

Morehead State University  
**Board of Regents Meeting**

Thursday, March 15, 2012  
9 a.m.

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Morehead State University  
**Board of Regents Members**

John C. Merchant, Chair

Paul C. Goodpaster, Vice Chair

James H. Booth

Julie A. Butcher

David V. Hawpe

Cheryl U. Lewis

Debbie H. Long

Glenn L. Means

Ronald D. Morrison

Patrick E. Price

Terry E. White

Wayne D. Andrews, President

**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY**  
Riggle Room, Adron Doran University Center  
9 a.m., Thursday, March 15, 2012

**Agenda**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. AD HOC NOMINATING COMMITTEE REPORT -- ELECT OFFICERS:  
CHAIR, VICE CHAIR, AND SECRETARY; APPOINT TREASURER**
- IV. APPROVE AWARDING OF HONORARY DOCTORAL DEGREE TO  
DAVID ADAIR**
- V. APPROVE NAMING OF SMITH-BOOTH HALL**
- VI. PRESIDENT'S RECOMMENDATIONS AND REPORTS**
  - A. Consent Agenda (Action)**
    - 1. Minutes of December 8, 2011, and February 17, 2012.....1-14
    - 2. Tenure with Promotion ..... 15
    - 3. Sabbatical Leaves ..... 16
    - 4. Administrator Tenure..... 17
    - 5. Personnel Actions..... 18-22
    - 6. Contracts for Banking Services..... 23
  - B. Recommendations (Action)**
    - 1. Second Quarter Financial Report and Amend  
Operating Budget..... 24-33
    - 2. Resolution Authorizing the Sale of Morehead State  
University General Receipts Obligations, 2012 Series A ..... 34-41
    - 3. Disposal of Real Property ..... 42-44
  - C. Reports**
    - 1. Preliminary Spring Enrollment Report..... 45
    - 2. Report on Personal Service Contracts ..... 46-47
  - D. President's Report**
- VII. OTHER BUSINESS**
  - A. Next Meetings**
    - 1. Audit Committee, Thursday, May 3, 2012, 8 a.m.
    - 2. Work Session, Thursday, May 3, 2012, 9 a.m.
    - 3. Spring Commencement Programs, May 12, 10 a.m. and 2 p.m.
    - 4. Quarterly Meeting, Thursday, June 7, 2012, 9 a.m.
  - B. Executive Session**
- VIII. ADJOURNMENT**

**HONORARY DOCTORAL DEGREE**

**March 15, 2012**

**Recommendation:**

That the Board of Regents approve the awarding of the honorary degree of Doctor of Science to C. David Adair at the Spring Commencement ceremony on Saturday, May 12, 2012.

**Background:**

Since 1973, the Board of Regents has awarded honorary doctoral degrees to outstanding individuals to recognize personal achievement and/or exemplary public service. The Ad Hoc Honorary Degree Advisory Committee screens nominations for such recognition and makes appropriate recommendations to the President. The committee is composed of active and retired faculty and staff members and a representative of the MSU Alumni Association, Inc.

Dr. C. David Adair, a nationally recognized physician and researcher, has been nominated by the committee to be awarded an honorary degree of Doctor of Science at the Spring Commencement on May 12, 2012.

A 1986 graduate of MSU, Dr. Adair is a leading researcher and innovative developer in the field of Obstetrics and Gynecology. He is serving as professor and vice chair of the Department of Obstetrics and Gynecology at The University of Tennessee College of Medicine and director of Women's Services at Erlanger Hospital. In addition to these positions, Dr. Adair is founder and chief science officer of Glenveigh Medical, a pharmaceutical company committed to OB/GYN issues, and co-founder and CEO of Regional Obstetrical Consultants.

The focus of both Dr. Adair's practice and research is high-risk pregnancies. He has been nationally recognized for his success in improving the care and outcome for mothers and babies in highly complicated pregnancies. Currently, his efforts relate to the treatment of preeclampsia and eclampsia.

Dr. Adair has continually been a strong supporter of MSU. He resides in Chattanooga with his wife Lisa and their three children.

## **NAMING OF SMITH-BOOTH HALL**

**BOR (V)**  
**March 15, 2012**

### **Recommendation:**

That the Board of Regents approve naming of the Space Science building as **Smith-Booth Hall**.

### **Background:**

The naming of facilities or components of the University requires a recommendation from the President and approval of the Board of Regents. Traditionally, naming of components or facilities is a permanent means of recognizing those who have provided outstanding support to the institution or given exemplary personal service over a sustained period.

Jim and Linda Booth and Elmer and the late Donna Smith have been ambassadors of higher learning and loyal supporters of Morehead State University since their days as students. Their support through service, dedication, and financial commitment has been unprecedented.

Both Mr. Smith and Mr. Booth are natives of Martin County. Their experiences at MSU gave them valuable knowledge that led them on to highly successful careers and community service. In recognition of their enduring support of Morehead State University and their communities, we are recommending that their names be placed on the current Space Science building to honor their commitment to our mission of educating students from East Kentucky and beyond.

Upon former President Ronald G. Eaglin's retirement in December 2004, the Board approved naming the academic component the Ronald G. Eaglin Space Science Center in the College of Science and Technology. Signage depicting "Home of the Ronald G. Eaglin Space Science Center" also will be affixed to the building.

The official unveiling of the signage for Smith-Booth Hall will be held during Homecoming on Saturday, October 27, when we culminate our 125<sup>th</sup> Anniversary Celebration.

**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY  
December 8, 2011**

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, December 8, 2011, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair John C. Merchant presided.

**CALL TO ORDER**

Chair Merchant called the meeting to order.

**ROLL CALL**

The following Board members were present: James H. Booth, Julie A. Butcher, Paul C. Goodpaster, David V. Hawpe, Debbie H. Long, Glenn A. Means, John C. Merchant, Ronald D. Morrison, Patrick E. Price, and Terry E. White. Cheryl Lewis was unable to attend.

**MEDIA**

Jason Blanton, Director of Media Relations, introduced Dan Conti from Morehead State Public Radio, who was present for the meeting.

**OVC VOLLEYBALL  
CHAMPIONSHIP**

Dr. Andrews reported that Morehead State University won the OVC Volleyball Championship this year and went on to the first round of the NCAA tournament and played the fifth team in the country, Purdue University. While MSU was unsuccessful, the team competed extremely well.

Coach Jaime Gordon introduced team members and assistant coaches. Coach Gordon noted that while the team members excel on the court, they are even more impressive in the classroom. The team has won the OVC academic achievement award the last four years. The team's average GPA this past year was 3.78.

Chair Merchant recognized Madonna Weathers, Vice President for Student Life, to read the Board's resolution of commendation as follows:

**WHEREAS**, the University's volleyball team under the direction of Head Coach Jaime Gordon won the Ohio Valley Conference regular season championship. The Eagles won the Ohio Valley Conference Tournament with 3-0 victory over UT Martin on November 19, 2011, at Wetherby Gym in Morehead, Kentucky.; and

**WHEREAS**, the team finished the season with a 26-8 overall record and a 19-1 Ohio Valley Conference record. The 19 league wins set the OVC and MSU single-season record for conference victories; and

**WHEREAS**, the team advanced to the program's first-ever NCAA Tournament where they battled fifth national seed Purdue University; and

**WHEREAS**, the volleyball team squad members include Aryn Bohannon, Caitlin Clark, Alex Fuelling, Annie Gruenschlaeger, Emma Keough, Laura McDermott, Mikayla Reese, Ellie Roberson, Lindsey Roth, Leslie Schellhaas and Liz Schuler; and

**WHEREAS**, Coach Gordon's staff includes Associate Head Coach Greg Goral, Assistant Coach Josh Chiero, Director of Operations Krysten Becker, Athletic Trainer Jessica Henderson and Manager Brianna Pollitte; and

**WHEREAS**, Caitlin Clark, Emma Keough and Ellie Roberson were named All-Ohio Valley Conference. Keough, Clark and Leslie Schellhaas were named to the OVC All-Tournament Team, and Keough was named tournament Most Valuable Player; and

**WHEREAS**, Caitlin Clark was named Honorable Mention All-Midwest Region by the American Volleyball Coaches Association. Clark earned six OVC Setter of the Week honors. Ellie Roberson earned four OVC Offensive Player of the Week awards, and Aryn Bohannon earned two OVC Offensive Player of the Week honors;

**THEREFORE**, be it resolved by the Board of Regents of Morehead State University that Head Coach Jaime Gordon and the members of the 2011 Eagle volleyball team be and hereby are commended for their exemplary achievement in winning the Ohio Valley Conference championships and advancing to the NCAA Tournament. Be it further resolved that the University expresses its sincere appreciation for their academic, athletic and personal standards.

Done this eighth day of December 2011.

ATTEST:

\_\_\_\_\_  
John C. Merchant, Chair

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

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

Ms. Weathers commented that it is easy to understand why this is a class act volleyball team. She said that Jaime is the standard by which she measures all of the coaches, and he has taught her so much about what it means to recruit quality athletes. He is a role model for all of our coaches and is well-respected by the staff and athletic community. MSU is very lucky to have him, and it is because of him and his character that the

**SPOTLIGHT –  
COMPREHENSIVE  
CAMPAIGN**

University is able to attract these outstanding young women to our program. They honor us, and we are proud of them.

Mr. Hawpe moved that the Board approve the Resolution of Commendation to the Eagle Volleyball Team. Dr. Morrison seconded the motion. The motion carried.

Chair Merchant congratulated the team members and the entire University on the team's success.

Dr. Andrews introduced the spotlight presentation on the University's Comprehensive Campaign.

Jim Shaw, Vice President for Advancement, thanked the Board for its support. He indicated that as the University moves into the public phase of the campaign, the University will need the Board's help in committing support and identifying potential donors.

Mindy Highley, Director of Development, updated the Board on the comprehensive campaign. Ms. Highley reported on fiscal year gift income totals as of the end of the first quarter. She addressed total gifts received, source and designation of gifts and alumni participation results, all of which were on track to reach goals at this point. In addition, she reported on the continued progress of the University's first comprehensive campaign, which is in the silent phase but will be announced to the public in the next year.

**CONSENT AGENDA**

Chair Merchant said that the next item is the consent agenda that includes the following:

- Approve Minutes of September 15, 2011 (IV-A-1)
- Approve Honorary Doctoral Degree for David Richardson (IV-A-2)
- Approve Winter Graduates (IV-A-3)
- Ratify Personnel Actions (IV-A-4)
- Accept 2010-11 Audit Report and Amend Operating Budget (IV-A-5)

Dr. Morrison asked if a faculty member who has been denied tenure has been granted all the rights of due process. In response, Dr. Andrews stated that absolutely the individual has been given every opportunity for due process.

Dr. Morrison moved that the Board approve all items in the Consent Agenda. Mr. Goodpaster seconded the motion. The motion carried.

**RECOMMENDATIONS*****Bachelor of Science in  
Biomedical Sciences***

The President recommended:

**RECOMMENDATION:** That the Board approve the proposal by the Department of Biology and Chemistry for the Bachelor of Science in Biomedical Sciences degree.

*(Additional background information attached to these minutes and marked IV-B-1)*

***Bachelor of Science in  
Veterinary Science***

**RECOMMENDATION:** That the Board approve the proposal by the Department of Agricultural Sciences for the Bachelor of Science in Veterinary Science (BS-VS) degree.

*(Additional background information attached to these minutes and marked IV-B-2)*

Dayna Seelig, Associate Vice President for Academic Affairs, said that the proposed degree programs for the Bachelor of Science in Biomedical Sciences and the Bachelor of Science in Veterinary Sciences provide an opportunity for MSU students to take more medically-related courses in their four-year curriculum thus better preparing them for entrance into a health professional school or college of veterinary medicine.

**MOTION:** Dr. Morrison moved that the Board approve both the Bachelor of Science in Biomedical Sciences and the Bachelor of Science in Veterinary Science. Ms. Butcher seconded the motion.

**VOTE:** The motion carried.

The President recommended:

***First Quarter Financial  
Statements***

**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, 2012, and amend the operating budget.

*(Additional background information and First Quarter Financial Statements attached to these minutes and marked IV-B-3)*

Michael Walters, Chief Financial Officer and Vice President for Administration, stated that the report includes the financial statements for the first three months of the fiscal year along with management's discussion and analysis and budget amendment information. Also, the Board is being asked to amend the operating budget for the first quarter of the fiscal year.

Kelly Owen, Director of Accounting and Financial Services, discussed the Statements of Revenue, Expenditures and Changes in Fund Balance. Ms. Owen noted that for the first quarter of the 2011-12 fiscal year, July 1, 2011, through September 30, 2011, the University operated with a surplus of revenues over expenditures and transfers in the



amount of \$20,099,802. This level of operating surplus is expected at this time since most the billings for the Fall 2011 semester are reflected in the tuition and fees revenue and only expenditures through September 30, 2011, are reflected. As the fiscal year proceeds, the variance between revenues and expenditures will continue to decrease and should reflect a more appropriate operating surplus or deficit.

Teresa Lindgren, Executive Director of Budgets and Financial Planning, discussed the Statement of Net Assets. Ms. Lindgren noted that capital assets increased approximately \$10 million from the previous year. This increase is primarily related to expenses incurred for residence hall renovations and for the Student Recreation Center during this period. Accumulated depreciation on buildings and equipment was \$136,632,676 at September 30, 2011, and \$128,012,921 at September 30, 2010. Ms. Lindgren also discussed unrestricted current funds budget amendments and budget amendments greater than \$200,000 for the three-month period.

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

VOTE: The motion carried.

The President recommended:

***Dispose of Real Property***

RECOMMENDATION: That the Board approve the Written Request to Dispose of Real Property and authorize the sale of a lot located at the intersection of Second Street and Tippet Avenue.

*(Additional background information and Order to Dispose of Real Property attached to these minutes and marked IV-B-4)*

Mr. Walters said that the University owns a small parcel of land located at the intersection of Second Street and Tippet Avenue. The land is used as parking and contains 12 parking spaces. The parking lot is not fully utilized and is surplus to the University's needs. In accordance with procedures outlined in the Kentucky Revised Statutes, an appraisal was obtained from an independent appraiser establishing the fair market value at \$23,000. The City of Morehead has requested that the University sell the property to the City for the purpose of making the land available for development.

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

VOTE: The motion carried.

**Dispose of Real Property**

The President recommended:

**RECOMMENDATION:** That the Board approve the Written Request to Dispose of Real Property and authorize the razing and removal of the clubhouse/pro shop building and residential rental house located at the site of the former Sunny Brook Golf Course.

*(Additional background information and Order to Dispose of Real Property attached to these minutes and marked IV-B-5)*

Mr. Walters stated that two buildings located at the site of the former Sunny Brook Golf course, a clubhouse/pro shop building and a residential rental house, have become surplus to the needs of the University. He said that renovation of the buildings is not economically feasible, and the best interest of the University would be served by razing the structures. In addition, the removal of the buildings is consistent with the University's planned development of Sunny Brook.

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

**VOTE:** The motion carried.

The President recommended:

**2012-2014 Executive  
Branch Budget Request**

**RECOMMENDATION:** That the Board ratify the University's 2012-2014 Executive Branch Budget Request.

*(Additional background information attached to these minutes and marked IV-B-6)*

Ms. Lindgren stated that on November 10, 2011, the Council on Postsecondary Education (CPE) approved a 2012-2014 Operating and Capital Budget recommendation for the public postsecondary education institutions to the Governor and General Assembly. In accordance with the CPE's recommendation, Morehead State University was required to submit a biennial budget request for 2012-2014 by November 15, 2011, to the Governor's Office for Policy and Management, the Legislative Research Commission, and the CPE. She indicated that the state appropriation budget request for the 2012-2013 fiscal year is \$48,181,500 and for the 2013-2014 fiscal year is \$49,299,700, which is an approximate increase of 8.7 percent in the first year of the biennium and 2.4 percent in the second year.

Ms. Lindgren also noted that the CPE's capital recommendation for 2012-2014 provides a new capital investment strategy for public postsecondary education. The new approach promotes a multi-biennial capital investment strategy that aligns with the six-year capital planning process and is grounded in the results from the comprehensive facilities study conducted in 2007 and recommended by the Kentucky General

Assembly's Capital Planning Advisory Board in the 2012-2018 Statewide Capital Improvements Plan (November 2011). The three components of the CPE's capital request include state bond-funded capital investments for asset preservation and renovation, new and expanded E&G and research space, and information technology initiatives.

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

VOTE: The motion carried.

The President recommended:

RECOMMENDATION: That the Board approve a non-recurring, mid-year salary supplement in the amount of \$750 for each full-time faculty and staff member employed prior to July 1, 2011, in an authorized position funded in the University's unrestricted operating budget and serving in a non-probationary performance status.

Mr. Walters stated that because of ongoing fiscal challenges, the University has been unable to provide consistent pay increases to faculty and staff. Prior to the current fiscal year, salaries and wages have not been increased for two years. In December 2010, the Board approved a mid-year salary supplement of \$750 for employees who met certain criteria. In the 2011-12 fiscal year, a 2 percent salary pool was available for faculty and staff pay increases.

Mr. Walters noted that during the past year, employees have worked both individually and collectively to achieve the strategic goals of the University, including boosting headcount enrollment, increasing the student retention rate, and implementing changes to achieve greater efficiency and effectiveness in operations. As a result, he said that it is important that the work of the faculty and staff be acknowledged in terms of positive performance feedback and also in terms of pay for those individuals.

The Chair recognized Kim Sharp, chair of the Faculty Senate, who commented that the faculty appreciates anything the University can do as a gesture that we are greatly appreciated. Dr. Sharp also said that the Faculty Senate is working hard with regard to compensation and the task force appointed by President Andrews to study the issue.

Rebecca McGinnis, chair of Staff Congress, agreed that everything is appreciated by the staff and anything that recognizes and thanks the staff for their service is greatly appreciated.

Chair Merchant said that while these are tough economic times, he believes it is important to recognize faculty and staff in any way we can, and he congratulated the administration for making it a priority.

MOTION: Ms. Butcher moved that the Board approve the President's recommendation. Ms. Long seconded the motion.

VOTE: The motion carried with Dr. Morrison and Mr. White abstaining.

Following a five-minute break, the Board reconvened at 11 a.m.

## REPORTS

### *Fall 2011 Enrollment Report*

Dr. Andrews reported on the Fall 2011 enrollment and commended Jeffrey Liles, Assistant Vice President for Enrollment Services, and his team for their good work in increasing enrollment for the 2011 Fall Semester. He also attributed the increase to the University's marketing plan. (*Enrollment Report attached to these minutes and marked IV-C-1*)

Dr. Andrews noted that a significant number of the enrollment growth in the freshman numbers relates to the Early College Program. These are students who are in high school being taught primarily with adjunct high school faculty using University curriculum and assessment materials. This program aligns with Senate Bill 1 (09) to encourage students to enter postsecondary education in most cases at no cost to them and, secondly, as a marketing pathway for those students to attend Morehead State University following graduation from high school.

Mr. Liles noted that there was a 7 percent increase from the preliminary report in September to the final report in November. He also noted that Open House numbers, Meet Morehead State University Nights, and applications are up. The University's target number for first time freshmen is 1,600.

In response to a question by Mr. Goodpaster on what percentage of the 24.1 percent would be the Early College Program, Mr. Liles said that it would be approximately 2,300. Dr. Andrews noted that the average ACT of the entering class is 21.8.

### *Report on Health Insurance for Plan Year 2012*

Phil Gniot, Director of Human Resources, reported on health insurance and benefits for plan year 2012. He discussed the primary objectives of the plan that include:

- Continuing to maintain high-quality, market-competitive and affordable health care coverage;
- Continuing the passive health incentives, health education programs, health diagnostic programs, and active wellness incentive programs;
- Leaving existing health plans and structure the same;
- Continuing to integrate Anthem's focus on chronic disease and prevention; and
- Continuing to incorporate employee data and suggestions into the plan design and philosophy.

Also, Mr. Gniot said that the University will continue to manage the targeted rebalance of the total portion of the premium that the University contributes. The objective is to

return that balance to a 75/25 percent allocation where the University contributes 75 percent of the total annual premium. For 2011, the University was at 78/22 percent and will move to a 77/23 percent ratio in 2012. In addition, dental plans and employee life insurance rates will remain the same in 2012. *(Report on Health Insurance and Benefits for Plan Year 2012 attached to these minutes and marked IV-C-2)*

**PRESIDENT'S REPORT**

Dr. Andrews reported on the following:

***SACS Reaffirmation of Accreditation***

- The Southern Association of Colleges and Schools (SACS) at its annual meeting this past week announced Morehead State University's reaffirmation of accreditation. *(Board members applauded)*

***Endorsement in English as Second Language***

- Classes leading to English as a Second Language endorsement, which is designed to prepare teachers to provide appropriate instruction to and address the cultural and linguistic needs of the increasingly diverse students in Kentucky's P-12 classrooms, will be offered totally online in 2012.

***Guaranteed Energy Savings Performance Contract***

- The University has entered into a Guaranteed Energy Savings Performance Contract that will be submitted to the state in January for approval. Earlier, the University selected Siemens Industry, Inc. to proceed with the planning and development of an energy savings performance contract to reduce energy use through equipment upgrades and enhanced systems for controlling the use of electricity, natural gas, coal, and other energy resources. Siemens has projected a cost avoidance of approximately 23 percent of the University's \$3.5 million annual utility budget by implementing the energy efficiency program. This savings is guaranteed through Siemens.

***Technology Master Plan***

- A consultant has been selected to assist in the development of an information technology master plan for the University. That work will commence in January and conclude in the summer.

***Renovation of East Mignon***

- The renovation of East Mignon residence hall is under way. The \$5 million renovation will be completed in the summer of 2012, and the hall will be back in service for the fall 2012 semester.

***Renovation of Rowan County Public Library Building***

- The renovation of the former Rowan County Public Library building is well under way. The \$2 million construction project will house the Kentucky Center for Traditional Music program upon its completion next spring.

***Safest Campus Ranking***

- Morehead State University is ranked as the safest campus in Kentucky for the second straight year by [StateUniversity.com](http://StateUniversity.com), a leading website for college information. The MSUPD also has received a \$5,000 grant to help address underage drinking issues. The MSUPD radio room received a score of 99 on a recent National Crime Information Center audit, one of the highest scores of all police agencies in the state.

***Recreation and Wellness Center***

- Since MSU opened the Recreation and Wellness Center, there have been more than 55,000 user visits to the facility through November 30, 2011, with more than 4,000 group fitness participants and more than 1,000 students participating in intramurals. MSU staff is fully trained on the outdoor adventure course and

**Bachelor Degree in  
Traditional Music**

that program will be incorporated in the programming of the facility.

- The Council on Postsecondary Education approved MSU's proposed bachelor's degree in Traditional Music.

**EXECUTIVE SESSION**

Chair Merchant stated that the Board will now retire into Executive Session pursuant to KRS 61.810(1) (c) to discuss matters relating to pending litigation. The Board will take no action while in Executive Session. He opened the floor for a motion to go into Executive Session at 11:23 a.m. Ms. Butcher moved that the Board go into Executive Session. Mr. Price seconded the motion. The motion carried.

Chair Merchant said that the Board will now retire to Executive Session.

**OPEN SESSION**

At 11:40 a.m., Chair Merchant asked for a motion for the Board to return to Open Session. Ms. Butcher moved that the Board return to Open Session. Mr. Hawpe seconded the motion. The motion carried.

Chair Merchant stated that the Board has now returned from Executive Session and is again in Open Session. No action was taken during the Executive Session.

**BOR MEETING DATES  
FOR 2012**

Chair Merchant announced the Board of Regents' meeting dates for calendar year 2012 as follows:

Work Session	February 16
Quarterly Meeting	March 15
Work Session	May 3
Quarterly Meeting	June 7
Work Session	August 23
Quarterly Meeting	September 20
Work Session	November 15
Quarterly Meeting	December 6

**ADJOURNMENT**

There being no further business to conduct, Dr. Morrison moved that the meeting adjourn at 11:42 a.m. Ms. Butcher seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary  
Board of Regents

**SPECIAL MEETING  
BOARD OF REGENTS  
MOREHEAD STATE UNIVERSITY  
February 17, 2012**

The Board of Regents of Morehead State University met in special session at 9 a.m. on Thursday, February 17, 2012, for the purpose of approving a Resolution. Chair John C. Merchant presided.

Chair Merchant called the meeting to order.

**ROLL CALL**

On roll call, the following members were present: James H. Booth, Julie A. Butcher, Paul C. Goodpaster, Debbie H. Long, Glenn L. Means, John C. Merchant, Ronald D. Morrison, Patrick E. Price, and Terry E. White. David V. Hawpe and Cheryl U. Lewis were unable to attend.

**GUESTS**

Dr. Andrews recognized the following guests who were in attendance: Morehead Mayor David Perkins, Rowan County Judge-Executive Jim Nickell, Faculty Senate Chair Kim Sharp, Faculty Senate Chair-elect Doug Chatham, and Staff Congress Chair Rebecca McGinnis.

**RESOLUTION**

Chair Merchant stated that the purpose of today's special meeting is to consider a Resolution. As you will recall, the Board had a thorough discussion at our retreat last week about the University's strategic agenda that included House Bill 260 and the possibility of adding a ninth university to the Commonwealth's system of higher education. As Board members, we expressed opinions that it makes no sense to have duplicative programs and services that Morehead State University has provided for more than five generations to the citizens of Eastern and Southern Kentucky. Board members also expressed concerns about the potential of adding a ninth public university at a time when the state can't afford to support the eight universities currently in the system. Since 2007-08, the higher education general fund appropriation has been cut by \$100 million, and the Governor's proposed budget would reduce it by an additional \$64 million. A 6.4 percent reduction in state appropriations as proposed in the Governor's budget would bring the total reductions that MSU has incurred since 2007-08 to \$7.2 million. These budget reductions do not include fixed and unavoidable cost increases for insurances, utilities, retirement contributions, and statutorily mandated tuition and fee waivers in excess of \$7 million, plus \$2.9 million in unfunded maintenance and operating expenses. The cumulative impact is \$17 million.

Chair Merchant said that based on Board members' comments and suggestions at the Board retreat, he asked the Board's Vice Chair, Paul Goodpaster, to read the proposed Resolution for the Board's consideration.

Mr. Goodpaster read and offered the motion that the following Resolution be adopted by the Board of Regents:

## RESOLUTION

**WHEREAS**, the Board of Regents of Morehead State University recognizes and respects the constitutional and statutory duties and responsibilities of the Kentucky General Assembly in developing public policy for the Commonwealth and in funding state government, including public postsecondary education; and

**WHEREAS**, the Board of Regents acknowledges that its statutory authority is delegated by the General Assembly and that the citizen members of the Board are appointed by the governor of the Commonwealth and are responsible for the governance of the institution; and

**WHEREAS**, the relationship between institutional governing boards and state government is a delicate balance between public policy considerations and academic self-governance; and

**WHEREAS**, the institutional autonomy of Kentucky's public universities is an important factor in gaining and maintaining accreditation and in winning broad public support and achieving national prestige in teaching, public service and research; and

**WHEREAS**, the ability of the Board of Regents of Morehead State University to effectively govern the institution has been imperiled by repeated reductions in the level of state financial support of public postsecondary education; and

**WHEREAS**, this erosion of effort has been further exacerbated by the proposed creation of a ninth public university at a time when the Commonwealth cannot adequately support its eight existing universities and the Kentucky Community and Technical College system; and

**WHEREAS**, the establishment of an additional public university has not been an outcome of the strategic planning processes of the Council on Postsecondary Education thereby damaging the credibility of the reform movement which the General Assembly enacted as public policy in 1997;

**THEREFORE**, be it resolved by the Board of Regents of Morehead State University that the members of the Kentucky General Assembly are respectfully and urgently requested to reject House Bill 260 in the 2012 regular session, as well as budget bill language with similar intent, as a means of protecting the dwindling state resources available to public postsecondary education.

Adopted this seventeenth day of February 2012.



Dr. Morrison seconded the motion. The motion carried.

The Resolution was signed by all nine members present – Chair John C. Merchant, Vice Chair Paul C. Goodpaster, James H. Booth, Julie A. Butcher, Debbie H. Long, Glenn L. Means, Ronald D. Morrison, Patrick E. Price, and Terry E. White.

Ms. Butcher said that this has been a well thought out resolution. “We have all searched our souls and looked at what the resources are and what the impact is upon this institution for which we have a fiduciary duty, as well as the people of the Commonwealth and the education of the Commonwealth, and this is so ill advised by the General Assembly to pursue this course at this time. I think the net effect would be the diminution of the education for the Commonwealth and Eastern Kentucky.”

Mr. Means said that the Student Government Association this past week also passed a resolution. The students understand that adding another institution to the Commonwealth is a duplication of services, and they are in full support of this resolution as well.

Dr. Morrison said that the Faculty Senate met yesterday and passed a similar resolution. He said that his sense was that the group as a whole is strongly in favor of the resolution and strongly opposed to the idea of adding a ninth university.

Judge Nickell said that the Fiscal Court also has passed a resolution and sent it to the Governor as well as several house members. He said that this is kind of a two-edged sword for Rowan County since it not only hurts Morehead State University, but Rowan County as well. Down the road, we are going to lose jobs and tax revenues. It is going to affect us in a very grave way. In addition, although we are not a coal producing county, we have shared in those revenues by building an industrial park with Menifee and Morgan counties who are coal producing counties. We have received several million dollars to help that grow and produce about 900 jobs. If this proposal is successful, those dollars will no longer be available to counties to build these types of projects. He said that he had talked with his counterparts across Eastern Kentucky, and many of these counties will be adopting similar resolutions.

Mayor Perkins said that the City Council also adopted a similar resolution. He said that we are concerned about the local economy and all counties that surround us who have people working here at Morehead State University.

Mr. White said that the Staff Congress also passed a resolution at a special called meeting on Thursday.

Dr. Andrews expressed his deep appreciation to the Board members for their careful and thoughtful review of HB 260. He said that this issue is not just about Morehead

State University. It's about how we serve children and families in the region. "I know that you, as well as I, are deeply committed to that historic mission. For five generations, we have served these counties. We will continue to do that because our goal is to provide access at an affordable rate for every child capable of going on to college."

Dr. Andrews reported that Morehead State University graduate **Kenneth Faried** was named winner of the Herald-Leader's 2011 Kentucky Sportsman of the Year award. Kenneth ended his stellar MSU career being named OVC Defensive Player of the Year for the third straight time, OVC Player of the Year for the second consecutive season, and OVC Male Athlete of the Year, and was selected by the Denver Nuggets in the first round of the 2011 NBA Draft.

The competition included **John Calipari**, head coach of the Kentucky Wildcats basketball program; **Scott Davenport**, head coach of the Bellarmine men's basketball program; **Josh Harrellson**, UK player who was selected in the second round of the 2011 NBA Draft by the New York Knicks; **Bob Beatty**, head coach of the Trinity High School Shamrocks football team, who was named National Coach of the Year by *USA Today*; **Victoria Dunlap**, 2010 UK women's basketball star, who was selected in the first round of the WNBA Draft by the Washington Mystics; **Kelly Wells**, head coach of the Pikeville men's basketball program, who as coach of the Mason County High School basketball team won a state championship and led Pikeville to the NAIA Division I national crown last year; **Shelvin Mack**, former Lexington Bryan Station star, who played on the Butler team in two NCAA Tournament finals and was selected in the second round of the NBA Draft by the Washington Wizards; **Randall Cobb**, former UK football star who was selected in the second round of the 2011 NFL Draft by Green Bay; **Danny Trevathan**, 2011 UK football standout who led the SEC in tackles and the nation's linebackers in fumbles forced and was second nationally among linebackers in interceptions. He was named All-American by *Sports Illustrated*.

#### ADJOURNMENT

There being no further business to conduct, Mr. Goodpaster moved that the meeting adjourn at 9:22 a.m. Ms. Butcher seconded the motion. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary  
Board of Regents

## **TENURE WITH PROMOTION, 2012**

**BOR (VI-A-2)  
March 15, 2012**

### **Recommendation:**

That the Board of Regents 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 2012-2013 year:

Mr. Paul Denayer, assistant professor of theatre  
Dr. Thomas Pannuti, assistant professor of space science  
Dr. Gina Blunt, assistant professor of health, wellness & human performance  
Dr. Wilson Gonzalez-Espada, assistant professor of physics & science education  
Dr. Christine Perry, assistant professor of mathematics  
Dr. Sherif Rashad, assistant professor of computer science  
Dr. J. T. Blackledge, assistant professor of psychology  
Ms. Amy Brown, assistant professor of nursing  
Ms. Teresa Ferguson James, assistant professor of nursing  
Ms. Vanessa Sammons, assistant professor of nursing  
Dr. Elizabeth McLaren, assistant professor of education  
Dr. April Miller, professor of education

### **Background:**

Assistant professors who successfully gain tenure are automatically promoted to the rank of associate professor without further review by the University Promotion Committee. Faculty members are responsible for developing their own tenure portfolios for submission to their peers and administrative supervisors for analysis and review during the first semester of the last year of their probationary period. These portfolios are reviewed by departmental committees, as well as by the candidate's department chair and college dean. The University Tenure Committee receives and reviews the recommendations from these peer groups and administrators and forwards its recommendations to the Provost. The President, based upon recommendations from the Provost, submits his recommendations to the Board of Regents.

## **SABBATICAL LEAVES, 2012-2013**

**BOR (VI-A-3)  
March 15, 2012**

### **Recommendation:**

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

Mr. George Eklund, associate professor of English - Spring 2013  
Mr. Jeffrey Hill, associate professor of mass communications - Fall 2012  
Dr. Allen Risk, professor of biology - Spring 2013  
Dr. Eric Swank, associate professor social work - Spring 2013  
Dr. Scott Davison, professor of philosophy - Spring 2013  
Dr. John Secor, associate professor of romance languages - Spring 2013

### **Background:**

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

**TENURE, ACADEMIC ADMINISTRATOR**

**BOR (VI-A-4)  
March 15, 2012**

**Recommendation:**

That the Board of Regents approve the granting of tenure and the rank of Professor of Animal Science to Dr. Michael Henson, Associate Vice President for Research and Dean of the Graduate School.

**Background:**

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The search committee, the department of Agricultural Sciences faculty and the University Tenure Committee recommended that Dr. Henson be employed with tenure and the rank of professor. The Provost and the President support these recommendations.

## **RATIFY PERSONNEL ACTIONS**

**BOR (VI-A-5)  
March 15, 2012**

### **Recommendation:**

That the Board ratify the Personnel Actions for the period November 16, 2011, through February 21, 2012.

### **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  
ROSTER POSITIONS SUMMARY  
02/21/12**

	<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 Advancement	48.00	48.00	0.00	46.00	95.83
Division of Planning and Budgets	5.00	1.00	-4.00	0.00	0.00
Division of Administration and Fiscal Services	110.73	114.73	4.00	108.73	94.77
Facilities Management	153.70	153.70	0.00	140.00	91.09
Division of Student Life	122.15	124.23	2.08	117.23	94.37
Division of Academic Affairs	36.00	36.00	0.00	32.50	90.28
16     Caudill College of Arts, Humanities & Social Sciences	150.25	150.25	0.00	145.25	96.67
College of Business and Public Affairs	64.00	64.00	0.00	58.50	91.41
College of Education	91.50	91.50	0.00	86.50	94.54
College of Science and Technology	172.00	175.00	3.00	166.50	95.14
Academic Programs and University Outreach	90.85	90.85	0.00	85.85	94.50
Camden-Carroll Library	37.00	37.00	0.00	33.00	89.19
	<u>1085.68</u>	<u>1090.76</u>	<u>5.08</u>	<u>1024.56</u>	<u>93.93</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**  
11/16/11 - 2/21/12

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
<b>Hires</b>								
Agricultural Sciences-Vet. Tech.	Chappell, Duane	01/09/12		Asst. Prof. of Veterinary Technology	9	\$52,500.00	Full-Time Standing	New
Research & Sponsored Programs	Henson, Michael	07/01/12		Assoc. VP for Research & Dean of Graduate School	12	\$132,000.00	Full-Time Standing	New
Middle Grades & Secondary Education	Swain, Treasia	01/11/12	05/12/12	Instructor of Education	9	\$32,000.00	Full-Time Fixed	New
Sociology, Social Work & Criminology	Whitley, Angela	01/02/12	06/30/12	Instructor of Social Work/Facilitator	12	\$45,500.00	Full-Time Fixed	New
Athletics-Football	Ballard, D. Matt	01/01/12	12/31/12	Head Football Coach	12	\$103,020.00	Full-Time Fixed	Renewal
Athletics-Football	Duffy, Thomas	01/01/12	12/31/12	Assistant Football Coach	12	\$46,188.00	Full-Time Fixed	Renewal
Athletics-Football	Garner, Christopher	01/01/12	12/31/12	Assistant Football Coach	12	\$44,229.00	Full-Time Fixed	Renewal
Athletics-Football	Gilliam, John	01/01/12	12/31/12	Assistant Head Football Coach	12	\$59,490.00	Full-Time Fixed	Renewal
Athletics-Football	Humphries, Paul	01/01/12	12/31/12	Assistant Football Coach	12	\$44,229.00	Full-Time Fixed	Renewal
Athletics-Football	Tenyer, Robert	01/01/12	12/31/12	Assistant Football Coach	12	\$52,020.00	Full-Time Fixed	Renewal
Athletics-Women's Soccer	Groves, Jeremy	01/01/12	12/31/12	Assistant Soccer Coach	12	\$28,600.00	Full-Time Fixed	Renewal
Athletics-Women's Soccer	Lipka, Warren	01/01/12	12/31/12	Head Women's Soccer Coach	12	\$52,020.00	Full-Time Fixed	Renewal
Athletics-Women's Volleyball	Goral, Gregory	01/01/12	12/31/12	Associate Head Volleyball Coach	12	\$41,000.00	Full-Time Fixed	Renewal/Salary Adjustment
Athletics-Women's Volleyball	Gordon, James	01/01/12	12/31/12	Head Volleyball Coach	12	\$66,000.00	Full-Time Fixed	Renewal/Salary Adjustment
<b>Leave Of Absence</b>								
Carl Perkins Vocational Center	Caudill, Angela	11/26/11	12/09/11	Staff Psychologist	12	\$35,608.00	Without Pay	Medical
School of Public Affairs	Hall, Michael	01/09/12	06/30/12	Assistant Dean/Director MPA Prog. & Assoc. Prof. Govn.	12	\$100,991.00	With Pay	Sabbatical
Dean, College of Education	Williams, Kristie	02/06/12	02/10/12	Assessment Administrator	12	\$34,924.00	Without Pay	Suspension
Development	Giles, Darold	12/09/11	12/14/11	Major Gift Officer	12	\$49,878.00	Without Pay	Suspension
Facilities Mngt.-Power Plant	Dickens, Matthew	12/24/11	01/01/12	Heating and Water Plant Operator Trainee	12	\$9.82	Without Pay	Suspension
University Police	Jones, Shawn	01/30/12	02/29/12	Police Officer	12	\$15.38	With Pay	Suspension
<b>Promotions</b>								
Budgets & Financial Planning	Lindgren, Teresa	10/01/11		Executive Director of Budgets & Financial Planning	12	\$98,372.00		Promotion/Title Change
School of Public Affairs	Lange, Stephen	01/01/12		Associate Dean & Assoc. Prof. of Government	12	\$93,915.00		Promotion/Title Change
<b>Terminations</b>								
Carl Perkins Vocational Center	Horne, Sheila	01/31/12		Cook/Food Services Worker	12	\$8.50		Discharge
Development	Giles, Darold	12/15/11		Major Gift Officer	12	\$49,878.00		Discharge
Facilities Mngt.-Power Plant	Dickens, Matthew	01/02/12		Heating & Water Plant Operator Trainee	12	\$9.82		Discharge
COPC-YouthBuild	Griggs, Kelly	11/30/11		YouthBuild Educational & Counseling Assistant	12	\$35,454.00		Layoff
Facilities Mngt.-Building Services	Negron, Javier	12/05/11		Building Services Technician	12	\$8.34		Probationary Release
Agricultural Sciences	Miculich, Rebecca	05/12/12		Asst. Prof. of Animal Science	9	\$53,040.00		Resignation
History, Phil., Religion & Legal Studies	N'diaye, Ibrahim	12/18/11		Instructor of History	9	\$41,820.00		Resignation
Institutional Research & Assessment	Millard, Timothy	02/10/12		Director of Institutional Research & Assessment	12	\$61,600.00		Resignation
Middle Grades & Secondary Education	Chaney, Karen	12/16/11		Instructor of Education	9	\$35,422.00		Resignation
Adult Education Academy	Spencer-Ackerman, Connie	01/31/12		Director of Adult Education Academy	12	\$72,772.00		Retirement
Facilities Mngt.-Building Maintenance	Yaman, Keith	03/31/12		Maintenance Technician II	12	\$15.54		Retirement
<b>Other</b>								
English	Masche, Deanna	01/01/12	05/12/12	Instructor of English	9	\$36,412.00		Advanced Degree Increase
Foundational & Graduate Studies Ed.	Christian, Carol	01/01/12		Assistant Professor/Director of P-16 Program	11	\$59,800.00		Advanced Degree Increase
MSU @ Ashland	Preston, Nancy	01/01/12		Director of MSU @ Ashland	12	\$70,074.00		Advanced Degree Increase
Athletics-Men's Basketball	Dowling, Jareem	11/12/11	03/31/12	Assistant Basketball Coach	12	\$66,300.00		Probation Completed/Annual Increase
VP, Student Life	Weathers, Madonna	01/01/12		Vice President for Student Life	12	\$139,552.00		Salary Adjustment
International & Interdisciplinary Studies	Berglee, Royal	01/09/12		Assoc. Prof. of Geography & Intern. & Interd. Studies	9	\$57,237.00		Title Change
International & Interdisciplinary Studies	Craig, Verdie	01/09/12		Assoc. Prof. of Geography & Intern. & Interd. Studies	9	\$51,272.00		Title Change
International & Interdisciplinary Studies	Holcomb, Jason	01/09/12		Assoc. Prof. of Geography & Intern. & Interd. Studies	9	\$53,580.00		Title Change
International & Interdisciplinary Studies	O'Dell, Gary	01/09/12		Assoc. Prof. of Geography & Intern. & Interd. Studies	9	\$52,305.00		Title Change
<b>Total Number of PARs = 42</b>								

**SUPPLEMENTAL ACTIONS**  
**11/16/11 - 2/21/12**

Name	Title	Department/Office	Effective Date	Ending Date	Salary	Description
Abell, Ritta	Asst. Prof. of Speech	Communication, Media & Leadership Studies	01/17/12	05/12/12	\$2,500.00	Black Gospel Ensemble Advisor
Ballard, D. Matt	Head Football Coach	Athletics-Football	11/30/11	11/30/11	\$3,612.00	Eagle Sports Network
Ballard, D. Matt	Head Football Coach	Athletics-Football	01/15/12	01/15/12	\$4,000.00	Vehicle Allowance
Giles, Jennifer	Assistant Softball Coach	Athletics-Women's Softball	02/15/12	02/15/12	\$328.00	Pitching Clinic
Goral, Gregory	Associate Head Volleyball Coach	Athletics-Women's Volleyball	02/29/12	02/29/12	\$612.00	OVC Championship
Gordon, James	Head Women's Volleyball Coach	Athletics-Women's Volleyball	02/29/12	02/29/12	\$4,104.00	OVC Championship
Hall, Michael	Asst. Dean/Director of MPA	School of Public Affairs	07/01/11	12/31/11	\$5,495.00	Interim Associate Dean
Hutchinson, Brian	Director of Athletics	Athletics	12/15/11	12/15/11	\$2,000.00	OVC Tournament
Neal, Jason	Assistant Baseball Coach	Athletics-Baseball	11/20/11	11/20/11	\$157.00	Fall Baseball Showcase Clinic
Stafford, Judith	Assoc. Prof. of Social Work	Sociology, Social Work & Criminology	08/22/11	06/14/12	\$7,150.00	Coordinator of SWK Program
Williams, David	Head Women's Softball Coach	Athletics-Women's Softball	02/15/12	02/15/12	\$164.00	Pitching Clinic
Willis, Wayne	Interim Department Chair	Dean, College of Education	08/15/11	06/30/12	\$2,400.00	Director, Adv. Placement Summer Institute
<b>TOTAL NUMBER OF SUPPLEMENTALS = 12</b>						

## **APPROVE CONTRACTS FOR BANKING SERVICES**

**BOR (VI-A-6)  
March 15, 2012**

### **Recommendation:**

That the Board designate U. S. Bank of Morehead as the depository for all funds collected at the main campus location and designate Citizens National Bank in Ashland, Citizens National Bank in Prestonsburg, Commercial Bank in West Liberty and Traditional Bank in Mt. Sterling to serve as depositories for funds collected at those respective regional campus centers.

### **Background:**

The University is required by KRS Chapters 41 and 164A to designate depository banks for all funds collected. The method for selecting the banks is set forth in the Kentucky Model Procurement Code, KRS Chapter 45A.

Using the guidelines for competitive bidding of contracts in KRS Chapter 45A, proposals for banking services were requested from the four banks having a presence in Morehead. Those banks are The Citizens Bank, Kentucky Bank, U. S. Bank and Whitaker Bank. A pre-proposal meeting was held on February 7, 2012 to discuss the terms of the proposal, the banking requirements of the University and to answer any questions about the contract or the proposal process. Proposals were opened on February 24, 2012. Based on the published evaluation criteria, U. S. Bank submitted the best response for banking services.

Proposals were also solicited from banks in Ashland, Prestonsburg, West Liberty, and Mt. Sterling for banking services for the regional campus centers. Each bank in those cities was sent a written proposal request. Based on the proposals submitted, contracts are recommended for Citizens National Bank for Ashland and Prestonsburg, Traditional Bank for Mt. Sterling, and Commercial Bank in West Liberty.

All contracts will be effective from July 1, 2012 to June 30, 2013 with options to renew the contracts for four additional one-year periods.

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

**BOR (VI-B-1)  
March 15, 2012**

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**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, 2012, and amend the operating budget.

**Background:**

The University has a statutory requirement to furnish quarterly financial reports to the Board of Regents. Financial statements have been prepared as of December 31, 2011, the second quarter of the fiscal year ending June 30, 2012. The statements, along with management's discussion and analysis and budget amendment information are attached.

**MOREHEAD STATE UNIVERSITY**  
**Management's Discussion and Analysis**  
**Second Quarter Financial Statements**  
**December 31, 2011**

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the six months that ended on December 31, 2011. The statements and this discussion and analysis have been prepared by Accounting and Financial Services 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 second quarter of the 2011-2012 fiscal year. During the period July 1, 2011 through December 31, 2011 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$31,958,367. This level of operating surplus is expected at this time, since most of the billings for the Spring 2012 semester are reflected in the tuition and fees revenue and only expenditures through December 31, 2011 are reflected. As the fiscal year proceeds, 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 six months are summarized as follows:**

- ▶ Total revenues increased \$5.5 million over last year to \$100.1 million. Tuition & fees increased \$3.9 million, primarily due to a 7% increase in student tuition and fees and an increase in enrollment. Housing revenue increased approximately \$1.6 million, primarily due to a 9% increase in housing rates and an increase in enrollment.
- ▶ The percent of actual total revenue to budget was 72.69% at December 31, 2011 and 70.02% at December 31, 2010. This percentage would be expected at this time, since most of the billings for the Spring 2012 semester are reflected in revenue.
- ▶ Total Expenses increased \$5.2 million over last year to \$68.1 million. \$2.5 million of this increase relates to scholarship expenses that were required to be reported as restricted federal funds in the prior year. These scholarship expenses are recorded as unrestricted scholarship expenses in the current year and are reflected as academic affairs expenses. Capital project expenditures related to the student recreation center account for the majority of the increase of student life expenditures. Increases in debt service expenditures account for the majority of the increase in other educational and general and housing auxiliary enterprises expenditures.
- ▶ Net change in fund balance increased \$282 thousand to \$31.9 million as compared to \$31.6 million at December 31, 2010. This is the direct result of the net effect of the increase in revenues and the increase in expenditures.

**Morehead State University**  
**Unrestricted Current Funds**  
**Statements of Revenues, Expenditures & Changes in Fund Balance**  
**For the Six Months Ended December 31, 2011 and 2010**

	2011-2012			2010-2011		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
<b>REVENUES</b>						
<b>Educational and General</b>						
Tuition and Fees	\$64,022,604	\$58,923,017	92.03%	\$58,830,336	\$54,926,952	93.37%
Govt Appropriations	43,486,600	24,246,060	55.76%	45,698,100	24,189,307	52.93%
Indirect Cost Reimbursement	597,000	331,805	55.58%	365,000	413,811	113.37%
Sales & Services Ed Activities	1,680,144	1,311,809	78.08%	2,162,826	1,255,443	58.05%
Other Sources	3,014,742	2,208,977	73.27%	2,398,862	2,611,997	108.88%
Budgeted Fund Balance-E&G	9,518,075	0	0.00%	10,890,819	0	0.00%
<b>Total Educational and General</b>	<b>\$122,319,165</b>	<b>\$87,021,668</b>	<b>71.14%</b>	<b>\$120,345,943</b>	<b>\$83,397,510</b>	<b>69.30%</b>
<b>Auxiliary Enterprises</b>						
Housing	\$9,267,300	\$9,713,337	104.81%	\$8,601,300	\$8,153,040	94.79%
University Store	3,986,680	2,460,045	61.71%	3,979,919	2,350,327	59.05%
Food Services	795,250	396,414	49.85%	780,000	389,937	49.99%
Other	1,309,968	486,942	37.17%	1,370,935	294,388	21.47%
<b>Total Auxiliary Enterprises</b>	<b>\$15,359,198</b>	<b>\$13,056,738</b>	<b>85.01%</b>	<b>\$14,732,154</b>	<b>\$11,187,692</b>	<b>75.94%</b>
<b>TOTAL REVENUES</b>	<b>\$137,678,363</b>	<b>\$100,078,406</b>	<b>72.69%</b>	<b>\$135,078,097</b>	<b>\$94,585,202</b>	<b>70.02%</b>

**Morehead State University**  
**Unrestricted Current Funds**  
**Statements of Revenues, Expenditures & Changes in Fund Balance**  
**For the Six Months Ended December 31, 2011 and 2010**

	2011-2012			2010-2011		
	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	\$757,856	\$397,494	52.45%	\$724,583	\$368,257	50.82%
University Advancement	4,447,711	2,253,420	50.66%	4,624,140	2,288,085	49.48%
Administration & Fiscal Services	18,949,299	10,951,560	57.79%	18,962,125	11,032,626	58.18%
Planning & Budgets	490,216	193,661	39.51%	489,836	239,373	48.87%
Student Life	13,402,471	7,458,240	55.65%	11,980,567	5,786,251	48.30%
Academic Affairs	72,597,043	34,569,931	47.62%	72,048,188	32,177,097	44.66%
Other	11,439,541	5,238,256	45.79%	10,909,964	4,904,720	44.96%
<b>Total Educational &amp; General</b>	<b>\$122,084,137</b>	<b>\$61,062,562</b>	<b>50.02%</b>	<b>\$119,739,403</b>	<b>\$56,796,409</b>	<b>47.43%</b>
<b>27 Auxiliary Enterprises</b>						
Housing	\$9,919,695	\$3,662,505	36.92%	\$10,322,265	\$3,152,097	30.54%
University Store	3,790,105	2,473,582	65.26%	3,770,039	2,284,361	60.59%
Food Services	517,080	236,832	45.80%	531,154	250,189	47.10%
Other	1,367,346	684,558	50.06%	715,236	425,892	59.55%
<b>Total Auxiliary Enterprises</b>	<b>\$15,594,226</b>	<b>\$7,057,477</b>	<b>45.26%</b>	<b>\$15,338,694</b>	<b>\$6,112,539</b>	<b>39.85%</b>
<b>TOTAL EXPENDITURES AND TRANSFERS BY DIVISION</b>	<b>\$137,678,363</b>	<b>\$68,120,039</b>	<b>49.48%</b>	<b>\$135,078,097</b>	<b>\$62,908,948</b>	<b>46.57%</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$31,958,367</b>			<b>\$31,676,254</b>	

**Morehead State University**  
**Statements of Net Assets**  
**December 31, 2011 and 2010**

<b>ASSETS</b>	<u>2011</u>	<u>2010</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$28,298,307	\$28,725,241
Accounts, grants and loans receivable, net	45,565,252	43,143,093
Prepaid interest	124,649	124,649
Inventories	<u>1,550,106</u>	<u>1,404,776</u>
<b>Total current assets</b>	<u>\$75,538,314</u>	<u>\$73,397,759</u>
<b>Noncurrent assets:</b>		
Accounts, grants and loans receivable, net	\$3,622,334	\$3,725,155
Prepaid interest	226,840	351,488
Investments	13,736,142	13,741,208
Capital assets, net	<u>188,493,795</u>	<u>182,727,003</u>
<b>Total noncurrent assets</b>	<u>\$206,079,111</u>	<u>\$200,544,854</u>
<b>TOTAL ASSETS</b>	<u><u>\$281,617,425</u></u>	<u><u>\$273,942,613</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$8,976,852	\$7,719,252
Deferred revenue	2,860,569	1,981,254
Bonds, notes and capital lease obligations, current portion	<u>4,307,643</u>	<u>4,224,982</u>
<b>Total current liabilities</b>	<u>\$16,145,064</u>	<u>\$13,925,488</u>
<b>Long-term liabilities:</b>		
Bonds, notes and capital lease obligations, noncurrent portion	\$51,490,359	\$51,201,934
Advances from federal government for student loans	<u>3,460,284</u>	<u>3,813,100</u>
<b>Total long-term liabilities</b>	<u>\$54,950,643</u>	<u>\$55,015,034</u>
<b>TOTAL LIABILITIES</b>	<u>\$71,095,707</u>	<u>\$68,940,522</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$133,047,281	\$127,776,224
Restricted:		
Expendable	14,233,743	15,502,913
Nonexpendable	12,398,445	12,400,833
Unrestricted	<u>50,842,249</u>	<u>49,322,121</u>
<b>TOTAL NET ASSETS</b>	<u>\$210,521,718</u>	<u>\$205,002,091</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$281,617,425</u></u>	<u><u>\$273,942,613</u></u>

See Attached Notes To Statements of Net Assets



**MOREHEAD STATE UNIVERSITY**  
**Notes to the Statements of Net Assets**  
**December 31, 2011 and 2010**

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 \$2,013,770 at December 31, 2011 and \$1,477,570 at December 31, 2010. Also, included in this category is \$6.7 million in receivables from federal and state grant agencies at December 31, 2011 and \$5 million at December 31, 2010.
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 \$81,644 at December 31, 2011 and \$81,987 at December 31, 2010.
4. Prepaid interest represents interest paid to advance refund the University's Housing and Dining System Revenue Bonds.
5. Capital Assets, net increased approximately \$5.7 million from the previous year. This increase primarily related to expenses incurred for residence hall renovations and for the Student Recreation Center during this period. Accumulated depreciation on buildings and equipment was \$138,945,304 at December 31, 2011 and \$130,053,654 at December 31, 2010.
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 paid until after the Statements of Net Assets date. The majority of the increase from the prior year is due to vacation accrual policy changes; which resulted in additional vacation time for current employees.
7. Deferred revenue from federal and state grants represent amounts received but not expended at the Statements of Net Assets date. The increase in deferred revenue is due to the University having more grants this fiscal year that are paying in advance per the contract.
8. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets. The University issued 2011 Series A General Receipts Bonds in the amount of \$5.1 million on July 25, 2011 for residence hall renovations.
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**  
**Budget Amendments**  
**For the Period October 1, 2011 to December 31, 2011**

<b>Description</b>	<b>Opening Budget As of 10/1/2011</b>	<b>Adjustments</b>	<b>Amended Budget As of 12/31/2011</b>
<b>Revenues and Other Additions</b>			
Tuition and Fees	\$ 64,008,504	\$ 14,100	\$ 64,022,604
Government Appropriations	43,486,600	-	43,486,600
Indirect Cost Reimbursement	597,000	-	597,000
Sales and Services of Ed. Activities	1,484,690	195,454	1,680,144
Other Sources	2,930,747	83,995	3,014,742
Budgeted Fund Balance - E&G	9,281,094	236,981	9,518,075
Auxiliary Enterprises	14,935,499	33,698	14,969,197
Budgeted Fund Balance - AUX	360,001	30,000	390,001
<b>Total Revenues and Other Additions</b>	<b>\$ 137,084,135</b>	<b>\$ 594,228</b>	<b>\$ 137,678,363</b>
<b>Expenditure Authorizations by Division</b>			
<b>Educational &amp; General</b>			
President & Administration	\$ 756,394	\$ 1,462	\$ 757,856
University Advancement	4,380,619	67,092	4,447,711
Planning & Budgets	490,216	-	490,216
Administration & Fiscal Services	18,640,025	309,274	18,949,299
Student Life	13,072,425	330,046	13,402,471
Academic Affairs	72,240,850	356,193	72,597,043
Debt Service & Mandatory Transfers	3,108,602	-	3,108,602
Other	8,986,055	(655,116)	8,330,939
<b>Total Educational &amp; General</b>	<b>\$ 121,675,186</b>	<b>\$ 408,951</b>	<b>\$ 122,084,137</b>
<b>Auxiliary Enterprises</b>			
Administration & Fiscal Services	\$ 11,866,909	\$ 150,201	\$ 12,017,110
Student Life	855,424	35,076	890,500
Academic Affairs	13,296	-	13,296
Debt Service	2,567,985	-	2,567,985
Other	105,335	-	105,335
<b>Total Auxiliary Enterprises</b>	<b>\$ 15,408,949</b>	<b>\$ 185,277</b>	<b>\$ 15,594,226</b>
<b>Total Expenditure Authorizations</b>	<b>\$ 137,084,135</b>	<b>\$ 594,228</b>	<b>\$ 137,678,363</b>

**MOREHEAD STATE UNIVERSITY**  
**Unrestricted Current Funds**  
**Budget Amendments**  
**For the Period October 1, 2011 to December 31, 2011**  
**Notes of Significant Adjustments to Revenue and Other Additions**

**Sales and Services of Educational Activities**

Unbudgeted revenue allocated during the second quarter totaled \$195,454

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$50,939
- NCAA Proceeds totaled \$53,927
- Other athletic revenue totaled \$53,088
- Other miscellaneous revenue totaling \$37,500 was allocated primarily to Academic Affairs

**Fund Balance – E&G**

Budget allocations from fund balance for educational and general purposes totaled \$236,981

- \$ 154,590 Athletics – Jayne Stadium training room renovation
- \$ 40,836 Counseling and Health Services consultant (Quality Medical Solutions); to be reimbursed from insurance reimbursement revenue
- \$ 37,291 Additional allocation for F&A distribution
- \$ 4,264 Supplemental pay to Athletic Director

**MOREHEAD STATE UNIVERSITY**  
**Budget Amendments Greater Than \$200,000**  
**For the Period October 1, 2011 to December 31, 2011**

<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 October 1, 2011 to December 31, 2011**

	<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>			
Mignon Tower Renovation	\$ 5,682,000	August 2011	Completed
East Mignon Hall Renovation	\$ 3,948,000		In Progress
Student Recreation Center	\$ 30,000,000	August 2011	Completed

**ADOPT RESOLUTION AUTHORIZING THE SALE  
OF MOREHEAD STATE UNIVERSITY GENERAL  
RECEIPTS OBLIGATIONS, 2012 SERIES A**

**BOR (VI-B-2)  
March 15, 2012**

**Recommendation:**

That the Board adopt the following resolution relating to the sale of the University's General Receipts Obligations:

**SERIES RESOLUTION**

**A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF APPROXIMATELY \$5,200,000 GENERAL RECEIPTS OBLIGATIONS (RENOVATE WEST MIGNON RESIDENCE HALL PROJECT) OF MOREHEAD STATE UNIVERSITY, PURSUANT TO THE TRUST AGREEMENT DATED AS JULY 1, 2007.**

**Background:**

The University has completed a Comprehensive Housing Master Plan. The plan outlines a 10-year phased approach for enhancing and expanding the University's student housing facilities by renovating existing residence halls and constructing a new apartment style residence facility. The first renovation project, Nunn Hall, was complete and online for student occupancy in the fall semester 2009. The second renovation project, Alumni Tower, was completed and online for student occupancy in the fall semester 2010. The third residence hall renovation project, Mignon Tower was completed in summer 2011. The fourth residence hall renovation project, East Mignon, is in progress and expected to be online for fall semester 2012.

The fifth scheduled residence hall renovation project is West Mignon. That renovation project is in the planning and design phase and will be ready for bidding in the spring of 2012. The estimated scope of the renovation project is \$4.948 million.

The project will be financed through the issuance of the University's General Receipts Obligations, 2012 Series A. The bonds are scheduled to be sold in early June 2012. In order to proceed with the sale of the General Receipts Obligations, the Board must adopt the following resolution:

## **SERIES RESOLUTION**

A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF APPROXIMATELY \$5,200,000 GENERAL RECEIPTS OBLIGATIONS (RENOVATE WEST MIGNON RESIDENCE HALL PROJECT) OF MOREHEAD STATE UNIVERSITY, PURSUANT TO THE TRUST AGREEMENT DATED AS JULY 1, 2007.

WHEREAS, Morehead State University (herein called the "University"), a public body corporate and an educational institution and agency of the Commonwealth of Kentucky, by resolution adopted by the Board of Regents of the University on June 15, 2007 (herein called the "General Bond Resolution"), and by a Trust Agreement, dated as of July 1, 2007, as supplemented (herein called the "Trust Agreement"), comprised in part of the General Bond Resolution, has provided for the issuance from time to time of Obligations (as defined in the Trust Agreement) of the University secured by a pledge of the University's "General Receipts" (as defined in the Trust Agreement), each such issue to be authorized by a Series Resolution, as required by the Trust Agreement; and

WHEREAS, the Board has determined that it is necessary to finance the costs of the renovating, installation and equipping of a certain authorized project identified as Renovate West Mignon Residence Hall (the "Project"); and

WHEREAS, by authority of Sections 162.340 to 162.380 of the Kentucky Revised Statutes, Chapter 56 of the Kentucky Revised Statutes and Sections 58.010 to 58.140 of the Kentucky Revised Statutes (collectively, the "Act"), the University is authorized to construct educational building facilities, to issue its obligations to pay all or part of the costs of such facilities, and to secure said obligations by a pledge of and lien on all or such part of the revenues and receipts of the University; and

WHEREAS, the Board of Regents desires to provide for issuance and sale of Morehead State University General Receipts Bonds and for other matters in connection therewith, by the adoption of this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY, AS FOLLOWS:

SECTION 1. Definitions and Interpretations. All words and terms defined in Section 1 of the Trust Agreement and all interpretations therein provided shall have the same meanings, respectively, and be subject to the same interpretations as therein provided where used in this Resolution, unless the context or use clearly indicates another or different meaning or intent, except that this Resolution is sometimes herein called and may be known as the "Renovate West Mignon Residence Hall Resolution," the Obligations authorized by this Resolution are referred to herein and in the Supplemental Trust Agreement hereby authorized as the "Renovate West Mignon Residence Hall Project Obligations," and the terms "hereof," "hereby," "hereto," "herein," and "hereunder," and similar terms, mean this Resolution.

SECTION 2. Authority. This Resolution is adopted pursuant to the General Bond Resolution, the Trust Agreement, and the Act.

SECTION 3. Authorization, Designation and Purpose of Renovate West Mignon Residence Hall Project Obligations. It is hereby declared to be necessary to, and the Board shall, issue, sell and deliver, as provided and authorized herein, approximately \$5,200,000 principal amount of General Receipts Obligations which shall be issued as General Receipts Bonds (the "Bonds"). Such Obligations shall be designated "Morehead State University General Receipts Bonds" and shall bear such further series designations as the Fiscal Officer (as defined in the Trust Agreement) deems appropriate. Such Obligations shall be issued for the purpose of (i) financing the costs of the Project; and (ii) paying costs of issuance in connection with such Obligations. The proceeds from the sale of such Obligations shall be deposited and allocated as provided in Section 6 hereof.

SECTION 4. Terms and Provisions Applicable to the Renovate West Mignon Residence Hall Project Obligations.

(a) Form, Numbering and Designation. The Renovate West Mignon Residence Hall Project Obligations shall be issued in the form of fully registered Obligations as approved by the Fiscal Officer, shall be numbered from 1 upwards, and shall bear such series designation as the Fiscal Officer deems appropriate.

(b) Denomination and Dates. The Renovate West Mignon Residence Hall Project Obligations shall be in such denominations as requested by the Original Purchaser (hereafter defined), and shall be dated on the date determined by the Fiscal Officer and may be issued in installments (each installment being a part of the Renovate West Mignon Residence Hall Project Obligations herein authorized) with maturity dates approved by the Fiscal Officer, having a final maturity that is no later than twenty years from the date the Renovate West Mignon Residence Hall Project Obligations are issued.

(c) Interest. The Renovate West Mignon Residence Hall Project Obligations shall bear interest from their respective dates payable on dates approved by the Fiscal Officer, beginning on a date approved by the Fiscal Officer, at the rate or rates per annum determined pursuant to Section 5 hereof.

(d) Maturities. The Renovate West Mignon Residence Hall Project Obligations shall mature on such dates, in the years and in the principal amounts set forth in the maturity schedule approved by the Fiscal Officer pursuant to Section 5 hereof.

(e) Redemption Terms and Prices. The Renovate West Mignon Residence Hall Project Obligations shall be subject to optional and mandatory redemption on such dates and terms as approved by the Fiscal Officer, with the advice of the Financial Advisor (hereinafter identified) and set forth in the Supplemental Trust Agreement. If less than all of the outstanding Renovate West Mignon Residence Hall Project Obligations are called for redemption at one time, they shall be called in the order of the maturities as directed by the Fiscal Officer. If less than all of the outstanding Renovate West Mignon Residence Hall Project Obligations of one



maturity are to be called, the selection of such Renovate West Mignon Residence Hall Project Obligations or portions of Renovate West Mignon Residence Hall Project Obligations of such maturity to be called shall be made by lot in the manner provided in the Trust Agreement. Notice of call for redemption of Renovate West Mignon Residence Hall Project Obligations shall be given in the manner provided in the Trust Agreement.

(f) Other Provisions. The Renovate West Mignon Residence Hall Project Obligations may, at the option of the Fiscal Officer, be secured by municipal bond insurance or similar instrument issued by a financial or insurance institution acceptable to the Fiscal Officer.

(g) Place of Payment and Paying Agents. The principal, interest and any redemption premium on registered Renovate West Mignon Residence Hall Project Obligations shall be payable by check or draft, as provided in the Trust Agreement.

(h) Execution. The Renovate West Mignon Residence Hall Project Obligations shall be executed in the manner provided in the General Bond Resolution.

SECTION 5. Award and Sale of Renovate West Mignon Residence Hall Project Obligations. The Renovate West Mignon Residence Hall Project Obligations shall be offered publicly for sale upon the basis of competitive bids at such time as the Fiscal Officer, upon advice of the Financial Advisor to the University, shall designate.

The Fiscal Officer is hereby authorized and directed to cause an appropriate form or forms of a Notice of Sale of Bonds to be published in *The Morehead News*, a legal newspaper published in the City of Morehead, Kentucky, which will afford local notice of the sale, the *Courier Journal*, a legal newspaper published in the City of Louisville, Kentucky, which will afford statewide notice of the sale, and, to the extent required by law, in *The Bond Buyer*, a financial journal published in the City of New York, New York, which is a publication having general circulation among bond buyers; and said newspapers and financial journal are hereby declared to be qualified to publish such notice for the Board within the meaning and provisions of Chapter 424 of the Kentucky Revised Statutes. Such notice shall be published in said newspapers and financial journal at least once not less than seven nor more than twenty-one days prior to the scheduled date of sale of the Renovate West Mignon Residence Hall Project Obligations.

The forms of Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, Bid Form and Official Statement, shall be in such form as approved by Bond Counsel for the University, by the Financial Advisor, by the General Counsel of the University and by the Fiscal Officer.

Bidders shall be advised that the fee of the Financial Advisor for services rendered with respect to the sale of the Renovate West Mignon Residence Hall Project Obligations is contingent upon the issuance and delivery of the Renovate West Mignon Residence Hall Project Obligations, and that the Financial Advisor may not submit a bid for the purchase of the Renovate West Mignon Residence Hall Project Obligations at the time of the advertised public sale of the Renovate West Mignon Residence Hall Project Obligations, either individually or as

the member of a syndicate organized to submit a bid for the purchase of the Renovate West Mignon Residence Hall Project Obligations.

Upon the date and at the respective hour set forth for the submission and consideration of purchase bids, as provided in the instruments hereinabove approved, bids shall be reviewed as provided in such instruments. If there shall be one or more bids which conform in all respects to the prescribed terms and conditions, such bids shall be compared, and the Fiscal Officer, upon the advice of the Financial Advisor, is authorized to accept the best of such bids, as measured in terms of the lowest interest cost to the Board, as calculated in the manner prescribed in the Official Terms and Conditions of Sale of Bonds. Calculations shall be performed as are necessary to determine the exact amount of Renovate West Mignon Residence Hall Project Obligations that are required to be issued in order to (i) pay the budgeted costs of the Project and (ii) pay the costs of issuing the Renovate West Mignon Residence Hall Project Obligations and the final principal amount, interest rates and maturities of the Renovate West Mignon Residence Hall Project Obligations shall thereupon be established, as prescribed in the Official Terms and Conditions of Sale of Bonds.

**SECTION 6. Allocation of Proceeds of Renovate West Mignon Residence Hall Project Obligations.** All of the proceeds from the sale of the Renovate West Mignon Residence Hall Project Obligations and other lawfully available funds of the University shall be received and receipted for by the Fiscal Officer and shall be deposited and allocated as set forth in the Supplemental Trust Agreement approved hereby.

**SECTION 7. Additional Covenants with Respect to Internal Revenue Code of 1986, as Amended.** This Board hereby finds and determines that all of the proceeds from the sale of the Renovate West Mignon Residence Hall Project Obligations will be needed for the purposes set forth in Section 6 hereof. This Board hereby covenants for and on behalf of the University, that it will restrict the use of the proceeds of the Renovate West Mignon Residence Hall Project Obligations in such manner and to such extent, if any, and take such other actions as may be necessary, in view of reasonable expectations at the time of issuance of the Renovate West Mignon Residence Hall Project Obligations so that the Renovate West Mignon Residence Hall Project Obligations will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations prescribed under such Sections. The Fiscal Officer or any other officer of the University having responsibility with respect to issuance of the Renovate West Mignon Residence Hall Project Obligations is hereby authorized and directed to give an appropriate certificate for inclusion in the transcript of proceedings with respect to the Renovate West Mignon Residence Hall Project Obligations, setting forth the facts, estimates and reasonable expectations pertinent under said Sections 103(b)(2) and 148 of the Code and an election, if appropriate, with respect to Section 148(f)(4)(B)(iv)(IV) of the Code. The Fiscal Officer is hereby authorized and directed to create a Rebate Account (which shall be held by either the University or the Trustee, at the discretion of the Fiscal Officer) if the Fiscal Officer determines such account is necessary so that the University complies with the rules concerning "rebate" as set forth in the Code, as they apply to the Renovate West Mignon Residence Hall Project Obligations.

**SECTION 8. Supplemental Trust Agreement.** The Chairman of the Board is authorized and directed to execute, acknowledge and deliver to the Trustee, in the name of and on behalf of the University, a Supplemental Trust Agreement pursuant to the Trust Agreement and in connection with the issuance of the Renovate West Mignon Residence Hall Project Obligations, in substantially the form submitted to this Board with such changes therein not substantially adverse to the University as may be permitted by the Act and the Trust Agreement and approved by the officer executing the same on behalf of the University. The approval of such changes, and that such changes are not substantially adverse to the University, shall be conclusively evidenced by the execution of such Supplemental Trust Agreement by such officer.

**SECTION 9. Official Statement.** The Chairman is hereby authorized and directed to execute and deliver an Official Statement with respect to the Renovate West Mignon Residence Hall Project Obligations for the purpose of making available to potential investors the information therein contained, which describes the interest rates and other terms to be borne by and the price to be paid for the Renovate West Mignon Residence Hall Project Obligations, and such other information with respect to the University and the Renovate West Mignon Residence Hall Project Obligations, necessary in the judgment of the Chairman with the advice of the Fiscal Officer and the Financial Advisor. The Chairman and the Fiscal Officer are each hereby authorized to deem the Preliminary Official Statement and final Official Statement "near final" and "final" for purposes of Securities Exchange Commission Rule 15c2-12, as amended and interpreted from time to time, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the "Rule").

**SECTION 10. Compliance With Rule 15c2-12.** The Board of Regents hereby agrees, to comply with the provisions of the Rule. In order to comply with the Rule, a Continuing Disclosure Agreement in the usual and customary form is hereby authorized and approved, with such modifications and additions as may be approved by the officer of the University executing the same. The Chairman and the Fiscal Officer are each hereby authorized to execute and deliver such Continuing Disclosure Agreement.

**SECTION 11. Open Meetings.** This Board hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Board, and that all deliberations of this Board and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements.

**SECTION 12. Further Authorization.** That the proper and appropriate officers of the Board and of the University, to the extent authorized by law, are hereby authorized to execute and deliver the closing certificates, if any, with such modifications thereto as may be required by the purchasers of the Renovate West Mignon Residence Hall Project Obligations and approved by special bond counsel to the University as well as such other documents, certificates and statements as may be so required and so approved in connection with sale and delivery of the Renovate West Mignon Residence Hall Project Obligations.

**SECTION 13. Provisions in conflict are Repealed.** All resolutions or parts thereof in conflict with the provisions of this Resolution are hereby rescinded to the extent of such conflict.

SECTION 14. Effective Date. This resolution shall take effect from and after its passage.

SECTION 15. Copy to be Filed with Trustee. A certified copy of this Resolution shall be filed with the Trustee

Adopted March 15, 2012

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Chairman, Board of Regents  
Morehead State University

Attest:

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Secretary, Board of Regents  
Morehead State University

### CERTIFICATION

The undersigned, Secretary of the Board of Regents of Morehead State University, Morehead, Kentucky, hereby certifies that the foregoing is a true copy of a Resolution adopted by the Board of Regents of said University at a meeting held on March 15, 2012, as recorded in the official Minute Book of said Board of Regents, which is in my custody and under my control, that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.823, that a quorum was present at said meeting, and that the aforesaid Resolution is of record in the office of the Board, has not been modified, amended, or rescinded, and is in full force and effect at this date.

WITNESS my signature this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Secretary, Board of Regents  
Morehead State University

62869.2

## **APPROVE DISPOSAL OF REAL PROPERTY**

**BOR (VI-B-3)  
March 15, 2012**

### **Recommendation:**

That the Board approve the Order to Dispose of Property relating to the exchange of properties between Morehead State University and the Corbie Ellington Post 126 of the American Legion.

### **Background:**

#### **Written Request to Dispose of Property**

In March 2010, the Board of Regents approved the acquisition of property located on First Street in Morehead from the Rowan County Public Library. The property contained an approximate 9,200 square foot building that is being renovated to house the Kentucky Center for Traditional Music (KCTM). While this newly renovated facility will accommodate many of the needs for this program, the rate of growth that is projected in enrollment has led to planning an addition to the facility. That addition will attach to the current building on the west side, and will expand into the adjacent parking area that now serves the facility.

The Corbie Ellington Post 126 of the American Legion (Post) owns a parcel of land of approximately 0.3 acres adjacent to the north side of the KCTM property. The parcel contains a two story building of approximately 3,500 square feet. The Post has need to expand its facility and has expressed interest in negotiating for an exchange of property that is owned by the University that would better suit the Post's expansion.

The University owns property located along Old Cranston Road (the former KY Route 32) north of Morehead, approximately one mile north of Interstate 64. The property was acquired to house the University's purchasing function, central receiving, and surplus property storage. The property consists of a 66,000 square foot warehouse and approximately 11 acres of land.

The proposed property exchange would involve the following:

- The University will exchange one acre of land at the Route 32 north location for the property owned by the Post adjacent to the Kentucky Center for Traditional Music site. The one acre of land is surplus to the University's needs.
- The acquisition of the Post property will accommodate parking and access needs for the Kentucky Center for Traditional Music, as well as provide much needed storage space for the KCTM and the Kentucky Folk Art Center.
- Appraisals will be obtained for both properties. The fair market value of the Post property will exceed the fair market value of the University's land, therefore the University will pay a cash differential to the Post not to exceed the difference between the fair market values as determined by appraisals.

- After approval by the Board of Regents, the transaction must be approved by the Secretary of the Finance and Administration Cabinet.

## **ORDER TO DISPOSE OF PROPERTY**

**WHEREAS**, upon the recommendation of the President on March 15, 2012, the Board of Regents has reviewed the Written Request to Dispose of Property in reference to the following:

A one acre parcel of land in the City of Morehead, Rowan County, Kentucky located on Old Cranston Road, being a portion of the parcel described in the Deed of Conveyance dated June 17, 2009 from Barhorst LLC, a Kentucky corporation, to the Commonwealth of Kentucky for the use and benefit of Morehead State University. Said deed is recorded in Deed Book 233, pages 75-80, Rowan County Records; and

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

**WHEREAS**, the exchange of the aforementioned University property for property owned by the Corbie Ellington Post 126 of the American Legion that lies adjacent to the Kentucky Center for Traditional Music is in the best interest of the Commonwealth; and

**WHEREAS**, independent appraisals of the real properties shall be obtained for the purpose of establishing that the value of the property being transferred by the Commonwealth is not greater than the value of the real property being obtained from the Corbie Ellington Post 126 of the American Legion; therefore

**BE IT RESOLVED**, by the Morehead State University Board of Regents that the President may recommend to the Secretary of the Finance and Administration Cabinet that the referenced University real property be exchanged for the Corbie Ellington Post 126 of the American Legion real property.

**RECOMMENDED:**

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

\_\_\_\_\_  
Date

**APPROVED:**

\_\_\_\_\_  
John Merchant, Chair  
MSU Board of Regents

\_\_\_\_\_  
Date



# Morehead State University

## Preliminary Enrollment Report, Spring 2012

**Table 1: Spring Enrollment, Credit Hours, and FTE as a Percentage of Fall Numbers**

Term	Headcount	Spring as a % of Fall	Credit Hours Generated	Spring as a % of Fall	FTE	Spring as a % of Fall
Fall 2007	9,066		102,747		6,988	
Spring 2008	8,487	93.6%	94,314	91.8%	6,432	92.0%
Fall 2008	8,981		100,143		6,818	
Spring 2009	8,320	92.6%	92,228	92.1%	6,287	92.2%
Fall 2009	9,046		99,917		6,803	
Spring 2010	8,279	91.5%	90,950	91.0%	6,206	91.2%
Fall 2010	8,842		97,492		6,641	
Spring 2011	8,167	92.4%	90,119	92.4%	6,148	92.6%
Fall 2011	10,971		106,315		7,241	
Spring 2012	9,409	85.8%	94,961	89.3%	6,479	89.5%

**Table 2: Enrollment by Classification**

Classification	Fall 2011	Spring 2012	Spring as a % of Fall	
High School	2,343	1,374	58.6%	*Early College Program and Transitional students are a subset of the high school students enrolled for college credit. Early College Program students are generally those taking full credit college courses, while Transitional students are generally enrolled in developmental courses.
Early College Program*	1,618	1,089	67.3%	
Transitional*	725	285	39.3%	
Freshman	1,978	1,429	72.2%	
Sophomore	1,285	1,213	94.4%	
Junior	1,346	1,330	98.8%	
Senior	2,097	2,165	103.2%	
UnderGrad-Nondegree	220	235	106.8%	
PostBacc UG Degree Seeking	148	159	107.4%	
Auditor	3	3	100.0%	
<b>Undergraduate Total</b>	<b>9,420</b>	<b>7,908</b>	<b>83.9%</b>	
Masters	1,260	1,243	98.7%	
Specialist	25	32	128.0%	
Doctor's Degree Prof. Practice	61	57	93.4%	
Doctoral (enrollment only)	1	2	200.0%	
Graduate-Certificate	15	0	0.0%	
Graduate-Nondegree	189	165	87.3%	
Auditor	0	2	N/A	
<b>Graduate Total</b>	<b>1,551</b>	<b>1,501</b>	<b>96.8%</b>	
<b>Grand Total</b>	<b>10,971</b>	<b>9,409</b>	<b>85.8%</b>	

Source: Official data reported to the Kentucky Council on Postsecondary Education (CPE), except for the Spring 2012 term. Spring 2012 data are preliminary and based on live data as of February 14, 2012.

## **REPORT ON PERSONAL SERVICE CONTRACTS**

**BOR (VI-C-2)  
March 15, 2012**

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between November 16, 2011 and February 29, 2012.

PERSONAL SERVICE CONTRACTS November 16, 2011 through February 29, 2012					
Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
BerryDunn	Information Technology Strategic Plan Consultant	1/2/12	6/30/12	\$134,779	Request for Proposal

**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY**  
Riggle Room, Adron Doran University Center  
9 a.m., Thursday, March 15, 2012

**Agenda**

- I.      **CALL TO ORDER**
- II.     **ROLL CALL**
- III.    **AD HOC NOMINATING COMMITTEE REPORT -- ELECT OFFICERS:  
CHAIR, VICE CHAIR, AND SECRETARY; APPOINT TREASURER**
- IV.    **APPROVE AWARDING OF HONORARY DOCTORAL DEGREE TO  
DAVID ADAIR**
- V.     **APPROVE NAMING OF SMITH-BOOTH HALL**
- VI.    **PRESIDENT'S RECOMMENDATIONS AND REPORTS**
  - A. **Consent Agenda (Action)**
    - 1. Minutes of December 8, 2011, and February 17, 2012.....1-14
    - 2. Tenure with Promotion ..... 15
    - 3. Sabbatical Leaves ..... 16
    - 4. Administrator Tenure..... 17
    - 5. Personnel Actions..... 18-22
    - 6. Contracts for Banking Services..... 23
  - B. **Recommendations (Action)**
    - 1. Second Quarter Financial Report and Amend  
Operating Budget..... 24-33
    - 2. Resolution Authorizing the Sale of Morehead State  
University General Receipts Obligations, 2012 Series A ..... 34-41
    - 3. Disposal of Real Property ..... 42-44
  - C. **Reports**
    - 1. Preliminary Spring Enrollment Report..... 45
    - 2. Report on Personal Service Contracts ..... 46-47
  - D. **President's Report**
- VII.   **OTHER BUSINESS**
  - A. **Next Meetings**
    - 1. Audit Committee, Thursday, May 3, 2012, 8 a.m.
    - 2. Work Session, Thursday, May 3, 2012, 9 a.m.
    - 3. Spring Commencement Programs, May 12, 10 a.m. and 2 p.m.
    - 4. Quarterly Meeting, Thursday, June 7, 2012, 9 a.m.
  - B. **Executive Session**
- VIII. **ADJOURNMENT**