board of Regents' quarterly meeting will be held Thursday, December 3, at 9 a.m.; the Madrigal Feaste is scheduled Friday, December 4, at 6 p.m.; and Winter Commencement will be held Saturday, December 12, at 10:30 a.m.

ADJOURNMENT

There being no further business to conduct, Mr. Goodpaster moved that the meeting adjourn at 1:20 p.m. Mr. Booth seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents



MOREHEAD STATE UNIVERSITY

Board of Regents

Powers and Duties

The governing body of Morehead State University is the Board of Regents, which by statute is responsible for the essential governance of the University.

The general powers and duties conferred upon the Board of Regents to carry out the purposes of Morehead State University are provided by law in the Kentucky Revised Statutes 164.350 (Selected statutory requirements for members of the Board of Regents attached to the *Bylaws*.) In addition thereto and included therein, such powers and duties are:

1. The promotion of the mission and goals of the University;
2. The authorization of the creation or discontinuance of degrees upon approval of the Kentucky Council on Postsecondary Education;
3. The election of a Chair of the Board, Vice Chair, and Secretary, and the appointment of a Treasurer;
4. The appointment and removal of the President of the University;
5. The exclusive responsibility for reviewing the performance of the President;
6. The appointment of faculty members upon the recommendation of the President and the appointment of such administrative officers upon recommendation of the President;
7. The determination of guidelines for salary ranges for all faculty, administrative and University personnel and the establishment of insurance, retirement, and other programs for the benefit of faculty, administrative, and other personnel;
8. The establishment or discontinuance of any faculty rank;
9. The adoption of policies for granting leaves of absence and the approval of promotions for administration and faculty members;
10. The review and establishment of policies and procedures for granting tenure of faculty members;

11. The regulation of government and discipline of students and the regulation of government and discipline of faculty;
12. The determination of the number of divisions, departments, bureaus, offices, and agencies needed for the successful conduct of the University;
13. The approval of general budget policies which would govern student financial aid programs;
14. The fixing of special charges and other fees, subject to approval by the Council on Postsecondary Education;
15. Upon appropriate clearances, the issuance of revenue bonds to finance projects required by or convenient for students under its governance;
16. The care and preservation of all property belonging to the University;
17. Provide for the submission of such reports and budget requests as may be required by State government;
18. The approval of the annual budget;
19. The formulation and periodic revision of long-range plans; and
20. The granting of diplomas and conferring of degrees upon the recommendation of the President and faculty.

11. Report in writing to the Board of Regents, pursuant to its established schedule, a full account of receipts of money from all sources, amount and purpose of all disbursements, and report of the University's financial condition;
12. Develop and administer performance reviews of administrative personnel;
13. Maintain effective relationships and communication with the students, faculty and staff;
14. Respect the role of students, faculty and staff in University governance;
15. Support and encourage diversity throughout the University community;
16. Guard and protect the interests of students;
17. Assume responsibility for student discipline and impose appropriate penalties, including expulsion;
18. Accept responsibility for and supervise the establishment and maintenance of proper alumni relationships through the Director of Alumni Relations;
19. Assure the effective coordination of fundraising activities university-wide by:
 - a. Insuring the ability of the institution to secure charitable gifts, operating funds, additions to endowments, gifts for facilities, and grants and contracts which enable it to fully accomplish its mission and are in accordance with the policies of the Board;
 - b. Overseeing the implementation of suitable fundraising strategies that identify major gift prospects and donor interests, and assess cultivation opportunities; and
 - c. Working closely with the Board of Regents and senior University officers to cultivate and solicit prior and prospective donors via personal meetings.
20. Develop and implement an effective legislative strategy that includes:
 - a. Engaging elected officials and the public in constructive and responsive dialogue;
 - b. Building the support necessary to sustain the quality and accessibility of Morehead State University;
 - c. Actively participating in communicating and explaining Board policies and information which relate specifically to the University's mission, programs, strengths, needs, and goals; and
 - d. Advocating the cause of the University that is consistent with the accomplishment of institutional objectives approved by the Board.

21. Collaborate and work effectively with the Council on Postsecondary Education;
22. Lead a robust internal self assessment process that focuses on enhancing the quality of student learning, University programs and services, and results in meeting the standards of accrediting bodies strategic to the success of the institution;
23. Ensure that the institution maintains accreditation with the Southern Association of Colleges and Schools (SACS);
24. Maintain campus physical, technological, and social infrastructure that supports the strategic plan for the institution;
25. Build effective relationships and partnerships with internal and external constituencies that meet the needs of the region that the University serves, consistent with its mission and public policy; and
26. Perform such other duties as may be required by the Board of Regents.

2009 WINTER GRADUATES

**BOR (VI-A-1)
December 3, 2009**

Recommendation:

That the awarding of degrees to all candidates who successfully complete all degree requirements as approved by the faculty of the University at the 2009 Winter Commencement on December 12, 2009, be approved.

Background:

Five hundred seven (507) students have applied for graduation at the December 12, 2009, Winter Commencement. This includes 61 associate degrees, 335 bachelor degrees, and 111 master degrees.

**DOCTOR OF EDUCATION IN
EDUCATIONAL LEADERSHIP (Ed.D.)**

**BOR (VI-A-2)
December 3, 2009**

Recommendation:

That the Board of Regents approve the Doctor of Education in Educational Leadership.

Background:

The distinctive needs of school leaders and the students served in eastern Kentucky call for bold and innovative strategies. Those strategies, guided by the work of the Southern Regional Educational Board, State Action for Education Leadership Project and other similar education training program redesign initiatives, require an analysis of current policy and practice that have created inadequate access for practitioners to advanced educational programs that lead to terminal degrees. While there are some other limited opportunities to obtain terminal degrees from institutions within Kentucky and bordering states, currently most practitioners in the Morehead State University (MSU) service region look to the University of Kentucky to pursue a doctorate in education. However, the demands, needs, and desires of current practitioners to complete advanced degrees have grown beyond the programs currently available. In the thirty school districts and more than two hundred public schools that have traditionally been served by Morehead State University, only ten practitioners have terminal degrees. That is not because there is no desire for advanced training. In a recently completed survey of P-12 practitioners, 152 expressed an interest in pursuing a doctorate in education.

According to the Kentucky Council on Postsecondary Education (CPE), Kentucky ranks 14th of the 16 Southern Regional Education Board states in production of education doctorates and 35th nationally. CPE invited comprehensive universities to submit program plans for practitioner-based education doctorates that would be an appropriate alternative to the more traditional research-based terminal degree programs at the University of Kentucky, the University of Louisville, and Spalding University. To date, Northern Kentucky University (NKU), Western Kentucky University (WKU), and Eastern Kentucky University (EKU) have developed Ed.D. programs and are in the early implementation phase. Murray State University is in the program development stage and Morehead State University has completed a year of study and planning to develop the attached program proposal.

The MSU Ed.D. design team began planning the proposed Ed.D. program by engaging in the following activities:

- Review of the Educational Leadership Policy Standards (commonly called the ISLLC standards), the National Educational Technology Standards (NETS), and Association for Educational Communications and Technology (AECT) Standards.
- Review of the current literature (Shulman, etc.) aimed at redesigning the Education Doctorate to make it a more effective learning opportunity for practitioners in educational leadership.

been designed to provide our candidates with opportunities to synthesize existent knowledge in a real-life context of collaboration in order to solve pressing practical problems. The candidates will develop an understanding of transformational leadership, learn advanced instructional practices, and learn how to use relevant data and research in order to translate findings into actions that improve the opportunity for all students to learn at a high level. However, we hope the program will do much more than simply give the candidates a bag of new skills to use. We hope that the program will provide an opportunity for small groups to become expert practitioners who learn the power of collaboration, learning communities, and synergy by being immersed in a program with cohorts consisting of educational leadership practitioners, educational technology practitioners, and instructional and curriculum design practitioners. Working with MSU faculty, these cohorts will solve significant educational problems being faced by educational leaders in the region. Ultimately, we hope that participation in the program will transform the candidates who will learn to be centered in ethical practices through highly job-embedded, rigorous study that will stimulate development of the highest levels of practice.

Each Ed.D. cohort will be divided into small groups that work together to help solve district level instructional and leadership problems facing schools. The program is designed to include focused and deep work in P-12 schools and a field based dissertation/capstone project. For example, a team of three might work with a school district to identify school improvement needs (needs assessment, school's comprehensive improvement plan), design and conduct an intervention study, write documentation or final report, etc. An Ed.D. program focused on school improvement and including a team approach to solving problems in participating school districts will allow us to dovetail our Teacher Leader master's program with the Ed.D. An expanded team of teacher leader and doctoral candidates could work on the identified school problem with our faculty, KDE Highly Skilled Educators, technology leaders, and district leaders. With the collective expertise of the group, mentoring of faculty, and the work done by our master's and doctoral candidates, capacity will be built that would continue in the district after the candidates finish their graduate programs.

Program Design Issues:

- The Ed.D. program is designed to improve leadership skills at the school, district, or educational setting. It is NOT designed to prepare graduates to be university faculty members.
- The capstone is modeled after some of the country's top Ed.D. programs -- Vanderbilt, U of M at St. Louis, USC, and the University of Florida.
- The Ed.D. is designed to provide the candidates with authentic practice-based experiences embedded in real work settings.
- The program fits the CoE vision for stakeholders 'around the table' by helping develop the "learning community" aspect of building capacity in our region.
- The program helps ensure equity of our region of the state; students in east Kentucky deserve to have an opportunity to learn at high levels.
- The MSU Ed.D. increases the collaborative possibilities of working with our sister institutions.

The Administrative Educational Leader specialty area is primarily designed for public school and district administrators. Courses emphasize development of a deep understanding of scholarly and theoretical foundations of learning within public educational settings, skilled practice in educational leadership, leading change to provide opportunities to learn at high levels for all

students, collaboration and inquiry and analysis of problems confronting the administrator in education environments. It is anticipated that the candidates will be transformed through participation in the program through an in-depth focus on values and ethics as they relate to school leadership and will learn to create, monitor, and evaluate change in their schools and school systems. The candidates will learn to identify systems-level problems that hinder the opportunity for all students to learn at high levels. Candidates will learn to frame problems that result in proactive solutions to systematized gaps in educational achievement, thus better addressing the needs of all students and creating opportunities for all students to learn at high levels.

The Educational Technology Leader track is designed for those educators and educational administrators with an interest in educational technology, instructional design, and curriculum design. Courses focus on advanced aspects of technology in education through theoretical and practical applications of educational technology, instructional design, and curriculum development to enhance student learning and achievement. It is anticipated that candidates coming out of this program track will take on roles of curricular and educational technology leadership within their appropriate educational settings. Candidates will focus on values and ethics related to educational technology, investigating new ways to enhance learning with technology and instruction as well as apply practical solutions to current educational issues facing schools. Based on requests and surveying data, there is a strong and growing interest by educators in Kentucky to obtain an educational leadership doctorate with a focus on educational technology, instructional design, and curriculum development.

The East region of Kentucky depends heavily on Morehead State University (MSU) to prepare the teachers and educational leaders for its public schools. There is a long history of cooperation among public school practitioners and MSU faculty, both in the education preparation programs and in the content areas. Most of the teachers and administrators in east Kentucky are prepared for and receive their recommendation for state educational certification from MSU. In return, the public schools in the region provide the candidates who fill our undergraduate classes. There is a positive and profound symbiotic relationship within P-20 educational institutions in this region. It is to everyone's advantage to have educational leaders in our region that can help improve the learning opportunities for students in our service area. This proposal represents a combined effort at planning a new practitioner-based education doctorate that will ultimately improve the educational attainment and opportunities of all students in our region, our state, and beyond. East Kentucky needs the best educational leaders who have an opportunity for the best educational training or we are in danger of falling further behind the rest of the state and the nation. The children of east Kentucky deserve no less than the best.

Morehead State University

Ed.D. – Doctorate in Education

Interest in the Program	
Source	Number
Prospective students contact MSU personnel	50+
Kentucky Valley Education Cooperative	17
Kentucky Educational Development Corporation	15
General Interest Survey	152
Dataseam Technical Conference	12
Asbury College ¹	10
Military ²	unknown
Since some participants responded to multiple sources above this is the estimate of an unduplicated count.	175 - 200

¹ Personnel from Asbury College have expressed strong interest in beginning a cohort for Asbury personnel who are seeking a terminal degree. They have also noted that they could teach some of the courses.

² Military personnel have expressed an interest in developing a cohort.

Projected Revenue/Expenditures	
YEAR ONE	
Revenue ³	\$182,400 - \$273,600
Expenditures	
Faculty (Use current faculty and backfill with adjuncts as needed)	\$30,000
Faculty/Student Research Development	\$10,000
Library ⁴	\$30,000
Program Promotion	\$4,500
Miscellaneous	\$5,000
Total Year One Expenditures	\$79,500
Net (Revenue – Expenditures)	\$102,900 - \$194,100
YEAR TWO	
Revenue ⁵	\$364,800 - \$547,200
Expenditures	
Faculty (Possible continued need for adjuncts to backfill)	\$30,000
Two new faculty (one in P-12 administration & one in Ed Tech)	\$100,000 - \$150,000
New Faculty Fringe	\$21,000 - \$31,500
New Faculty Startup Costs	\$4,000
Library	\$20,000
Program Promotion	\$4,500
Faculty/Student Research Development	\$20,000
Miscellaneous	\$5,000
Total Year Two Expenditures	\$204,500 - \$265,000
Net (Revenue – Expenditures)	\$99,800 - \$342,700

YEAR THREE	
Revenue ⁶	\$547,200 - \$820,800
Expenditures	
Faculty (Possible continued need for adjuncts to backfill)	\$30,000
Faculty Hired during Year 2	\$100,000 - \$150,000
Possibly Two New Faculty Need (based on enrollment)	\$100,000 - \$150,000
Faculty Fringe	\$42,000 - \$63,000
New Faculty Startup Costs	\$4,000
Library	\$20,000
Program Promotion	\$4,500
Faculty/Student Research Development	\$30,000
Miscellaneous	\$5,000
Total Year 3 Expenditures	\$335,500 - \$456,500
Net (Revenue – Expenditures)	\$90,700 - \$485,300
YEAR FOUR AND BEYOND	
Years 4 and beyond have the same revenue/expenditure estimates since this is a three year program.	

³Based on a cohort of 20-30 candidates paying \$456/hour (Fall 2009 tuition rate) for 20 hours/year.

⁴Expanded library resources would be available to the entire MSU community, not just Ed.D. candidates.

⁵Based on a year one cohort and an additional 20-30 candidates to begin a second cohort

⁶Based on a Year 1 cohort of 20-30 candidates, Year 2 cohort of 20-30 students, and a new cohort for Year 3 of 20-30 candidates.

FACULTY TENURE

**BOR (VI-A-3)
December 3, 2009**

Recommendation:

That the Board of Regents approve the granting of tenure and the rank of Professor of Space Science (Astronautical Engineer) to Mr. Robert Twiggs.

Background:

Morehead State University's personnel policy, PAc-27, provides a procedure to award tenure to a candidate with exceptional credentials, experience, and previously acquired tenure as a condition of employment. The search committee, Tenure Committee for the Department of Earth and Space Sciences, the Dean and University Tenure Committee recommend that Mr. Twiggs be employed with tenure. The Provost and the President support these recommendations.

ADMINISTRATOR TENURE

BOR (VI-A-4)
December 3, 2009

Recommendation:

That the Board of Regents approve the granting of tenure and the rank of Associate Professor to Mr. Raymond McLain.

Background:

Morehead State University's personnel policy, PAc-27, provides a procedure to award tenure to an administrator with exceptional credentials, experience, and previously acquired tenure as a condition of employment. Tenure with the rank of Associate Professor is recommended for Mr. Raymond McLain. The Provost and the President support this recommendation.

RATIFY PERSONNEL ACTIONS

**BOR (VI-A-5)
December 3, 2009**

Recommendation:

That the Board ratify the Personnel Actions for the period September 5, 2009, through November 13, 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.

Prepared by: Phil Gniot

MOREHEAD STATE UNIVERSITY
STANDING I AND STANDING II POSITIONS SUMMARY
11/13/09

	July 1 Authorized Positions	Current Authorized Positions	+/- Position Adjustments	Current Position Strength	% Current Strength
Office of the President	4.50	4.50	0.00	4.50	100.00
Division of University Advancement	44.00	46.00	2.00	41.00	89.13
Division of Planning, Budgets and Technology	58.00	60.00	2.00	58.00	96.67
Division of Administration and Fiscal Services	67.00	67.75	0.75	65.00	95.94
Facilities Management	154.70	154.70	0.00	148.70	96.12
Division of Student Life	153.55	114.55	-39.00	112.55	98.25
Division of Academic Affairs	49.00	12.00	-37.00	11.50	95.83
Caudill College of Arts, Humanities & Social Sciences	152.25	142.25	-10.00	138.25	97.19
College of Business and Public Affairs	44.00	72.50	28.50	69.50	95.86
College of Education	106.50	92.50	-14.00	86.50	93.51
College of Science and Technology	154.00	172.00	18.00	164.00	95.35
Institute for Regional Analysis & Public Policy	16.50	0.00	-16.50	0.00	0.00
Academic Programs and University Outreach	26.00	102.00	76.00	98.00	96.08
Camden-Carroll Library	38.00	38.00	0.00	34.00	89.47
	<u>1068.00</u>	<u>1078.75</u>	<u>10.75</u>	<u>1031.50</u>	<u>95.62</u>

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
9/5/2009 - 11/13/2009

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
Hires								
Camden Carroll Library	Chapman, Ophelia	01/04/10		Librarian II	12	\$43,000.00	Full-Time Standing, Prob.	New
Early Childhood, Elem. & Special Ed.	McCain, Jennifer	01/04/10		Asst. Prof. of Education	9	\$44,000.00	Full-Time Standing	New
Early Childhood, Elem. & Special Ed.	Rogers, Donna	08/18/09	05/08/10	Instructor of Education	9	\$32,000.00	Full-Time Fixed	New
Industrial Education & Technology	Chapman, Hans	10/01/09		Asst. Prof. of IET	9	\$56,540.00	Full-Time Standing	New
Industrial Education & Technology	Madhavannair, Rajeev	09/15/09		Asst. Prof. of IET	9	\$56,540.00	Full-Time Standing	New
Office of the Provost	Van Meter, Gary	09/08/09	05/28/10	Interim Assistant to the Provost	9	\$38,933.00	Retired Re-Employment, Full-Time Fixed	New
Athletics	Hutchinson, Brian	07/01/09	03/30/10	Director of Athletics	12	\$120,000.00	Full-Time Fixed	Renewal
Leaves								
Industrial Education & Technology	Wasel, Wahed	10/07/09	12/10/09	Asst. Prof. of IET	9	\$57,920.00	Leave of Absence, Without Pay	Medical
Promotions								
First Year Prog. & Academic Services	Paco, Lora	09/01/09		Director, First Year Prog. & Academic Services	12	\$55,020.00		Promotion
Terminations								
Accounting & Budgetary Control	Fluty, Jim	12/31/09		Director, Accounting & Budgetary Control	12	\$87,687.00		Retirement
Camden Carroll Library	Potter, Clara	10/31/09		Librarian IV	12	\$74,875.00		Retirement (Disability)
Center for Traditional Music	Rigsby, Donald	09/30/09		Director, Center for Traditional Music	12	\$58,710.00		Resignation
College of Science & Technology	DeMoss, Gerald	08/30/10		Dean, College of Science & Technology	12	\$139,288.00		Retirement
Eagle Trace Golf Course	Ashcraft, Jonathan	08/29/09		Greenskeeper	9	\$8.89		Release (Probationary)
Facilities Mgmt.-Landscaping & Grounds	Caudill, Todd	10/22/09		Groundskeeper	12	\$8.89		Discharge
Facilities Mgmt.-Power Plant	Maggard, James	10/31/09		Operations Coordinator	12	\$39,387.00		Retirement
Facilities Mgmt.-Building Services	Stevens, Gary	10/30/09		Building Services Technician	12	\$9.49		Retirement
History, Phil., Religion & Legal Studies	Bardsley, Karen	05/10/10		Asst. Prof. of Philosophy	9	\$47,021.00		Release (Probationary)
Middle Grades & Secondary Education	Fitzgerald, Lynne	08/30/10		Department Chair	12	\$98,779.00		Retirement
Middle Grades & Secondary Education	Lockhart, Rob	05/08/10		Asst. Prof. of English Education	9	\$55,000.00		Resignation
Nursing-ADN	Roark, Mary	10/27/09		Asst. Prof. of Nursing	9	\$45,000.00		Resignation
Office of the Provost	Van Meter, Gary	12/31/09		Interim Assistant to the Provost	9	\$38,933.00		Resignation
Other								
Music, Theatre & Dance	Mason, Brian	08/17/09		Asst. Prof. of Music	9	\$47,238.00		Advanced Degree Increase
Sociology, Social Work & Criminology	Kindell, Heather	08/10/09		Asst. Prof. of Sociology	9	\$44,500.00		Advanced Degree Increase
Total Number of PARs = 24								

SUPPLEMENTAL ACTIONS
9/5/2009 - 11/13/2009

Name	Title	Department/Office	Effective Date	Ending Date	Salary	Description
Abell, Rita	Asst. Prof. of Communications	Comm., Media & Leadership Studies	09/17/09	05/15/10	\$5,000.00	Advisor for Black Gospel Ensemble
Barker, Stephanie	Head Women's Golf Coach	Athletics-Women's Golf	10/30/09	12/30/09	\$2,400.00	Vehicle Allowance
Faulkner, Cynthia	Assoc. Prof. of Social Work	Sociology, Social Work & Criminology	07/01/09	11/15/09	\$4,750.00	Director for PCWCP
Hutchinson, Brian	Director of Athletics	Athletics	11/15/09	06/30/10	\$1,500.00	Achieving Overall APR
Koelt, Kevin	VP/Dean of Students	Assessment & Professional Development	08/10/09	05/08/10	\$4,200.00	Co-Chair of SACS
Shemwell, Lisa	Speech Team Coach	University College	09/14/09	06/30/10	\$8,280.00	Interim Coord. Of Developmental Education
Thomas, Cathy	Assoc. Prof. of Speech	University College	09/14/09	06/30/10	\$9,500.00	Interim Director of General Education
TOTAL NUMBER OF SUPPLEMENTALS = 7						

**ACCEPT 2008-09 AUDIT REPORT
AND AMEND OPERATING BUDGET**

**BOR (VI-A-6)
December 3, 2009**

Recommendation:

That the Board accept the audit report for the fiscal year ended June 30, 2009 as presented by Dean, Dorton & Ford, PSC, accept the reports related to the fourth quarter financial information and capital outlay, and amend the operating budget for the 2008-09 fiscal year.

Background:

KRS 164A.570 requires an annual audit to be conducted by all universities in the state system. The audit is to be conducted by an independent public accounting firm. At the May 21, 2009 meeting the Board of Regents approved the recommendation of the Audit Committee for the appointment of Dean, Dorton & Ford, PSC to conduct the 2008-09 fiscal year audit. The Board also approved the Audit Committee's recommendation for the minimum scope of the audit work to be performed.

The Audit Committee met on November 19, 2009. Representatives from Dean, Dorton & Ford presented the University's audited financial statements to the Committee for acceptance. The audit report was issued with an unqualified opinion on the financial statements.

The information contained in the audited financial statements is reflective of all transactions for the fiscal year and serves as the University's fourth quarter financial report to the Board. Also presented as a part of the fourth quarter financial report are amendments to the operating budget and a capital outlay status report.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period April 1, 2009 to June 30, 2009

Description	Amended Budget As of 4/1/2009	Adjustments	Amended Budget As of 6/30/2009
Revenues and Other Additions			
Tuition and Fees	\$ 52,858,502	\$ 66,130	\$ 52,924,632
Government Appropriations	46,682,100	(851,424)	45,830,676
Indirect Cost Reimbursement	365,000	-	365,000
Sales and Services of Ed. Activities	2,631,140	184,263	2,815,403
Other Sources	3,680,649	(46,051)	3,634,598
Budgeted Fund Balance - E&G	5,640,894	1,144,461	6,785,355
Auxiliary Enterprises	12,676,778	157,473	12,834,251
Budgeted Fund Balance - AUX	424,288	305,000	729,288
Total Revenues and Other Additions	\$ 124,959,351	\$ 959,852	\$ 125,919,203
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 765,215	\$ 24,399	\$ 789,614
University Advancement	4,297,213	(60,334)	4,236,879
Planning & Technology	6,169,360	(1,530,225)	4,639,135
Administration & Fiscal Services	13,767,301	(154,927)	13,612,374
Student Life	24,699,551	408,861	25,108,412
Academic Affairs	54,993,330	(361,246)	54,632,084
Debt Service & Mandatory Transfers	2,805,265	68,633	2,873,898
Other	4,841,219	615,284	5,456,503
Total Educational & General	\$ 112,338,454	\$ (989,555)	\$ 111,348,899
Auxiliary Enterprises			
Planning & Technology	\$ 710,030	\$ 817,538	\$ 1,527,568
Administration & Fiscal Services	8,641,057	1,131,869	9,772,926
Student Life	738,999	-	738,999
Debt Service	2,280,811	-	2,280,811
Other	250,000	-	250,000
Total Auxiliary Enterprises	\$ 12,620,897	\$ 1,949,407	\$ 14,570,304
Total Expenditure Authorizations	\$ 124,959,351	\$ 959,852	\$ 125,919,203

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period April 1, 2009 to June 30, 2009
Notes of Significant Adjustments to Revenue and Other Additions

Government Appropriations

Budget allocations from government appropriations were reduced by \$851,424.

- State appropriations were reduced by \$910,800 or 2% of the original appropriation for operating costs.
- Unbudgeted revenue totaling \$59,376 from Kentucky Law Enforcement Foundation Program Fund was allocated to University Police for incentive pay for police officers.

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the fourth quarter totaled \$184,263.

- Athletic revenue allocations totaled \$127,617
- Reallocation of revenue from MSU Foundation to KFAC gift revenue totaled \$27,158
- Other miscellaneous revenue totaling \$29,488 was allocated primarily to Academic Affairs

Fund Balance – E&G

Budget allocations from fund balance for educational and general purposes totaled \$1,144,461.

- \$589,661 Jayne Stadium football turf replacement
- \$ 20,000 Surveys and Appraisals
- \$ 31,000 President's home – repair exterior and replace windows
- \$ 70,000 Bell House renovation
- \$301,080 Additional allocation for Support Services warehouse purchase
- \$132,720 Equipment purchase for Space Science Center – to be reimbursed by state construction project account

Auxiliary Enterprises

Budget allocations from auxiliary enterprises increased by \$157,473.

- \$165,674 Bookstore sales revenue allocated to purchases at University Store
- \$ 10,335 Bookstore commission revenue allocated to promotion activities at University Store
- (\$ 17,353) Concessions and Vending revenue budget adjustments

Fund Balance – Auxiliary

Budget allocation of \$305,000 to raze Regents Hall and Wilson Hall

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period April 1, 2009 to June 30, 2009

From: Revenue and Other Additions	To: Division/ Budget Unit	Amount	Description
Government Appropriations			
State Appropriation-Operating	University Advancement	\$ (53,566)	The state implemented a two percent budget reduction of operating appropriations in fiscal year 2008-2009. All divisions were asked to reduce operating budgets to offset the loss of revenue.
	Planning, Budgets & Technology	(112,520)	
	Administration & Fiscal Services	(151,560)	
	Student Life	(100,325)	
	Academic Affairs	(492,829)	
		<u>\$ (910,800)</u>	
Fund Balance - E&G	Administration & Fiscal Services		
	E&G Facility Remodeling	\$ 589,661	Fund balance was allocated to replace artificial turf of football field at Jayne Stadium.
Fund Balance - E&G	Other		
	Non-Mandatory Transfers	\$ 301,080	An additional \$301,080 was allocated from fund balance for the purchase of a warehouse for support service operations. Budgeted fund balance in the opening budget for warehouse space was \$1,000,000. The total purchase price of the warehouse was \$1,301,080.
Fund Balance - E&G	Other		
	Non-Mandatory Transfers	\$ 132,720	An advance of fund balance was made to purchase equipment for the Space Science Center. These funds will be reimbursed from the state funded construction project account in Frankfort.
Fund Balance - Auxiliary	Administration & Fiscal Services		
	Auxiliary Facility Remodeling	\$ 305,000	Fund balance was allocated to raze Regents Hall and Wilson Hall. The new Student Recreation Center will be located on this site.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of April 1, 2009 to June 30, 2009

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I. Equipment Purchases \$200,000 or Greater			
None			
II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater			
Bond Issue			
Button Auditorium Renovation	\$ 750,000	June, 2009	Completed
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
Alumni Tower Renovation	\$ 4,600,000		In Planning

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

**BOR (VI-A-7)
December 3, 2009**

Recommendation:

That the Board accept the financial statements and amend the operating budget for the first quarter of the fiscal year that will end June 30, 2010, 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 September 30, 2009, the first quarter of the fiscal year ending June 30, 2010. The statements, along with management's discussion and analysis and budget amendment information are attached.

Prepared by: James A. Fluty and Teresa Lindgren

Management's Discussion and Analysis
First Quarter Financial Statements
Morehead State University
September 30, 2009

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the three months that ended on September 30, 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 first quarter of the 2009-2010 fiscal year. During the period July 1, 2009 through September 30, 2009 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$19,544,706. This level of operating surplus is expected at this time, since most of the billings for the Fall 2009 semester are reflected in the tuition and fees revenue and only expenditures through September 30, 2009 are reflected. As the fiscal year proceeds, the variance between revenues and expenditures will decrease and should reflect a more appropriate operating surplus or deficit.

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

- Total revenues increased \$1.8 million over last year to \$52.6 million. Tuition & fees increased \$1.6 million and auxiliary enterprises increased \$0.3 million.
- The total actual revenue percent to budget increased 1.0% to 42.1% versus 41.1% at September 30, 2008. Significant actual revenue amount changes include a 12% increase in Indirect Cost Reimbursement, an 11% decrease in Other Sources revenue, and a 12% increase in Other Auxiliary Enterprises revenue.
- Total Expenses increased \$0.2 million over last year to \$33.0 million. Auxiliary enterprises increased \$0.3 million.

- Net change in fund balance increased \$1.6 million to \$19.5 million as compared to \$17.9 million at September 30, 2008.

MOREHEAD STATE UNIVERSITY
Statements of Net Assets
September 30, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash and cash equivalents	\$35,780,608	\$27,135,865
Accounts, grants and loans receivable, net	31,554,928	17,960,292
Prepaid Interest	124,649	124,649
Inventories	1,352,497	1,674,861
Other current Assets	<u>0</u>	<u>107,600</u>
Total current assets	<u>68,812,682</u>	<u>47,003,267</u>
Noncurrent Assets:		
Accounts, grants and loans receivable, net	3,856,425	3,598,514
Prepaid Interest	476,137	600,786
Investments	13,070,365	13,082,794
Capital assets, net of depreciation	<u>155,373,541</u>	<u>133,352,850</u>
Total noncurrent assets	<u>172,776,468</u>	<u>150,634,944</u>
TOTAL ASSETS	<u><u>\$241,589,150</u></u>	<u><u>\$197,638,211</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$5,105,504	\$6,196,285
Deferred revenue	1,415,833	1,246,048
Other current liabilities	0	945
Bonds, notes and capital lease obligations, current portion	<u>3,259,128</u>	<u>3,150,746</u>
Total current liabilities	<u>9,780,465</u>	<u>10,594,024</u>
Long-term liabilities:		
Bonds, notes and capital lease obligations, noncurrent portion	51,973,086	26,339,234
Advances from federal government for student loans	<u>3,848,297</u>	<u>3,856,503</u>
Total long-term liabilities	<u>55,821,383</u>	<u>30,195,737</u>
TOTAL LIABILITIES	<u>65,601,848</u>	<u>40,789,761</u>
NET ASSETS		
Invested in capital assets, net of related debt	100,742,113	104,588,305
Restricted:		
Expendable	29,190,722	5,003,449
Nonexpendable	11,726,941	11,723,488
Unrestricted	<u>34,327,526</u>	<u>35,533,208</u>
TOTAL NET ASSETS	<u>175,987,302</u>	<u>156,848,450</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$241,589,150</u></u>	<u><u>\$197,638,211</u></u>

See Attached Notes To Statements of Net Assets

**NOTES TO STATEMENTS OF NET ASSETS
MOREHEAD STATE UNIVERSITY
SEPTEMBER 30, 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 \$515,161 at September 30, 2009 and \$1,264,052 at September 30, 2008. Also, included in this category is \$2,856,588 receivable from federal and state grant agencies at September 30, 2009 and \$2,292,604 at September 30, 2008, and \$12,438,696 receivable from the Commonwealth for construction funds already expended by MSU.
3. Noncurrent accounts, grants and loans receivable represent balances owed the University from borrowers who have participated in the Federal Perkins Loan Program. The balance is presented net of allowance for uncollectible accounts in the amount of \$90,991 at September 30, 2009 and \$86,209 at September 30, 2008.
4. Prepaid interest represents interest paid June 10, 2008 to advance refund the University's Housing and Dining System Revenue Bonds.
5. Accumulated depreciation on buildings and equipment was \$120,563,488 at September 30, 2009 and \$115,271,582 at September 30, 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 were not due or paid 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 Three Months Ended September 30, 2009 and 2008

	2009-2010			2008-2009		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$55,529,888	\$28,966,210	52.16%	\$52,837,415	\$27,349,145	51.76%
Govt Appropriations	44,351,653	14,116,324	31.83%	46,682,100	14,019,214	30.03%
Indirect Cost Reimbursement	365,000	167,190	45.81%	365,000	149,342	40.92%
Sales & Services Ed Activities	2,043,098	863,415	42.26%	2,401,845	898,718	37.42%
Other Sources	2,379,196	1,352,539	56.85%	3,295,918	1,524,005	46.24%
Budgeted Fund Balance-E&G	5,944,765	0	0.00%	5,057,872	0	0.00%
Total Educational and General	\$110,613,600	\$45,465,678	41.10%	\$110,640,150	\$43,940,424	39.71%
Auxiliary Enterprises						
Housing	\$8,190,319	\$4,499,851	54.94%	\$7,540,000	\$4,264,334	56.56%
University Store	3,976,690	2,256,024	56.73%	3,875,052	2,222,526	57.35%
Food Services	750,000	192,296	25.64%	706,000	191,538	27.13%
Other	1,475,052	180,083	12.21%	844,289	160,602	19.02%
Total Auxiliary Enterprises	\$14,392,061	\$7,128,254	49.53%	\$12,965,341	\$6,839,000	52.75%
TOTAL REVENUES	\$125,005,661	\$52,593,932	42.07%	\$123,605,491	\$50,779,424	41.08%

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statements of Revenues, Expenditures & Changes in Fund Balance
For the Three Months Ended September 30, 2009 and 2008

	2009-2010			2008-2009		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
EXPENDITURES AND TRANSFERS BY DIVISION						
Educational & General						
President & Administration	\$735,215	\$172,438	23.45%	\$726,051	\$213,076	29.35%
University Relations	0	0	0.00%	2,929,364	842,093	28.75%
University Advancement	4,330,397	1,112,793	25.70%	1,284,642	287,180	22.35%
Administration & Fiscal Services	13,383,888	3,915,267	29.25%	13,007,936	4,221,043	32.45%
Planning, Budgets & Technology	5,647,857	2,355,483	41.71%	6,024,994	1,937,080	32.15%
Student Life	10,656,431	3,170,445	29.75%	24,472,965	10,998,868	44.94%
Academic Affairs	66,610,827	18,917,137	28.40%	53,518,364	11,020,057	20.59%
Other	8,651,678	438,205	5.06%	9,137,732	581,602	6.36%
Total Educational & General	\$110,016,293	\$30,081,768	27.34%	\$111,102,048	\$30,100,999	27.09%
Auxiliary Enterprises						
Housing	\$10,101,515	\$809,062	8.01%	\$7,649,301	\$815,931	10.67%
University Store	3,755,634	1,807,828	48.14%	3,694,003	1,599,683	43.30%
Food Services	455,517	92,100	20.22%	456,610	92,171	20.19%
Other	676,702	258,468	38.20%	703,529	193,873	27.56%
Total Auxiliary Enterprises	\$14,989,368	\$2,967,458	19.80%	\$12,503,443	\$2,701,658	21.61%
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	\$125,005,661	\$33,049,226	26.44%	\$123,605,491	\$32,802,657	26.54%
NET CHANGE IN FUND BALANCE		\$19,544,706			\$17,976,767	

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period July 1, 2009 to September 30, 2009
Notes of Significant Adjustments to Revenue and Other Additions

Sales & Services of Educational Activities

Unbudgeted revenue allocated during the first quarter totaled \$87,998

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$49,084
- Cheerleader revenue totaled \$5,550
- Other athletic revenue totaled \$14,870
- Other miscellaneous revenue totaling \$18,494 was allocated to the division of Academic Affairs

Other Sources

Budget allocations from other sources increased by \$133,538

- Unbudgeted support from the MSU Foundation totaled \$86,035
 - \$80,002 Academic Affairs
 - \$ 2,038 University Advancement
 - \$ 3,300 Student Life
 - \$ 695 President
- Miscellaneous other income totaling \$47,503 was received and allocated primarily to the division of Academic Affairs

Fund Balance – E&G

Budget allocations from fund balance for educational and general purposes totaled \$342,518

- \$ 10,000 Additional allocation for artificial turf replacement at Jayne Stadium
- \$ 10,035 Goal posts at Jayne Stadium
- \$ 70,000 Additional allocation for carry forward of funds from 08/09
- \$136,415 Instructional Technology Center
- \$ 71,000 Facilities Management operating expenses for Landscaping & Grounds and Painters
- \$ 45,068 President's Office – Keith Kappes

Fund Balance – Auxiliary

Budget allocations from fund balance for auxiliary purposes totaled \$321,917

- \$224,073 Alumni Tower renovation technology work - to be reimbursed by bond funds in Frankfort account
- \$ 97,844 Additional allocation for carry forward of auxiliary construction projects from 08/09

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of July 1, 2009 to September 30, 2009

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I. Equipment Purchases \$200,000 or Greater			
None			
II. Capital Construction Projects, Information Technology Systems or Land Acquisitions \$600,000 or Greater			
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	Sept., 2009	Completed
Alumni Tower Renovation	\$ 4,600,000		In Progress

Morehead State University

FALL 2009 FINAL ENROLLMENT

December 3, 2009

HEADCOUNT ENROLLMENT

Year	Headcount	% Change
2005	9,062	-2.5%
2006	9,025	-0.4%
2007	9,066	0.5%
2008	8,981	-0.9%
2009*	9,046	0.7%

*Note: Official data.

FULL-TIME EQUIVALENCY

Year	FTE	% Change
2005	6,662	-5.0%
2006	7,088	6.4%
2007	6,988	N/A**
2008	6,866	-1.7%
2009	6,800	-1.0%

**Beginning in Fall 2007, the Council on Postsecondary Education revised the formula used to calculate full-time equivalency therefore the rate change between 2006 and 2007 are not comparable figures. The new formula is as follows: Undergraduate - total student credit hours divided by 15; Graduate - total student credit hours divided by 12.

CREDIT HOUR PRODUCTION

Year	Total Credit Hours	% Change
2005	103,941	-5.0%
2006	102,938	-1.0%
2007	102,747	-0.2%
2008	100,143	-2.5%
2009	99,869	-0.3%

FIRST-TIME FRESHMEN***

Year	Headcount	% Change	Average ACT	% Change
2005	1,300	1.2%	20.4	3.6%
2006	1,306	0.5%	20.7	1.5%
2007	1,409	7.9%	20.9	1.0%
2008	1,338	-5.0%	21.5	2.9%
2009	1,260	-5.8%	21.4	-0.5%

***Admission criteria were changed starting in Fall 2008 to require an admissions index of 450. Prior to 2008, the admissions index was 400.

Office of Institutional Research and Assessment

Plan	2010 Rates	2010 University Contribution	2010 Employee Cost
POS			
Single	\$550	\$390	\$160
2-person	\$825	\$517	\$308
Family	\$1,100	\$612	\$488
2-Person-H/W*	\$825	\$780	\$45
Family-H/W*	\$1,100	\$780	\$310
CDHP			
Single	\$434	\$373	\$61
2-person	\$651	\$471	\$180
Family	\$868	\$593	\$275
2-Person-H/W*	\$651	\$746	\$0
Family-H/W*	\$868	\$746	\$122
HDHP			
Single	\$367	\$347	\$20
2-person	\$551	\$422	\$129
Family	\$734	\$536	\$198
2-Person-H/W*	\$551	\$694	\$0
Family-H/W*	\$734	\$694	\$40

* Both spouses are employed by MSU and receive two single employer contributions toward their health plan.

Our benefit strategy for 2010 reached beyond healthcare and included a comprehensive review of the employee life insurance program, the services offered by our third party administrator (TPA) for the Flexible Spending Account (FSA), and Health Reimbursement Account (HRA), and replacement of the Sick Leave Pool program with a Sick Leave Bank program.

The employee life insurance program had not been reviewed for many years. OHR established objectives for this program that set out to provide university provided term life that would provide a benefit adequate to cover burial costs and some modicum of short term income protection. Amounts available for supplemental term life and dependent term life coverage were also reviewed and we shopped the market through a RFP. The results were:

- University provided term life coverage increased from \$10,000 to \$50,000.
- Supplemental employee term life rates declined and the maximum amount of insurance available increased from \$200,000 to \$300,000.
- Dependent term life rates decreased and available coverage doubled.

Following input from an employee benefits survey, improvements were needed in the service provided by our The Third Party Administrator for our employee Flexible Spending Accounts and Health Reimbursement Accounts. An RFP was issued and American Administrators was selected to replace the current TPA. The change will take effect on January 1, 2010 and results in significant improvements in service to our employees and a reduction of cost to both our employees and the University.

Again, based on input from employees, the current Sick Leave Pool program will be replaced by the Sick Leave Bank program. This program is voluntary, expands income protection coverage for seriously ill employees for up to sixty additional days, and replaces the catastrophic illness definition with a better defined, physician certified, FMLA serious health condition definition. This program is a form of short term income protection that funds itself through the voluntary participation requirement from an annual sick leave day contribution.

**Board of Regents Meeting
Morehead State University
Riggle Room, Adron Doran University Center
9 a.m., Thursday, December 3, 2009**

Agenda

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **APPROVE MINUTES OF SEPTEMBER 30, 2009, AND NOVEMBER 19, 2009**
- IV. **APPROVE AMENDMENTS TO BOARD OF REGENTS' BYLAWS**
 - A. **Powers and Duties of Board of Regents**
 - B. **Powers and Duties of President**
- V. **SPOTLIGHT – *Retention* – Provost Karla Hughes**
- VI. **PRESIDENT'S RECOMMENDATIONS AND REPORTS**
 - A. **Recommendations**
 - 1. Approve Winter Graduates.....1
 - 2. Approve the Ed.D. Program Proposal..... 2-7
 - 3. Approve Faculty Tenure8
 - 4. Approve Administrator Tenure.....9
 - 5. Ratify Personnel Actions 10-14
 - 6. Accept 2008-09 Audit Report and Amend Operating Budget..... 15-19
 - 7. Accept First Quarter Financial Report and Amend
 Operating Budget..... 20-30
 - B. **Reports**
 - 1. Final Report on 2009 Fall Enrollment.....31
 - 2. Report on Health Insurance for Plan Year 2010..... 32-34
 - C. **President's Report on First Five Years**
- VII. **OTHER BUSINESS**
 - A. **Timeline for Evaluation of President**

B. BOR Meetings for Calendar Year 2010

Work Session	February 18
Quarterly Meeting	March 11
Work Session	May 20
Quarterly Meeting	June 10
Work Session	August 26
Quarterly Meeting	September 16
Work Session	November 18
Quarterly Meeting	December 9

C. Next Meetings

1. BOR Work Session, Thursday, February 18, 9 a.m.
2. BOR Quarterly Meeting, Thursday, March 11, 9 a.m.

D. Executive Session

VIII. ADJOURNMENT