

Morehead State University
Board of Regents Meeting

Thursday, June 7, 2012
9 a.m.

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

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**Board of Regents Meeting
Morehead State University**
Riggle Room, Adron Doran University Center
9 a.m., Thursday, June 7, 2012

Agenda

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **ADOPT RESOLUTIONS OF COMMENDATION FOR GLENN MEANS AND TERRY WHITE**
- IV. **REPORT ON STUDENT GOVERNMENT ASSOCIATION – Glenn Means**
- V. **APPROVE AWARDING OF FOUNDERS AWARD FOR UNIVERSITY SERVICE TO ROCKY ADKINS**
- VI. **PRESIDENT'S RECOMMENDATIONS AND REPORTS**

A. Consent Agenda (Action)

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B. Recommendations (Action)

- 1. Accept Third Quarter Financial Report and Amend Operating Budget 34-43
- 2. Approve Disposal of Property 44-45
- 3. Adopt Resolution Relating to Agency Bonds 46
- 4. Approve 2012-2013 Operating Budget, Fee Schedule; and Personnel Roster..... 47-55
- 5. Approve Revisions to 2012-13 *Eagle Student Handbook* and the Student Conduct Code..... 56-57

C. Reports

- Final 2012 Spring Enrollment Report..... 58

D. President's Report

VII. OTHER BUSINESS**A. President's Contract****B. Executive Session****C. Future Meetings**

1. BOR Work Session, Thursday, August 23, at 9 a.m. (Kentucky Center for Traditional Music Ribbon Cutting following BOR meeting)
2. Governor's Trusteeship Conference, Thursday and Friday, September 13-14 (Louisville)
3. BOR Quarterly Meeting, Thursday, September 20, 9 a.m.

VIII. ADJOURNMENT

Agenda materials are available online at <http://www.moreheadstate.edu/bor>



RESOLUTION HONORING GLENN L. MEANS

**BOR (III)
June 7, 2012**

WHEREAS, Mr. Glenn L. Means, of Mt. Sterling, Kentucky, has served with distinction as the student member of the Board of Regents of Morehead State University since July 1, 2011; and

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

WHEREAS, Mr. Means' efforts resulted in improved student relationships with the Morehead community; and

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

WHEREAS, Mr. Means' active engagement with the Board of Regents and his stewardship of the Student Government Association consistently have reflected his high ethical standards and his abiding commitment to student and institutional success;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. Glenn L. Means be and hereby is commended for his year of honorable and outstanding service on the Board of Regents and for his leadership of the Student Government Association.

Done this seventh day of June 2012.

John C. Merchant, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

RESOLUTION HONORING TERRY E. WHITE

**BOR (III)
June 7, 2012**

WHEREAS, Mr. Terry E. White has served with distinction as the staff representative to the Board of Regents of Morehead State University for a period of three years; and

WHEREAS, Mr. White has been an effective voice for employees of the University; and

WHEREAS, Mr. White's dedicated service on the Board of Regents has consistently demonstrated his high ethical standards and strong personal commitment to institutional integrity; and

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

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

Done this seventh day of June 2012.

John C. Merchant, Chair

ATTEST:

Carol Johnson, Secretary

Wayne D. Andrews, President

2012 FOUNDERS AWARD FOR UNIVERSITY SERVICE

BOR (V)
June 7, 2012

Recommendation:

That the Board of Regents approve the selection of Rocky J. Adkins as the recipient of the 2012 Founders Award for University Service.

Background:

The Founders Award for University Service was established by the Board of Regents in 1978 and has been presented each year to individuals with records of outstanding service to the University over a sustained period.

Previous recipients have included W. E. Crutcher, 1978; Linus A. Fair, 1979; Carl D. Perkins, 1980; Dr. Warren C. Lappin, 1981; Dr. Ted L. Crosthwait, 1982; Monroe Wicker, 1983; Lloyd Cassity, 1984; Grace Crosthwaite, 1985; Boone Logan, 1986; Dr. Rondal D. Hart, 1987; George T. Young, 1988; John E. Collis, 1989; Dr. Wilhelm Exelbirt, 1990; Dr. R. H. Playforth, 1991; Dr. Mary Northcutt Powell, 1992; Senator Woody May, 1993; Dr. J. E. Duncan, 1994; Sherman R. Arnett and Harlen L. Hamm, 1995; Dr. Adron Doran, 1996; Robert S. Bishop and Martin Huffman, 1997; Dr. Charles J. Pelfrey, 1998; Carolyn S. Flatt, 1999; Dr. Earl J. Bentley, 2000; Mrs. Mignon Doran, 2001; Dr. C. Nelson Grote, 2002; Merl F. Allen, 2003; Dr. John C. Philley, 2004; Dr. Charles M. Derrickson, 2005; Dr. John R. Duncan, 2006; Steve A. Hamilton, 2007; Dr. Marshall Banks, 2008; Dr. Randy Wells, 2009; Dr. Jack D. Ellis, 2010; and Ms. Lucille Caudill Little, 2011.

The University Service Award Committee has recommended that Rep. Rocky J. Adkins be the recipient of the 2012 Founders Award for University Service.

Rocky J. Adkins, a native of Sandy Hook, Kentucky, is a graduate of Elliott County High School and received both his bachelor's and master's degrees from Morehead State University. In 1986, Rep. Adkins was elected to the 99th House District at the age of 26, making him one of the youngest members ever elected to serve in the Kentucky legislature. Since that time, he has served on a number of significant committees, including the House Appropriations & Revenue Committee and the Budget Review Subcommittee on Transportation where he served as chairman. As a member of House Leadership, Rep. Adkins serves on the Rules Committee, the Committee on Committees, and the Legislative Research Commission.

A leader in the field of energy independence, Rep. Adkins has introduced several ground-breaking pieces of legislation that will help our nation achieve energy self-sufficiency in the coming years. His legislation includes incentives for the conversion for coal to transportation fuels, use of agricultural products for energy such as biodiesel, biomass, ethanol and cellulose, and greater utilization of renewable energy sources such as wind, solar and hydro. Rep. Adkins' legislative initiatives also promote conservation and incentives for energy efficient home building and construction.

He was recently reappointed Vice Chair of the Southern States Energy Board (SSEB) for a third term by new Chairman Governor Bob McDonnell. Rep. Adkins has been called "the South's lead legislator on energy." The SSEB is a non-profit interstate organization dedicated to enhancing economic development throughout the region. Adkins also was recently elected Chair of the Southern Legislative Conference's Energy and Environment Committee.

A 15-year survivor of cancer, Rep. Adkins actively raises funds for research by sponsoring an annual golf tournament entitled the "Rocky Adkins Charity Golf Outing - Cure for Cancer" which has raised more than \$1.3 million since its inception in 1995.

Rep. Adkins serves as a member of the board of directors for the Kings Daughters Health Foundation, Ashland Salvation Army, and the Paramount Arts Center. He is also chairman of the Eastern Kentucky Workforce Development Board.

Rep. Adkins has been inducted into the Morehead State University Alumni Hall of Fame and the Junior Achievement Tri State Business Hall of Fame. He has been honored for his public service by many organizations and is the recipient of the East Kentucky Leadership Conference Public Servant Award, the FIVECO Area Development District President's Award and the Ashland Area Labor Management Council Award. He was the March of Dimes Goldenrod Division's 2007 Honoree.

State Rep. Rocky Adkins currently serves as House Majority Floor Leader after being chosen for the post by his Democratic colleagues in November, 2003. A long-time veteran of the Kentucky House of Representatives, he is now serving in his 25th year as a legislator.

**BOARD OF REGENTS MEETING
MOREHEAD STATE UNIVERSITY
March 15, 2012**

The Board of Regents of Morehead State University met at 9 a.m. on Thursday, March 15, 2012, 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, Cheryl U. Lewis, Debbie H. Long, Glenn A. Means, John C. Merchant, Ronald D. Morrison, Patrick E. Price, and Terry E. White.

MEDIA

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

**NOMINATING
COMMITTEE REPORT**

Chair Merchant recognized Mr. Booth, chair of the Ad Hoc Nominating Committee, who presented the Committee's report. In addition to Mr. Booth, the Committee membership also included Ms. Long and Mr. Price. Mr. Booth said that the Committee conferred by telephone, and he moved that the current officers be reelected/reappointed as follows:

John C. Merchant, Chair
Paul C. Goodpaster, Vice Chair
Carol Johnson, Secretary
Michael Walters, Treasurer

Mr. Price seconded the motion. The motion unanimously carried.

The President recommended:

**HONORARY
DOCTORAL DEGREE**

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. (Due to scheduling conflicts, the honorary degree will be presented to Dr. Adair at the 2013 Spring Commencement ceremony.)

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

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

Dr. Andrews said that David Adair is a very distinguished and nationally recognized physician and researcher in the field of Obstetrics and Gynecology. A 1986 graduate of Morehead State University, he is also a successful business entrepreneur as well. He is a strong supporter of MSU and is very enthusiastic about his education at Morehead State.

VOTE: The motion carried.

The President recommended:

NAMING OF SPACE SCIENCE BUILDING

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

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

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

Dr. Andrews said that the recommendation to name the Space Science building as Smith-Booth Hall is an interesting story about two young men who grew up in Martin County pursuing different career paths. Mr. Booth and Mr. Smith, along with their wives, are graduates of Morehead State University. Their experiences at MSU gave them valuable knowledge that led them on to highly successful careers and community service. Both have been strong supporters of Morehead State.

VOTE: The motion unanimously carried.

CONSENT AGENDA

Chair Merchant opened the floor for a motion/discussion on the Consent Agenda which included the following items:

1. Minutes of December 8, 2011, and February 17, 2012 *(VI-A-1)*
2. Tenure with Promotion *(VI-A-2)*
3. Sabbatical Leaves *(VI-A-3)*
4. Administrator Tenure *(VI-A-4)*
5. Personnel Actions *(VI-A-5)*
6. Contracts for Banking Services *(VI-A-6)*

Dr. Morrison asked that Sabbatical Leaves and Personnel Actions be removed for further discussion.

Ms. Lewis moved that the (1) Minutes, (2) Tenure with Promotion, (4) Administrator Tenure, and (6) Contracts for Banking Services in the Consent Agenda be approved. Ms. Butcher seconded the motion. The motion carried.

SABBATICAL LEAVES

Dr. Morrison said that Sabbatical Leaves are a very important part of academic life and asked if Dr. Andrews would provide some background on sabbaticals and what they are going to cost the University.

Dr. Andrews said that the University, as part of the process in higher education for many years, provides the opportunity for faculty to take paid sabbatical leaves. A faculty member may choose to take a semester off with full pay or a year at half pay to pursue a research interest that will benefit the faculty member's teaching or scientific research expertise. A committee was appointed to work with the administration and Faculty Senate to study the sabbatical leave program. The responsibilities of all faculty members being recommended for sabbatical leaves will be picked up by other individuals in the departments in which they serve.

Karla Hughes, Provost, added that the committee has created a way to prioritize the applications that were submitted. Clearer guidelines have been established that will be implemented next year to limit the number of sabbaticals granted.

Dr. Morrison said that he was delighted that the University is able to offer sabbaticals in these difficult fiscal times since it is a very important part of an academic's life. He said that he had received a sabbatical and thanked the University for making it a priority for a faculty member to engage in a research/artistic project.

Dr. Morrison moved that the Board approve the Sabbatical Leave recommendations. Ms. Lewis seconded the motion. The motion carried.

PERSONNEL ACTIONS

In regard to Personnel Actions, Dr. Morrison read the following statement:

"You may have a sense of deja vu since much of this statement is absolutely identical to my comments at the Board meeting on September 15, 2011. I wish that I did not have to repeat my strong words from that meeting, but my conscience and my concern for what is best for the institution do not allow me to be silent. Because I do not want my comments to be misconstrued, I have chosen my words very carefully and have taken time to write them down.

As a member of this body, I certainly do not expect or desire for us to micromanage the institution and so understand my comments are focused squarely at the policy level. I also want to state that my comments are not meant to criticize any individual or any individual's job performance, but to raise more general questions about the way certain personnel decisions are made. I am concerned that the President has recommended what is listed as a salary adjustment for a senior administrator whose salary was determined to be below peers at this institution. This adjustment comes at a time when the institution is in a challenging fiscal situation and when other employees, including both faculty and staff, might make similarly convincing claims that their salaries are below market level or that compelling equity issues exist within the individual units.

When I have asked Dr. Andrews about a plan to move faculty and staff salaries up to their benchmarks, he has argued that the institution needs a clear, consistent, and thoughtfully constructed plan to address salaries for faculty and staff. I completely agree with this assessment, but I would respectfully ask once again why some University employees have been given salary adjustments without such a clear, consistent, and thoughtfully constructed plan in place. While I run the risk of having these comments dismissed as self-serving, I would like to remind the Regents that faculty and staff salaries have for many, many years lagged behind our peer institutions in the state and the nation. I have been working with a group of faculty, staff and administrators on a faculty salary model that is seeking to bring up salaries to market levels and that in a clear and systematic fashion factors academic discipline, rank and time in rank into the equation. According to data provided by our Human Resources' office, when market, however you define market, reflects a faculty member's rank and time in rank, approximately half of the faculty at Morehead State are below their market salaries.

In this context, I cannot approve the awarding of salary adjustments in a piecemeal fashion. Dr. Andrews certainly has the right to make these adjustments, but I am questioning if making these adjustments at this particular time and in this particular context is in the best interests of the University.”

In response to a question from Ms. Lewis on how much faculty are below market level, Dr. Morrison said approximately 50 percent are below market according to data from Human Resources.

Dr. Andrews said that this is a very significant study. Plans are to develop a new system and set of procedures to move faculty salaries to market competitiveness and keep them at that level. He indicated that the study is nearing completion and asked Phil Gniot, Director of Human Resources, to report on the process.

Mr. Gniot said that the University has been trying to put some structure to the way it approaches compensation including evaluating positions to placing them within a market range based on data from several surveys, primarily CUPA. He said that an initial study was conducted on staff salaries before he arrived at the University that identifies where different positions should be in relation to market.

Mr. Gniot said that the President tasked the Office of Human Resources and the President's Chief of Staff in early 2011 to examine various compensation models that the University might use in hiring new faculty and in evaluating performance for both tenure and non-tenure track faculty. As a result, the framework for a compensation model has been developed for MSU. In November 2011, Dr. Andrews appointed a Faculty Compensation Ad Hoc Committee to review the framework to (1) Ensure that the University hires individuals at market salary levels; (2) Enable the University over

time to keep faculty members in a salary market range by their respective rank and discipline; and (3) Allow the University to reward superior performance.

Dr. Andrews said that during his time at the University he had worked directly with the Office of Human Resources in recommending salary adjustments to the Board of Regents. He said that, as discussed, a new compensation structure will be implemented for all faculty and staff based upon available funding. Plans will be transparent and appropriate from an equity and market standpoint. However, he said that the budget the University is facing for 2012-13 has the potential for a 6.4 percent cut.

Mr. Hawpe asked about addressing areas of special need and/or strength. Dr. Andrews said that the system the University is considering provides the flexibility to address these areas.

Dr. Morrison said that as a member of the Ad Hoc Compensation Committee that he appreciated the work that has been done. He said that while it is a good plan, he had seen plans come and go and not be funded. Faculty and staff salaries will probably not get improved this year, but some real adjustments need to be made – maybe not in one year or two years but make sure that it happens.

Dr. Andrews said that the group will finalize the plan and bring it to the Board at its work session in May.

Karla Hughes, Provost, said that work on a Faculty Evaluation Plan also is taking place that would be implemented in conjunction with the Faculty Compensation Plan.

In response to a question on whether cost of living and quality of life are incorporated in the plan, Mr. Gniot advised that the system provides for shifts in these areas.

Following extensive discussion, Mr. Goodpaster moved that the Personnel Actions be approved. Mr. Hawpe seconded the motion. The motion carried with Dr. Morrison voting nay.

The President recommended:

RECOMMENDATION: That the Board accept the financial statements for the second quarter of the fiscal year that will end June 30, 2012, and amend the operating budget.

(Financial statements and additional background information attached to these minutes and marked VI-B-1)

(Additional background information attached to these minutes and marked VI-B2)

Mr. Walters stated that the University has completed a Comprehensive Housing Master Plan. The plan outlines a ten-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 completed and online for student occupancy in the 2009 fall semester; the second was Alumni Tower, which was completed and online in the 2010 fall semester; the third was Mignon Tower, which was completed and online in summer 2011; and the fourth was East Mignon, which is in progress and will be online for the 2012 fall semester. West Mignon is the fifth renovation project that will be ready for bidding this spring with an estimated scope of \$4.948 million and financed through the issuance of the University's General Receipts Obligations, 2012 Series A.

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

VOTE: The motion carried with Mr. Merchant abstaining.

The President recommended:

**DISPOSAL OF
PROPERTY**

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.

(Additional background information and Order to Dispose of Property attached to these minutes and marked VI-B-3)

Mr. Walters said that the University will exchange one acre of land located along Old Cranston Road, which is surplus to the University's needs, for property owned by the American Legion (Post). The acquisition of the Post property will accommodate parking and access needs for the Kentucky Center for Traditional Music (KCTM), as well as provide much needed storage space for the KCTM and the Kentucky Folk Art Center. Appraisals will be obtained on 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 value as determined by the appraisals.

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

VOTE: The motion carried.

**UPDATE ON
ENROLLMENT**

Jeffrey Liles, Assistant Vice President for Enrollment Services, presented an update on enrollment for the 2012 Fall Semester. He said that as of March 6, the number of first-time full-time freshmen accepted is up by 1,436 as compared to this same time last year. The goal is 1,600 first-time full-time freshmen for the 2012 Fall Semester.

Mr. Goodpaster referenced page 45 in the agenda book on the Preliminary Enrollment Report for Spring 2012 which shows that head count from Fall 2011 to Spring 2012 is slightly below what the University has experienced in prior years and asked about the reason for the decrease. Mr. Liles noted that it is the highest spring enrollment in some time. He said that the decrease relates to the Early College Program in the high schools.

Jill Ratliff, Assistant Vice President for Academic Affairs, said that the five-year trend for freshman enrollment, when comparing previous fall to spring enrollment, is about the same. Further, she said that it is significant to note that first-time freshmen who left had a lower GPA/ACT than those who returned.

**PERSONAL SERVICE
CONTRACT**

Mr. Walters reported on one personal service contract issued to Berry Dunn to serve as the Strategic Plan Consultant in developing the Information Technology Master Plan at a contract amount of \$134,779 for the six-month period beginning January 2, 2012.

At 10:35 a.m., Chair Merchant declared a ten-minute recess.

**PRESIDENT'S
REPORTS**

Dr. Andrews and others reported on the following:

- **MSU's Outreach Efforts** – J Marshall, Executive Director of the Center for Regional Engagement, and Kevin Koett, Assistant Vice President for Student Life, who are coordinating MSU's volunteer efforts as a result of the March 2 tornadoes and storms that ravaged areas of Morgan, Magoffin and Menifee counties, showed videos of the impacted areas. They reported that MSU is mobilizing students, faculty, and staff to volunteer their time during spring break and through the spring and into the summer to assist in the cleanup efforts through MSUCares. In addition to Dr. Marshall and Mr. Koett, Dr. Andrews recognized Jami Hornbuckle, Assistant Vice President for Communications and Marketing, and members of her staff for the work they have done in establishing a Website that provides information for MSU students, faculty, staff, alumni and friends who have been affected and for those who are ready to help.
- **Budget Update** – Michael Walters, Chief Financial Officer and Vice President for Administration, updated the Board on the budget and the impact of a 6.4 percent budget cut. He said that the 6.4 percent higher education budget reduction equates to approximately \$63 million. Morehead State University's proportionate share of the cut is \$2.8 million which will take effect on July 1. This will reduce MSU's portion of its operating budget funded by the state from

\$43.8 million to \$41 million in general fund appropriations. This amount does not include \$2.9 million in unfunded maintenance and operating (M&O) dollars for new buildings that have been added during this time period. In addition, the budget bill contains no funding for capital projects, capital maintenance or agency bond funded capital projects for higher education. For MSU, the lack of approval for agency bond funded projects will mean a delay in the continuation of MSU's residence hall renovation projects as outlined in the Comprehensive Housing Master Plan. Renovation projects for Cartmell Hall and Mignon Hall planned to occur in 2013 and 2014 will be delayed at least two years.

The staff in the Office of Budgets and Financial Planning has been working with the Cabinet to formulate an operating budget strategy for the 2012-13 fiscal year beginning July 1 within the following parameters:

- The University will begin the next budget year with the \$2.8 million reduction in its state appropriation revenue.
- The Council on Postsecondary Education will approve a 5 percent tuition rate increase for the comprehensive universities for the 2012-13 academic year which will generate \$2.48 million in revenue for Morehead State University.
- The University has identified and quantified increases in fixed and unavoidable costs, such as insurances, utilities, contracted services, retirement plan matching contributions, institutional awarded financial aid, state-mandated tuition assistance programs, and other fixed costs totaling \$4,139,282.
- The \$2.8 million decrease in state appropriations and the increase in fixed and unavoidable costs of \$4.1 million result in a total resource shortfall of \$6.9 million that must be addressed in the budget development process.

Mr. Walters next discussed the two options to address a resource shortfall – increase revenues or decrease expenditures. As a public University, MSU has two primary sources of revenue, state appropriations and tuition, to support its educational and general mission. Revenue from the first major source, state appropriations, has been set in the state budget for the next two years. The additional revenue generated from the tuition rate adjustment will not provide sufficient resources to balance the budget. Consequently, after considering revenue increases generated from housing and auxiliary enterprise operations, the University will look to reallocate existing resources from within its expenditure budget to address the shortfall.

- **HB 260** – Dr. Andrews said that House Bill 260 originally intended to create a new public university in Kentucky has been modified to create a tuition

- **Space Science Center** -- Roger McNeil, Dean of the College of Science and Technology, took a group of students and faculty from Morehead State University and the principal and several students from Rowan County High School to testify before the Kentucky Senate Education Committee concerning MSU's Space Science program. In addition, the group was introduced on both the House and Senate floors.
- **MSU's Cheer Program** – This is the 22nd consecutive year that MSU's Cheer Program has won in various levels of national competition. More recently, the group was highlighted in programming on ESPN.
- **Spring Career Fair** – The Spring Career Fair was held yesterday with approximately 70 participants representing businesses with internship and employment opportunities and graduate programs.

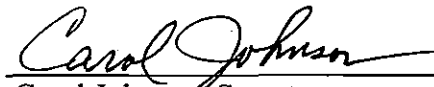
NEXT MEETING

Chair Merchant announced that the Board work session will be held on Thursday, May 3.

ADJOURNMENT

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

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

2012 SPRING GRADUATES

**BOR (VI-2)
June 7, 2012**

Recommendation:

That the awarding of degrees to the candidates who successfully completed all degree requirements as approved by the faculty of the University at the 2012 Spring Commencement on May 12, 2012, be ratified.

Background:

At the May 12, 2012, Spring Commencement, the University awarded 105 associate degrees, 786 bachelor degrees, 253 masters degrees and 2 education specialist degrees.

PROMOTION, 2012

Recommendation:

That the Board of Regents approve the granting of promotions to the following faculty and librarians with the issuance of their contracts for the 2012-2013 year:

Professor

Michelle Kunz, marketing
Michael Hail, government
David Barnett, education (FGSE)
Beverly Klecker, education (FGSE)
Lesia Lennex, education (MGSE)
Ron Skidmore, education (FGSE)
Bernadette Barton, sociology
Cynthia Faulkner, social work
Samuel Faulkner, social work
Gary O'Dell, geography
David Peyton, biology

Librarian II

Karla Aleman

Librarian III

Ophelia Chapman

Librarian IV

Hargis Ray Bailey

Background:

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

EMERITUS STATUS, 2012

**BOR (VI-A-4)
June 7, 2012**

Recommendation:

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

Joan Atkins, assistant professor of journalism

Background:

In accordance with PAc-3 and UAR 116.04, the faculty member listed above was recommended for emeritus status by their peers and immediate supervisors to the Provost. The President, based upon recommendations from the Provost, submits his recommendations to the Board of Regents. The emeritus status will become effective upon the date of retirement.

EDUCATIONAL LEAVES, 2012-2013

**BOR (VI-A-5)
June 7, 2012**

Recommendation:

That the Board of Regents approve the granting of an educational leave for the following faculty member.

Denise Watkins, associate professor of theatre, 2013 Spring Semester

Background:

Faculty members desiring educational 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. This faculty member is applying for an educational leave to continue pursuit and/or complete a doctorate degree within her respective discipline.

TENURE, ACADEMIC ADMINISTRATORS

**BOR (VI-A-6)
June 7, 2012**

Recommendation:

That the Board of Regents approve the granting of tenure and the rank of Professor of Music to Dr. Donald Grant, Chair, Department of Music, Theatre and Dance.

Background:

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The search committee, the department of Music, Theatre and Dance faculty and the University Tenure Committee recommended that Dr. Grant be employed with tenure and the rank of professor. The Provost and the President support this recommendation.

RATIFY PERSONNEL ACTIONS

**BOR (VI-A-7)
June 7, 2012**

Recommendation:

That the Board ratify the Personnel Actions for the period February 22, 2012, through May 15, 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
 05/15/12

	<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	111.73	97.39
Facilities Management	153.70	153.70	0.00	143.00	93.04
Division of Student Life	122.15	124.23	2.08	111.23	89.54
Division of Academic Affairs	36.00	36.00	0.00	32.50	90.28
Caudill College of Arts, Humanities & Social Sciences	150.25	151.25	1.00	142.25	94.05
College of Business and Public Affairs	64.00	63.00	-1.00	57.50	91.27
College of Education	91.50	91.50	0.00	85.50	93.44
College of Science and Technology	172.00	175.00	3.00	164.50	94.00
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>1017.56</u>	<u>93.29</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
2/22/12 - 5/15/12

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
Hires								
Athletics-Men's Basketball	Ellis, Brian	05/16/12	03/31/13	Assistant Basketball Coach	12	\$57,000.00	Full-Time Fixed, Probationary	New Hire
Athletics-Men's Basketball	Howard, Dylan	05/16/12	03/31/13	Associate Head Men's Basketball Coach	12	\$75,000.00	Full-Time Fixed, Probationary	New Hire
Athletics-Men's Basketball	Woods, Sean	05/16/12	03/31/13	Head Men's Basketball Coach	12	\$175,000.00	Full-Time Fixed, Probationary	New Hire
Athletics-Women's Basketball	Goldwire, Lacey	05/16/12	03/31/13	Assistant Basketball Coach	12	\$35,000.00	Full-Time Fixed, Probationary	New Hire
Biology & Chemistry	Ellison, Matthew	08/13/12		Asst. Prof. of Biology	9	\$50,000.00	Full-Time Standing	New Hire
Biology & Chemistry	Gibbs, Kurt	08/16/12		Asst. Prof. of Biology	9	\$50,000.00	Full-Time Standing	New Hire
Early Child., Elem. & Spec. Education	Stultz, Sherry	08/15/12		Asst. Prof. of Education	9	\$45,000.00	Full-Time Standing	New Hire
English	Hruby, Alison	08/13/12	05/14/13	Visiting Asst. Prof. of English	9	\$45,000.00	Full-Time Fixed	New Hire
Institute for Regional Analysis & Public Policy	Arn, Kathleen	08/13/12		Asst. Prof. of Government	9	\$55,500.00	Full-Time Standing	New Hire
Institute for Regional Analysis & Public Policy	McBrayer, Gregory	08/13/12		Asst. Prof. of Government	9	\$58,500.00	Full-Time Standing	New Hire
Institutional Research & Assessment	Wright, Erin	06/18/12		Director, Institutional Research & Analysis	12	\$71,666.00	Full-Time Standing, Probationary	New Hire
Music, Theatre & Dance	Grant, Donald	07/01/12		Dept. Chair & Professor of Music	12	\$111,000.00	Full-Time Standing	New Hire
Agricultural Sciences	Williamson, Benjamin	08/13/12	05/14/13	Instructor of Agriculture	9	\$40,000.00	Full-Time Fixed	Renewal
Applied Engineering & Technology	Mason, Patrick	08/13/12	05/14/13	Instructor of AET	9	\$47,567.00	Full-Time Fixed	Renewal
Athletics	Hutchinson, Brian	07/01/12	09/30/13	Director of Athletics	12	\$122,400.00	Full-Time Fixed	Renewal
Athletics	Mayo, William	07/01/12	06/30/13	Head Cheer Coach	12	\$32,840.00	Full-Time Fixed	Renewal
Athletics-Cross Country	Ericksen, Brent	07/01/12	06/30/13	Head Cross Country & Track Coach	12	\$32,000.00	Full-Time Fixed	Renewal
Athletics-Football	Baller, D. Melt	07/01/12	12/31/12	Head Football Coach	12	\$103,020.00	Full-Time Fixed	Renewal
Athletics-Football	Duffy, Thomas	07/01/12	12/31/12	Assistant Football Coach	12	\$46,168.00	Full-Time Fixed	Renewal
Athletics-Football	Garner, Christopher	07/01/12	12/31/12	Assistant Football Coach	12	\$44,229.00	Full-Time Fixed	Renewal
Athletics-Football	Gilliam, John	07/01/12	12/31/12	Assistant Head Football Coach	12	\$59,490.00	Full-Time Fixed	Renewal
Athletics-Football	Humphries, Paul	07/01/12	12/31/12	Assistant Football Coach	12	\$44,229.00	Full-Time Fixed	Renewal
Athletics-Football	Tenyer, Robert	07/01/12	12/31/12	Assistant Football Coach	12	\$52,020.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Dowling, Jeream	04/01/12	03/31/13	Assistant Basketball Coach	12	\$68,300.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Howard, Christopher	04/01/12	03/31/13	Assistant Basketball Coach	12	\$51,000.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	O'Connor, Wade	04/01/12	03/31/13	Associate Head Men's Basketball Coach	12	\$71,400.00	Full-Time Fixed	Renewal
Athletics-Men's Basketball	Tyndall, Donald	04/01/12	03/31/13	Head Men's Basketball Coach	12	\$234,600.00	Full-Time Fixed	Renewal
Athletics-Tennis	Fulton, Kevin	07/01/12	06/30/13	Head Tennis Coach	12	\$39,406.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	Hodges, George	04/01/12	03/31/13	Head Women's Basketball Coach	12	\$94,350.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	Stefanopoulos, Christian	04/01/12	03/31/13	Assistant Basketball Coach	12	\$42,840.00	Full-Time Fixed	Renewal
Athletics-Women's Basketball	White, Eric	04/01/12	03/31/13	Assistant Basketball Coach	12	\$48,960.00	Full-Time Fixed	Renewal
Athletics-Women's Golf	Barker, Stephanie	07/01/12	06/30/13	Head Women's Golf Coach	12	\$38,720.00	Full-Time Fixed	Renewal
Athletics-Women's Soccer	Groves, Jeremy	07/01/12	12/31/12	Assistant Soccer Coach	12	\$28,800.00	Full-Time Fixed	Renewal
Athletics-Women's Soccer	Lipka, Warren	07/01/12	12/31/12	Women's Head Soccer Coach	12	\$52,020.00	Full-Time Fixed	Renewal
Athletics-Women's Softball	Giles, Jennifer	07/01/12	06/30/13	Assistant Softball Coach	12	\$28,000.00	Full-Time Fixed	Renewal
Athletics-Women's Softball	Williams, David	07/01/12	06/30/13	Head Women's Softball Coach	12	\$50,000.00	Full-Time Fixed	Renewal
Athletics-Women's Volleyball	Goral, Gregory	07/01/12	12/31/12	Associate Head Women's Volleyball Coach	12	\$41,000.00	Full-Time Fixed	Renewal
Athletics-Women's Volleyball	Gordon, James	07/01/12	12/31/12	Head Women's Volleyball Coach	12	\$68,000.00	Full-Time Fixed	Renewal
Biology & Chemistry	Fulmer, Dennis	08/13/12	05/14/13	Instructor of Chemistry	9	\$35,700.00	Full-Time Fixed	Renewal
Biology & Chemistry	Lin, Elizabeth	08/13/12	05/14/13	Instructor of Biology	9	\$40,280.00	Full-Time Fixed	Renewal
Biology & Chemistry	McMurry, Malinda	08/13/12	05/14/13	Instructor of Biology	9	\$42,441.00	Full-Time Fixed	Renewal
Communication, Media & Leadership Studies	Manis, Randy	08/13/12	05/14/13	Lead Coordinator & Instructor	9	\$35,700.00	Full-Time Fixed	Renewal
Communication, Media & Leadership Studies	Middleton, Steven	08/13/12	05/14/13	Instructor of Mass Communication	9	\$34,680.00	Full-Time Fixed	Renewal
Early Child., Elem. & Spec. Education	Benton, Sharon	08/13/12	05/14/13	Instructor of Education	9	\$42,515.00	Full-Time Fixed	Renewal
Early Child., Elem. & Spec. Education	Frederick, Kathleen	08/13/12	05/14/13	Instructor of Education	9	\$33,854.00	Full-Time Fixed	Renewal
Early Child., Elem. & Spec. Education	Nettleton, Kimberly	08/13/12	05/14/13	Instructor of Education	9	\$40,390.00	Full-Time Fixed	Renewal
Early Child., Elem. & Spec. Education	Stokes, Paula	08/13/12	05/14/13	Instructor of Education	9	\$32,000.00	Full-Time Fixed	Renewal
Early Child., Elem. & Spec. Education	Winkelman, Beverly	08/13/12	05/14/13	Instructor of Education	9	\$33,660.00	Full-Time Fixed	Renewal
Educational Unit for Child Care Services	Akers, Stephanie	07/01/12	06/30/13	Director, Educational Unit for Child Care Services	12	\$53,040.00	Full-Time Fixed	Renewal
English	Bessette, Leo	08/13/12	05/14/13	Instructor of English	9	\$32,554.00	Full-Time Fixed	Renewal
English	Edington, Carmen	08/13/12	05/14/13	Instructor of English	9	\$33,000.00	Full-Time Fixed	Renewal
English	Engle, Bruce	08/13/12	05/14/13	Instructor of English	9	\$37,908.00	Full-Time Fixed	Renewal
English	Gabrielson, Deanna	08/13/12	05/14/13	Instructor of English	9	\$33,000.00	Full-Time Fixed	Renewal
English	Hicks, Paul	08/13/12	05/14/13	Instructor of English	9	\$35,414.00	Full-Time Fixed	Renewal
English	Howell, Rebecca	08/13/12	05/14/13	Instructor of English	9	\$34,170.00	Full-Time Fixed	Renewal
English	Kimble, Arnold	08/13/12	05/14/13	Instructor of English	9	\$35,878.00	Full-Time Fixed	Renewal
English	Mascel, Deanna	08/13/12	05/14/13	Instructor of English	9	\$36,412.00	Full-Time Fixed	Renewal
English	Penn, Steven	08/13/12	05/14/13	Instructor of English	9	\$35,580.00	Full-Time Fixed	Renewal
English	Reding, Timothy	08/13/12	05/14/13	Instructor of English	9	\$35,361.00	Full-Time Fixed	Renewal
English	Rovner, Jonathan	08/13/12	05/14/13	Instructor of English	9	\$33,660.00	Full-Time Fixed	Renewal
English	Salyers, Jared	08/13/12	05/14/13	Instructor of English	9	\$33,660.00	Full-Time Fixed	Renewal
English	Sexton, Rebecca	08/13/12	05/14/13	Instructor of English	9	\$37,876.00	Full-Time Fixed	Renewal
English	Wilkinson, Crystal	08/13/12	05/14/13	Visiting Asst. Prof. of English	9	\$64,088.00	Full-Time Fixed	Renewal
Foundational & Graduate Studies Ed.	Abell, Deborah	08/13/12	05/14/13	Assoc. Prof. of Education	9	\$58,000.00	Full-Time Fixed	Renewal
Foundational & Graduate Studies Ed.	Beckham, Leslie	08/13/12	05/14/13	Instructor of Education	9	\$42,000.00	Full-Time Fixed	Renewal
Foundational & Graduate Studies Ed.	Hughes, Richard	08/13/12	05/14/13	Instructor of Education	9	\$46,451.00	Full-Time Fixed	Renewal

APPOINTMENT STATUS ACTIONS
2/22/12 - 5/15/12

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
Foundational & Graduate Studies Ed.	Templeton, Jenny	08/13/12	05/14/13	Instructor of Education	9	\$43,000.00	Full-Time Fixed	Renewal
Health, Wellness & Human Performance	Ash, Elizabeth	08/13/12	05/14/13	Instructor of HWHP	9	\$38,720.00	Full-Time Fixed	Renewal
Health, Wellness & Human Performance	Kerr, Wade	08/13/12	05/14/13	Instructor of HWHP	9	\$38,292.00	Full-Time Fixed	Renewal
Health, Wellness & Human Performance	Miller, Mary	08/13/12	05/14/13	Instructor of HWHP	9	\$40,747.00	Full-Time Fixed	Renewal
History, Phil., Relig. & Legal Studies	Ryan, Pamela	08/13/12	05/14/13	Instructor of Philosophy	9	\$38,600.00	Full-Time Fixed	Renewal
Instructional Services	Bromagen, Charlotte	08/13/12	05/14/13	Instructor of Education	9	\$41,605.00	Full-Time Fixed	Renewal
Instructional Services	Rogers, Donna	08/13/12	05/14/13	Instructor of Education	9	\$32,640.00	Full-Time Fixed	Renewal
International & Interdisciplinary Studies	Aloway, Sissy	08/13/12	05/14/13	Instructor of Spanish	9	\$35,190.00	Full-Time Fixed	Renewal
MAT Special Education Program	Lester, Billie	08/13/12	05/14/13	Instructor of Education	9	\$38,394.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Beck, Genell	08/13/12	05/14/13	Instructor of Mathematics	9	\$39,321.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Blanton, Richard	08/13/12	05/14/13	Instructor of Mathematics	9	\$38,412.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Elgazzar, Heba	08/13/12	05/14/13	Instructor of Computer Science	9	\$45,000.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Holbrook, Pamela	08/13/12	05/14/13	Instructor of Mathematics	9	\$34,469.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Hood, Dawn	08/13/12	05/14/13	Instructor of Mathematics	9	\$33,148.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Meadows, Troy	08/13/12	05/14/13	Instructor of Mathematics	9	\$37,880.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Schroeder, Kendra	08/13/12	05/14/13	Instructor of Mathematics	9	\$34,427.00	Full-Time Fixed	Renewal
Math, Computer Science & Physics	Schworn, Brian	08/13/12	05/14/13	Instructor of Mathematics	9	\$38,550.00	Full-Time Fixed	Renewal
Middle Grades/Secondary Education	Binion, Patricia	08/13/12	05/14/13	Instructor of Education	9	\$35,422.00	Full-Time Fixed	Renewal
Middle Grades/Secondary Education	Blackburn, Brenda	08/13/12	05/14/13	Instructor of Education	9	\$35,422.00	Full-Time Fixed	Renewal
Middle Grades/Secondary Education	Hardin, Patricia	08/13/12	05/14/13	Instructor of Education	9	\$35,422.00	Full-Time Fixed	Renewal
Middle Grades/Secondary Education	Kirk, Sharon	08/13/12	05/14/13	Instructor of Education	9	\$32,601.00	Full-Time Fixed	Renewal
Middle Grades/Secondary Education	Lyons, Barbara	08/13/12	05/14/13	Instructor of Education	9	\$34,193.00	Full-Time Fixed	Renewal
Middle Grades/Secondary Education	Morgan, Billy	08/13/12	05/14/13	Instructor of Education	9	\$32,601.00	Full-Time Fixed	Renewal
Music, Theatre & Dance	Carlisle, Gregory	08/13/12	05/14/13	Instructor of Theatre	9	\$40,647.00	Full-Time Fixed	Renewal
Music, Theatre & Dance	Eastwood, Deborah	08/13/12	05/14/13	Instructor of Music	9	\$38,760.00	Full-Time Fixed	Renewal
Music, Theatre & Dance	Hsieh, Chia-Ling	08/13/12	05/14/13	Instructor of Music	9	\$39,434.00	Full-Time Fixed	Renewal
Nursing-ADN Program	Rose, Diana	08/13/12	05/14/13	Clinical Instructor	9	\$42,840.00	Full-Time Fixed	Renewal
School of Business Administration	Brown, Robert	08/13/12	05/14/13	Instructor of CIS	9	\$36,987.00	Full-Time Fixed	Renewal
School of Business Administration	Grimes, Connie	08/13/12	05/14/13	Instructor of CIS	9	\$44,183.00	Full-Time Fixed	Renewal
School of Business Administration	Nehring, Daniel	08/13/12	05/14/13	Instructor of Management	9	\$44,232.00	Full-Time Fixed	Renewal
School of Business Administration	Sexton, Amy	08/13/12	05/14/13	Instructor of Accounting	9	\$40,800.00	Full-Time Fixed	Renewal
School of Business Administration	Smith, Lola	08/13/12	05/14/13	Instructor of CIS	9	\$48,192.00	Full-Time Fixed	Renewal
School of Public Affairs	Lewis, Erik	08/13/12	05/14/13	Instructor of Government	9	\$39,780.00	Full-Time Fixed	Renewal
School of Public Affairs	Wright, Matthew	08/13/12	05/14/13	Visiting Asst. Prof. of Government	9	\$48,000.00	Full-Time Fixed	Renewal
Sociology, Social Work & Criminology	Bishop, Elizabeth	07/01/12	06/30/13	Instructor of Social Work/Facilitator	12	\$48,841.00	Full-Time Fixed	Renewal
Sociology, Social Work & Criminology	Groeber, Jeanette	07/01/12	06/30/13	Instructor of Social Work/Facilitator	12	\$45,861.00	Full-Time Fixed	Renewal
Sociology, Social Work & Criminology	Hall, Raymond	08/13/12	05/14/13	Instructor of Sociology	9	\$37,293.00	Full-Time Fixed	Renewal
Sociology, Social Work & Criminology	Robinson, Deirdra	08/13/12	05/14/13	Instructor of Social Work	9	\$40,800.00	Full-Time Fixed	Renewal
Upward Bound Programs	Cady, Jennifer	06/01/12	06/30/12	Director, Upward Bound Programs	12	\$69,296.00	Full-Time Fixed	Renewal
Leave Of Absence								
Earth & Space Science	Chapman, Marshall	08/20/12	12/14/12	Assoc. Prof. of Geology	9	\$54,397.00	Without Pay	Personal
Dean, College of Education	Williams, Kristie	03/19/12	03/23/12	Assessment Administrator	12	\$34,924.00	Without Pay	Suspension
Facilities Mngt. - Building Services	Kidd, Sheena	04/18/12	04/24/12	Building Services Technician	12	\$8.63	Without Pay	Suspension
Promotions								
Foundational & Graduate Studies Ed.	Barnett, Myron D.	07/01/12		Department Chair & Professor of Education	12	\$100,755.00		Promotion/Title Change
Biology & Chemistry	Peyton, David	08/13/12		Professor of Biology	9	\$60,397.00		Promotion/Title Change/Salary Adj.
Camden Carroll Library	Alaman, Karla	07/01/12		Librarian II	12	\$40,270.00		Promotion/Title Change/Salary Adj.
Camden Carroll Library	Bailey, Hargis	07/01/12		Librarian IV	12	\$50,505.00		Promotion/Title Change/Salary Adj.
Camden Carroll Library	Chapman, Ophelia	07/01/12		Librarian III	12	\$45,860.00		Promotion/Title Change/Salary Adj.
Early Child, Elem. & Spec. Education	McLaren, Elizabeth	08/13/12		Assoc. Prof. of Education	12	\$48,760.00		Promotion/Title Change/Salary Adj.
Early Child, Elem. & Spec. Education	Rutland, Julie	08/15/12		Asst. Prof. of Education	9	\$43,000.00		Promotion/Title Change/Salary Adj.
Earth & Space Science	Pannuti, Thomas	08/13/12		Assoc. Prof. of Space Science	10	\$65,927.00		Promotion/Title Change/Salary Adj.
Foundational & Graduate Studies Ed.	Kiecker, Beverly	08/13/12		Professor of Education	9	\$60,972.00		Promotion/Title Change/Salary Adj.
Foundational & Graduate Studies Ed.	Skidmore, Ronald	08/13/12		Professor of Education Psychology	9	\$61,815.00		Promotion/Title Change/Salary Adj.
Health, Wellness & Human Performance	Blunt, Gina	08/13/12		Assoc. Prof. of HWHP	9	\$48,521.00		Promotion/Title Change/Salary Adj.
International & Interdisciplinary Studies	O'Dell, Gary	08/13/12		Professor of Geography & Intern. & Interd. Studies	9	\$56,305.00		Promotion/Title Change/Salary Adj.
Math, Computer Science & Physics	Perry, Christine	08/13/12		Assoc. Prof. of Mathematics	9	\$55,692.00		Promotion/Title Change/Salary Adj.
Math, Computer Science & Physics	Rashad, Sherif	08/13/12		Assoc. Prof. of Computer Science	9	\$73,268.00		Promotion/Title Change/Salary Adj.
Middle Grades/Secondary Education	Lennox, Lesia	08/13/12		Professor of Education	9	\$65,286.00		Promotion/Title Change/Salary Adj.
Music, Theatre & Dance	Denayer, Paul	08/13/12		Assoc. Prof. of Theatre	9	\$50,037.00		Promotion/Title Change/Salary Adj.
Nursing-ADN Program	Brown, Amy	08/13/12		Assoc. Prof. of Nursing	9	\$52,163.00		Promotion/Title Change/Salary Adj.
Nursing-ADN Program	Jamea, Teresa	08/13/12		Assoc. Prof. of Nursing	9	\$52,183.00		Promotion/Title Change/Salary Adj.
Nursing-BSN Program	Sammons, Vanessa	08/13/12		Assoc. Prof. of Nursing	9	\$50,960.00		Promotion/Title Change/Salary Adj.
President's Office	Ernst, John	06/04/12		Executive Assistant to the President	12	\$104,040.00		Promotion/Title Change/Salary Adj.
Psychology	Blackledge, John	08/13/12		Assoc. Prof. of Psychology	9	\$57,080.00		Promotion/Title Change/Salary Adj.

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APPOINTMENT STATUS ACTIONS
2/22/12 - 5/15/12

Department/Office	Name	Effective Date	Ending Date	Title	Contract Months	Salary	Employment Status	Employment Action
School of Business Administration	Kunz, Michelle	08/13/12		Professor of Marketing	9	\$69,244.00		Promotion/Title Change/Salary Adj.
School of Public Affairs	Hail, Michael	07/01/12		Asst. Dean/Director of MPA/Professor of Government	12	\$104,991.00		Promotion/Title Change/Salary Adj.
Sociology, Social Work & Criminology	Barton, Bernadette	08/13/12		Professor of Sociology	9	\$57,590.00		Promotion/Title Change/Salary Adj.
Sociology, Social Work & Criminology	Faulkner, Cynthia	08/13/12		Professor of Social Work	9	\$59,630.00		Promotion/Title Change/Salary Adj.
Sociology, Social Work & Criminology	Faulkner, Samuel	08/13/12		Professor of Social Work	9	\$58,793.00		Promotion/Title Change/Salary Adj.
Terminations								
Graduate & Undergraduate Programs	Lewis, Tonia	05/01/12		Graduate & Undergraduate Prog. Assoc. Director	12	\$39,676.00		Death
Educational Opportunity Center	Turner, Kenneth	04/18/12		College Access Counselor	12	\$24,919.00		Discharge
Applied Engineering & Technology	Krjestorac, Sadeta	05/14/13		Asst. Prof. of AET	9	\$57,671.00		Probationary Release
Facilities Mngt.-Building Services	Ishmael, Michael	04/06/12		Building Services Technician	12	\$8.34		Probationary Release
Music, Theatre & Dance	Hickman, Rebecca	05/11/12		Costume Shop Supervisor/Instructor of Theatre	12	\$39,676.00		Probationary Release
Athletics	Deweese, Kevin	04/27/12		Head Strength & Conditioning Coach	12	\$34,090.00		Resignation
Athletics-Men's Basketball	Dowling, Jareem	05/15/12		Assistant Basketball Coach	12	\$66,300.00		Resignation
Athletics-Men's Basketball	Howard, Christopher	05/01/12		Assistant Basketball Coach	12	\$51,000.00		Resignation
Athletics-Men's Basketball	O'Connor, Wade	05/15/12		Associate Head Men's Basketball Coach	12	\$71,400.00		Resignation
Athletics-Men's Basketball	Tyndall, Donald	04/30/12		Head Men's Basketball Coach	12	\$234,600.00		Resignation
Athletics-Women's Basketball	Hicks, Lindsey	02/24/12		Assistant Basketball Coach	12	\$35,700.00		Resignation
Athletics-Women's Basketball	Stefanopoulos, Christian	05/04/12		Assistant Basketball Coach	12	\$42,840.00		Resignation
Early Child., Elem. & Spec. Education	Arlington, Jane	05/12/12		Asst. Prof. of Education	9	\$43,840.00		Resignation
English	Chisholm, James	06/12/12		Asst. Prof. of English	9	\$47,940.00		Resignation
KY Center for Traditional Music	Sansom, Tara	06/01/12		Instructor of Music	12	\$44,880.00		Resignation
Music, Theatre & Dance	Morse, Lisa	05/14/12		Asst. Prof. of Theatre	9	\$47,940.00		Resignation
Psychology	Reilly, Sean	05/14/12		Assoc. Prof. of Psychology	9	\$58,271.00		Resignation
Educational Services Unit	Gold, Rosemarie	05/31/12		Director, Educational Services Unit	12	\$77,848.00		Retirement
Educational Services Unit	Vencil, Sue	06/30/12		TEP Admissions Coord./UG Certification	12	\$57,677.00		Retirement
Facilities Mngt.-Building Services	Roe, Charles	05/14/12		Building Services Technician	12	\$10.29		Retirement
Music, Theatre & Dance	Oddis, Frank	05/31/12		Assoc. Prof. of Music	10	\$68,215.00		Retirement
Other								
Athletics-Cross Country	Ericksen, Brent	02/22/12		Head Cross Country & Track Coach	12	\$32,000.00		Probation Completed
Athletics-Women's Softball	Giles, Jennifer	03/14/12		Assistant Softball Coach	12	\$26,000.00		Probation Completed
Athletics-Women's Softball	Williams, David	02/21/12		Head Women's Softball Coach	12	\$50,000.00		Probation Completed
Carl Perkins Vocational Center	Cyrus, Susan	03/14/12		ABE Teacher	12	\$29,130.00		Probation Completed
Carl Perkins Vocational Center	Reynolds, Harold	02/04/12		Mental Health Counselor	12	\$36,000.00		Probation Completed
Earth & Space Science	Xu, Qingzhou	08/01/12	05/31/13	Micro-Fabrication Engineer/Instructor	10	\$55,317.00	(12 month to 10 month)	Salary Adjustment
Agricultural Sciences	Stubbs, Joyce	08/01/12		CTE Coordinator/Asst. Prof. of CTE	10	\$64,893.00	(12 month to 10 month)	Salary Adjustment
Institute for Regional Analysis & Public Policy	Bessette, Murray	08/13/12		Asst. Prof. of Government	9	\$59,500.00		Salary Adjustment
Sociology, Social Work & Criminology	Faulkner, Samuel	04/16/12		Assoc. Prof. of Social Work	9	\$54,793.00	(10 month to 9 month)	Salary Adjustment
International & Interdisciplinary Studies	Masterson, James	02/01/12		Asst. Prof./Director, International Education	10	\$52,133.00	(9 month to 10 month)	Title Change/Salary Adjustment
Health, Wellness & Human Performance	Seelig, Dayna	08/01/12		Professor of HWHP	9	\$97,920.00		Transfer/Title Change/Salary Adj.
Total Number of PARs = 166								

SUPPLEMENTAL ACTIONS
2/22/12 - 5/12/12

Name	Title	Department/Office	Effective Date	Ending Date	Salary	Description
Faulkner, Samuel	Assoc. Prof. of Social Work	Research & Sponsored Programs	05/16/12	06/30/12	\$1,000.00	Administrative Duties
Hargis, Ray	Librarian III	Camden Carroll Library	01/01/12	06/30/12	\$2,325.00	Interim Dir. Of Instructional Services
Hodges, George	Head Women's Basketball Coach	Athletics-Women's Basketball	03/15/12	03/15/12	\$8,208.00	Eagle Sports Network
Hodges, George	Head Women's Basketball Coach	Athletics-Women's Basketball	03/15/12	03/15/12	\$2,090.00	Vehicle Allowance
Peterson, Kimberly	Assoc. Prof. of Veterinary Technology	Research & Sponsored Programs	05/16/12	06/30/12	\$1,000.00	Administrative Duties
Ratliff, Jill	Asst. VP, IRSA	Institutional Research & Assessment	02/13/12	04/30/12	\$1,913.00	Admin. Duties, Director of Inst. Res. & Assessment
Tyndall, Donald	Head Men's Basketball Coach	Athletics-Men's Basketball	03/15/12	03/15/12	\$12,312.00	Eagle Sports Network
Tyndall, Donald	Head Men's Basketball Coach	Athletics-Men's Basketball	03/15/12	03/15/12	\$1,951.00	Vehicle Allowance
TOTAL NUMBER OF SUPPLEMENTALS = 8						

**APPROVE REAPPOINTMENT
OF AUDITING FIRM**

**BOR (VI-A-8)
June 7, 2012**

Recommendation:

That, based on the recommendation of the Audit Committee, the Board approve the extension of the auditing services contract with Dean, Dorton, Allen, Ford, PLLC in Lexington to conduct the required annual audits for Morehead State University for the fiscal year that will end on June 30, 2012.

Background:

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

On February 1, 2011, the University issued a request for proposals from qualified public accounting firms to perform the auditing services. As a result of that process, the Audit Committee recommended and the Board approved the appointment of Dean, Dorton, Allen, Ford, PLLC to conduct the annual audits. The contract with the firm was for the fiscal year that ended on June 30, 2011 with the option to extend the contract for four additional one year periods. The audit fee adjustments for the extension periods will be based on the consumer price index.

The services rendered by Dean, Dorton, Allen, Ford, PLLC for the 2010-2011 fiscal year were satisfactory and in compliance with the terms of the contract. The fee for the 2011-2012 fiscal year will not exceed \$81,525 (\$76,525 base fee and maximum \$5,000 out of pocket expenses fee).

The Audit Committee met on May 3, 2012. The Committee approved the extension of the audit contract.

**APPROVE MINIMUM SCOPE
OF THE ANNUAL AUDIT**

**BOR (VI-A-9)
June 7, 2012**

Recommendation:

That, based on the recommendation of the Audit Committee, the Board approve the minimum scope of the University's audit for the year ending June 30, 2012.

Background:

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

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

The Audit Committee met on May 3, 2012. The Committee approved the minimum scope of the audit.

**MOREHEAD STATE UNIVERSITY
MINIMUM SCOPE OF THE ANNUAL AUDIT
FOR THE YEAR ENDING JUNE 30, 2012**

June 7, 2012

This document outlines the minimum scope of the annual audit of Morehead State University (MSU), and any applicable related entities, to be conducted by the University's auditors (the Firm) for the year ending June 30, 2012. Additional audit requirements and procedures may be added as situations warrant.

Internal Controls

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

General Purpose Financial Statements

The Firm will perform an audit of and issue its independent auditor's report on the financial statements of MSU as of June 30, 2012 and the results of its operations for the fiscal year then ended. The audit will be performed in accordance with auditing standards generally accepted in the United States of America; the standards for financial and compliance audits contained in *Government Auditing Standards* (GAGAS), issued by the United States General Accounting Office; the Single Audit Act Amendments of 1996; and the provisions of Office of Management and Budgets (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The report will also include an independent auditor's report on supplemental information covering those supplemental schedules suggested to be reported on by the AICPA Audit Guide *Audits of Colleges and Universities*.

Federal Awards Programs

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

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

Kentucky Lease Law Compliance Audit

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

Intercollegiate Athletics Department:

The Firm will perform certain agreed-upon procedures and issue a separate report covering the limited examination of the Intercollegiate Athletics Department and its related booster organization, for the year ending June 30, 2012. These procedures will be performed in accordance with the latest version of the *NCAA Financial Audit Guidelines*.

Corporation for Public Broadcasting (CPB):

The Firm will issue its independent auditor's report on the financial statements of WMKY-FM for the year ending June 30, 2012. The audit will be performed in accordance with auditing standards generally accepted in the United States of America and the *Public Telecommunications Audit Guide and Requirements* as they relate to the CPB Annual Financial Report for the year ending June 30, 2012.

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

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

Friends of Kentucky Folk Art Center, Inc:

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

Management Letter:

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

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

Closing Package:

In accordance with the directive from the Commonwealth of Kentucky Auditor of Public Accounts, the Firm will provide a copy of the comprehensive financial statements and

management letter to the Auditor of Public Accounts. In addition, a report issued under *Codification of Statements on Auditing Standards* AU 623.11 through 623.17 applicable to the "closing package" furnished by the University to the Finance and Administration Cabinet will be provided to the Auditor of Public Accounts by September 30, 2012 (or date specified by the Commonwealth). If requested by the Auditor of Public Accounts and approved by the University, all working papers prepared by the audit team will be made available for review.

Audit of Subsequent Events:

In accordance with the directive from the Auditor of Public Accounts, the Firm will update the audit procedures related to events subsequent to June 30, 2012 from the last day of field work (projected for late September 2012) to December 14, 2012. The Firm will report the results of these updated procedures in a separate letter, which shall be delivered to the Auditor of Public Accounts and to the University, no later than noon on December 17, 2012.

Other Reports:

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

Exit Conferences:

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

Timing of Reports:

1. Two copies of the audited financial statements and management letter shall be furnished to the Auditor of Public Accounts no later than October 1 (or other such date as specified by the Commonwealth). If final reports are not available as of October 1 (or other such date as specified by the Commonwealth), drafts will be submitted by that date. The reports will contain the following items:
 - (a) Audited financial statements and an opinion thereon.
 - (b) A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. Where applicable, this report must refer to a separate schedule of findings and questioned costs.
 - (c) A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133. Where applicable, this report must refer to a separate schedule of findings and questioned costs.
 - (d) A report on compliance in accordance with KRS 164A.555 through 164A.630 (House Bill 622) based on the audit of financial statements.

- (e) The closing package forms, in accordance with *Codification of Statements on Auditing Standards*, AU 623.11 through 623.17.
 - (f) If applicable, the Firm shall also obtain and submit management's summary schedule of prior audit findings and corrective action plan for current year audit findings.
 - (g) The reports described above should be presented in a manner prescribed by the AICPA Audit and Accounting Guide and OMB A-133. Notwithstanding the provisions of the AICPA Audit Guide, any "other matter" conveyed to management should be in writing, and a copy of that correspondence forwarded to the Auditor of Public Accounts.
2. The report on the University's financial statements is required to be delivered to the University by September 30th (or other such date as specified by the Commonwealth).
 3. The Firm will certify, on line, the CPB audit report to CPB by November 30 of each year.
 4. The Firm will deliver the KFAC audit report and form 990 by November 30 of each year.
 5. The Firm will provide a representation letter by September 30th (or other such date as specified by the Commonwealth) to the Auditor of Public Accounts stating that the Firm is in compliance with generally accepted auditing standards and *Government Auditing Standards* concerning continuing education requirements, independence and internal quality control system and peer review requirements. The representation letter should be prepared in accordance with the provisions of the Auditor of Public Accounts related to independence.
 6. The Firm shall notify the Auditor of Public Accounts of matters which come to its attention which may have a significant impact on the Commonwealth's financial statements. The Firm shall be available to the Auditor of Public Accounts to address questions about the University's financial statements.
 7. The Firm will provide, by the date requested, a letter to the Auditor of Public Accounts reporting the results of the application of subsequent events audit procedures.
 8. The Firm will provide a copy, in Adobe (pdf) format, each of the audited financial statements to the University (both including and excluding the report on Federal Awards Program (A-133)), in electronic form to be used when required by outside agencies for reporting purposes.
 9. The firm will prepare the University's form 990-T by February 15th of each year and provide consulting services related to unrelated business income.

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

**BOR (VI-B-1)
June 7, 2012**

Recommendation:

That the Board accept the financial statements and amend the operating budget for the third quarter of the fiscal year that will end June 30, 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 March 31, 2012, the third 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
Third Quarter Financial Statements
March 31, 2012

This discussion and analysis of Morehead State University's financial statements provides an overview of the University's financial activities for the nine months that ended on March 31, 2012. 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 third quarter of the 2011-2012 fiscal year. During the period July 1, 2011 through March 31, 2012 the University operated with a surplus of revenues over expenditures and transfers in the amount of \$15,718,726. 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 March 31, 2012 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 nine months are summarized as follows:

- ▶ Total revenues increased \$4.7 million over last year to \$117.5 million. Tuition & fees increased \$3.2 million, primarily due to a 7% increase in student tuition and fees and an increase in enrollment. Housing revenue increased approximately \$1.4 million, primarily due to a 9% increase in housing rates and an increase in enrollment.
- ▶ The percent of actual total revenue to budget was 84.78% at March 31, 2012 and 84.58% at March 31, 2011. 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 \$7.5 million over last year to \$101.7 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 decreased \$2.8 million to \$15.7 million as compared to \$18.5 million at March 31, 2011. 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 Nine Months Ended March 31, 2012 and 2011

	2011-2012			2010-2011		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
REVENUES						
Educational and General						
Tuition and Fees	\$64,148,463	\$62,036,696	96.71%	\$58,873,488	\$58,861,763	99.98%
Govt Appropriations	43,486,600	35,144,545	80.82%	43,156,100	34,928,249	80.93%
Indirect Cost Reimbursement	597,000	430,077	72.04%	365,000	636,351	174.34%
Sales & Services Ed Activities	1,836,480	1,917,756	104.43%	2,393,546	1,843,961	77.04%
Other Sources	3,121,299	2,871,383	91.99%	2,650,295	3,357,955	126.70%
Budgeted Fund Balance-E&G	9,751,392	0	0.00%	11,037,742	0	0.00%
Total Educational and General	\$122,941,234	\$102,400,457	83.29%	\$118,476,171	\$99,628,279	84.09%
Auxiliary Enterprises						
Housing	\$9,267,300	\$9,481,206	102.31%	\$8,601,300	\$8,079,390	93.93%
University Store	4,203,649	4,266,350	101.49%	3,989,557	4,103,518	102.86%
Food Services	795,250	629,187	79.12%	780,000	625,684	80.22%
Other	1,339,968	689,672	51.47%	1,483,205	330,800	22.30%
Total Auxiliary Enterprises	\$15,606,167	\$15,066,415	96.54%	\$14,854,062	\$13,139,392	88.46%
TOTAL REVENUES	\$138,547,401	\$117,466,872	84.78%	\$133,330,233	\$112,767,671	84.58%

Morehead State University
Unrestricted Current Funds
Statements of Revenues, Expenditures & Changes in Fund Balance
For the Nine Months Ended March 31, 2012 and 2011

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	2011-2012			2010-2011		
	Amended Budget	Actual	Percent of Actual to Budget	Amended Budget	Actual	Percent of Actual to Budget
EXPENDITURES AND TRANSFERS BY DIVISION						
Educational & General						
President & Administration	\$764,484	\$583,953	76.39%	\$729,331	\$560,937	76.91%
University Advancement	4,521,354	3,339,008	73.85%	4,725,262	3,409,067	72.15%
Administration & Fiscal Services	19,501,899	15,921,466	81.64%	19,285,804	16,107,194	83.52%
Planning & Budgets	220,861	130,083	58.90%	489,836	354,910	72.45%
Student Life	13,520,879	11,007,811	81.41%	12,260,580	9,061,384	73.91%
Academic Affairs	72,839,603	55,638,816	76.39%	69,812,999	52,405,373	75.07%
Other	11,333,606	5,983,857	52.80%	10,567,118	4,092,605	38.73%
Total Educational & General	\$122,702,686	\$92,604,994	75.47%	\$117,870,930	\$85,991,470	72.95%
Auxiliary Enterprises						
Housing	\$9,919,695	\$4,047,937	40.81%	\$10,432,536	\$3,791,371	36.34%
University Store	4,009,625	3,715,452	92.66%	3,781,827	3,548,403	93.83%
Food Services	515,029	391,562	76.03%	530,204	413,573	78.00%
Other	1,400,366	988,201	70.57%	714,736	517,765	72.44%
Total Auxiliary Enterprises	\$15,844,715	\$9,143,152	57.70%	\$15,459,303	\$8,271,112	53.50%
TOTAL EXPENDITURES AND TRANSFERS BY DIVISION	\$138,547,401	\$101,748,146	73.44%	\$133,330,233	\$94,262,582	70.70%
NET CHANGE IN FUND BALANCE		\$15,718,726			\$18,505,089	

Morehead State University
Statements of Net Assets
March 31, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$38,561,624	\$37,100,195
Accounts, grants and loans receivable, net	12,091,185	16,149,723
Prepaid interest	124,649	124,649
Inventories	<u>1,550,106</u>	<u>1,404,776</u>
Total current assets	<u>\$52,327,564</u>	<u>\$54,779,343</u>
Noncurrent assets:		
Accounts, grants and loans receivable, net	\$3,647,750	\$3,798,610
Prepaid interest	226,840	351,488
Investments	13,756,757	13,737,955
Capital assets, net	<u>188,837,840</u>	<u>185,035,272</u>
Total noncurrent assets	<u>\$206,469,187</u>	<u>\$202,923,325</u>
TOTAL ASSETS	<u>\$258,796,751</u>	<u>\$257,702,668</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$5,250,624	\$4,575,974
Deferred revenue	2,682,868	2,888,018
Bonds, notes and capital lease obligations, current portion	<u>4,307,643</u>	<u>4,224,982</u>
Total current liabilities	<u>\$12,241,135</u>	<u>\$11,688,974</u>
Long-term liabilities:		
Bonds, notes and capital lease obligations, noncurrent portion	\$51,426,799.00	\$50,958,535.00
Advances from federal government for student loans	<u>3,460,284</u>	<u>3,813,100</u>
Total long-term liabilities	<u>\$54,887,083</u>	<u>\$54,771,635</u>
TOTAL LIABILITIES	<u>\$67,128,218</u>	<u>\$66,460,609</u>
NET ASSETS		
Invested in capital assets, net of related debt	\$133,454,888	\$130,327,893
Restricted:		
Expendable	11,191,973	12,365,628
Nonexpendable	12,419,059	12,397,578
Unrestricted	<u>34,602,613</u>	<u>36,150,960</u>
TOTAL NET ASSETS	<u>\$191,668,533</u>	<u>\$191,242,059</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$258,796,751</u>	<u>\$257,702,668</u>

See Attached Notes To Statements of Net Assets

MOREHEAD STATE UNIVERSITY
Notes to the Statements of Net Assets
March 31, 2012 and 2011

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 \$2,456,600 at March 31, 2012 and \$1,782,002 at March 31, 2011. Also, included in this category is \$6.2 million in receivables from federal and state grant agencies at March 31, 2012 and \$8.7 million at March 31, 2011. Accounts, grants, and loans receivable decreased approximately \$4.1 million to \$12 million at March 31, 2012. The decrease is attributable to a \$5.1 million reduction in a receivable from the Commonwealth for funds already expended by MSU for construction and equipment.
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 \$80,990 at March 31, 2012 and \$83,406 at March 31, 2011.
4. Prepaid interest represents interest paid to advance refund the University's Housing and Dining System Revenue Bonds.
5. Capital Assets, net increased approximately \$3.8 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 \$141,343,976 at March 31, 2012 and \$132,143,093 at March 31, 2011.
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.
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 January 1, 2012 to March 31, 2012

Description	Amended Budget As of 1/1/2012	Adjustments	Amended Budget As of 3/31/2012
Revenues and Other Additions			
Tuition and Fees	\$ 64,022,604	\$ 125,859	\$ 64,148,463
Government Appropriations	43,486,600	-	43,486,600
Indirect Cost Reimbursement	597,000	-	597,000
Sales and Services of Ed. Activities	1,680,144	156,336	1,836,480
Other Sources	3,014,742	106,557	3,121,299
Budgeted Fund Balance - E&G	9,518,075	233,317	9,751,392
Auxiliary Enterprises	14,969,197	246,969	15,216,166
Budgeted Fund Balance - AUX	390,001	-	390,001
Total Revenues and Other Additions	\$ 137,678,363	\$ 869,038	\$ 138,547,401
Expenditure Authorizations by Division			
Educational & General			
President & Administration	\$ 757,856	\$ 6,628	\$ 764,484
University Advancement	4,447,711	73,643	4,521,354
Planning & Budgets	490,216	(269,355)	220,861
Administration & Fiscal Services	18,949,299	552,600	19,501,899
Student Life	13,402,471	118,408	13,520,879
Academic Affairs	72,597,043	242,560	72,839,603
Debt Service & Mandatory Transfers	3,108,602	-	3,108,602
Other	8,330,939	(105,935)	8,225,004
Total Educational & General	\$ 122,084,137	\$ 618,549	\$ 122,702,686
Auxiliary Enterprises			
Administration & Fiscal Services	\$ 12,017,110	\$ 250,489	\$ 12,267,599
Student Life	890,500	-	890,500
Academic Affairs	13,296	-	13,296
Debt Service	2,567,985	-	2,567,985
Other	105,335	-	105,335
Total Auxiliary Enterprises	\$ 15,594,226	\$ 250,489	\$ 15,844,715
Total Expenditure Authorizations	\$ 137,678,363	\$ 869,038	\$ 138,547,401

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period January 1, 2012 to March 31, 2012
Notes of Significant Adjustments to Revenue and Other Additions

Tuition and Fees

Unbudgeted course fee revenue allocated to Academic Affairs totaled \$125,859

Sales and Services of Educational Activities

Unbudgeted revenue allocated during the third quarter totaled \$156,336

- Eagle Excellence Fund (EEF) support from the MSU Foundation totaled \$96,706
- Other athletic revenue totaled \$24,419
- Other miscellaneous revenue totaling \$35,211 was allocated primarily to Academic Affairs

Other Sources

Unbudgeted revenue allocated during the third quarter totaled \$106,557

- Unbudgeted support from the MSU Foundation totaled \$19,236
 - \$ 14,708 Academic Affairs
 - \$ 3,602 University Advancement
 - \$ 691 Student Life
 - \$ 235 President
- Revenue of \$23,000 from sale of Tippet & Second Street parking lot property was allocated for land acquisition
- Other miscellaneous revenue totaling \$64,321 was allocated primarily to Academic Affairs

Fund Balance – E&G

Budget allocations from fund balance for educational and general purposes totaled \$233,317

- \$ 134,779 Information Technology Master Plan Contract
- \$ 75,000 Employee recruitment and interview expenses
- \$ 12,193 Salary adjustment for VP Student Life
- \$ 11,345 Quality Enhancement Plan – operating expenses

Auxiliary Enterprises

Budget allocations from Auxiliary Enterprises increased by \$246,969

- \$ 216,969 University Bookstore revenues to support University Bookstore purchases
- \$ 30,000 Document Services revenue to support Document Services outsource expenditures

MOREHEAD STATE UNIVERSITY
Budget Amendments Greater Than \$200,000
For the Period January 1, 2012 to March 31, 2012

From:	To:		
Revenue and Other Additions	Division/ Budget Unit	Amount	Description

None.

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period of January 1, 2012 to March 31, 2012

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

APPROVE DISPOSAL OF REAL PROPERTY

Recommendation:

That the Board approve the Order to Dispose of Property relating to the razing of the buildings known as the Gilley Apartments.

Background:

Written Request to Dispose of Property

Authorization is being requested from the Board to raze two buildings originally constructed as apartment style residences and subsequently used for other purposes by the University. These two buildings contain five apartments each, and are surplus to the University's needs for residential use.

The buildings were purchased in 1971 as rental apartment units. Over the years, the apartments have been occupied by faculty, staff and students. As rental demand decreased, some of the units were converted to office space and some have been occupied by Greek organizations. The buildings contain approximately 7,500 square feet of space, and are located adjacent to the Academic Athletic Center (AAC).

In 2006, the University formulated an Athletic Facilities Master Plan (Plan) with the assistance of Heery International, an architectural/engineering firm from Atlanta that specializes in athletic facility use and design. The Plan provided for the removal of the Gilley Apartments and reuse of the land occupied by the apartment buildings as the site of the intercollegiate softball field and other athletic/recreational functions. However, since the development of the Plan, additional land has become available at the site of the former Sunny Brook Golf Course, and that location will provide a much better site for the softball facilities.

A more suitable use for the Gilley Apartment site is to accommodate the need for a practice facility for the intercollegiate soccer program and a site for intramural and other recreational activities. Over the past few months, Carman, Inc., a landscape architectural firm, has been working with Facilities Management and Athletics staff to develop plans for the proposed facility. The bid specifications are in the final stage of development, and the project can be started later this summer. The project will be funded from recreational fees approved and paid by our students prior to the opening to the Recreation and Wellness Center last year.

Statutory Authority

KRS 164A.575 (7) provides that the governing board shall sell or otherwise dispose of all real or personal property of the institution that is not needed for the institution's use, or would be more suitable consistent with the public interest for some other use, as determined by the board. The determination of the board shall be set forth in an order, and shall be reached only after review of a written request by the institution desiring to dispose of the property. Such request shall describe the property and state the reasons why the institution believes disposal shall be effected.

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

**BOR (VI-B-3)
June 7, 2012**

Recommendation:

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

In accordance with the provisions of House Bill 1 of the 2010 Extraordinary Session of the Kentucky General Assembly, the Board of Regents of Morehead State University hereby certifies that the issuance of the University's General Receipts Bonds, 2012 Series A will not result in an increase in tuition.

Background:

At its meeting on March 15, 2012 the Board of Regents adopted a resolution and approved the sale of the University's General Receipts Bonds, 2012 Series A. The bonds will be sold in June 2012 and the proceeds will be used to finance the renovation of West Mignon Hall.

The West Mignon Hall renovation project was authorized for agency bond funding in the 2010-12 Budget of the Commonwealth that was enacted through the passing of House Bill 1 of the 2010 Extraordinary Session of the Kentucky General Assembly. House Bill 1 requires the Board of Regents of a university issuing agency bonds to certify that (a) the project for which the bonds will be issued will generate sufficient funds to retire the bonded indebtedness and pay for ongoing operating expenses; or (b) that the issuance of the bonds will not result in an increased in tuition.

**APPROVE THE 2012/2013 OPERATING BUDGET,
FEE SCHEDULE AND PERSONNEL ROSTER**

**BOR (VI-B-4)
June 7, 2012**

Recommendation:

That the Board approve the recommended 2012/2013 Operating Budget, which totals \$135,700,000, the 2012/2013 Personnel Roster, and the 2012/2013 Fee Schedule.

Summary:

The 2012/2013 Operating Budget totals \$135.7 million, an increase of \$200,000 compared to the current fiscal year. The two primary fund sources in the operating budget are student tuition and fee revenue and state appropriations. New revenue from a 5 percent increase in student tuition and fees is included in the operating budget; however, the University faces reduced state support and increased fixed costs once again. The recommended budget demonstrates the University's commitment to efficiency and fiscal responsibility by including a significant reallocation of existing resources to support strategic needs and to cover fixed and unavoidable costs.

In addition to covering increases in University fixed costs such as utilities, scholarship commitments, and employee retirement benefits, the proposed budget includes investment of one-time reserve funds to improve a number of instructional and student support facilities.

Background:

The budget reflects the continued commitment to advancement of the University's mission by focusing on the goals and objectives as defined in the *ASPIRE 2010-2014 Strategic Plan*. The budget preparation process was inclusive of campus input and representation and resulted in the proposed \$135.7 million budget.

The parameters outlining the administration's management responsibilities related to the 2012/2013 Operating Budget and periodic reporting requirements to the Board of Regents are specified in the Budget Adoption Resolution on pages A-10 and A-11 of the separately bound 2012/2013 Operating Budget.

Analysis – Operating Budget:

Educational and General Funds (E&G) represent 88.2 percent of the total unrestricted Operating Budget and are the primary source of funds for the instructional and engagement missions of the University. The primary sources of the E&G budget (Chart 1) include tuition and fee revenue of \$67.4 million (56.3 percent) and state appropriations for operating of \$41.0 million (34.3 percent). The total reflects an increase in tuition and fee revenue of \$3.4 million (5.3 percent) and a decrease in state operating appropriations of \$2.8 million (6.4 percent) over the current year budget.

Educational & General Revenues 2012-2013 Operating Budget

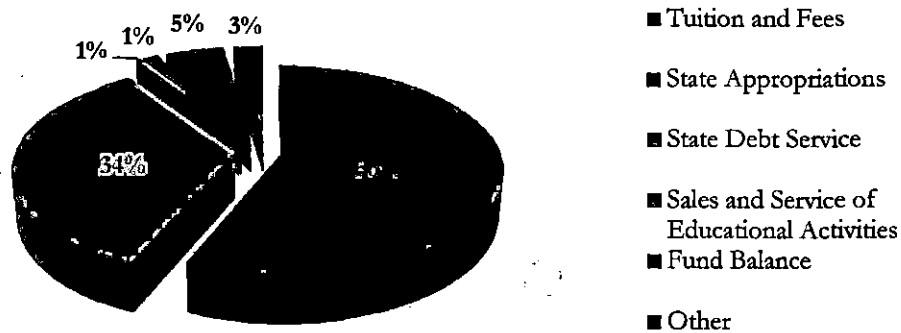


Chart 1

The 2012/2013 E&G Operating Budget reflects a continuation of the multi-year trend of the institution's growing dependency on tuition and fee revenue as state support available through general operating appropriations continues to decline (Chart 2).

Student Share vs. State Share

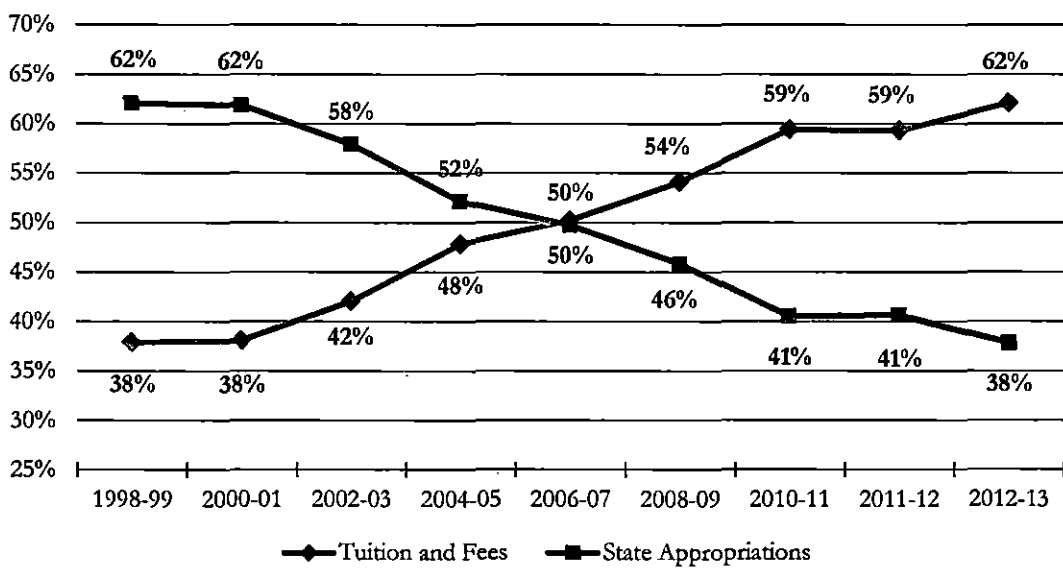
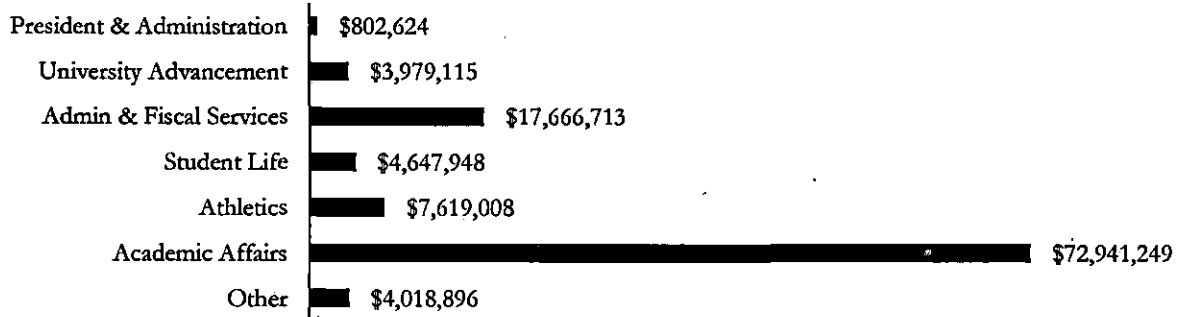


Chart 2

The following chart summarizes the 2012/2013 budgeted unrestricted E&G expenditures by organizational area.

2012-2013 E&G Operating Budget



Note: President and Administration includes President's Office, Board of Regents and Chief Diversity Officer

There is a notable decrease in the percentage of the E&G budget supported from **Fund Balance** included in the budget. Fund balance reserves are generally budgeted within the unrestricted operating budget to address strategic needs of a non-recurring nature such as renovation projects or investments in property and equipment. The \$2.0 million (24.4 percent) decrease in E&G resources supported by fund balance is primarily due to the budgeted use of one-time reserve funds in 2011/2012 to execute an option to purchase strategic property adjacent to the MSU campus owned by the Rowan County Fiscal Court. Subsequent to the property purchase in 2011/2012, a fund balance allocation is no longer necessary in 2012/2013 for this purpose. A number of additional capital renewal projects supported by fund balance reserves are planned to maintain and improve various instructional and student support facilities across campus.

Auxiliary Funds are generated by enterprises that are generally self-supporting through charging fees to students and others external to the institution. Auxiliary enterprises generate approximately 11.8 percent of the University's operating revenues and include services for student housing, dining, concessions and vending, document services, the University's bookstore operation and the Eagle Trace Golf Course. The budget includes an increase of \$697,263 (5.8 percent) in revenue over the current year budget for auxiliary enterprises and is primarily attributed to an increase in student housing rates effective in the fall 2012 semester and increased University Store sales.

The following chart aligns the various sources of funds with the University's use of funds to illustrate where University resources originate and what they support.

Funds	Source of Funds	Use of Funds
Recurring E&G Revenues	State Appropriations	Instruction
	Tuition and Mandatory Fees	Public Service
	Investment Income	Administrative Support
	Course and Program Fees	Student Financial Aid
	Athletic Revenues	Instructional Support
	Endowment Income	Student Services
	Transfers	Operations and Maintenance
	Student Service Fees	Research
Fund Balance	Savings and reserves from prior years	Capital Projects Non-recurring Strategic Investments
Auxiliary Funds	Housing Revenue	<i>Self-supporting auxiliary units pay all their expenses and receive no taxpayer or tuition support</i>
	Dining Revenue	
	University Bookstore Revenue	
	Eagle Trace Golf Course	
	Concessions and Vending	
	Document and Print Revenue	

Analysis – Fee Schedule:

A comprehensive review of the University fee schedule is conducted annually and recommended changes are presented to the Board for approval. The recommended 2012/2013 Fee Schedule is presented on pages C-1 through C-23 of the Operating Budget. A summary of the recommended rate changes for tuition and residence hall occupancy follows:

	Fall 2011	Fall 2012	Increase
TUITION and FEES			
Resident Undergraduate Tuition (15 hours)	\$3,371	\$3,542	\$171
Student Recreation Center Fee	\$100	\$100	\$0
Total Tuition & Fees (Resident Undergrad 15 hours)	\$3,471	\$3,642	\$171
HOUSING			
Average Residence Hall Rate	\$1,897	\$1,975	\$78

Housing:

Recommendations made by Brailsford & Dunlavey in the Comprehensive Housing Master Plan completed for Morehead State University in April 2006 included a 5 percent increase for residence halls and apartment housing for the 2012/2013 academic year. However, to remain competitive with local housing rental rates, the rate increase recommended in the 2012/2013 Operating Budget is 4 percent. A 7 percent increase is recommended for the newly renovated East Mignon Hall. The average weighted cost of a residence hall in 2012/2013 is \$1,975 per semester—an increase of 4.1 percent. Revenue generated from the increase in housing rates will be used to cover debt service associated with the ongoing renovation of the housing facilities as identified in the Housing Master Plan.

Tuition and Mandatory Fees:

The recommended 2012/2013 tuition rate schedule includes a 5 percent increase in the undergraduate resident per credit hour rate with a 60 percent discount on undergraduate hours enrolled above 12. Graduate rates have been recommended at 1.5 times the undergraduate per-credit-hour rate. Non-resident rates are recommended at 2.5 times the appropriate undergraduate or graduate resident rate and Internet courses are recommended at 1.35 times the appropriate undergraduate or graduate rate. The proposed rate schedule listed below is within the tuition increase parameters set by the Council on Postsecondary Education for Kentucky Comprehensive Universities for 2012/2013.

**Morehead State University
2012-2013 Tuition and Mandatory Fee Schedule
Effective Fall Semester 2012**

Tuition & Mandatory Fees	Rate	Per Credit Hour Rate		Full-Time Comparison Rate ¹
		Hours 1-12	Hours 13+	
Undergraduate				15 Credit Hours
Resident and Reciprocity	\$276	\$276	\$110	\$3,642
Non-Resident	\$690	\$690	\$276	\$9,108
Non-Resident Scholarship (Net Rate) ⁴ (New Student Fall 2012)	\$331	\$331	\$132	\$4,368
Non-Resident Scholarship (Net Rate) ⁴ (Student Enrolled Prior to Fall 2012)	\$373	\$373	\$149	\$4,923
Internet or Hybrid Delivery	\$373	\$373	\$149	\$4,923
Graduate				
Resident	\$414			
Internet or Hybrid Delivery ²	\$559			
Non-Resident	\$1,035			

Notes:

1. Full-time status is achieved for undergraduate students when enrolled in at least 12 hours. Full-time comparison rates are shown for an undergraduate at 15 credit hours which is the average hours needed each fall/spring semester to complete a baccalaureate degree program in four years.
2. Internet or hybrid delivery rates are assessed for courses delivered with at least 50% of the instruction online. Internet and hybrid courses will be assessed prior to non-internet courses for identifying the first 12 hours.
3. Non-resident students enrolled exclusively at a regional campus center will be assessed tuition and fees at the applicable resident rate.
4. Non-resident students who qualify for the Non-Resident Tuition Scholarship program will be billed at the full non-resident rate. Rates shown on this schedule are net after scholarship is applied which equates to 1.35 times the resident rate for students enrolled prior to fall 2012. The rate after scholarship is applied for new non-resident students in fall 2012 who qualify for the Non-Resident Tuition Scholarship program equates to 1.2 times the resident rate. All non-resident students are assessed the same internet or hybrid delivery rate and no scholarship is applied for internet or hybrid courses.
5. Discount rate for undergraduate hours enrolled above 12 not available in summer.

Analysis – Personnel Roster:

Salary and Benefit Increase:

Due to the budget challenges facing the University with continued reductions in state appropriations, no annual salary increase is recommended for faculty and staff in the 2012/2013 Operating Budget. Contractual obligations for salary increases associated with faculty promotion and tenure policies, staff reclassifications, education attainment policies, career ladders or other policy or employment agreements have been honored and are included in the 2012/2013 Operating Budget recommendation at a cost of \$335,307.

An increase of \$530,500 is included in the employee benefit accounts in the 2012/2013 Operating Budget to cover mandatory increases in the employer contribution rates for state employee retirement systems (KERS and KTRS). Additionally, a \$25,584 increase (9 percent) in employee dental benefit expenses is included in the budget.

A significant expense in the University's budget is the cost of the employee health insurance program. The 2012/13 Operating Budget includes \$6.9 million for the cost of the health insurance program. The University's health insurance program is fully insured with Anthem Blue Cross/Blue Shield. The University's emphasis on wellness programs, combined with Anthem's similar approach to providing employees with information to better manage their health care, resulted in a rate hold for the 2012 calendar year. Nationwide, health insurance premiums have increased by an average of 8.5 percent. Premiums for the 2013 calendar year will be established in fall 2012 and will be based in part on claims experience from calendar year 2012. Claims experience through the first few months of 2012 continues to be favorable. As future premium rates are established, the University will continue to manage the targeted rebalance of the share of total premiums paid by the University. The objective is to return the ratio balance to 75:25, where the University pays 75 percent of the total annual premium cost. For calendar year 2012, the ratio is approximately 77:23. This has been gradually reduced from a high of 82:18 over the past three years.

The 2012/2013 Personnel Roster contains a listing of the recommended authorized positions as of July 1, 2012. Funding for each position listed in the roster has been included in the proposed 2012/2013 Operating Budget. A total of 1,087 positions are recommended for 2012/2013 with an estimated 1,032 positions contracted to be filled as of July 1, 2012. Total personnel expenditures represent 56.8 percent of the total expenditure budget.

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

- Position ID number
- Employee currently holding the position
- Position title
- Appointment status if not a regular, full-time appointment
- Recommended salary at the start of the 2012/2013 contract period
- Contract months for exempt employees

Analysis – Student Financial Aid:

The 2012/2013 Operating Budget demonstrates the University's continued commitment to student financial aid with an increase of \$2.9 million (20.6 percent) in scholarship and waiver expense budgets. The increases are attributed to the cost of increasing existing scholarships to cover the recommended tuition rate increase, scholarship participation level increases, and an increase in the budget for unfunded state mandated tuition waivers. A reallocation of existing financial aid budget is also recommended to support the second year implementation of the Eagle Excellence Scholarship which offers to double a first-time freshman's Kentucky Educational Excellence Scholarship (KEES) award if they enter MSU with an ACT composite of 21 or above and do not receive any other full-tuition scholarship award from MSU. This change was implemented in fall 2011 to distribute aid across a wider group of students in more efficient amounts and improve affordability for all Kentucky residents. Additionally, an increase of \$625,000 is recommended for the third year implementation of the George M. Luckey, Jr. Academic Honors Scholarship. In fall 2012, forty new freshmen will receive the University's most competitive and prestigious scholarship.

2012/2013 Operating Budget Highlights

Development of the 2012/2013 Operating Budget to include funding fixed cost increases and support strategic needs with reduced state appropriation has required significant analysis, prioritization, and budget reduction strategy implementation from all divisions. The primary fixed cost increase categories and state appropriation reduction are summarized below:

Primary Fixed Cost Increases and State Reduction	
State Appropriation Reduction	2,804,500
Contractual Obligations (insurances, leases, etc.)	166,622
Housing/Debt Service	298,357
KTRS & KERS Retirement Contributions	530,500
Personnel Commitments (contractual)	335,307
Scholarships (participation level increases)	1,230,948
Scholarships (proportionate to tuition increase)	430,082
State Mandated Tuition Waivers	505,296
Utilities	403,750
Other Fixed Costs	250,715
Total State Appropriation Reduction and Fixed Cost Increases	6,956,077

The recommended budget strategies address the deficit resulting from fixed cost increases and state support reduction. The strategies include a combination of revenue generation, utilization of institutional reserves, and significant strategic budget reductions in all divisions of the University. In anticipation of a state imposed budget reduction, an institutional reserve fund of \$876,400 (2 percent of state appropriations-operating) was established in 2011/2012. As a result of the 6.4 percent state appropriation reduction enacted for 2012/2013, the 2 percent reserve was utilized to offset the loss of state funding. A summary of the budget strategies is included in the listing below:

Budget Strategies	
Revenue Generation	
Tuition Rate Increase (5%)	2,498,444
Housing Rate Increase (4%)	561,100
Auxiliary Revenue	144,400
Miscellaneous Revenue	29,795
<i>Total Revenue</i>	<u>3,233,739</u>
Reserve Fund	876,400
Budget Reductions (All Divisions)	2,845,938
Total Budget Strategies	6,956,077

The University maintained focus on preserving the core mission of instruction, scholarship and service in development of budget strategies recommended in the 2012/2013 Operating Budget.

Recommendation:

That the Board of Regents approve revisions to the *2012-13 Eagle Student Handbook* and Student Conduct Code.

Background:

The *Eagle Student Handbook* presents information that provides students with the ability to identify resources that can assist them throughout their career at Morehead State University.

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

The *Eagle Student Handbook* and Student Conduct Code are reviewed annually and revised as necessary and appropriate. The following are the proposed revisions, as approved by University protocol, for the *2012-13 Eagle Student Handbook* and Student Conduct Code:

- I. **Continue to update the Eagle Student Handbook to ensure it is an accurate, interactive, and user-friendly resource for students, faculty, and staff.**
- II. **Implement a more structured protocol for administering fines for violations related to alcohol and other drugs.**

Current Policy:

Fine (as listed in the *Eagle Student Handbook*):

In some cases, the Vice President for Student Life or the Assistant Vice President/Dean of Students will supplement sanctions with fines in an effort to hold individuals accountable for their actions. Examples of when fines will be levied include, but are not limited to, when a student fails to complete assigned community restitution hours, when a student is required to attend a session which requires outside resources such as a text and/or speaker, when the consequences for violating University policies have been outlined in a progressive-scale fashion, etc.

Student Conduct Code Fees/Fines (as listed in the Fee Schedule):

<i>Community Restitution Delinquent Fine:</i>	<i>Hours X minimum wage</i>
<i>Educational Materials Fee:</i>	<i>Cost</i>
<i>Administrative Fee</i>	<i>\$25</i>

Disciplinary Fines (as listed in the Fee Schedule):

In some cases, educational sanctions utilized in the University disciplinary process will be supplemented by fines in an effort to hold individuals accountable for their actions. Disciplinary fine amounts will be established on an annual basis through the use of legal statutes (e.g. minimum wage laws, etc.) and commonly held practices among like institutions of higher education. Disciplinary fines will be assessed using guidelines established in accordance with the Student Conduct Code and with approval from the President.

Proposed Policy:

Fine:

In some cases, the Vice President for Student Life or the Assistant Vice President/Dean of Students will supplement sanctions with fines in an effort to hold individuals accountable for their actions. Examples of when fines will be levied include, but are not limited to, when a student violates University policies associated with alcohol and other drugs, fails to complete assigned community restitution hours, is sanctioned to attend a session which requires outside resources such as a text and/or speaker, when the consequences for violating University policies have been outlined in a progressive-scale fashion, etc... Disciplinary fine amounts will be established on an annual basis through the use of legal statutes (e.g. minimum wage laws, etc...) and commonly held practices among like institutions of higher education and published in the Eagle Student Handbook.

Student Conduct Code Fees/Fines:

<i>Community Restitution Delinquent Fine:</i>	<i>Hours X minimum wage</i>	
<i>Educational Materials Fee:</i>	<i>Cost</i>	
<i>Alcohol, Tobacco, and Other Drugs:</i>	<i>First Offense</i>	<i>\$25.00</i>
	<i>Second Offense</i>	<i>\$50.00</i>
	<i>Third Offense</i>	<i>\$100.00</i>

Prepared by: Kevin S. Koett

Morehead State University
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	9,424	85.9%	95,232	89.6%	6,498	89.7%

Table 2: Enrollment by Classification

Classification	Fall 2011	Spring 2012	Spring as a % of Fall	
High School	2,343	1,367	58.3%	<i>*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.</i>
<i>Early College Program*</i>	1,618	1,116	69.0%	
<i>Transitional*</i>	725	251	34.6%	
Freshman	1,978	1,419	71.7%	
Sophomore	1,285	1,209	94.1%	
Junior	1,346	1,342	99.7%	
Senior	2,097	2,181	104.0%	
UnderGrad-Nondegree	220	232	105.5%	
PostBacc UG Degree Seeking	148	158	106.8%	
Auditor	3	2	66.7%	
Undergraduate Total	9,420	7,910	84.0%	
Masters	1,260	1,243	98.7%	
Specialist	25	33	132.0%	
Doctor's Degree Prof. Practice	61	57	93.4%	
Doctoral (enrollment only)	1	1	100.0%	
Graduate-Certificate	15	10	66.7%	
Graduate-Nondegree	189	170	89.9%	
Graduate Total	1,551	1,514	97.6%	
Grand Total	10,971	9,424	85.9%	

Source: Official data reported to the Kentucky Council on Postsecondary Education (CPE).

Board of Regents Meeting
Morehead State University
Riggle Room, Adron Doran University Center
9 a.m., Thursday, June 7, 2012

Agenda

- I. CALL TO ORDER
- II. ROLL CALL
- III. ADOPT RESOLUTIONS OF COMMENDATION FOR GLENN MEANS AND TERRY WHITE
- IV. REPORT ON STUDENT GOVERNMENT ASSOCIATION – Glenn Means
- V. APPROVE AWARDING OF FOUNDERS AWARD FOR UNIVERSITY SERVICE TO ROCKY ADKINS
- VI. PRESIDENT’S RECOMMENDATIONS AND REPORTS

A. Consent Agenda (Action)

- 1. Approve Minutes of March 15, 2012.....5-15
- 2. Ratify 2012 Spring Graduates 16
- 3. Approve Promotions, 2012..... 17
- 4. Approve Emeritus Status..... 18
- 5. Approve Educational Leave..... 19
- 6. Approve Tenure, Academic Administrators..... 20
- 7. Approve Personnel Actions 21-27
- 8. Approve Appointment of Auditing Firm..... 28
- 9. Approve Minimum Scope of Annual Audit 29-33

B. Recommendations (Action)

- 1. Accept Third Quarter Financial Report and Amend Operating Budget 34-43
- 2. Approve Disposal of Property 44-45
- 3. Adopt Resolution Relating to Agency Bonds 46
- 4. Approve 2012-2013 Operating Budget, Fee Schedule, and Personnel Roster 47-55
- 5. Approve Revisions to 2012-13 *Eagle Student Handbook* and the Student Conduct Code..... 56-57

C. Reports

- Final 2012 Spring Enrollment Report..... 58

D. President’s Report

VII. OTHER BUSINESS**A. President's Contract****B. Executive Session****C. Future Meetings**

1. BOR Work Session, Thursday, August 23, at 9 a.m. (Kentucky Center for Traditional Music Ribbon Cutting following BOR meeting)
2. Governor's Trusteeship Conference, Thursday and Friday, September 13-14 (Louisville)
3. BOR Quarterly Meeting, Thursday, September 20, 9 a.m.

VIII. ADJOURNMENT

Agenda materials are available online at <http://www.moreheadstate.edu/bor>